ANNUAL REPORT
FY 2021-22

Resilience. Growth. Sustainability.

Contents

Corporate Snapshot

Embassy Manyata Business Park, Bengaluru

Key highlights FY2022

42.8 msf*
Portfolio

₹29,626 million
Revenue from operations
↗ **26% YoY**

87%
Occupancy

₹24,911 million
Net operating income
↗ **23% YoY**

2.2 msf
New leases signed and renewed

₹24,250 million
EBITDA
↗ **23% YoY**

7.0 years
Weighted average lease expiry (WALE)

₹20,626 million
Distributions

Awards and Certifications

Golden Peacock Award for Sustainability 2021 from the Institute of Directors (IOD)

4-Star Rating in GRESB 2021 Assessment

Workplace Excellence' Awards for excellence in Innovation Technology and outstanding Return to Work strategy (Embassy TechZone) by iNFHRA Awards 2021-22

USGBC LEED Platinum v4.1 O+M' certification for 9.45 msf properties in Mumbai, Pune and Noida

BSI Assurance Certificate for Environmental, Social & Governance Processes

COVID-19 Assurance Certificate for Global Benchmark in Control Measures across all Office Parks

*Includes completed, under-construction and proposed future development

As of March 31, 2022


Embassy Manyata Business Park Bengaluru

Introduction and Overview

EMBASSY REIT AT A GLANCE

Transforming India's Commercial Office Landscape

Embassy REIT is India's first publicly listed REIT. As Asia's largest office REIT by area, Embassy REIT owns and operates a 42.8 msf portfolio of eight 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.

Embassy REIT's portfolio comprises 33.8 msf in completed operating area and is home to over 200 of the world's leading companies. The portfolio also includes strategic amenities, including four operational business hotels, two under-construction hotels, and a 100 MW solar park that supplies renewable energy to occupiers.

Quick facts

96
Buildings

203
Blue-chip occupiers

1,614*
Hotel keys

240,000
Occupiers' employees

100MW
Solar power park

12
Grade-A office parks and city-centre office buildings

*Includes completed, under-construction and proposed future development

Embassy Manyata Business park, Bengaluru

Sponsors

Blackstone is a leading global alternative investment firm that invests on behalf of pension funds, large institutions and individuals. As of March 2022 Blackstone managed approximately US$298 billion in Real Estate.

Embassy Group is a leading Indian real estate developer. Embassy has completed over 60 msf of office, industrial and residential development since the mid 1990s.

Key REIT strengths

Leading presence in key office markets with occupiers from high-growth technology and services sectors

Backed by world-class sponsors with leading footprints in commercial real estate in India and globally

Multiple embedded growth levers such as contractual escalations, mark-to-market rental reversions, on-campus development, low leverage and inorganic growth opportunities

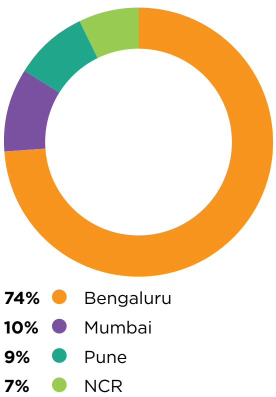
World-class tenant base with strong credit covenants

Highly experienced management with 20 years across leading asset management, operations, acquisitions and capital markets

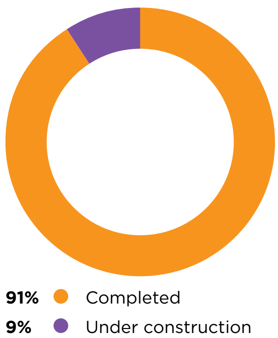
Portfolio

Our differentiated office portfolio serves as essential infrastructure for multinational corporations

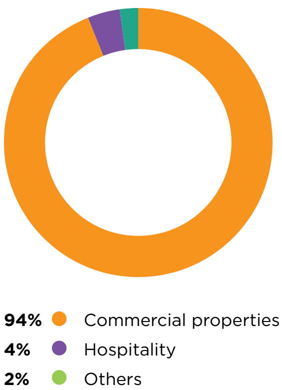
MARKET VALUE BY GEOGRAPHY



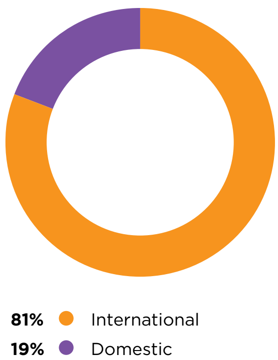
MARKET VALUE BY CONSTRUCTION STATUS



MARKET VALUE BY ASSET TYPE



OCCUPIER BASE



A Clear Vision for the Future

Today, despite two years under the shadow of the pandemic, it is clear that India's ability to deliver high-quality, skilled, and cost-effective talent at scale to the global technology sector and other tech-enabled businesses has a direct and positive correlation with our office business.

Dear Unitholders,

I am delighted to present this annual report to you and mark Embassy REIT's three-year anniversary since listing in April 2019. The Board is proud of the team accomplishments in these three years, despite the fact that we have all spent two of those years in the shadow of the global Covid pandemic.

The full financial year was impacted by two phases of lockdown – in June 2021 and January 2022. And despite 4-6 months of serious disruption to our occupiers and their employees, our business was able to deliver solid full year results, and to pay distributions through the year, in line with our guidance. This truly speaks to the resilience of our business model, and the strengths of the management team.

At the time of writing, we are seeing a rapid acceleration in the number of employees returning to their offices and indeed we are also seeing strong early stage demand for fresh leasing. We remain of the view that our total business ecosystem business parks will remain the workplace of choice for the hundreds of high quality global companies operating from India.

Our business strategy has always been focused on creation of long-term, total return value for you, our 30,000+ Unitholders. Four key pillars underpin our execution of this strategy.

Leasing - A Core Focus

Embassy REIT is primarily an asset manager, and we are focused on delivering world-class office solutions to global occupiers. In the three years since listing, we have cumulatively leased 6.4 msf across 135 deals and expanded our occupier base from 165 to over 200 corporates. Our contracted rent escalations of around 15% every three years as well as a 24% mark-to-market opportunity across our portfolio are the foundations of our rental growth.

We are confident in India's competitive advantage in providing high-quality, skilled, and cost-effective talent at scale to the rapidly growing technology sector and other tech-enabled businesses from across the globe. The pandemic has accelerated technology adoption in most business sectors across the world and has boosted the business outlook for both potential and existing occupiers. These businesses in turn have accelerated their hiring plans, and are looking to expand their office space requirements. We are well-positioned to cater to this demand with our Grade A wellness-oriented properties, the majority of which are located in Bangalore, India's strongest leasing market.

Organic Growth – Through New Development and 'Total Business Ecosystem'

Since our IPO, we have grown our net leasable area by 2.5 msf by developing and delivering on-campus projects on schedule. This includes the recent completion of JP Morgan's world-class built-to-suit facility at Embassy TechVillage, Bangalore. We have a further pipeline of 4.6 msf buildings to be delivered over the next few years, which will allow us cater to our existing as well as new occupiers.

Embassy REIT also launched Bangalore's largest mixed-use hospitality complex at Embassy Manyata comprising 619-keys dual-branded Hilton hotels, a state-of-the art convention center, along with a retail and F&B plaza, thereby creating a hospitality anchor at the entrance of our largest business park. Such amenities create a long-lasting competitive moat for our properties and deliver our 'total-business-ecosystem' proposition to our occupiers.

Inorganic Growth – To Expand the Portfolio Scale

Given that growth is a key focus for us, we actively evaluate acquisition opportunities in the market. Our acquisition strategy is based on our clearly defined criteria of high-quality, large-scale business parks located in the right micro-markets of the top Indian cities. Since listing, Embassy REIT, along with its investment entities, has successfully completed four acquisitions, comprising a total of 10.2 msf area as well as the facilities management business of 25 msf properties. With our business scale, understanding of the office sub-markets, on-ground network and relationships, strong balance sheet, and well-established access to capital markets, Embassy REIT is well-positioned to pursue further value-accretive opportunities.

ESG – For a Resilient and Sustainable Tomorrow

We believe that our ability to develop and maintain sustainable and energy-efficient buildings is a clear competitive advantage in a market where corporate occupiers are increasingly focused on high-quality sustainable workspaces. We continue to take a leadership position and remain at the forefront of the sustainability arena in the Indian real estate sector.

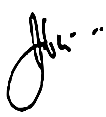
We have recently announced our commitment to achieve net- zero carbon emissions by 2040 across our operational portfolio, three decades ahead of India's 2070 target set at the Glasgow COP26 summit in 2021. We believe that our 2040 net zero commitment is aligned to your goals as well as the goals of our occupiers and other key stakeholders, and we will report regularly on our progress.

Management Transitions

In April, we announced the appointment of Vikaash Khdloya, currently Deputy Chief Executive Officer and COO, as the new CEO of the Manager to Embassy REIT from July 1, 2022, following Michael Holland's planned retirement from the business. Over a number of months, our Nomination & Remuneration Sub-Committee ('NRC') followed a rigorous process by engaging two globally recognised leadership consulting practices to assess potential external candidates as well as undertake an independent skills assessment. Post the conclusion of this process, the NRC unanimously endorsed Vikaash's appointment.

On behalf of the Board, I would like to thank Mike and Vikaash for their energy and commitment to the success of Embassy REIT over many years. Vikaash is an extremely effective business leader, a worthy successor to Mike and we are confident of a smooth transition. We would also like to convey our deep gratitude to Mike for making Embassy REIT one of the leaders in Asian real estate.

Finally, I would like to thank each of our employees for their diligence and execution in delivering another quality performance in a challenging environment. We also thank our unitholders, occupiers, business partners and all other stakeholders for their continued support.



Jitendra Virwani
Non-Executive Chairman

Strong Fundamentals, Consistent Delivery, Sustainable Values.

We successfully delivered on our leasing, development and financial targets in FY2022, despite Covid disruptions. We are excited for the upcoming year and will endeavour to continue delivering value to our stakeholders, as demonstrated consistently in the last 12 quarters since our listing in April 2019.

Dear Unitholders,

We recently completed the third year since our listing, delivering on numerous milestones and we are in excellent shape as we emerge from the pandemic.

We successfully delivered on our leasing, development and financial targets in FY2022, despite 4-6 months of Covid disruptions throughout the financial year. In the last year, we leased a total of over 2.2 msf, including over 1 msf of new leases, in-line with our enhanced leasing guidance. We delivered the 1.1 msf JP Morgan campus within timelines and budget; we launched one of India's largest mixed-use hospitality complex at Embassy Manyata, comprising 619 key dual-branded Hilton hotels, a 60k sf convention center and an 85k sf retail and F&B hub. And overall, we delivered on our distributions' guidance with ₹21 billion or ₹21.76 per unit annual distributions. So, a very good year, particularly so given the external environment.

Highlights of the Year | FY2022

Business:

- Leased 2.2 msf at 18% spreads across 47 deals, achieved 14% rent escalations on 7.7 msf across 89 deals
- Delivered 1.1 msf state-of-the-art JP Morgan campus, ramped-up new growth cycle with 4.6 msf office development
- Launched one of India's largest mixed-use hotel complex with 619 keys dual-branded Hilton hotels and 60k sf convention center at Embassy Manyata, already signed over 110 corporate contracts
- Integrated ₹97.8 billion Embassy TechVillage acquisition, delivered better than underwriting on a number of metrics

Financial:

- Grew Net Operating Income by 23% to ₹24,911 million, 5% higher than initial guidance, with operating margin of 84%
- Announced distributions of ₹20,626 million or ₹21.76 per unit, with 82% tax-free for Unitholders
- Raised ₹46 billion at 6.5% to refinance legacy zero-coupon bond, delivered c.300 bps or ₹1,300 million proforma annual savings
- Maintained strong balance sheet with low leverage of 24% and over ₹120 billion debt headroom to finance growth

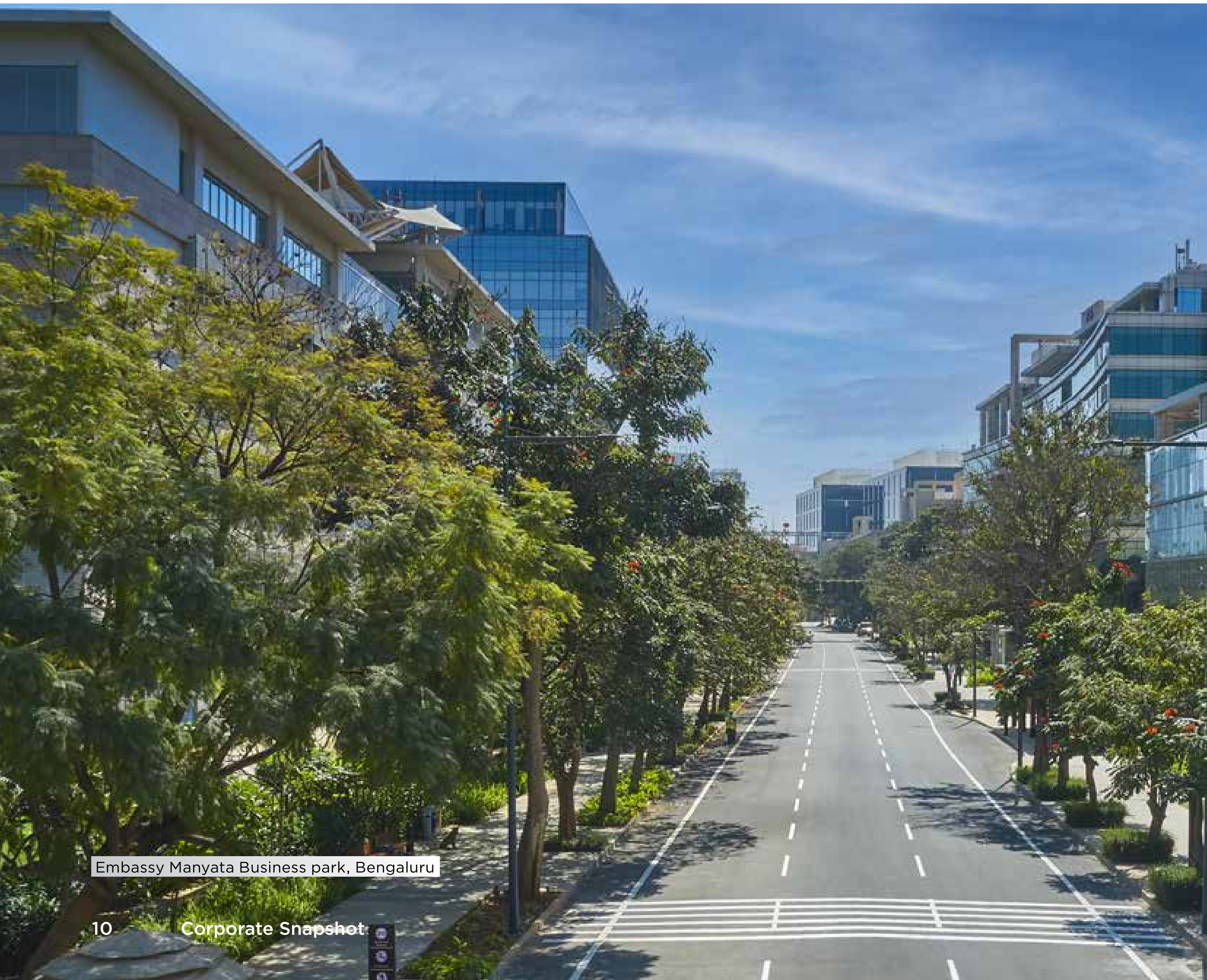
ESG:

- Announced 2040 net zero carbon operations target and a '75/25 Renewable' programme [(1)]
- Launched one of Asia's largest solar rooftop projects to install over 20 MW solar panels across pan-India properties
- Received USGBC LEED Platinum certification for all properties in Mumbai, Pune and Noida
- Enhanced sustainable finance portfolio to ₹22 billion; became first Indian real estate entity to receive green loan certification from Climate Bonds Initiative

(1) Target to achieve 75% renewable energy usage across our properties by FY2025

We have consistently reported strong performance over the last 3 years since our IPO in 2019. In that period we have signed a total of 6.4 msf leases across 135 deals, delivered 2.5 msf of new space, launched three 849 keys premium hotels, expanded our occupier base from 165 to over 200 corporates, acquired a 9.2 msf world-class business park, raised over ₹36 billion equity through India's first QIP by a REIT, raised over ₹174 billion debt, refinanced around ₹89 billion debt reducing our debt cost by around 265 bps, launched our ESG framework and 2040 net zero commitment, and finally, distributed over ₹58 billion to our Unitholders, which along with our stock performance delivered annualised total return in excess of 15%. Our team has accomplished a great deal in these 3 years, despite having two years in the shadow of the extraordinary circumstances of the global pandemic. This really speaks to the resiliency of our high quality business.

More recently, we have seen increases in interest rates across the world, including in India. Embassy REIT is well insulated from these rising interest rates given that we took a strategic decision in November of last year to re-finance our ₹46 billion legacy zero-coupon bond from 9.4% to 6.5%. That timing was prescient, and we now have over 62% of our debt locked-in at best-in-class low rates of 6.6% and we do not have any significant debt maturities in this financial year. So, as we emerge from the



Embassy Manyata Business park, Bengaluru

2 years of pandemic, our balance sheet remains strong with low debt to GAV and a high proportion of fixed, lower cost debt. We are well positioned for the current post pandemic upturn.

Over the past several years, we have highlighted the strengths of our core customer base – largely international corporates utilising technology to enhance the efficiencies of their businesses worldwide. We have benefitted from the strength and high quality covenants of these occupiers, and from the increased adoption and reliance on technology solutions globally. We are encouraged by the office leasing momentum backed by strong return to workplace trajectory, and the recent strong hiring by technology and global captive players. As a result, we believe that demand from these corporations will continue to grow over the coming years. We are committed to leadership and excellence in the Environmental, Social and Governance ('ESG') arena.

Earlier this year, we announced our ESG strategy based on 3 key pillars of Resilient Planet, Revitalised Communities and Responsible Business. We have committed to achieve net zero carbon emissions by 2040 across our operational portfolio and have set medium-term goals for our 19 ESG programs – key being our '75/25 Renewable Programme', i.e., our commitment to achieve 75% renewable energy usage across our properties by FY2025. To that end, we have initiated a 20 MW solar rooftop project across our pan-India properties, this being one of Asia's largest such initiatives. This project is on track for end 2022 completion and is expected to deliver over 30% IRR given the attractive 5.95% certified green financing.

In recognition of our efforts and leadership position in sustainability, we received multiple prestigious ESG recognitions, such as the Golden Peacock Award for Sustainability, a 4-star GRESB rating, a portfolio-wide WELL score and USGBC LEED Platinum rating for all our Mumbai, Pune and Noida properties. We consider our ESG focus and commitments to be aligned with the broader goals of our global occupiers and investors and our leadership position as a strong differentiator and a long-term advantage.

Finally, I have been very fortunate to lead our talented and dedicated teams since 2014 as we've transitioned the portfolio from private to public. The business and our existing leadership team has established its depth and resilience, and this is underscored by our strong FY2022 results. I am confident that the REIT and the Manager will be in good hands under the leadership of Vikaash and our highly capable and experienced senior management team.

I would like to thank all our stakeholders for their continuing trust in Embassy REIT and we look forward to your continued support.

Michael Holland
Chief Executive Officer

Well Positioned for Growth

We are well placed for growth considering improving leasing outlook, significant mark-to-market opportunity, our substantial on-campus development. We have a clear strategy to further reinforce our business through accretive growth by building and acquiring assets complementary to our existing industry-leading portfolio.

Dear Unitholders,

I am excited and honoured to lead the REIT through the next phase of growth after working with Mike, the management team and Sponsors for more than a decade. I thank Mike for his guidance and the opportunity to work with him over the years and wish him well for future.

Demand for high quality office parks and technology sector expertise in India continues to grow, providing significant tailwinds for Embassy REIT. The year ahead looks promising, and we are encouraged by the continuation of multiple positive themes for our business.

First, we have seen a continued improvement in office attendance and a reduction in Covid cases and restrictions since the peak of Omicron in January 2022; all of which has led to a marked resurgence in economic activity. As per the conversations with our key occupiers, we expect the physical occupancy numbers to continue on this upward trajectory over the coming weeks and months. As office utilisation continue to increase, ready availability of quality office stock becomes a key differentiator.

Second, the record performance of technology sector continues, leading to a considerable increase in their employee headcount in India. Global captives or GCCs are announcing strong hiring plans in India considering the availability of skilled talent at scale, the key differentiator. We are of the firm belief that this increase in the order books and headcount numbers of our target occupiers will materially translate into increased space requirements. Many Global Captives have now issued RFPs for pre-commitments. All this bodes extremely well for the medium-term future of office leasing in India.

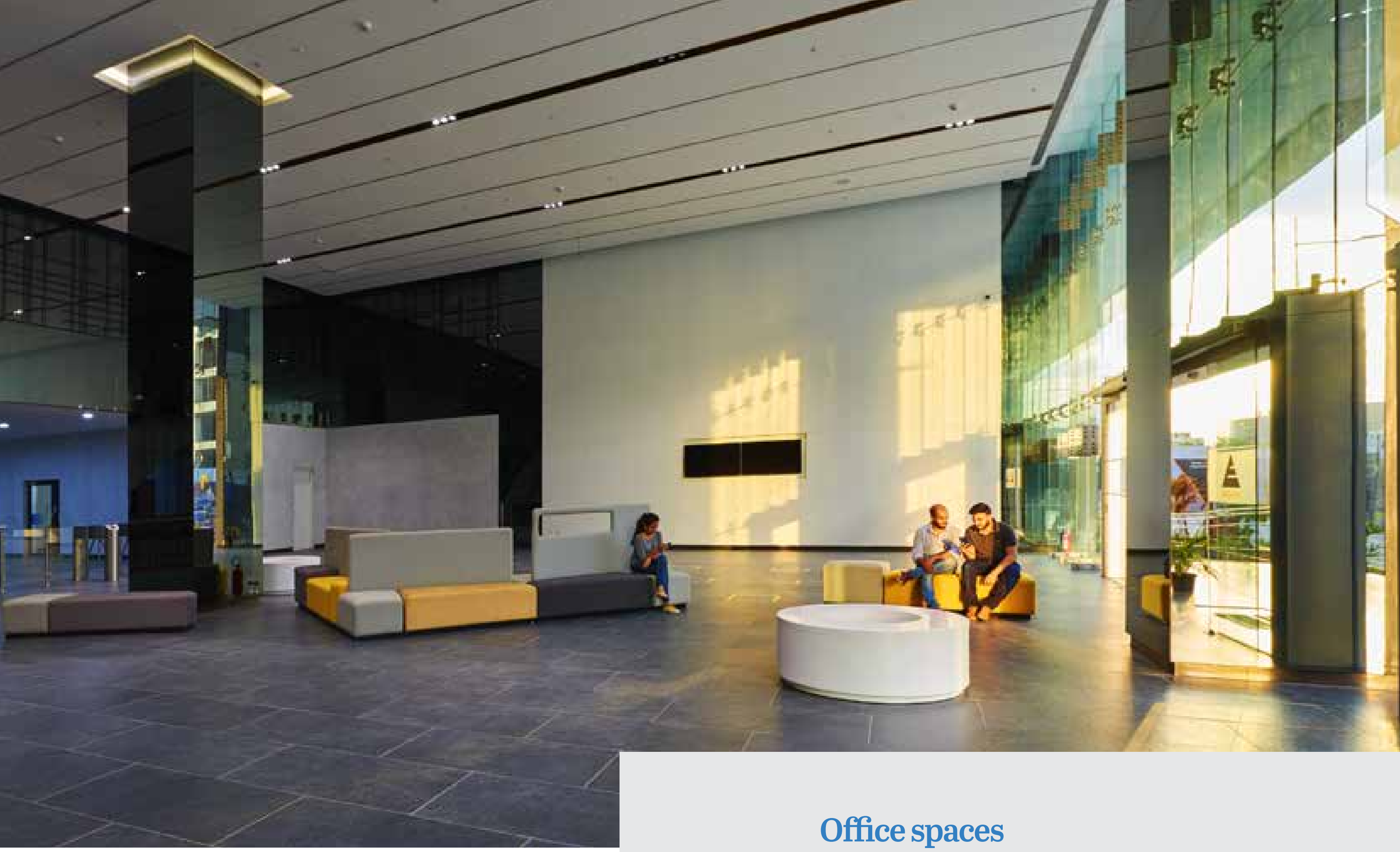
Third, the demand for wellness-oriented and sustainable office space continues to grow, especially from global occupiers, and increasingly as a means to attract and retain the best talent. We are well positioned to benefit from this demand acceleration given our concentration to the right markets and our focus on the 'total business ecosystem' offering and sustainability performance of our properties.

In summary, we concluded the year with strong execution of our leasing strategy, successful delivery and ramp-up of our office and hotel developments and considerable progress on ESG front. Looking forward, we are well placed for growth considering improving leasing outlook, significant mark-to-market opportunity, our substantial on-campus development. We have a clear strategy to further solidify our resilient business and undertake accretive growth by building and acquiring assets complementary to our industry-leading portfolio. We have an excellent team of over 160 very talented individuals who are committed to execute this strategy and are driven by our ultimate goal of delivering growth and maximising value to our Unitholders.

Vikaash Khdloya
Current Deputy CEO and Chief Operating Officer

COVER STORY

Total Business Ecosystem



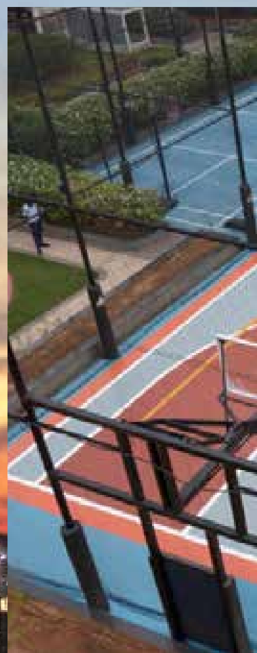
Office spaces

Embassy REIT is a leading owner and operator of Grade A office spaces in key gateway cities across India. Our campus-style buildings deliver a 'total-business-ecosystem' offering to our world-class occupiers and their employees, thereby providing an environment for innovation and collaboration.

Preference for high quality, wellness oriented offices continues to grow, as corporates seek to attract and retain talent, especially in the aftermath of the pandemic.

Our LEED-certified buildings are designed for efficiency, flexibility, and safety; with efficient floorplates for modularity and integrated security protocols (both physical and digital). We own the property management business for all of our parks, as it is a continuing theme for us given the long-term strategic benefits of full alignment and improved service delivery to occupiers. Many of our parks strategically include flex space as an amenity, as it allows for new occupiers to incubate their operations, and grow with us in the medium term.

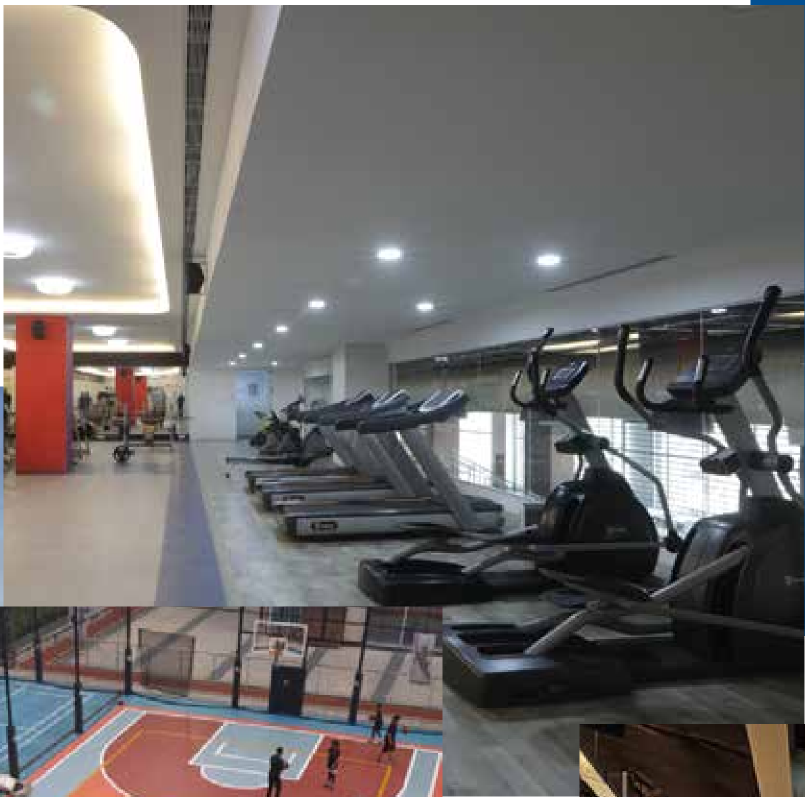
Our parks comprise of wellness-oriented Grade A buildings, and we go well beyond deploying class-leading office-space. Embassy REIT brings a Total Business Ecosystem for the benefit of our park occupiers, a clear competitive advantage in a leasing market where employee wellness and ESG considerations are increasingly in focus.



Hospitality

Our in-park hotels are a key amenity for our occupiers, as they cater to business travellers and also double up as event, dining and leisure facilities for our occupiers.

- We have a portfolio of 4 operational hotels (1,096 keys) and are constructing two more hotels in our Bengaluru parks.
- The Hilton Hotels Embassy Manyata Complex launched in May is one of the largest hotel complexes in South India.
  - The mixed-use complex brings a unique hospitality offering to North Bengaluru; with two hotels, five food and beverage outlets, a state-of-the-art convention centre, and a class-leading retail hub in the works.
  - Hilton Hotel (266-key 5-star), Hilton Garden Inn (353 key 3-star), Hilton Convention Centre (60,000 sq ft and 20,000 sq ft ballroom accommodates up to 2,000 people)



Social infrastructure and amenities

Our business parks and properties provide spaces and various amenities for collaboration, dining, shopping, fitness and leisure.

- Food courts, Restaurants and Retail hubs
- Amphitheatres and sit-out zones
- Gyms and Sports zones
- 'Central Garden' – a World Class Amenity Zone, is under construction at Embassy TechVillage

Embassy Manyata Business park, Bengaluru

Transport Infrastructure in and around the parks

Embassy REIT is committed towards developing infrastructure in Bengaluru in partnership with government agencies, for the benefit of park occupiers as well as the general public. Enabling walk-to-work, increasing safety and improving air-quality are key objectives.

- 1 km flyover at Manyata
  - ₹1.83 billion invested towards streamlining traffic and easing ingress/egress, to decongest traffic on the stretch by up to 70%
  - part of infrastructure initiatives undertaken in and around the park over the past 3 years
  - dedicated spur road provides access and egress to one of India's largest business parks, and one of South India's largest mixed-use hospitality complexes
- Public skywalk created at upcoming metro station near Embassy TechVillage
  - built in close association with Bangalore Metro Rail Corporation Limited
  - safe pedestrian movement around ETV for over 25,000 people daily
- Investing in Metro stations at entrance to Embassy Manyata and Embassy TechVillage on a Public-Private-Partnership basis

Embassy Manyata Business Park, Bengaluru


Embassy TechVillage, Bengaluru

Renewable power on-site

Solar rooftops are an efficient use of rooftop area in our parks and buildings, to cater to our own and occupier power needs in a sustainable manner

- Completed installation of 525kW solar rooftop panels at Embassy 247, contributing to 10% of site's energy requirements
- Order placed for 20 MW+ project for all our buildings, one of the largest such projects in Asia
- Attractive economics, with projected IRRs of 30%+

Essentials

Our properties also provide various essential services to around quarter million employees ensuring a safe, efficient and sustainable work environment.

- Creche to cater to employees who are working parents
- Hospitals, pharmacies and life-saving equipment: AEDs and COVID-care
- Fire-stations catering to the park and much beyond
- Banks and ATMs

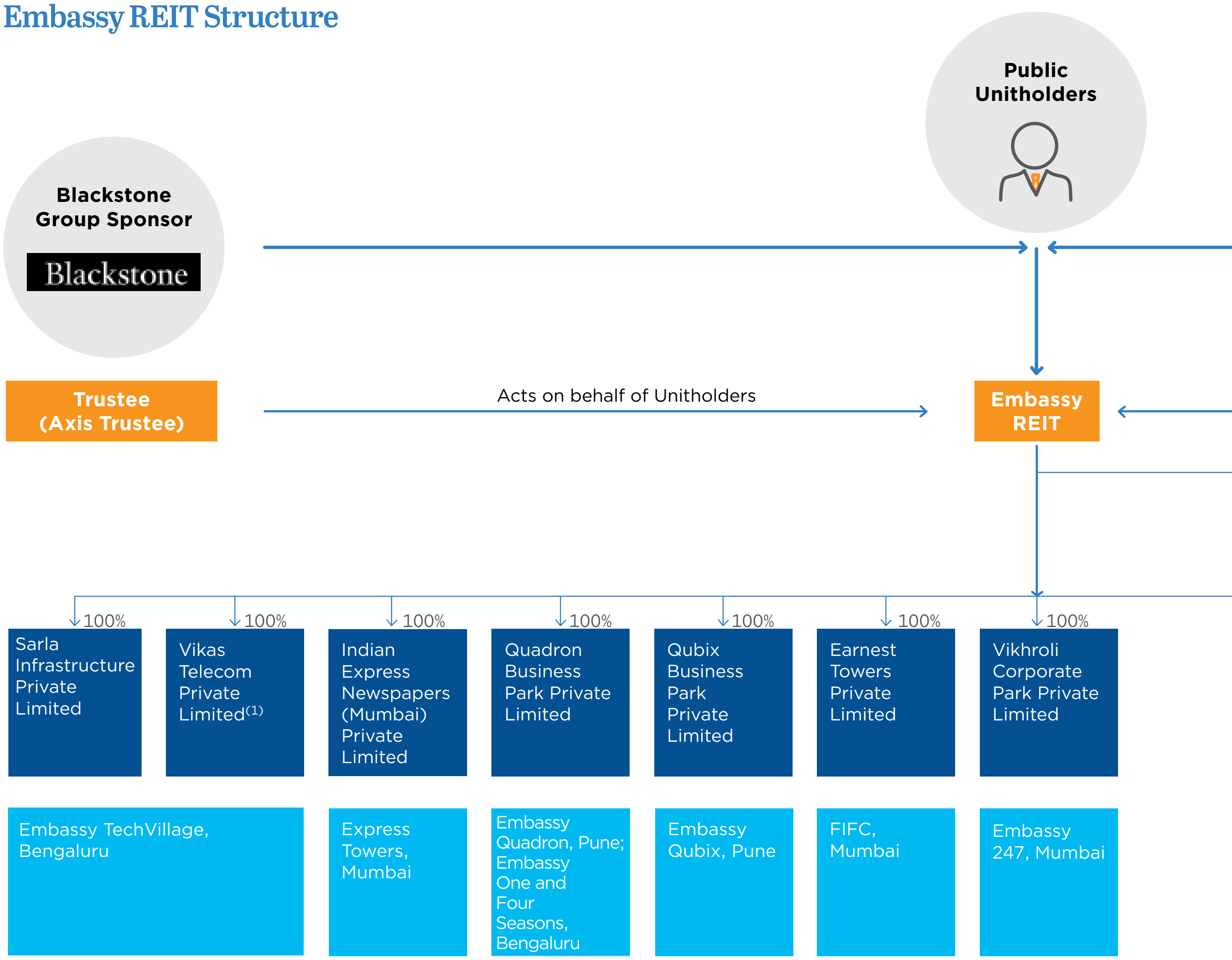
A Best-in-class Structure with the Strongest Safeguards for Unitholders

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 established 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.

Embassy REIT Structure

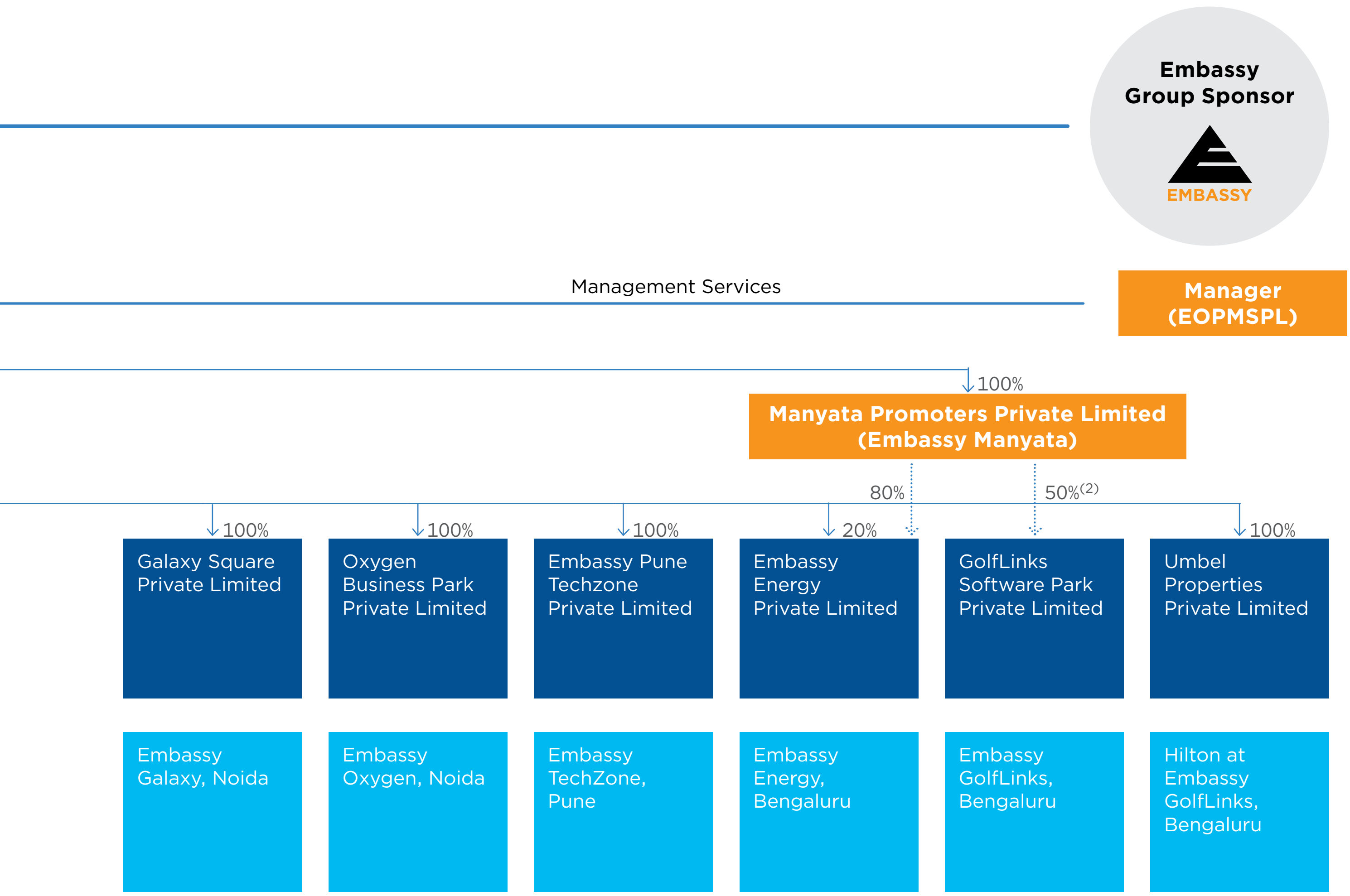


Note

(1) Pursuant to a scheme of arrangement (the 'Scheme') involving Embassy Office Ventures Private Limited ("**EOVPL**") and Vikas Telecom Private Limited ("**VTPL**") which was approved by the National Company Law Tribunal ('NCLT'), Bengaluru branch via order dated February 28, 2022, EOVPL merged with VTPL and is now a 100% directly held Special Purpose Vehicle of Embassy REIT

(2) Balance 50% owned by JV partner

(3) The 100% owned entities are held jointly with nominee shareholders for the Embassy REIT



OUR OCCUPIERS

Providing World-class Workspaces for the World's Best 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 run their global operations. 40% of our rentals comes from technology occupiers, and 48% gross of rentals are from Fortune 500 companies.

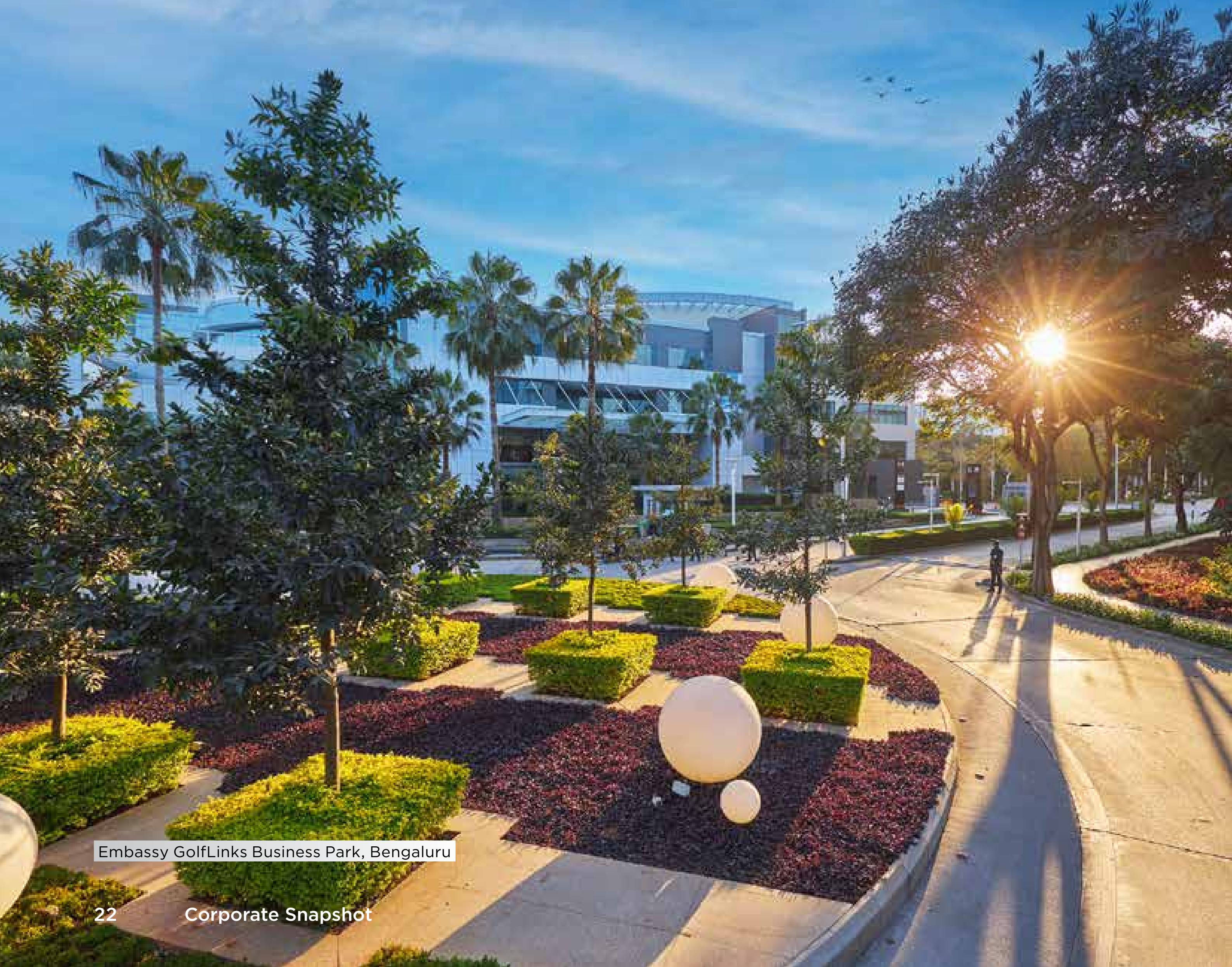
Category-wise occupiers

48% Fortune 500 companies

52% Others

19% Domestic

81% International



Embassy GolfLinks Business Park, Bengaluru

Contribution from Top 10 occupiers at 39% today (vs 42% at the time of listing)*

Top 10 occupiers	Sector	% of rentals
Global Technology and Consulting Major	Technology	8.1
JP Morgan	Financial Services	7.1
Cognizant	Technology	6.0
NTT Data	Technology	3.4
Flipkart	E-commerce	3.0
Wells Fargo	Financial Services	2.8
ANSR	Research, Consulting & Analytics	2.7
Google India	Technology	1.9
PwC	Research, Consulting & Analytics	1.9
Cerner	Healthcare	1.8
Total		**39.0**

Industry diversification[1]

Industry	Share
Technology	40%
Financial Services	19%
Others	11%
Research Consulting & Analytics	9%
Healthcare	6%
Telecom	5%
E-Commerce	5%
Retail	5%

* As on March 31, 2022

Notes: Actual legal entity names of occupiers may differ

(1) Represents industry diversification percentages based on Embassy REIT's share of gross rentals

OUR MARKETS

Located in India's Best Performing Office Markets

Our Grade A properties are located in prime gateway cities of India which have consistently led office absorption in the Indian real estate market.

Embassy GolfLinks Business Park, Bengaluru

Market Fundamentals

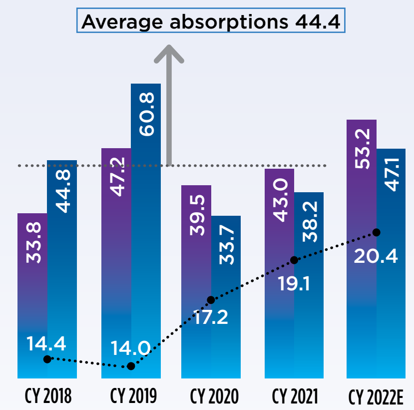
- Office demand expected to rebound strongly in 2022
  - 'Back to office' ramp-up, record tech spends and resulting hiring to drive leasing demand
  - Key drivers include India's STEM talent, demographics, lack of physical infra at home and increasing wellness
- Leasing momentum undeterred by Omicron wave, given low severity and near-universal vaccine coverage
  - Occupiers moving ahead to secure space to meet pent-up space requirement
  - Absorption in Q1CY22 at 11.2 msf (vs. 6.4 msf in Q1CY21, up 75% higher YoY)
  - Bangalore contributed 1/3rd of all new leases in Q1CY22, and ~60% of all active RFPs

CITY-WISE PERFORMANCE – CY2021

City	Gross absorption (msf)	Supply (msf)	Vacancy (%)
Bengaluru	11	13	11
Pune	4	5	16
Mumbai	4	6	26
NCR	5	6	28
Embassy REIT Markets	**23**	**30**	**20**
Hyderabad	11	12	17
Chennai	4	1	11
Kolkata	1	0	35
Other Markets	**15**	**13**	**18**
Grand Total	**38**	**43**	**19**

Source: CBRE Research, Embassy REIT

ABSORPTION TRENDS (CY2018 - TO DATE)
(MSF)



- Supply (msf)
- Gross absorption (msf)
- Vacancy (%)

Source: CBRE Research, Embassy REIT

Demand trends

Demand to rebound strongly in 2022 given increased offshoring and robust hiring by Technology Corporates and Global Captives.

Outlook

Short-term

- Robust growth in market enquiries, given vaccine coverage, stronger business outlook and pent-up demand
- Encouraging trend of new lease deals, by multiple new market entrants committing to premises
- 'Back to Office' ramp-up leading to surge in demand for readily available stock

Medium-term

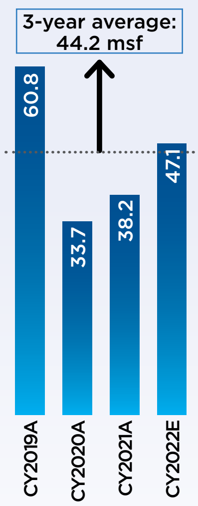
- Demand to rebound strongly given improving business sentiments, increased offshoring and robust hiring
- Large occupiers to proceed with expansion and consolidation plans leading to stronger leasing recovery
- Tech, global captives, startups to continue to drive demand

Portfolio implications

- Long term office space planning fast becoming a top priority for occupiers
- Wellness-oriented and green buildings to be preferred by global occupiers – institutional landlords to benefit
- Our high-quality portfolio makes us 'landlord of choice'
- With 74% concentration to Bangalore, REIT is well-positioned to capture demand rebound

PROFORMA DEMAND ANALYSIS
GROSS ABSORPTION (MSF)

Demand to rebound strongly in 2022 given increased offshoring and robust hiring by Technology Corporates and Global Captives



- CY21 witnessed 38 msf absorption (up 13% YoY)
- Q1 CY22 witnessed 11.2 msf absorption (up 75% YoY)
- Bangalore leading pan-India absorption at 31% share

Source: CBRE Research, C&W Research, Embassy REIT

Supply trends

Increase in announced market supply given demand rebound. However, actual supply is likely to be lower with only 19% of next 3 years supply being comparable and competing to REIT markets

Outlook

Short-term

- Developers facing liquidity issues likely to delay project completion
- Projects with high pre-commitments continue to be prioritised
- No significant impact of Omicron for projects by institutional landlords

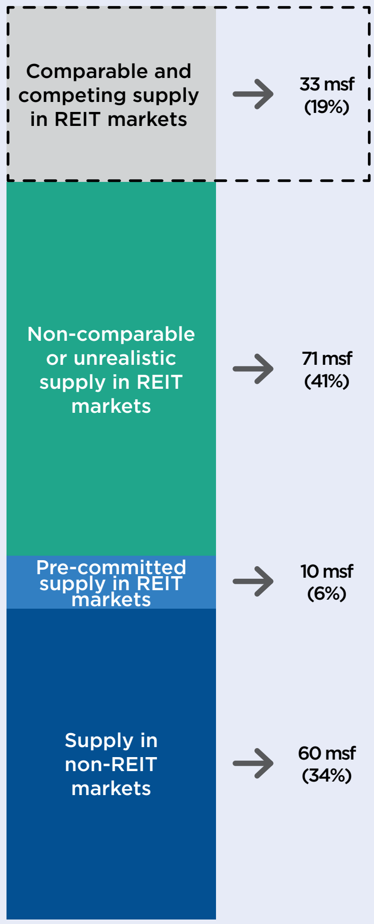
Medium-term

- Revival in demand and healthy market outlook leading to higher traction on supply side. However, supply in key micro-markets remains constrained
- Supply chain to be a key factor for timely completions
- Increased emphasis on infra, quality and wellness resulting in a shift in preference to new office buildings

Portfolio implications

- Competing market supply for REIT is significantly lower at 19% of announced market supply for next 3 years
- Over 70% of REIT's new development is in Bangalore, India's best office market
- REIT's delivery timing in sync with strong rebound. Further, REIT has sufficient funding in place

PROFORMA SUPPLY ANALYSIS



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 etc.

Creating Value. Maximising Growth.

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

Our strategy includes:

Capitalising on our portfolio's embedded organic growth and new development opportunities by:

- Leasing up unoccupied space
- Delivering on-campus development

Delivering accretive inorganic growth:

- Acquisition pipeline visibility of over 32 msf
- Financing capability in the equity and debt capital markets

Third-party acquisitions

Keeping expert and agile oversight to drive value through:

- Proactive property management
- Focus on occupier retention

Upholding good corporate governance with

50% Independent Directors

Strong safeguards related to leverage, related-party transactions and Unitholders' interests

Inorganic growth opportunities

Our strong balance sheet and network provides us with a steady acquisitions pipeline. We remain focused and disciplined to pursue opportunities which enhance Unitholder value.

Embassy TechVillage backland ROFO(1)(2)
(Bengaluru, up to ~4.2 msf)

Embassy Splendid TechZone ROFO(2)
(Chennai, ~5 msf)

Acquisitions criteria

- Large-scale, high-quality trophy assets with global occupiers
- Located in top 6 cities and dominant in respective micro-market
- Stable cash flows with strong embedded growth
  – Both MTMs on leases and new development potential
- Accretive acquisition for Unitholders, with optimum financing mix of debt and equity

Potential pipeline(2) (3)

9.2 msf
Select ROFO pipeline(3)

23.2 msf
Assets within partner(s) network and third-party opportunities

Our strategy is to create value by having a long-term perspective and pursuing accretive acquisitions, thereby enhancing value for our Unitholders.

Notes:

(1) Acquisition of ETV by the Embassy REIT excluded ~19.39 acres being developed by Embassy Commercial Projects (Whitefield) Private Limited (Embassy Whitefield), an entity which is owned by certain Blackstone entities and certain third-party shareholders, which area has been leased by VTPL to Embassy Whitefield on a long-term basis. The Embassy REIT has been granted a right of first offer in respect of the controlling interest in Embassy Whitefield by the shareholders of Embassy Whitefield

(2) The pipeline is indicative only. There can be no assurance that above opportunities or other pipeline opportunities will materialise in current form or at all or result in transactions.

(3) Embassy REIT has ~31.2 msf of ROFO opportunity from Embassy Sponsor and up to ~4.2 msf of ROFO opportunity from others

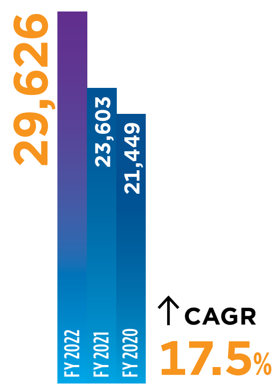
Embassy Oxygen, Noida

Performance and Business Review

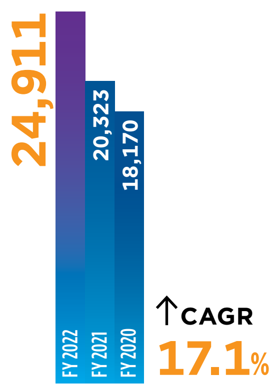
Delivering a Stable Performance

We delivered another resilient performance and growth in a period of uncertainty.

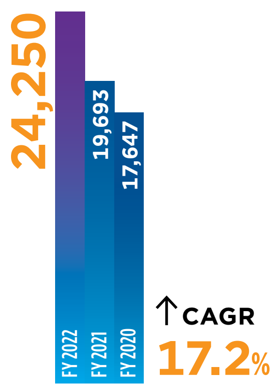
REVENUE FROM OPERATIONS (₹ IN MILLION)



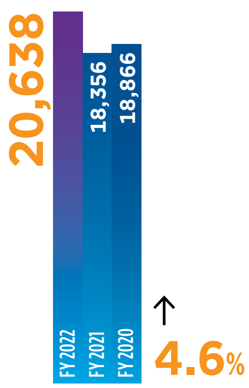
NET OPERATING INCOME (₹ IN MILLION)



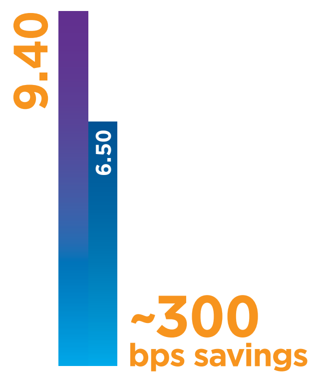
EBITDA (₹ IN MILLION)



NDCF (₹ IN MILLION)

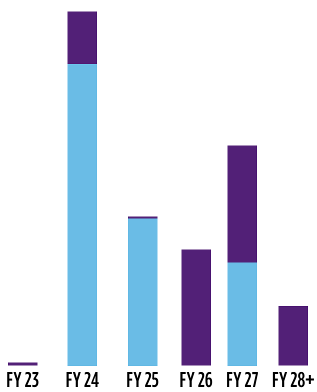


RAISED ₹46 BN COUPON BEARING DEBT AT 6.5% DEBT COST (%)



- Pre-refinancing interest cost
- Post-refinancing interest cost

PRINCIPAL MATURITY SCHEDULE (₹ IN MILLION)

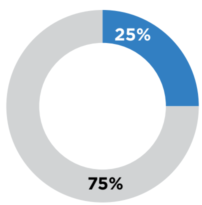


- REIT level debt
- SPV level debt

PRINCIPAL MATURITY SCHEDULE (₹ IN MILLION)

	FY23	FY24	FY25	FY26	FY27	FY28+
REIT	-	41,000	20,000	-	14,000	-
SPV	288	6,683	246	15,518	15,878	8,109
Total	288	47,683	20,246	15,518	29,878	8,109

NET DEBT TO MARKET CAPITALISATION (1) (₹ IN MILLION)



₹119,883
Net debt

₹352,379
Equity

NET ASSET VALUE (NAV)

Particulars (₹ million)	March 31, 2022
Gross Asset Value (GAV) (2,3)	4,90,078
Add: Other assets	77,115
Less: Other liabilities	(72,806)
Less: Gross debt	(1,21,013)
Net Asset Value (NAV)	3,73,374
Number of units	94,78,93,743
NAV per unit (₹)	393.90

LEVERAGE METRICS

Particulars	March 31, 2022
Net debt to GAV	24%
Net debt to EBITDA	4.46x
Interest coverage ratio	
- excluding capitalised interest	3.1x
- including capitalised interest	2.7x
Available debt headroom	₹120 billion

Notes

(1) Closing price on National Stock Exchange as at March 31, 2022

(2) Gross Asset Value (GAV) considered per Mar'22, valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually

(3) Refer glossary for details

Proactive capital management

₹12.5 billion
Cash and undrawn committed facilities [1]

₹46 billion
Refinanced at ~300 bps spreads

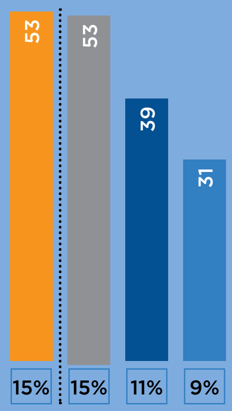
₹120 billion
Available debt headroom

AAA/Stable
Rating of listed NCDs by CRISIL

<1%
Debt maturing over next 12 months

6.7%
Average Debt Cost

PERFORMANCE SINCE LISTING
TOTAL RETURNS (%)



Embassy REIT
BSE SENSEX
MSCI US REIT
SING REIT Index
Annualised total returns until April 22, 2022

Source: Bloomberg. For period April 1, 2019 to April 22, 2022.

Embassy TechVillage, Bengaluru

A World-class Portfolio

Portfolio summary

Property	Leasable area (msf)/keys/MW			WALE (2) (years)	Occupancy (%)	Rent (₹ psf/month)			GAV (3)	
	Completed	Development	Total			In-place	Market	MTM (%)	₹ million	% of total
Embassy Manyata	11.8	3.0	14.8	6.7	88.3	65	93	43	1,83,028	37
Embassy TechVillage	7.3	1.9	9.2	9.9	99.0	74	94	27	1,16,329	24
Embassy GolfLinks(1)	3.1	-	3.1	7.1	94.2	128	150	17	31,560	6
Embassy One	0.3	-	0.3	8.1	33.0	150	147	(2)	4,678	1
Bengaluru Sub-total	**22.4**	**4.9**	**27.4**	**7.9**	**92.0**	**77**	**102**	**32**	**3,35,595**	**68**
Express Towers	0.5	-	0.5	2.8	80.7	277	270	(3)	17,987	4
Embassy 247	1.2	-	1.2	3.0	84.1	109	112	2	17,939	4
FIFC	0.4	-	0.4	3.5	77.5	300	275	(8)	14,045	3
Mumbai Sub-total	**2.0**	**-**	**2.0**	**3.0**	**82.1**	**180**	**176**	**(2)**	**49,971**	**10**
Embassy TechZone	2.2	3.3	5.5	4.1	86.0	50	48	(3)	22,441	5
Embassy Quadron	1.9	-	1.9	4.3	50.1	49	48	(3)	12,855	3
Embassy Qubix	1.5	-	1.5	5.5	89.3	42	48	15	9,999	2
Pune Sub-total	**5.5**	**3.3**	**8.8**	**4.5**	**74.5**	**47**	**48**	**2**	**45,295**	**9**
Embassy Oxygen	2.5	0.7	3.3	9.6	75.8	50	54	7	24,648	5
Embassy Galaxy	1.4	-	1.4	1.4	85.1	35	45	28	9,276	2
Noida Sub-total	**3.9**	**0.7**	**4.6**	**7.2**	**79.0**	**45**	**51**	**13**	**33,924**	**7**
Sub-total (Commercial Office)	**33.8**	**9.0**	**42.8**	**7.0**	**87.1**	**75**	**93**	**24**	**4,64,785**	**94**
Four Seasons at Embassy One	230 Keys	-	230 Keys	-	23.2	-	-	-	7,938	2
Hilton at Embassy GolfLinks	247 Keys	-	247 Keys	-	29.4	-	-	-	4,280	1
"Hilton & Hilton Garden Inn at Embassy Manyata (5 & 3 star)"	619 Keys	-	619 Keys	-	23.3	-	-	-	7,496	2
Hilton & Hilton Garden Inn at Embassy TechVillage (5 & 3 star)	-	518 Keys	518 Keys	-	-	-	-	-	210	0
Embassy Energy	100MW	-	100MW	-	-	-	-	-	8,965	2
Sub-total (Infrastructure Assets)	**1,096 Keys / 100MW**	**518 Keys**	**1,614 Keys / 100MW**						**28,889**	**6**
Total	**33.8 msf/1,096 Keys /100MW**	**9 msf / 518 Keys**	**42.8 msf / 1,614 Keys**						**4,93,674**	**100**

Notes:

(1) Details included in the above table are for 100% stake in Embassy GolfLinks, except GAV which reflects Embassy REIT's 50% economic interest in GLSP

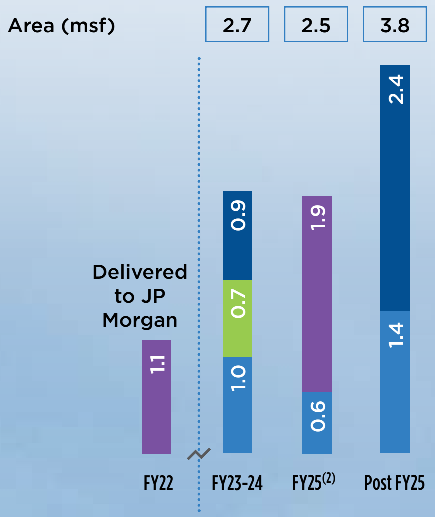
(2) Weighted against Gross Rentals assuming occupier exercise their renewal options after the end of the initial commitment period

(3) Gross Asset Value (GAV) considered per Mar'22, valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually.

Development update

Delivered 1.1 msf JP Morgan campus at ETV, ramped up construction activity for 4.6 msf office development

DEVELOPMENT PIPELINE[1] (MSF)



- Embassy Manyata
- Embassy Oxygen
- Embassy TechZone
- Embassy TechVillage

70% of new development in Bangalore, India's top office market

Projects in progress

Asset	Projects	Area (msf)/keys	Estimated Completion date
Embassy Manyata[3]	M3 Block A	1.0	Dec-22
Embassy TechVillage	Block 8	1.9	Sep-24
Embassy TechZone	Hudson Block	0.5	Sep-22
Embassy TechZone	Ganges Block	0.4	Sep-22
Embassy Oxygen	Tower 1	0.7	Jun-23
Total		**4.6**	

Proposed development

Asset	Projects	Area (msf)/ keys	Remarks
Embassy Manyata	L4 Block	0.7	Design finalised, plan sanction being initiated
Embassy Manyata	F1 Block	0.7	To be initiated
Embassy Manyata[3]	M3 Block B	0.6	Design finalised, excavation completed, awaiting acquisition of transferable development rights and building approvals
Embassy TechZone	Blocks 1.4, 1.9 & 1.10	2.4	To be initiated
Embassy TechVillage	Hilton Hotels	518 keys	Design finalised, excavation in progress. Target construction launch by Jul'22
Total		**4.4 msf/518 keys**	

Notes

(1) Excludes 518 hotel keys at Embassy TechVillage

(2) Includes acquisition of 0.6 msf M3 Block B located within overall Embassy Manyata campus upon estimated building completion in Mar'25

(3) Comprises acquisition of transferable development rights and building approvals

1.1 msf

JP Morgan built-to-suit 100% pre-committed

Embassy TechVillage, Bengaluru

Commercial office update

During the year, we leased 2.2 msf across 47 deals, comprising 1 msf of new leases at 27% re-leasing spreads and 1.2 msf renewals at 13% renewal spreads. Achieved 2.2 msf total lease-up at 18% spreads; focused on occupiers from high growth sectors such as SaaS, EV and E-Commerce.

2.2 msf
Of new leases and renewals

56%
Existing occupier expansion

18%
Combined re-leasing/ renewal spreads

Embassy TechVillage, Bengaluru

Notable deals signed for the year ended March 31, 2022[1]

Occupier[1]	Asset	City	Area ('000 sf)	Sector	Quarter
Cognizant	Embassy Quadron	Pune	260	Technology	Q1
Tata Technologies Limited	Embassy Qubix	Pune	93	Technology	Q1
Optum Global	Embassy Oxygen	Noida	63	Healthcare	Q1
Hudson Bay Company	Embassy Manyata	Bangalore	47	Retail	Q1
Others	Various	Various	82	Various	Q1
Sub-total			**545**		
Nokia	Embassy Manyata	Bangalore	511	Telecom	Q2
NCSI Technologies	Embassy Qubix	Pune	46	Telecom	Q2
Employtech	Embassy TechVillage	Bangalore	43	Others	Q2
Oracle	FIFC	Mumbai	33	Technology	Q2
Others	Various	Various	80	Various	Q2
Sub-total			**713**		
Commonwealth Bank of Australia[3]	Embassy Manyata	Bangalore	129	Financial Services	Q3
WeWork	Embassy One	Bangalore	55	Co-working	Q3
Concentrix	Embassy Manyata	Bangalore	54	Technology	Q3
DP World	Embassy GolfLinks	Bangalore	29	Logistics	Q3
Atlassian[3]	Embassy GolfLinks	Bangalore	29	Technology	Q3
Others	Various	Various	133	Various	Q3
Sub-total			**429**		
DBS Bank	Express Towers	Mumbai	82	Financial Services	Q4
Google	FIFC	Mumbai	61	Technology	Q4
Autodesk	Embassy GolfLinks	Bangalore	61	Technology	Q4
Marelli	Embassy Manyata	Bangalore	55	Engineering & Manufacturing	Q4
Linedata Gravitas	Embassy 247	Mumbai	36	Technology	Q4
Gallagher Insurance	Embassy 247	Mumbai	26	Financial Services	Q4
Others	Various	Various	233	Various	Q4
Sub-total			**555**		
Total			**2,240**		

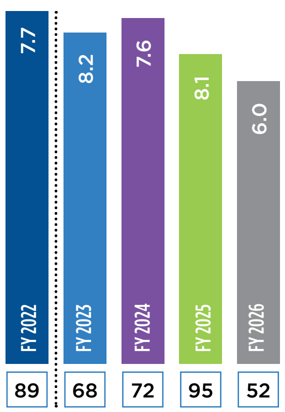
1,015
New leasing

533
Renewals

691
Renewals

[1]Actual legal entity name may differ
[2]Through an enterprise solution between end use occupier and Tablespace (co-working operator)
[3]Through an enterprise solution between end use occupier and WeWork (co-working operator)

EMBEDDED RENT ESCALATION OF 14% AIDS NOI GROWTH
AREA (MSF)

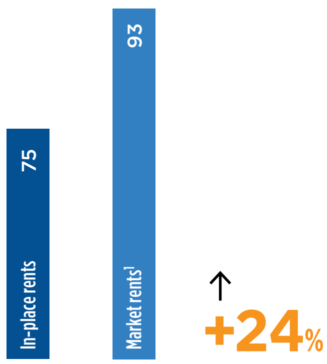


Rent escalations (%)	14	14	14	14
Post escalation MTM opportunity (%)	13	33	17	25

Successful rent escalation
Number of occupiers

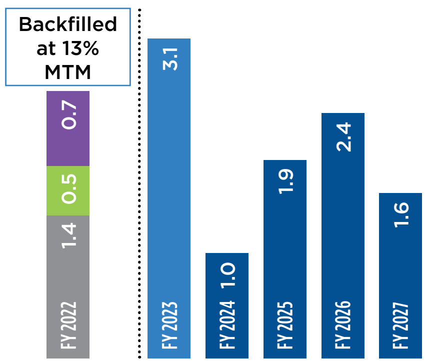
Q4 Update: Achieved 15% rent increase on 2.3 msf

MARKET RENTS 24% ABOVE IN-PLACE RENTS
RENT (₹ PSF/MONTH)



(1) Refers to annualised rent obligations for Embassy REIT
Source: CBRE Research March 2021, Embassy REIT

36% OF LEASES EXPIRE BETWEEN FY2023-27
AREA EXPIRING (MSF)



Early renewal
Renewal completed
Exits

Mark-to market opportunity (%)[1]	32	17	48	21	13
Rents expiring (%)[2]	8	4	7	11	6

(1) Refers to MTM potential computed basis market rent per latest CBRE estimate and in-place rent for respective leases
(2) Refers to annualised rent obligations

Hospitality update

Rebound in hospitality demand given eased restrictions, ramp-up of corporate travel and pent-up leisure demand.

Launched India's largest mixed-use Embassy Manyata, expands Total Business Ecosystem

Spread over 619 keys, 60k sf convention centre, including 13k sf ballroom capable of hosting 1500 people

Integrates 85k sf retail and F&B hub, making it a full portfolio offering providing 'Work, Stay, Meet and Dine'

Launch timing in sync with rebound in corporate and leisure travel and resulting occupancy pick up

Signed over 110 corporate contracts; robust event pipeline for convention centre

Hilton at Embassy GolfLinks

247
keys

5-star
hotel

29%
Occupancy

Operational

₹(35) million
EBITDA

2021 Travellers Choice Award
- by TripAdvisor

Four Seasons at Embassy One

230
keys

5-star
luxury hotel

23%
Occupancy

Operational

₹(115) million
EBITDA

Copitas ranked no 3
among 30 Best Bars India Awards 2022

Hilton Hotels at Embassy Manyata

619
keys

5-star and 3-star
hotel

100+k sf
retail and convention centre

Operational

₹0.2 million
EBITDA

23%
HGI Occupancy

Hilton
launched in May 2022

EBITDA positive in 1st month post its launch
– by Asia Pacific Property Awards

Responsible Communications with Stakeholders

We proactively engage with Unitholders and analysts to give them a clear and transparent view into how we run our business.

FY2022 highlights

53%
Total returns since listing

30,000+
Retail Unitholders

56%
Free float

17
Sell-side analysts cover Embassy REIT

9x
Increase in retail holders since listing

100+
Institutional investors engaged with globally

Awarded GRESB B-rating in Public Disclosures, higher than the global average

Embassy TechVillage, Bengaluru

In FY2022, we engaged with over 100+ investors across geographies.

↑ 53% TOTAL RETURNS

Strong track record

Since listing in April 2019, we delivered 53% in total returns.

Index inclusions

FTSE Russell Global Equity Index series

FTSE EPRA NAREIT Global Emerging Index

S&P Global Property Index

S&P Global REIT Index

MSCI Global Small Cap Index

We are particularly focused on:

Engaging proactively with our Unitholders

Embracing quality disclosure standards

Addressing Unitholders' grievances and queries swiftly and accurately

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)

Analyst coverage

Embassy REIT is covered by following brokerage houses:

AMBIT CAPITAL

AXIS CAPITAL

AXIS SECURITIES

BANK OF AMERICA

CLSA

CREDIT SUISSE

GOLDMAN SACHS

HSBC SECURITIES

ICICI SECURITIES

IIFL SECURITIES

INVESTEC

J.P.MORGAN

KOTAK INSTITUTIONAL EQUITIES

MORGAN STANLEY

NIRMAL BANG

JEFFERIES

UBS SECURITIES

Investor and analyst engagement calendar FY2022

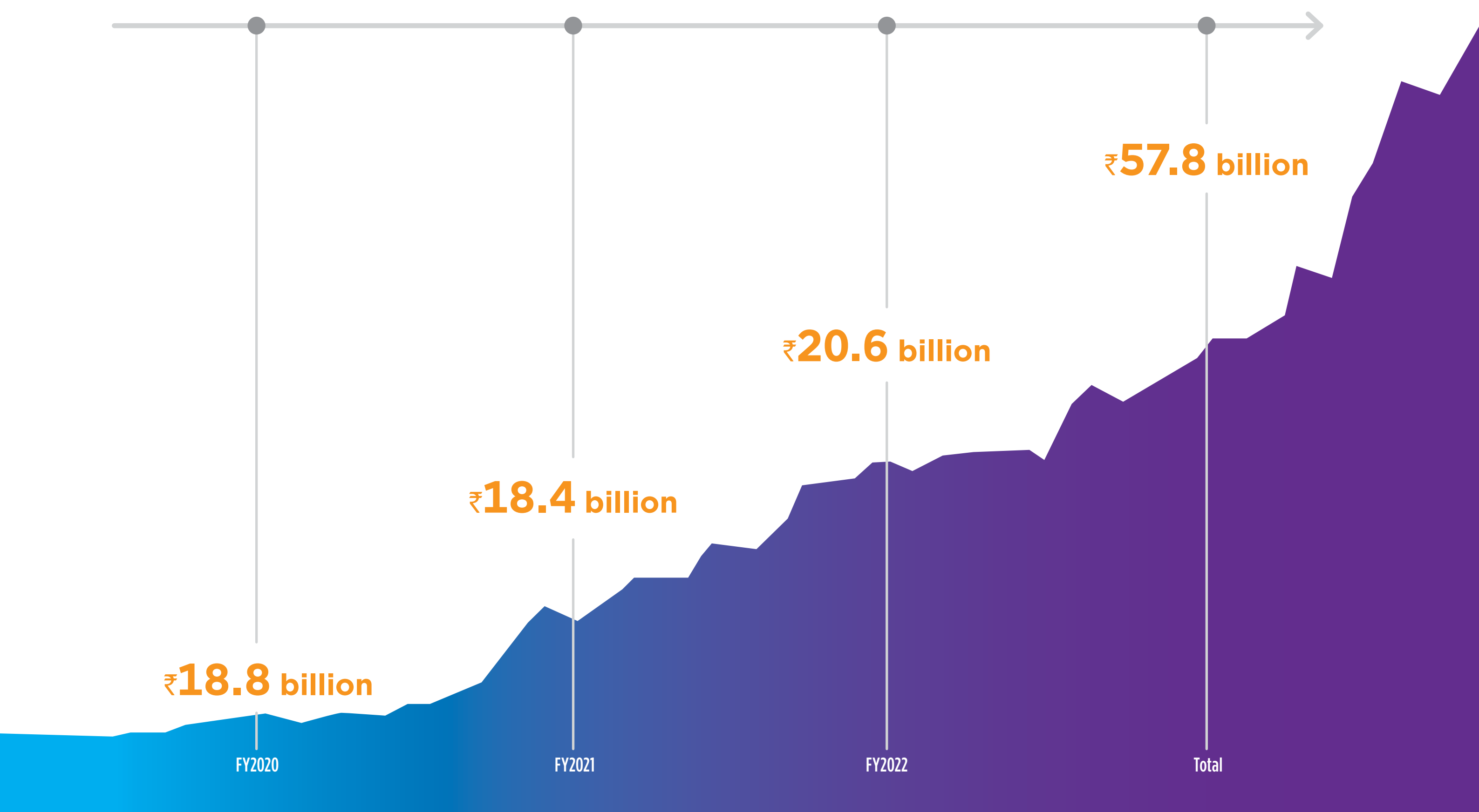
May-25	Participation in BofA 2021 APAC Financial, Real Estate Equity and Credit Conference”
June 22, 2021	Participation in Capital Research Global Investors (CRGI) Yield Conference 2021
June 24, 2021	Participation in ICICI Securities Virtual ESG Conference
June 17, 2021	Participation in ExchangeConnect Capital Market Outreach Conference
June 8-9, 2021	Participation in Morgan Stanley Virtual India Summit
June 1, 2021	Participation in Nirmal Bang Institutional Equities Conference
August 26, 2021	Participation in NSE Webinar “Real Estate Investment Trusts - The Next Investment Avenue”
Sept. 01, 2021	Participation in Daiwa Pan-Asia REIT Conference 2021
September 13, 2021	Participation in Motilal Oswal Annual Global Investor Conference
September 21 - 23,2021	Participation in BofA Securities 2021 Global Real Estate Conference 2021
September 20 - 23, 2021	Participation in J.P. Morgan India Investor Summit 2021
November 15-18 2021	Participation in 24th Annual CITIC CLSA India Forum
November 18, 2021	Participation in NBIE 11 Year Anniversary - Virtual meeting with investors
November 17-19, 2021	Participation in Morgan Stanley's Twentieth Annual Asia Pacific Summit
February 14-18, 2022	Participation in IIFL's 13th Enterprising India Global Investors' Conference - CEO Track
February 14-18, 2022	Participation in Axis Capital India Conference
February 16 - 17, 2022	Jefferies India Housing & Real Estate Summit
February 14 -18, 2022	Participation in Nirmal Bang Equities - Virtual meeting with investors
February 21-25, 2022	Participation in Chasing Growth - Kotak Institutional Equities
March 22-23, 2022	Analyst Day
March 21-24, 2022	25th Credit Suisse Asian Investment Conference

Note: All above meetings were attended/conducted through audio/visual conferencing

Rewarding Unitholders

₹57.8 billion

Distributions paid since listing



Unitholding pattern

Particulars	% Holding	Units
Sponsor & Sponsor Group		
Foreign Body a. BRE/ Mauritius Investments – Sponsor (Body Corporate) b. Sponsor Group (Bodies Corporate)	31.71	30,05,97,191
Indian Body Corporate	12.18	11,54,84,802
Sub-total Sponsors	**43.89**	**41,60,81,993**
Institutional		
AIF	0.56	53,52,887
FPI	30.71	29,11,09,359
Insurance Company	2.46	2,33,44,379
Mutual Fund	3.38	3,19,98,506
Pension / Provident Fund	0.28	26,80,434
Sub-total Institutions	**37.4**	**35,44,85,565**
Non Institutional		
Clearing Member	0.04	3,38,529
Body Corporate	2.06	1,95,16,580
Individual	16.06	15,22,17,189
NBFC	0.22	21,02,600
NRI	0.33	31,37,987
Trust	0	13,300
Sub-total Non-Institutional	**18.71**	**17,73,26,185**
Total Units Outstanding	**100**	**94,78,93,743**

Note: As on March 31, 2022

Trading snapshot

Particulars	March 31, 2022	
Units Outstanding	94,78,93,743	94,78,93,743
Unit Price Performance (₹)	**NSE**	**BSE**
Opening Price: April 1, 2021	325.40	325.00
Closing Price: March 31, 2022	371.75	371.72
52-Week Closing High (₹ per Unit)	389.98	390.07
52-Week Closing Low (₹ per Unit)	304.57	304.89
Market Capitalisation (₹ billion)		
March 31, 2022	352.38	352.35
Trading Volume for FY2022		
Units (million)	190.30	90.53
₹ billion	66.63	31.70
Average Daily Trading Volume (ADTV) for FY2022		
Units	7,67,321	3,65,036
₹ million	268.66	127.83

Source: NSE (Designated stock exchange) and BSE

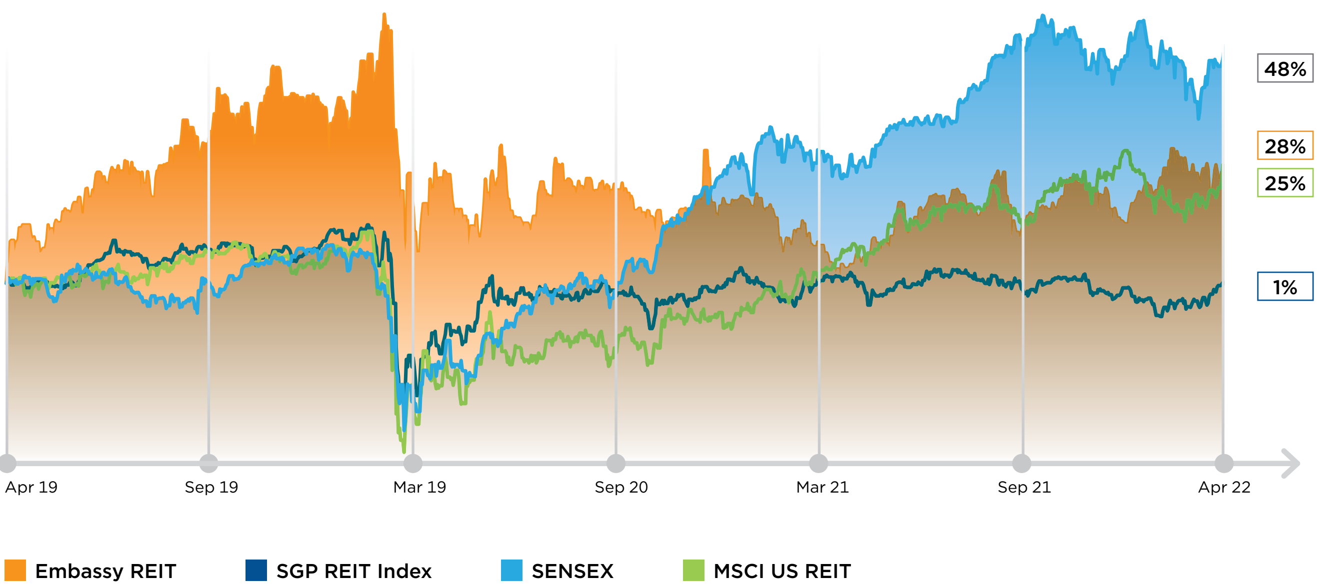
Note: ADTV refers to Average Daily Trading Volume, computed using simple average

Capital market performance

₹44 billion

Capital raised through listed NCDs throughout FY2022

PRICE MOVEMENT (%)



Source: Bloomberg. For period April 1, 2019 to April 22, 2022.

ESG

ESG FOCUS AT EMBASSY REIT

Beyond Total Business Ecosystem

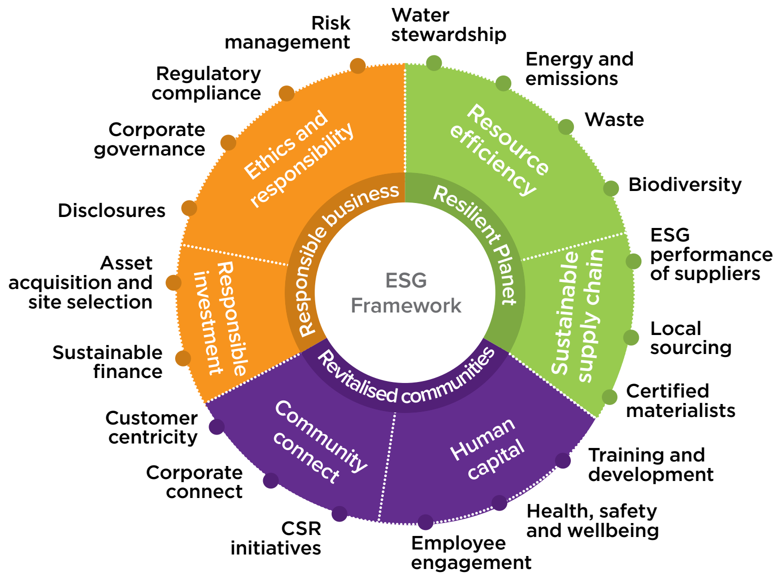
We are committed to leadership and excellence in Environmental, Social and Governance (ESG) aspects at Embassy REIT. This past year, we moved beyond driving ad-hoc sustainability programs and adopted a structured approach to ESG aimed at integrating sustainability priorities into our business objectives and values.

We believe that our ability to develop and maintain sustainable and energy-efficient buildings is a clear competitive advantage in a market increasingly focused on high-quality sustainable workspaces. We continue to take a leadership position and remain at the forefront of the sustainability arena in the Indian real estate sector, as reflected by our recent win of the coveted 'Golden Peacock Award for Sustainability' for the year 2021.

Embassy Manyata Business Park, Bengaluru

Our ESG strategy and framework

Our ESG strategy focuses on evolving and implementing sustainable interventions that contribute towards building a safer, healthier and greener environment for our staff, occupiers, vendors and the communities in which we operate, while delivering enhanced returns for our investors. Our ESG Framework, comprising 19 specific programs, is driven by our vision to 'Reimagine spaces' for a sustainable tomorrow for all our stakeholders. The framework comprises 3 pillars - Resilient Planet, Revitalised Communities and Responsible Business – supported by 6 focus areas wherein we have set clear targets and roadmap for the next 3 years.



Pathway to Net Zero

This year we announced our commitment to achieve net zero carbon emissions by 2040 across our operational portfolio, three decades ahead of India's 2070 target set at the Glasgow COP26 summit in 2021. Our 2040 net zero commitment is aligned to the broader goals of our occupiers, investors and other key stakeholders.

We had proactively commissioned net zero studies in the last year for our largest properties. Based on the study results, a pathway to net zero has been laid out, consisting of a 5-point strategy to be applied across our portfolio:

- Increase usage of renewable energy, through both internal and third-party initiatives
- Reduce energy consumption footprint of existing facilities, by investing to improve energy-efficiency
- Partner with key occupiers, suppliers and contractors to develop joint action plans towards reducing emissions
- Embed net zero evaluation in pre-acquisition due diligence
- Offset residual emissions through selected projects

As per Greenhouse Gas Protocol guidelines, our carbon emissions are segmented into three scopes. Scope 1 emissions are direct emissions from sources owned or controlled by Embassy REIT. Scope 2 emissions are indirect emissions produced offsite as a result of purchased energy such as electricity and heat. Scope 3 emissions occur across the organisation's value chain, including suppliers, contractors and occupiers. We will strive to directly reduce our Scope 1 and 2 emissions; and will work closely to align strategies with our suppliers, contractors and occupiers to reduce selected Scope 3 emissions. For all future acquisitions, we will aim to bring the asset under the purview of our net zero commitment within 5 years post the completion of the acquisition.

2040

Net Zero Carbon Operations Target

Michael Holland, Chief Executive Officer of Embassy REIT, said,

"Our 2040 net zero commitment is aligned to the goals of our occupiers, investors and other key stakeholders. Embassy REIT's ability to build and maintain sustainable and energy-efficient buildings is a clear competitive advantage in a market increasingly focused on high-quality sustainable workspaces. We continue to take a leadership position and remain at the forefront of the sustainability arena in the Indian real estate sector."

ENVIRONMENT

Resilient Planet

We are focused on improving resource efficiency across our asset lifecycle and developing a sustainable supply chain by integrating ESG aspects across our value chain.


Embassy Energy, Bengaluru

Energy and Emissions

We strive to transition to a net zero-carbon portfolio through increasing use of clean and sustainable energy and reducing carbon emissions across our asset lifecycle. To minimise our GHG emissions in accordance with national and global regulations, we have undertaken a two-pronged approach – (1) increasing adoption of renewable energy and, (2) reducing energy consumption in our properties.

A Renewable Energy Adoption

Our 465 acres 100 MW solar plant in Bellary, Karnataka supplies clean energy to our properties in Bengaluru. In FY2022, the solar plant generated 177million units (MU) of electricity, thereby offsetting 147,151million kgs of CO_2. Besides this, a 525 kW roof-top solar plant is installed at Embassy 247 in Mumbai which generated 0.66 MU of electricity last year, supplying 47% of the properties' common area energy requirement and offsetting a further 548 tonnes of CO_2 emissions. Cumulatively, 55% of our total portfolio's electricity requirement in FY2022 was contributed by renewable sources. We have set ourselves a target to increase this renewable energy share to 75% by FY2025.

In line with this target, we have launched a project to install rooftop solar panels across 8 of our properties. With over 20 MW in scale and expected annual generation of over 30 MU and an offset potential of 25k tonnes of CO_2 emissions, this is one of Asia's largest solar rooftop projects. With an expectation of 30%+ IRR, we have already secured green financing at sub-6% for this project and are targeting to complete installation by early 2023. Post commissioning, over 40% of our total baseline power consumption (considering FY2020 as the baseline year) across our business parks will be serviced by renewable energy. We are also exploring Deemed Distribution Licensee (DDL) status route and other third party Power Purchase Agreements (PPAs) to further source renewable electricity for our properties.

To further reduce our carbon footprint, we are promoting the use of electric vehicles and cleaner and greener fuels. In accordance with this, we have already installed 24 e-vehicle charging points across our properties. We also have lithium-battery powered cars and e-buggies for internal transportation within our parks.

B Energy Consumption Reduction

Aligned with our pledge to save energy, we are transitioning our lighting systems from conventional fixtures with LED lights across our campuses. We have also initiated the upgradation of HVAC systems across our properties to reduce power consumption and plan to complete this project in the next three years.

In line with our sustainability efforts, we are focused on designing and operating buildings that are aligned with LEED (Leadership in Energy and Environmental Design) requirements certified by United States Green Building Council (USGBC), the most widely used green building rating system in the world. Currently, all of our properties in Mumbai, Pune and Noida are USGBC LEED Platinum rated for operations and maintenance. All of our Bengaluru properties have also been historically rated either LEED Gold/Platinum by USGBC or Indian Green Building Council (IGBC) for their base built or operations; we are in the process of getting them further certified for USGBC LEED for their current operations and maintenance. This is in line with our target to get 100% of our portfolio USGBC LEED certified by FY2023. Further, we ensure that all our new buildings are designed and pre-certified by USGBC as Gold / Platinum LEED.

FY2022 Performance

9.14
Energy Intensity (Kwh / psf / per annum)

55%
Renewable Energy Contribution

Targets

75%
Renewable Energy Contribution by FY2025

100%
USGBC LEED Certified Portfolio by FY2023

Water

We understand the importance of water stewardship in urban metropolitan areas where our properties are situated. Our water supplies come from multiple sources including surface water sources, borewells and wells (ground water), municipality and local water bodies, tankers as well as recycled waste and stored rainwater. We have also adopted technology-based tools and best practices to monitor our usage of water and to identify opportunities for remedial action as well as well as enhanced efficiencies.

Following the tenets of reduce, reuse and recycle, we are adopting various water conservation methodologies, are committed to minimise waste-water discharge and promote water recycling across our office parks. All our assets are equipped with Sewage Treatment Plants (STP) and rainwater harvesting systems. During FY2022, we recycled over 5 lakh KL of water, representing 53% of our total water withdrawal for the year. By installing more water efficient fixtures, we aim to reduce our water consumption by 7% by FY2025 (considering FY2020 as baseline year).

FY2022 Performance

0.03

Water Intensity (KL / psf / per annum[1])

Targets

7%

Water Consumption Reduction by FY2025

(1) Lower water consumption noted during FY2022 as physical occupancy in our properties was impacted due to the Covid pandemic

Waste

In line with our goal of being a zero-waste campus, we believe in waste minimisation, recovery and reuse for effective waste management. We have partnered with authorised vendors to treat hazardous waste management and ensure that the waste is discarded as per regulatory guidelines. We are also undertaking a traceability assessment for all the waste generated in our campuses to track and reduce the waste reaching landfills.

Organic Waste Converter (OWC) machines, with a capacity of 13.2 tonnes, have been set up at all our properties to recycle the vast amount of food waste produced in our properties.

FY2022 Performance

4%

OWC Capacity Increase

Targets

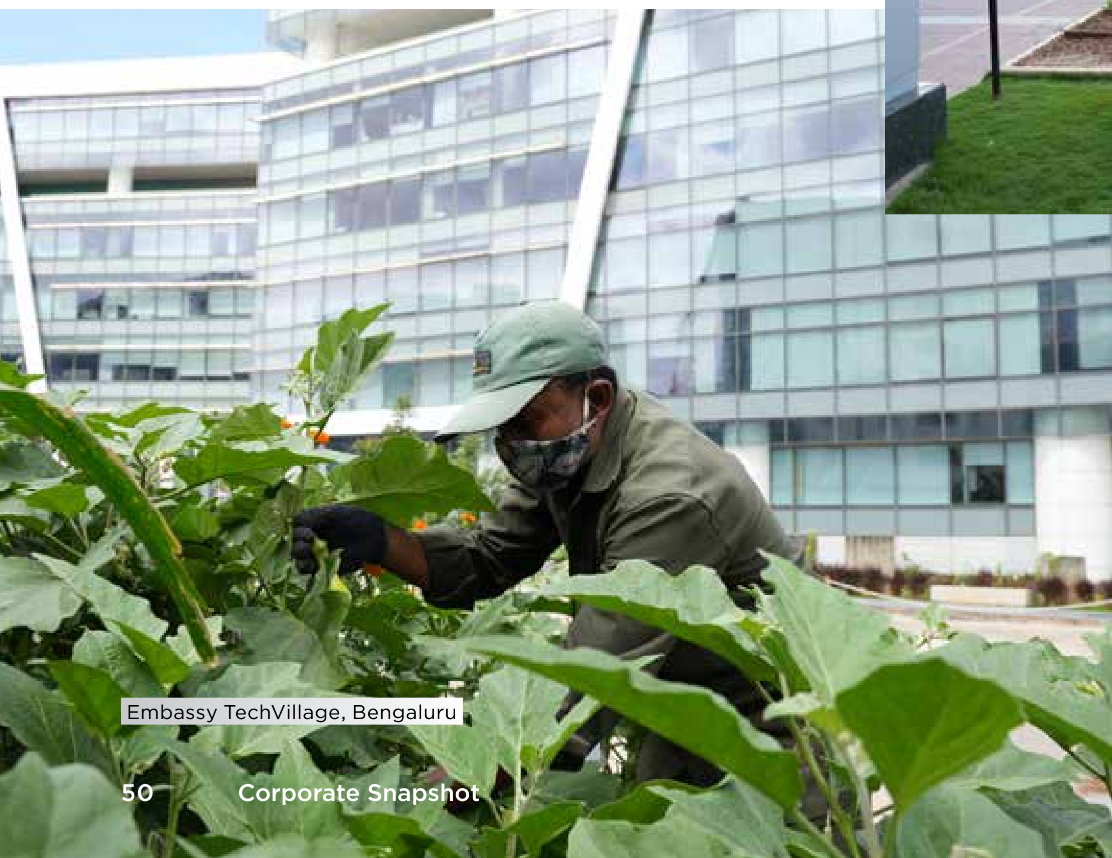
25%

OWC Capacity Increase by FY2025

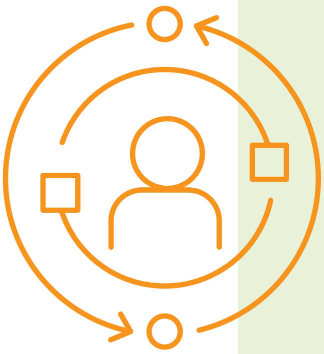
Biodiversity

At Embassy REIT, we are conscious of the environmental implications of our activities and take all measures required to reduce their environmental while impact adhering to all regulatory requirements. Two of our properties, Embassy Manyata and Embassy TechZone, are located in the vicinity of protected areas and we have undertaken environmental impact assessments as per the applicable regulations to understand as well as manage our impact due to land acquisition, construction and operations.

We incorporate flora and fauna in all our parks and endeavour to develop biophilic designs and promote native greens in all under-construction projects. Further, we are currently building a butterfly park and a Miyawaki forest at our largest property Embassy Manyata to promote biodiversity in the area and aim to undertake similar projects for our other properties in due course.



Embassy TechVillage, Bengaluru



Sustainable Supply Chain

We work with 700+ suppliers and contractors to ensure smooth day to day operations. These include common area maintenance agencies for property management, contractors for housekeeping and security services, vendors for equipment maintenance, authorised vendors for waste management, suppliers of consumables, IT services providers and food court service providers among others.

We aim to track, monitor and improve the sustainability performance across our supply chain. We encourage our suppliers to adopt sustainability initiatives and to transparently disclose their sustainability performance. We have developed a Supplier Code of Conduct and expect our suppliers to adhere to the guidelines which include aspects on human rights, ethics and business conduct, anti-bribery and anti-corruption among others. ESG specific clauses have been incorporated in our agreements with all our key suppliers and contractors. We are also training them on key ESG aspects and are continuously monitoring and reviewing their performance to ensure ESG compliance across our value chain.

We are also promoting the usage of locally sourced and certified materials and have defined a 1,000 kms radius around our respective sites to evaluate the material availability. We set ourselves a target to use atleast 30% locally sourced materials for our new developments by FY2025 and were able to achieve this target in FY2022 itself with a 31% local sourcing share. We are also working with our suppliers and contractors to understand and initiate tracking of selected Scope 3 emissions contributed by them.

SOCIAL

Revitalised Communities

We are focused on creating shared value for our employees, our occupiers, our vendors and the communities that we operate in.

Employees

We are an equal opportunity employer and strive to create a holistic workplace for our workforce. We ensure diversity in our employee profile in terms of gender, ethnicity, caste and creed. We currently directly employ 116 people and female workers make up one-fifth of our staff. During FY2022, 23 new workers were hired, 13% of them being women. To improve the diversity metrics in our organisation, we have set ourselves a target to ensure at least 50% of new hires are women.

Our compensation policy is solely dependent on our employees' qualifications, experience, skill set and performance. All our employees are entitled to statutory benefits like contribution to provident fund, pension fund, gratuity, and health and life insurance. We are also internally undertaking a gender pay gap analysis to evaluate the compensation dynamics of the organisation.

We understand the importance of both developing talent within the business and investing in future talent and encourage our employees to engage in continuous learning and development. Our employees received around 1,500 hours of training during FY2022.

Besides our on-roll employees, we have over 5,000 indirect facilities management staff working in our properties, and we are committed to zero loss time injuries in our properties by promoting a safety culture. We are also focused on maintaining and improving the health and wellness features of our properties.

FY2022 Performance

20%
Gender Diversity

13
Average Training Hours per Employee

Targets

50%
Female New Hires

Health, Safety and Wellbeing

We are focused on providing best-in-class sustainable buildings for our employees, occupiers, indirect property management staff, visitors etc. by ensuring improved quality of life and healthier and safer work environments. In this regard, we have subscribed to a 5-year WELL program with International WELL Building institute (IWBI) and a 3-year program with British Safety Council (BSC) and aim to get 100% of our properties' wellness-certified by these globally renowned institutions.

Recently, Embassy REIT was awarded a WELL Portfolio Score across all its business parks pan-India and became the first organisation in India to receive this score for implementing health and wellbeing strategies through a portfolio-wide approach. With a score of 49 in its first year of participation, Embassy REIT scored above the global average in 6 of 10 wellness-related parameters assessed. Our portfolio was ranked in the top 5% globally by IWBI in terms of area and number of people impacted. We also achieved a 100% score in the 'Movement' parameter, highlighting the successful integration of physical activity and fitness into everyday life at our business parks.

Our entire portfolio is also ISO/IMS certified for quality management (ISO 9001), environmental management (ISO14001), and occupational health and safety management (ISO45001). Recently, we also received the ISO27001 certification for data security across our portfolio and became the first Indian real estate entity to achieve this, again underscoring our aim to take a leadership position in the sustainability arena in India.

FY2022 Performance

49
WELL Portfolio Score

0
Loss Time Injury

Targets

100%
5-star BSC Certified Portfolio by FY2023

Corporate Occupiers

We believe that corporate occupier engagement and satisfaction is critical to the success of our business. Several programmes are undertaken at our campuses to engage our occupiers' employees. Energize, Q Life, and Embassy Plus are a couple of Embassy REIT's signature employee engagement activities. However, due to the onset of the COVID-19 in March 2020 and the resulting remote working situation, the frequency of organised activities was low during the year.

We also conduct an annual customer satisfaction survey to understand our occupier satisfaction levels with our services and perceptions regarding our campus facilities as well as ESG aspects such as waste management, safety and security, electrical and utilities management, among other things. According to the FY2022 survey results, we received a Net Promoter Score of 88% and noted that 87% of occupiers were pleased with Embassy REIT's EHS and well-being services, and 86% were satisfied with the ESG aspects.

Another aspect that is growing in importance is the concept of 'Green leases'. As per a JLL study, 34% of tenants globally already have adopted green lease clauses and a further 40% intend to do so by 2025. In line with this, we have initiated the inclusion of green lease clauses as part of our standard leasing contracts for all new leases and renewals. These clauses entail mutual sharing of utilities management data for energy, emissions, water, waste etc. and declaring a common statement of intent to jointly work towards our ESG goals. We aim for at least 70% of all our leases signed in FY2024 to contain 'Green lease' clauses. These 'Green leases' will help us jointly monitor our environmental impact along with our corporate occupiers and take corrective actions where required in order to reach our overall 2040 net zero target.

FY2022 Performance

86%

'Green Leases' signed during the period

Target

70%

New Leases to be 'Green Leases' by FY2024

Community Connect

At Embassy REIT, we nurture and contribute to the economic, social and environmental development of our communities. Underpinned by the philosophy 'together we can do more', we champion collective action for increased social impact through partnerships with other corporates, non-government organisations (NGOs) and the government.

Education

Embassy REIT aims to empower students of government schools with the skills for self-development and future employability through holistic and innovative learning programs. We partner with multiple NGOs, such as Colors of Life, Friends of Tribals, CareWorks Foundation, Parikrma and Room to Read, to implement innovative learning methods mainly in government schools in Bengaluru and remote rural Karnataka as well as in Mumbai. We have adopted over 50 schools, 100 tribal schools and 6 Anganwadis which we support with multi-year projects to enable sustained support for student development. Learning initiatives are delivered through innovative digital methods. In 15 of our core schools, we provide teaching-learning materials including student uniforms, school bags, notebooks and stationery, in addition to learning programs in English, Maths, Life Skills etc. We also support an Alumni Program that provides scholarships and mentorship for students to pursue higher education as well as employment. 26 students graduated from our Skills Development program in FY2022, with 10 already employed in the industry.

At Embassy REIT, we believe that supporting the health and wellbeing of students in childhood and adolescence enhances opportunities for continued education, improved academic performance and a better quality of life. Along with our corporate partners, Cerner, Cognizant and SwissRe, and our NGO partner Bangalore North Roundtable Trust, we have designed a holistic health programme covering preventive and detective measures to tackle common health issues for government school students across 5 cities. These measures include distribution of health kits, nutritional support, preventive health-checkups and school sanitation and maintenance drives. We also undertake community healthcare interventions in partnership with the Sarvagna Healthcare Institute. During the year, beneficiaries from communities around our business parks received 2,845 free or subsidised treatments.

FY2022 Performance

18,757
Students Impacted through Education Initiatives

25,889
Students Impacted through Health Initiatives

Environment

Embassy REIT is working closely with NGOs to catalyse communities to develop infrastructure to benefit our environment. We are a proud partner of The Anonymous Indian Charitable Trust's EcoGram Solid Waste Management project, which aims to propagate sustainable waste, water and soil management. With current operations spread across 9 villages in the Bettahalasuru Panchayat, in North Bengaluru, we collected 332 metric tonnes of wet and dry waste and recycled 122 metric tonnes of dry waste. In addition, we conducted 12 workshops and awareness sessions on waste segregation and management for 617 beneficiaries during last year.

We are also a founding supporter of the 'Namma Jalamarga' campaign by The Anonymous Indian Charitable Trust, aimed at promoting awareness for clean water, waste and stormwater management in Bengaluru. Further, we have undertaken rejuvenation of the Thimmasandra and Thanisandra lakes in North Bengaluru and are undertaking civil works, planting saplings and conducting clean-up drives as part of the restoration project.

Community Infrastructure

Our efforts to enhance the government school educational system go hand in hand with improving their infrastructure and creating environments conducive to learning.

In partnership with our corporate occupier ANZ, we have undertaken a 2-year project for a new school building, involving renovation of 7 classrooms and construction of 12 new classrooms, a new toilet block consisting of 24 toilets, handwash and drinking water stations at the Government Model Primary School, Thanisandra in Bengaluru, expected to benefit over 1,000 students. The project is expected to be completed by March 2023 and also involves providing furniture and fit-outs for all classrooms and staff rooms, as well as the installation of a rainwater harvesting system and solar panels.

We have undertaken a project to contribute to green infrastructure in schools and equipped 6 schools in Bengaluru with solar power this year, and provided solar lamps to a school for children with disabilities in Pune.

We have commenced the construction of a dry and wet waste collection centre in partnership with the

Bettahalasuru Village Panchayat to build and manage an integrated solid waste processing centre in a dedicated 2-acre land parcel, expected to benefit 10 villages in North Bengaluru.

We have also been actively investing in community infrastructure upgrades around our properties to benefit the public at large. We recently announced the opening of a 3-lane flyover at Embassy Manyata business park wherein we have invested over ₹180 crores to improve the connectivity in North Bangalore. We also constructed a public skywalk at Embassy TechVillage last year helping over 25,000 pedestrians daily to safely cross the road. We are always looking for such opportunities to contribute towards improving the city infrastructure and simultaneously enhancing our 'total business ecosystem' offering.

Corporate Connect

A strong, aligned focus in partnering to identify innovative solutions, execute projects and involve stakeholders is the path towards sustainable impact. In line with this, Embassy REIT's Corporate Connect programme aims to bring together the 200+ corporate occupiers of our business parks with a shared vision for our communities. In FY2022, we collaborated with 20 corporates towards 17 projects in government school infrastructure, COVID-19 relief and health, raising over 14 crores. Some of our key corporate partners for the year included Cognizant, ANZ, Cerner, Swiss RE, AXA XL, Silicon Valley Bank, Colt, Fractal, L&T Technology Services, McAfee and Yahoo.

Responsible Business

We are focused on creating and adopting a best-in-class governance and risk management framework to serve the interest of all our stakeholders.

Corporate Governance and Compliance

Embassy REIT's conduct of business is underpinned by a commitment to high standards of corporate governance, which are aligned with global best practices. Our governance philosophy emphasizes accountability, transparency and integrity, with a view to maximising Unitholder value.

The Chief Executive Officer (CEO) of the Manager holds responsibility for the day to day running of the Manager and Embassy REIT and is accountable to the Board of Directors. The Board consists of eight Non-Executive Directors, half of whom are Independent Directors and the rest are Nominee Directors. Together, they bring to the table, many decades of experience and expertise in diverse fields such as Finance, Investment, Healthcare and Business Administration. The Board is chaired by a non-executive Director and has 12.5% women representation. The Board has also constituted nine committees that are responsible for handling specific functions. These include the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Management Committee, Investment Committee, Debenture Committee, Corporate Social Responsibility Committee, Risk Management Committee and Securities Committee.

A comprehensive set of compliance policies guide the governance of the organisation and ensure strict adherence to the REIT regulatory framework to protect the interests of our Unitholders. Embassy REIT's various committees that oversee governance of the Company have adopted several well formulated policies which ensure alignment with the Company's values and business objectives as well as compliance with the external regulatory environment. Key policies include:

- Code of Conduct and Ethics for Directors, Senior Management and Other Employees
- Distribution Policy
- Whistle Blower Policy
- Policy on Related Party Transactions
- Corporate Social Responsibility Policy
- Risk Management Policy
- Investors and Other Stakeholders' Grievance and Redressal Policy
- Anti-Money Laundering Policy (AML) and Anti-Bribery & Corruption Policy
- Prevention of Sexual Harassment Policy
- Environment, Social and Governance Policy

We are dedicated to integrating ESG in our governance systems, including the linkage of KRAs of the senior executives to ESG performance. We follow a growth-and-distributions-linked management fee structure to ensure overall alignment of business operations with Unitholder interests.

At Embassy REIT, an ESG committee has been established to drive the organisation's ESG agenda. The ESG committee is a cross-functional management committee of the Manager and is chaired by the CEO, with the Head- Operations (India) as the Secretary to the Committee. The committee reports to the Management Committee and is responsible for aligning Embassy REIT's ESG objectives with its business objectives by creating a three-year ESG road map, overseeing all ongoing and proposed ESG initiatives, analysing current and emerging ESG trends that may have an impact on the business, operations, performance, stakeholders needs and interests, and advising the Board on appropriate actions for the same.

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

Debt

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

Manager

- 50% of 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 fee structure

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

Risk Management

We have adopted a robust risk management framework to address risks that arise from the economic, operational, social and environmental ecosystems that we operate in. Under oversight of our Board, the Risk Management Committee has the responsibility for early identification of the many multidimensional risks we face - both current and potential - and articulate mitigation options, oversee implementation and track ongoing action to assess extent of impact in terms of risk reduction.

At Embassy REIT, risk management is a continuous and ongoing process that involves the complete lifecycle of the Company. 100% of our operations are covered under our risk management framework. Risk identification is undertaken through discussions with risk owners and secondary analysis of related data, previous internal audit reports, past occurrences of such events etc. We aim to integrate risk management and compliance in daily activities in order to facilitate timely and appropriate control of operational risk.

Disclosures

We are committed to maintaining our strong corporate governance standards and continuously endeavour to further refine our disclosures in sync with global best practices. In line with regulatory guidelines, we publish quarterly financial results and semi-annual performance reports as well as an annual sustainability report aligned with Global Reporting Initiative (GRI) framework. We intend to align our disclosures to Task Force on Climate-Related Financial Disclosures (TCFD) by FY2025. We also plan to voluntarily adopt Business Responsibility and Sustainability Reporting (BRSR) going forward and will publish this report along with our sustainability report for FY2022.

We also participated in the 2021 Real Estate Assessment by GRESB, the leading global ESG benchmark for real estate and infrastructure investments and were awarded a 4-star (out of 5 stars) rating. In our first year of participation, Embassy REIT achieved a 'Green Star' status and an overall score of 80% for our Standing Investments, placing us 7 percentage points above the average. Embassy REIT stood out in particular on the 'Governance' pillar with a score of 19/20, surpassing the peer average; reflecting the best-in-class framework and strong corporate governance standards adopted and followed by us. We also achieved high scores for the 'Environmental' (47/62) and 'Social' (14/18) pillars, taking into account the high proportion of electricity from renewable sources and the strong stakeholder programmes in areas of health, education and public infrastructure which have been running for a number of years. We intend to continually participate in this annual assessment and scale up our ongoing ESG programs and commitments.

Responsible Investment

We have strong related party safeguards in-place for acquisitions. We are also committed to ensure that our investment evaluation criteria take into account relevant ESG considerations. For this, we have created an ESG checklist, and all proposed acquisitions now undergo an ESG due diligence using this checklist. Also, for all future acquisitions, we aim to bring the asset under the purview of our net zero commitment within 5 years post the completion of the acquisition.

We have also expanded our sustainability strategy to our capital structure and intend to raise green / social / sustainable funds at competitive rates while leveraging our green credentials in order to support our sustainability initiatives. In FY2022, we received a green loan certification for ₹730 crores of bank loans from Climate Bonds Initiative, an investor-focused international not-for-profit organisation working to mobilise global capital for climate action towards a low carbon and climate resilient economy. Embassy REIT is the first organisation in the Indian real estate sector to receive a green loan certification from Climate Bonds. Post this certification, we have secured cumulative sustainable financing of over ₹2,170 crores, much ahead of our FY2024 target of ₹1,000 crores. With this, around 50% of our total SPV-level debt and 16% of our total debt book comprises green loans. We will continue to work towards our sustainability vision by scaling up our ongoing ESG programs and commitments.

FY2022 Performance

₹22 billion
Cumulative Sustainable Finance

16%
Gross Debt Comprises of 'Green Loans'

Key Performance Highlights

Aspect	Units	YTD Period Ending FY2022	FY 20-21	FY 19-20
Resilient Planet				
Energy and Emissions				
Contribution of renewable energy in portfolio	%	55	51	26
Renewable power consumption (wheeled and rooftop)	GJ	6,81,986	5,70,595	4,82,761
Reduction in emissions through solar power consumption	tCO_2e	1,49,658	1,31,554	1,11,303
Water				
Water withdrawal	KL	10,27,890	10,27,659	28,47,556
Water recycle (% of withdrawal)	KL	5,49,032 (53%)	492,774 (48%)	1,597,046 (56%)
Waste				
Waste generated - Hazardous waste (Oil)	KL	51	59	112
Waste generated - Hazardous waste	Tons	27	22	39
Waste generated - Non-hazardous waste	Tons	595	613	4,301
Waste generated - Other waste	Tons	58	58	39
Revitalised Communities				
Human Capital				
Employee trained	Nos.	120	82	188
Average training hours per employee	Hours	13	9	7
Corporate Occupiers[1]				
Green leases signed during the period	%	86	NA	NA
Total cumulative green leases	msf	0.8	NA	NA
CSR and Corporate Connect				
Total CSR Spend	₹ Mn	112	94	86
Corporate Partners	Nos.	20	23	21
Education support - Students benefitted	Nos.	18,757	15,580	NA
Health and hygiene - Students impacted	Nos.	25,889	3,740	26,278
Community health - Free and subsidised treatments provided	Nos.	2,845	2,773	NA
Environment - Waste recycled	MT	122	110	72

Responsible Business

Memberships/Certifications[1]

Certification	Current Score	Previous Score
GRESB	4-Star[3] (2021)	NA
FTSE Russell	2.8 (2021)	1.7 (2020)
S&P Global CSA	44 (2021)	NA (2020)

[1]Data considered from Q3 FY2022 onwards

[2]Supporter of Task Force on Climate-Related Financial Disclosures (TCFD)

[3]Reflects Embassy REIT's performance in GRESB 2021 Real Estate Assessment for Standing Investments. We also received a 1-star rating for New Developments and a B-rating for Public Disclosures

ESG Roadmap – Progress Report

In-line with 2040 net zero commitment, we defined the next 3-year sustainability targets across 19 ESG Programmes within the overall 3 Pillar ESG framework

Pillar	Metric	TARGET[1]	FY2022 ACTUALS	STATUS
Resilient Planet	Renewable energy consumption share	75% by FY25	55%	On track
	Water consumption reduction	7% by FY25	64%[2]	On track
	OWC capacity increase	25% by FY25	4%	On track
	Local sourcing[3] share	30% by FY25	31%	Achieved
	USGBC LEED certified portfolio (% of area)	100% by FY23	29%	On track
Revitalised Communities	'Green leases' signed during the period	70% by FY24	86%[4]	On track
	5-star BSC certified portfolio (% of area)	100% by FY23	26%	On track
	Occupiers engaged under 'Corporate Connect'	10%	10%	Achieved
	Females as % of total new hires	50% from FY23	13%	On track
Responsible Business	TCFD compliant annual report	100% by FY25	Gap assessment underway	On track
	Cumulative green / sustainable finance portfolio	₹10 bn by FY24	₹22 bn	Achieved
	ESG due-diligence	100% from FY23	NA	On track

Notes:

(1) Target set against baseline of FY2020 actuals for the portfolio (including Embassy TechVillage acquisition)

(2) Lower water consumption noted during FY2022 as physical occupancy in our properties was impacted due to the Covid pandemic

(3) Local sourcing is defined as sourcing of materials for our new developments within 1,000 kms radius of respective sites

(4) Data considered from Q3 FY2022 onwards

Embassy Manyata Business Park, Bengaluru

ESG Memberships and Certifications

Current ESG memberships, certifications and performance on global benchmarks reflect our commitment to sustainability, transparency and operational excellence

Past Achievements

Current Achievements and Focus Areas

Future Plans

Board of Directors

M M M M M

Mr. Jitendra Virwani
Non-Executive Director Chairman

Mr. Jitendra Virwani is the Chairman and Managing Director of the Embassy group of companies, 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.

M M M M

Mr. Aditya Virwani
Non-Executive Director

Mr. Aditya Virwani holds a Bachelor's of Science degree in Business Administration from the University of San Francisco. He is on the board of several Embassy Group companies.

C - Chairperson **M** - Member

Audit Committee | Nomination and Remuneration Committee | Stakeholders' Relationship Committee | Corporate Social Responsibility Committee

Mr. Tuhin Parikh

Non-Executive Director

Mr. 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 and 2007. He has been employed by Blackstone since 2007 and is a Senior Managing Director of Blackstone and Head of Real Estate, India.

M M M M

Mr. Robert Christopher Heady

Non-Executive Director

Mr. 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.

M M M

Risk Management Committee | Investment Committee | Debenture Committee | Securities Committee

Board of Directors (Contd.)

C C M M M

Dr. Ranjan Pai
Independent Director

Dr. Ranjan Pai holds an MBBS degree from the Manipal Academy of Higher Education. He is the Chairman of Manipal Education and Medical Group (MEMG), the Group's holding company. He is currently on the Board of Directors of several Manipal Group companies, including Manipal Hospitals, Manipal Global Learning, UNext Pvt Ltd., and Manipal Cigna Health Insurance Company.

C C M M

Mr. Vivek Mehra
Independent Director

Mr. Vivek Mehra is a fellow member of The Institute of Chartered Accountants of India and is B.Com (H) from Sri Ram College of Commerce, Delhi University. He was a partner with PwC Pvt. Ltd. for approximately 19 years and retired in 2016. He is currently an Independent Director on the Boards of DLF Limited, DLF Asset Management Limited, Zee Entertainment Enterprise Limited, HT Media Limited, Jubilant Pharmova Limited, Hero Future Energies Pvt. Ltd., Grassroot Trading Network for Women, Chambal Fertilisers and Chemicals Limited, Havells India Limited, Digicontent Limited, and Bharat Hotels Ltd.

C - Chairperson **M** - Member

Audit Committee

Nomination and Remuneration Committee

Stakeholders' Relationship Committee

Corporate Social Responsibility Committee

C M M

Dr. Punita Kumar-Sinha

Independent Director

Punita Kumar-Sinha, PhD, CFA, has focused on investment management and financial markets during her 30-year career. She has significant governance and board experience across India and North America, having served on boards for more than a decade. She serves as an Independent Director for many companies and Chairs committees on several boards. Dr. Kumar-Sinha has been investing in emerging markets since the late 1980s and pioneered some of the first foreign investments in the Indian subcontinent in the early 1990s. Dr. Kumar-Sinha Chairs the Investment Subcommittee of CFA Institute and is also the Chair of the Investment Advisory Board of IIT Delhi.

Dr. Kumar-Sinha has a PhD and a master's in Finance from the Wharton School, University of Pennsylvania. She received her undergraduate degree in Chemical Engineering with Distinction from the Indian Institute of Technology, New Delhi. She has an MBA and is a CFA charter holder. Dr. Kumar-Sinha is a member of CFA Institute, a member of the CFA Society Boston, a TiE Charter Member, and a member of the Council on Foreign Relations. Dr. Kumar-Sinha has been awarded the Distinguished Alumni Award from IIT Delhi.

C M M M

Mr. Anuj Puri

Independent Director

Mr. 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 a fellow of the Indian Institute of Insurance Surveyors and Loss Assessors. He is an associate of the Institute of Chartered Accountants of India and an associate 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 Investment Advisors Private Limited, Puri Crawford Insurance Surveyors and Loss Assessors India Private Limited, Trespect India Private Limited, ANAROCK Property Consultants Private Limited, ANAROCK Group Business Services Private Limited, ANAROCK Retail Advisors Private Limited, ANAROCK Capital Advisors Private Limited, HVS ANAROCK Hotel Advisory Services Private Limited, Joyville Shapoorji Housing Private Limited, Upflex Anarock India Private Limited and Homexchange Limited.

Risk Management Committee | Investment Committee | Debenture Committee | Securities Committee

Management Team

Mr. Michael Holland

Chief Executive Officer

Mr. Michael Holland holds a Master's degree in Property Development (Project Management) from South Bank University and is a Fellow of the Royal Institution of Chartered Surveyors. He has over 30 years of experience in the commercial real estate sector in Asia and Europe. Prior to joining the Manager to Embassy REIT, he held roles of Chief Executive Officer of Assetz Property Group and Corporate Services Director for Microsoft APAC. He is a Founder of 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

Mr. Vikaash Khdloya is an alumnus of the Harvard Business School and has successfully completed its Advanced Management Programme (AMP). He is a fellow member of the Institute of Chartered Accountants of India (gold medallist). He is also a CFA charter holder and holds a Bachelor's degree in Commerce from Osmania University.

Mr. Khdloya has 19 years of industry experience, with over 14 years of experience in the real estate sector. Prior to joining the Manager to Embassy REIT, he was the 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), the Chief Financial Officer at Gameshastra Solutions Private Limited, a startup technology company, and various roles in advisory teams of Ernst & Young India Private Limited.

Mr. Khdloya co-founded Earnest People's Initiative for a Caring Society Trust, a philanthropy initiative to support underprivileged children. He has recently been recognised as one of the 40 under Forty India's future business leaders by The Economic Times and Spencer Stuart.

Mr. Aravind Maiya

Chief Financial Officer

Mr. Aravind Maiya holds a Bachelor's degree in Commerce from Bangalore University, and is an associate member of the Institute of Chartered Accountants of India. He has over 21 years of experience in the field of Finance, Audit, Consulting, Risk Management and Compliance. Prior to joining the Manager to 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 the real estate sector with specific focus on commercial real estate related work during his long stint with BSR. He was also involved in various assignments for the firm, including several capital market transactions, assurance services for several listed companies, leading large audit and assurance assignments as well as strategic initiatives for BSR during his tenure.

Mr. Ritwik Bhattacharjee

M

Chief Investment Officer

Mr. Ritwik Bhattacharjee is the Chief Investment Officer at Embassy REIT. Ritwik was a member of the IPO team that listed Embassy REIT on the Indian stock exchanges in April 2019. Prior to Joining Embassy REIT, Ritwik managed a family office in India overseeing public and private investments. Ritwik spent 12 years as an investment banker at global banks, including Nomura, Citi, UBS and JPMorgan. Ritwik worked on numerous REIT and real estate capital markets and advisory transactions in the United States and across Asia.

He holds a Bachelor's of arts 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 of arts degree in law and diplomacy from the Fletcher School of Law and Diplomacy, Tufts University.

Mr. Rishad Pandole

Co-head, Commercial Leasing

Mr. Rishad Pandole holds a Bachelor's degree in Economics and Minor in Marketing and Finance from the University of Rochester, New York. He has over 18 years of experience in the real estate industry. He has previously worked as the Leasing Head for Blackstone owned 100% assets from 2017 to 2018, where his last held position was of Head, Corporate Solutions (Commercial). He has been associated with the Manager since 2018.

Mr. Amit Shetty

Co-Head, Commercial Leasing

Mr. Amit Shetty has over 16 years of work experience in leading office leasing and real estate management. Prior to joining Embassy Office Parks Management Services Private Limited, he worked with CBRE and Honeywell. He holds a Master's degree in Business Administration. He is Six Sigma Green Belt Certified professional.

Management Committee

Debenture Committee

Management Team (Contd.)

Mr. Abhishek Agarwal

Head - Investor Relations and Communications

Mr. Abhishek Agarwal holds a Bachelor's degree in engineering from IIT-BHU (Varanasi) and is a postgraduate in Business Administration from IIM Kozhikode. He has over 15 years of experience in Investment Research (Equities and Commodities), Investor Relations, and Corporate Finance across diverse sectors. Prior to joining Embassy REIT, he was designated Senior General Manager at Network18 Media & Investments (a Reliance Industries company), heading the Investor Relations function and handling Strategy. He worked closely with the top management on business strategy across its various verticals, group investment plans, corporate communication, and stakeholder management. Earlier, he spent several years on the sell-side, spearheading equity research coverage of the Oil & Gas and Telecom sectors for Macquarie Capital Securities and Edelweiss.

Ms. Deepika Srivastava

Company Secretary and Compliance Officer

Ms. Deepika Srivastava is a qualified Company Secretary with graduate degrees in Law and Commerce, and a postgraduate degree in Sociology. She has also successfully completed an Executive General Management Programme from IIM, Bengaluru.

She brings with her a wealth of experience of over 14 years in handling statutory and compliance functions for listed companies. She specialises in Companies Act and other Securities laws. Her expertise extends to mergers, post-merger compliance and related areas.

Her stints with Tata Consumer Products Limited (formerly Tata Global Beverages Limited), Mount Everest Mineral Water Limited and Paramount Cosmetics (I) Ltd offered her worthwhile exposure and opportunities to hone her professional skills.

Mr. Rajan M. G.

Head, Operations

Mr. 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 is Master in corporate Real Estate (MCR) as well from Cornet Global and completed his Business Sustainability Management from Cambridge Institute of Sustainable Leadership. 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

Mr. Rajendran Subramaniam is Head–Projects & Capex of the Manager. He holds a Bachelor's degree 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 a Manager in Sandur Laminates Limited, and as Regional Head – Commercial with Electrosteel Castings Limited. Prior to joining Embassy REIT, he was the Senior Director – Commercial with Tishman Speyer India Private Limited for 11 years. He has 26 years of experience across various fields of infrastructure and commercial real estate projects development, including that of mixed-use real estate development and worked across the country handling global stakeholders.

Mr. Raghu Sapra

Assistant Vice-President, Hospitality

Mr. Raghu Sapra holds a Diploma in Hotel Management and Catering Technology from the Institute of Hotel Management, Mumbai. He has over 22 years of experience in the hospitality sector and has worked with reputed international hotel brands like Radisson, Hyatt, Marriott and Hilton. Prior to his role in Embassy REIT, he worked for 5 years with Hilton, and his last role with them was as General Manager of Hilton Mumbai.

Mr. Donnie Dominic George

General Counsel

Mr. Donnie Dominic George is a Law graduate from Gujarat National Law University and has more than 12 years of experience. In his prior assignment, he was working as Vice President with the Lodha Group, where he was heading the Non-Litigation Cell and was responsible for all non-litigation legal mandates and consumer litigation. He has also worked with Bharucha & Partners as a Senior Associate handling Mergers & Acquisitions, Foreign Direct Investment and General Corporate, Regulatory, and Banking & Finance segments for their clients. In his current role at Embassy Office Parks Management Services Private Limited, he is supporting the senior management on the legal, compliance and regulatory framework, and acts as a business legal partner.

Ms. Mansi Bahl

Human Resources Manager

Ms. Mansi Bahl holds a postgraduate diploma in Human Resource Management from Amity Business School. She has over 15 years of experience in HR Operations, Learning and Development, Talent Acquisition and Performance Management System. Prior to joining Embassy Office Parks, she worked with KCT Bros (Coal Sales) Ltd. and DLF in the real estate industry.

Our People

CEO's Office
Manish Kumar Manu
Michael Holland
Simhachalam Ashwini
Vikaash Khdloya

Acquisitions
Ray Vargis Kallimel
Ritwik Bhattacharjee

Administration
Prabhulinga H

Commercial Leasing
Abhilash V K
Anshal Chaturvedi
Augustus Kurian Thomas
Dennis Joseph Valanatt
Dimpy Dogra
Keerthana C P
Mamta Chand
Molahalli Amit Vikram Shetty
Rishad Naval Pandole
Ritesh Yallappa Ganiger
Saurabh Arun Todi
Tej Ram Sharma
Vaibhav Jindal
Vishal Vashisth
Yash Sharma

Corporate Finance
Amit Anil Kharche
Devansh Suhasaria
Nakul Kashyap
Rahul Chhajer
Rushikesh Jayawant Bhosale

Counsel and Compliance
Apoorva Ravi
Bindu C C
Deepika Srivastava
Donnie Dominic George
Hrishikesh V Murthy
Savitri Hegde
Yalavarti Srimukha

Debt
Ashwin Surahonne
Rahul R Parikh
Sini Mary George
Sudarsan Balasubramaniam

Finance and Accounts
Abhishek Agrawal
Aravind Maiya
Arun M S
Ashwath Kumar. S
Chandrahas K Purohit
Chandrappa Hanumanthappa Sali
Channabasavaiah T
D L Ramalinge Gowda
Deviprasad C Raykar
Hemant Prakash Gawde
Kapil Rameshchandra Agrawal
Karthik Haridas Acharya
Ken Kurien
M N Manjunath
Mahadeva D N
Mandar Vijay Inamdar
Manish Khandelwal
Mittal Kunal Janshali
Nandan R
Nilesh Girdharilal Marshiya
Prabhata Kumar Mishra
Praveen Ram Pise
Rahul Kumar
Sachinkumar Magundappa Bevinamarad
Saritha Prabhakar
Savitha Babu
Savitha Suresh
Shantanu Devidas Sawargaonkar
Sujith M
Sunil Kumar H
Sunil Kumar L
Sunny Ahuja


Embassy Manyata Business Park, Bengaluru

Hospitality

Angad Pahwa

Chandrahas K Purohit

Raghu Sapra

Human Resources

Divya Gupta Pohare

Mansi Bahl

Information Technology

Anil Dattu Patil

Investor Relations

Abhishek Agarwal

Sakshi Garg

Saurabh Pandey

Marketing and Communication

Somtirtha Das

Sowmya Shenoy

Operations

Arun Kumar Sankayya

Ashwini Kumar

Dennis Gregory

Elango G

Hrishikesh Arvind Rajhans

Nagaraj Naik

Nagendra G N

Nilesh More

Parameswaran M

Pawan Sirohi

Pradeep Kumar Sharma

Rahul Pandey

Raiju John Balan

Rajan M G

Rajashekara A S

Rajiv Banerjee

Sandeep Prabhakar Manjrekar

Sandeep Shrikisan Tapadia

Sangram Singha

Sheetal Purandar

Shikha Pallam

Procurement

Anuradha Rao

Ravindra B

Sridharappa

Projects and Capex

Anindya Chowdhury

Naresh J N

Naveen R

Pramod S R

Pranam Battepati

Rajendran Subramaniam

Sudhakar Saridevi

V Sachin Govind

Walmik Harishchandra Shelke

Taxation

Crisstina John Joseph

Lata Vishnoi

Subhashini G N

Note: Data as of March 31, 2022

Embassy Qubix, Pune

Portfolio Overview

Embassy TechVillage, Bengaluru

Embassy TechVillage is a large-scale, best-in-class integrated office park situated on the Outer Ring Road in Bengaluru. Home to over 45,000 employees of 40+ corporate occupiers, Embassy TechVillage is an infrastructure-like asset that serves as a complete business ecosystem for its occupiers and their employees.

Key statistics

7.3 msf
Completed area

1.9 msf
Development area

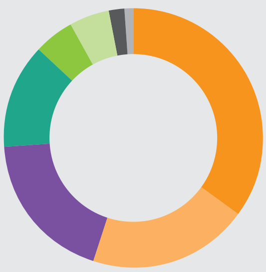
9.2 msf
Leasable area

44
Occupiers

99.0%
Occupancy

₹116,329 mn
Market value

OCCUPIER MIX (%)



35%	Financial Services
20%	Others
19%	Technology
13%	Engineering & Manufacturing
5%	Telecom
5%	Research, Consulting & Analytics
2%	Healthcare
1%	Retail

All data as on March 31, 2022

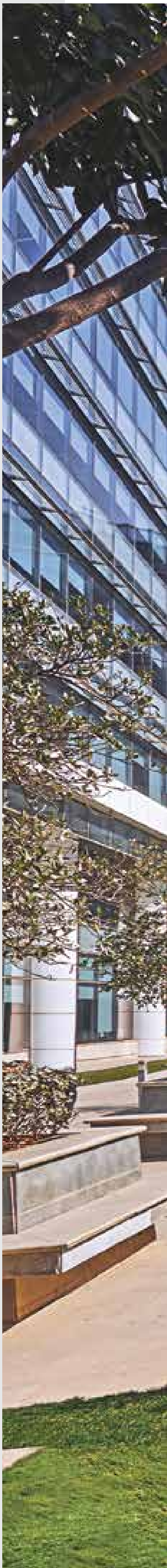
On-campus developments

Block 8, 1.9 msf

New growth cycle at ETV gaining momentum with construction of 1.9 msf office development and launch of construction of 518 key Hilton hotels

Current status

Perspective



Embassy Manyata Business Park, Bengaluru

Embassy Manyata is one of India's largest contiguous and most-well known business parks. Spanning 14.8 msf, Embassy Manyata is located in a prominent growth corridor, which connects the international airport to the city centre.

Key statistics

11.8 msf
Completed area

1.0 msf
Under construction area

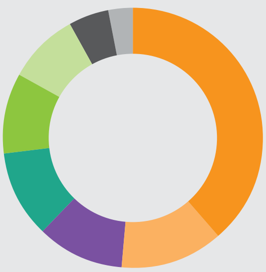
14.8 msf
Leasable area

88.3%
Occupancy

43
Occupiers

₹183,028 mn
Market value

OCCUPIER MIX (%)



- 39% Technology
- 13% Retail
- 11% Telecom
- 11% Financial Services
- 10% Healthcare
- 9% Research, Consulting & Analytics
- 5% Engineering & Manufacturing
- 3% Others

All data as on March 31, 2022

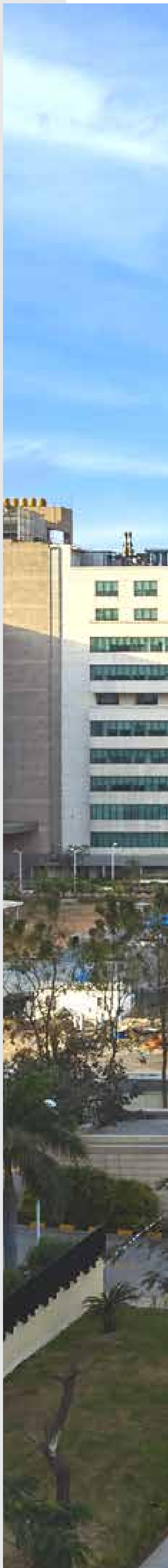
On-campus developments

M3 Parcel

With leasable area of over 1 msf, Block M3 A will be a next-generation design commercial office. The floor plates are central core with all-around façade that will complement Embassy Manyata Business Park's position as the most sought-after office location in North Bengaluru.


Current status


Perspective




NOKIA

Embassy GolfLinks, Bengaluru

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

Key statistics

3.1 msf
Leasable area

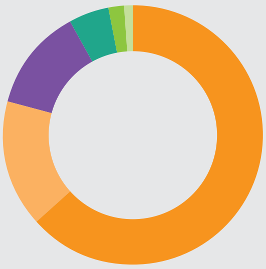
94.2%
Occupancy

21
Occupiers

₹31,560 mn[1]
Market value

(1) Details include 100% of Embassy GolfLinks except Gross Asset Value (GAV) which reflects only our 50% economic interest in Embassy GolfLinks and accounts for only the proportionate profits of Embassy GolfLinks basis the equity method

OCCUPIER MIX (%)



All data as on March 31, 2022

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.

Key statistics

4
Occupiers

33%
Occupancy

₹4,678 mn
Market value

OCCUPIER MIX (%)

42% Engineering & Manufacturing
58% Others

All data as on March 31, 2021

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.

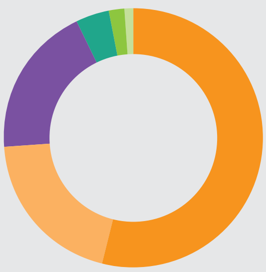
Key statistics

80.7%
Occupancy

27
Occupiers

₹17,987 mn
Market value

OCCUPIER MIX (%)



All data as on March 31, 2022


DBS
DBS
DBS
DBS

Embassy 247, Mumbai

Embassy 247 is one of our premium Grade A city-centre office buildings located at Peripheral Business District of Vikhroli on an arterial road (LBS Marg) between Mumbai's two major highways – The Eastern Express Highway and The Western Express Highway.

Key statistics

84.1%
Occupancy

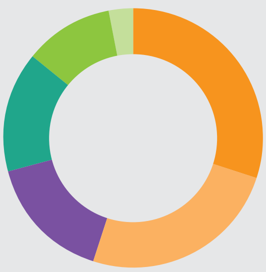
23
Occupiers

₹17,939 mn
Market value

Awards

Embassy 247, Vikhroli Corporate Park Pvt. Ltd. won the Best Green Building Project of the Year at the Internet Entrepreneur Awards, for building enterprises for a techfuture hosted by the Future of Tech Congress Awards.

OCCUPIER MIX (%)



30%	Financial Services
25%	Others
16%	Technology
15%	Retail
11%	Engineering & Manufacturing
3%	Telecom

All data as on March 31, 2022

First International Finance Centre (FIFC), Mumbai

FIFC is one of our finest Grade A city-centre office buildings, and is located in the Bandra-Kurla Complex (BKC) that has emerged as the financial hub of India's commercial capital.

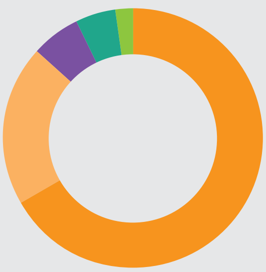
Key statistics

7
Occupiers

77.5%
Occupancy

₹14,045 mn
Market value

OCCUPIER MIX (%)



All data as on March 31, 2022

Embassy TechZone, Pune

Located near the Mumbai-Pune Expressway, Embassy TechZone is a premium office park that is home to many of Pune's marquee corporate occupiers. It provides unhindered connectivity to Mumbai and Pune CBD.

Key statistics

86%
Occupancy

18
Occupiers

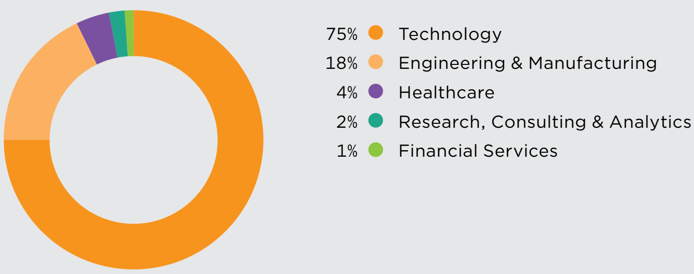
₹22,441 mn
Market value

5.5 msf
Leasable Area

2.4 msf
Completed area

0.9 msf
Development area

OCCUPIER MIX (%)



All data as on March 31, 2022

On-campus developments

Hudson (0.5 msf) and Ganges (0.4 msf)

At Embassy TechZone, we are developing 0.9 msf of commercial office space with best-in-class Grade A specifications. At Embassy TechZone, we are developing 0.9 msf of commercial office space with best-in-class Grade A specifications.


Current status


Perspective

Awards

'Workplace Excellence' Awards for excellence in Innovation Technology and outstanding Return to Work strategy (Embassy TechZone) by iNFHRA Awards 2021-22

Embassy Quadron, Pune

Embassy Quadron is a large hub of technology companies and among the most popular office locations in Pune. It is located in the West Pune submarket that has emerged among the most popular office locations in the city, and is well connected to Mumbai and Central Pune.

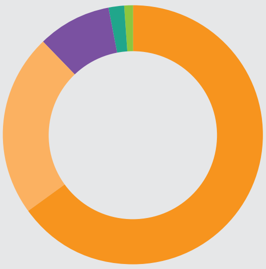
Key statistics

50.1%
Occupancy

7
Occupiers

₹12,855 mn
Market value

OCCUPIER MIX (%)

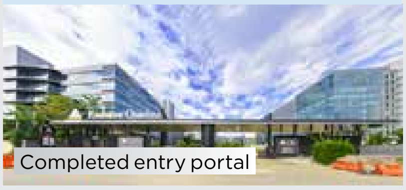


- 65% Technology
- 23% Research, Consulting & Analytics
- 9% Telecom
- 2% Retail
- 1% Others

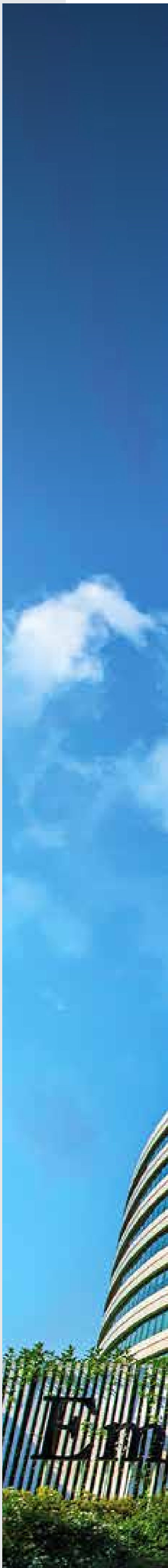
All data as on March 31, 2022

On-campus developments

Quadron
At Embassy Quadron, we have renovated the complete business park infrastructure by building a new entrance to the park, upgrading the building façade, refurbishing food courts and entrance lobbies, and adding more landscaping to increase the green footprint of the park.


Completed entry portal


Completed facade upgrade




bassy Quadron

Embassy Qubix, Pune

Embassy Qubix is located in the submarket of West Pune, and is among the most expansive technology hubs in the city, offering excellent social and lifestyle infrastructure, various transportation links to both Mumbai and Pune Central Business District (CBD), and a large residential catchment catering to the growing technology workforce.

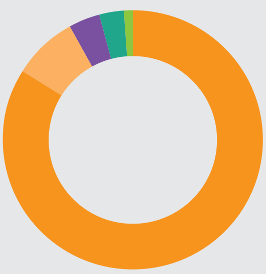
Key statistics

89.3%
Occupancy

₹9,999 mn
Market value

22
Occupiers

OCCUPIER MIX (%)



All data as on March 31, 2022


QCOURT
QSPACE

Embassy Oxygen, Noida

Embassy Oxygen is located close to the Noida-Greater Noida Expressway. The property is one of the city's largest office parks and one of the two SEZ parks in its submarket, complete with architectural brilliance, excellent connectivity and easy availability of STEM talent.

Key statistics

75.8%
Occupancy

6
Occupiers

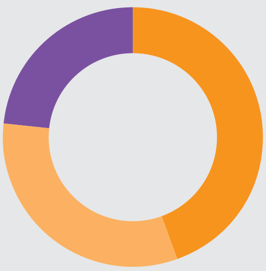
3.3 msf
Leasable area

2.5 msf
Completed area

0.7 msf
Development area

₹24,648 mn
Market value

OCCUPIER MIX (%)



All data as on March 31, 2022

Ongoing projects

Tower 1, 0.7 msf

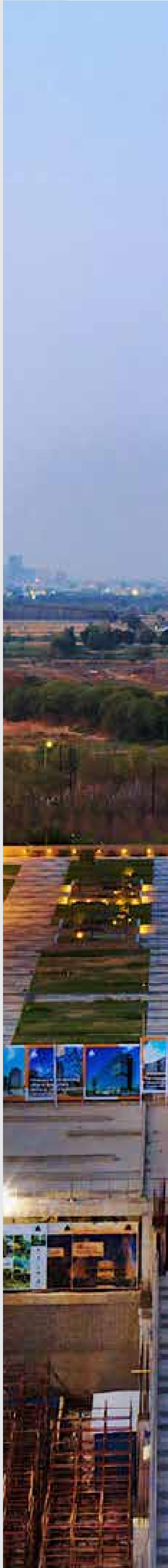
At Embassy Oxygen Tower 1, we are building 0.7 msf of commercial office space. This project will have an efficient floor plan that will entail a central core area with an all-round glass façade, maximising day light entry.


Current status


Perspective

Awards

Best Project – Corporate IT Park award at the Workplace Excellence Awards 2020 by iNFHRA




GlobalLogic
XL
EmbassyOxygen
GlobalLogic

COMMERCIAL OFFICES

Embassy Galaxy, Noida

Embassy Galaxy is one of our campuses located in the peripheral Noida submarket. The property provides an integrated work ecosystem with adjoining residential areas and universities, among others, bringing together many multinational corporate occupiers, a walk-to-work culture and seamless connectivity.

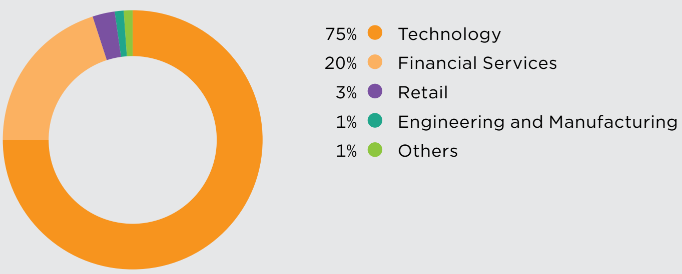
Key statistics

85.1%
Occupancy

9
Occupiers

₹9,276 mn
Market value

OCCUPIER MIX (%)



All data as on March 31, 2022


GATE
01

Hilton Embassy GolfLinks, Bengaluru

Integrated into the Embassy Golflinks ecosystem, the property is a 5-star hospitality asset in our portfolio. It overlooks the picturesque Karnataka Golf Course and is a 247-key hotel set within our most recognised office buildings.

Key statistics

2014
Year of commencement

5-Star
Hotel category

3.59 acres
Site area

247
Number of hotel keys

35%[1]
Occupancy

₹4,280 mn
Market value

(1) Refers to Q4 FY22 occupancy

All data as on March 31, 2022


Hilton

Four Seasons Bengaluru at Embassy One

The Four Seasons at Embassy One 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. Nestled within lush, green expanses and premium residential area, the property combines luxury, leisure and work with unrivalled standards.

Key statistics

2019
Year of commencement

5-Star Luxury
Hotel category

3.58 acres
Site area

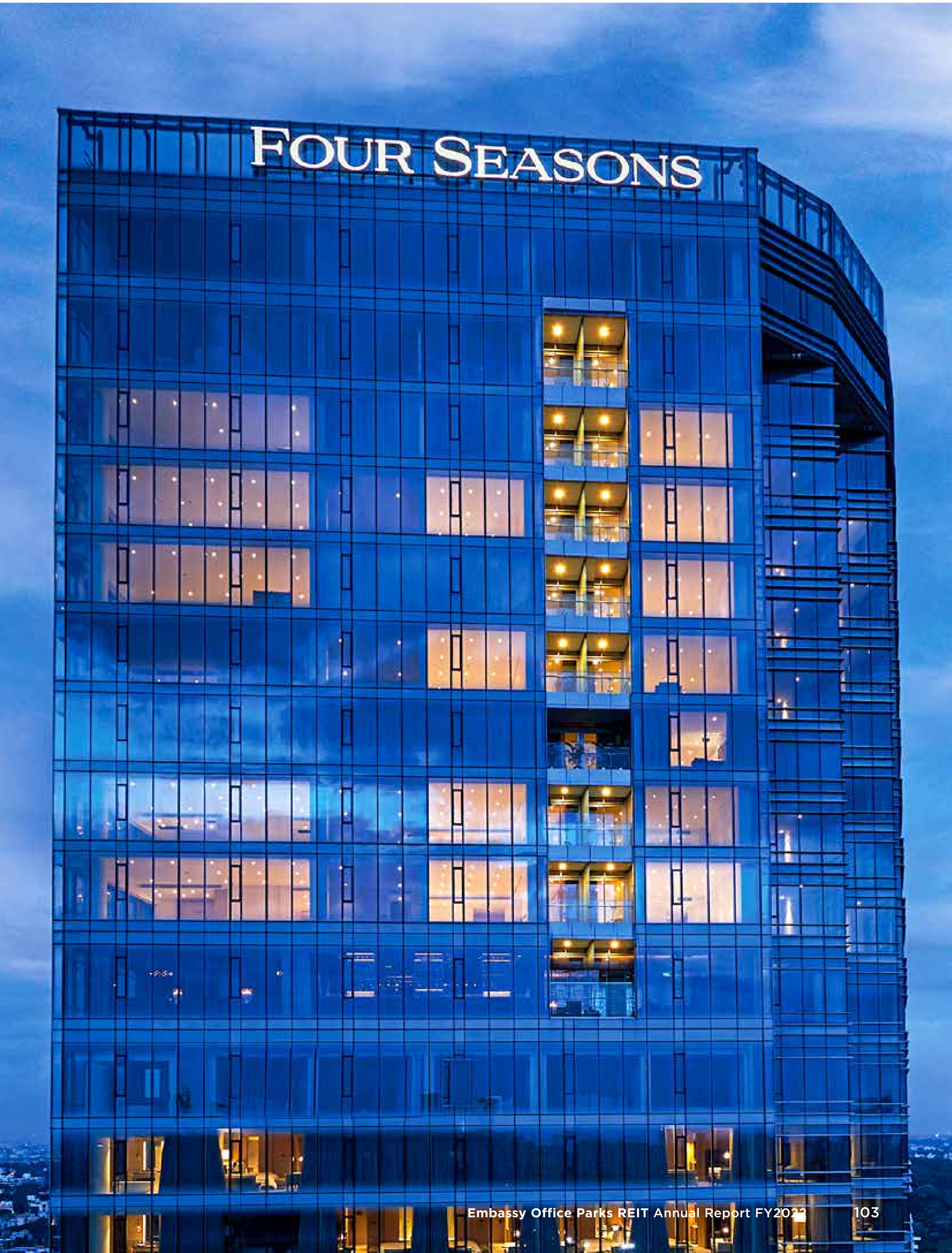
230
Number of hotel keys

25%[1]
Occupancy

₹7,938 mn
Market value

(1) Refers to Q4 FY22 occupancy

All data as on March 31, 2021


FOUR SEASONS

OTHER ASSETS

Hilton Hotels Embassy Manyata, Bengaluru

The Hiltons at Embassy Manyata is going to become a 619-key dual hotel set built into the overall campus of Embassy Manyata. The complex will include over 60,000 sqft. convention centre, 13,000 sqft pillarless grand ballroom, accommodating 1,200 guests.

Hilton

5-Star Business

Hotel category

Hilton Garden Inn

3-Star Business

Hotel category

Key statistics

619

Number of hotel keys

₹7,496 mn

Market value

Status

Launched

Retail and Convention Centre

Over 100 k sf

All data as on March 31, 2022


Hilton

Embassy Energy, Karnataka

Embassy Energy is our 460-acre solar park (with a 100 MW capacity), supplying green energy to our properties in Bengaluru. The plant has a capacity of 215 million units per annum, and offsets up to 200 million kg of CO_2 annually.

Key statistics

2018
Year of commencement

100 MW
Capacity

460 acres
Site area

₹8,965 mn
Market value

215 mn
Annual capacity

All data as on March 31, 2021


Embassy Manyata Business Park, Bengaluru

Statutory Reports and Financial Statements

Management Discussion and Analysis

The discussion and analysis of our financial condition and results of operations that follow are based on Audited Consolidated Financial Statements of Embassy REIT and the REIT assets/SPV's (together known as the Group) for the year ended March 31, 2022 ('FY22') prepared in accordance with Indian Accounting Standards (Ind AS) and applicable REIT regulations, which include the comparative numbers for the year ended March 31, 2021 ('FY21'). The financial information included herein is being presented to provide a general overview of the Group's performance for the financial year ended March 31, 2022 as compared against the financial year ended March 31, 2021 based on certain key financial metrics for general information purposes only and does not purport to present a comprehensive representation of the financial performance of the Group for these periods.

Executive Overview

Embassy REIT is India's first publicly listed REIT. We own, operate, and invest in high-quality real estate and related assets that generates rental income from our occupiers. We generate 48% of gross rents from Fortune 500 corporations. As a REIT, we are mandated by SEBI to pay atleast 90% of our Net Distributable Cash Flows as distributions to our Unitholders.

Embassy REIT comprises 33.8 msf of completed leasable area and 4.6 msf of under construction area. With the future potential development area of another 4.4 msf the total leasable area adds up to 42.8 msf as on March 31, 2022. The commercial office portfolio is spread across eight infrastructure like office parks (40.5 msf) and four prime city-center office buildings (2.3 msf) in Bengaluru, Mumbai, Pune and the National Capital Region (NCR).

The portfolio is home to 200+ blue chip corporate occupiers and comprises 96 buildings with strategic amenities, including three completed hotels, one under-construction hotel, and a 100 MW solar park that supplies renewable energy to park occupiers.

Our competitive strengths include the following:

- Best-in-class office properties that are complemented by high-quality infrastructure
- Diversified, high-quality, multinational occupier base
- Simple business with embedded growth levers
- Assets strategically located in the top-performing markets with high barriers to entry
- Highly experienced management team
- Backing by renowned sponsors who bring global expertise and local knowledge to our operations
- Our focus on sustainability while executing our business

200+
Blue chip corporate occupiers

100 Megawatt
Solar park supplying renewable energy to park occupiers

The Embassy REIT, the Trustee, the REIT assets 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 Audited Consolidated Financial Statements that we have included in this Annual Report and the accompanying notes to accounts.

Our strategy

Maximise distribution and NAV per unit through leasing, on-campus developments and acquisitions

Proactive asset management to drive value with strong corporate governance

1 Leasing & Lease Management

- Grow NOI by leasing vacant spaces
- Manage lease expiries and capture mark-to-market upside
- Experienced on-ground teams & hands-on approach to leasing
- Best-in-class occupier engagement

2 On-campus Development

- Deliver 9 msf[1] on-campus development
- Proactive pre-leasing to de-risk new development
- Select infrastructure ancillary projects (hotels, flyovers etc.) to increase entry barriers
- Provide 'total business ecosystem'

3 Acquisitions

- Capitalise on fragmented office market and undertake value accretive acquisitions
- Pan-India acquisition potential from 3rd parties
- 31.2 msf of ROFO opportunity from Embassy Sponsor and up to 4.2 msf of ROFO opportunity from others

4 Capital Management

- Build leverage selectively
- Use strong balance sheet to drive accretive growth through disciplined acquisitions
- Quarterly distributions with minimum 90% of NDCF to be distributed
- Low expenses and fees enhancing Unitholders' value

Note:

(1) Includes U/C of 4.6 msf and proposed future development of 4.4 msf

We aim to maximise the total return for Unitholders by targeting growth in distributions and in 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 developments, undertake value-accretive acquisitions, prudently manage our capital, and balance sheet, and pay distributions to the Unitholders.

Current business environment

The business environment for commercial real estate continue to improve in tandem with macro-indicators that suggest a broad-based recovery trend from COVID-19 related headwinds. A continued improvement in office attendance and a reduction in COVID-19 cases and restrictions since the peak of Omicron in January 2022 underpins the positive outlook. The physical occupancy in our parks has ramped up considerably – from ~10% at the end of the fiscal, it has gone up to around 20% in end-April.

A consensus has emerged that the office of the future will be a place for collaboration, community, and learning; and will continue to be a key tool for attracting and retaining the best STEM talent in India.

Industry conversations, leadership commentary from major corporates and active facilitation by the government suggests that physical occupancy is likely to continue on this upward trajectory over the coming weeks and months, barring another COVID wave of high severity. This 'Back to Office' movement is a lead indicator of commercial real estate health and forward growth, as long-term real estate management decision-making gets accelerated.

The underlying growth in Technology sector has been robust even during the pandemic; and has even accelerated as the pandemic has brought forward the process of digitalisation of the global economy with adoption of technology across industries. Record order books, tech spends and offshoring, as well as rapidly increasing headcounts for our core customer base – technology and global captives – is translating into significant demand for office space. In parallel, the continued focus by companies on higher quality, wellness-oriented properties is likely to result in stronger leasing interest particularly institutionally-owned landowners like Embassy REIT.

Our primary catchment of occupiers who utilise technology to support their global businesses, continue to prosper and forecast strong growth, including significant growth in hiring. As per a recent NASSCOM research report Indian tech industry is expected to have hired 445,000 people in FY22 – the highest ever hiring. The industry hired freshers in bulk to meet the growing digital demand; today, 1 in 3 is a digitally skilled employee. FY22 is expected to be a breakthrough year for India's technology industry as total industry revenue is set to reach ~$227 billion in FY22 (15.5% y-o-y growth). Similarly, global banking majors, several of whom have their captive centres in our parks, are reporting record 4Q earnings and growth in their home markets.

ESG as a concept has accelerated in acceptance, as occupiers and investors continue to put considerable emphasis on wellness and sustainability. In that context, companies have increased their focus, benchmarking and investments into being ESG compliant. Top-notch real-estate players have begun integrating ESG into business priorities to create not just a difference but also differentiation.

The resilience of our business has been clearly demonstrated despite the global and local challenges. During FY22, we have collected over 99% of our office rents, signed new leases and renewals for 2.24 msf with re-leasing and renewal spreads of 27% and 13%, respectively. Our year-end occupancy stands at a healthy 87.1%.

In addition to delivering ahead of the guidance set out at mid-year back in October 2021, we have now completed three full years since listing, two of which have been substantially impacted by the pandemic, yet we have delivered 53% in total returns and distributed about ₹58 billion (US$780 million) since listing.

Factors affecting our financial condition and results of operations

Our financial performance and results of operations are affected by several factors. The important ones in our view are listed here:

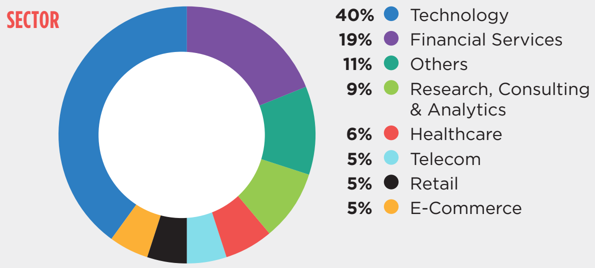
- **Commercial real estate market:** We depend on the performance of the commercial real estate market in the cities where our office parks and commercial offices are located. The commercial real estate market in these cities, in turn, depends upon various factors such as economic and other market conditions, 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 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 our portfolio assets are located.

  The portfolio assets are strategically located within their respective markets, which allows us to attract, retain and grow key occupiers within our office parks and commercial office buildings.

- **Industry of occupiers:** Our business also depends on the performance of the industry sectors of our occupiers. Sectors such as technology, banking, financial services, 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 domestic and multinational companies in these sectors have been increasingly expanding or setting-up operations in India.

OCCUPIERS FROM VARIOUS INDUSTRY SECTORS (%)

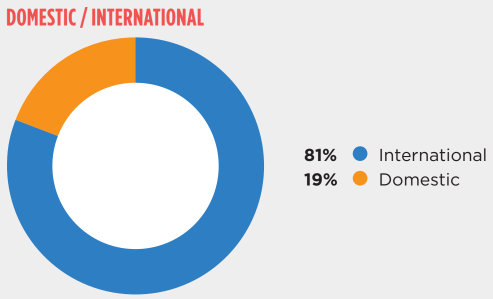


Our tenant base is highly diverse with technology sector clients continuing to make up 40% our gross rentals followed by financial services at 19% as of March 31, 2022. We believe that the domination of technology sector as key occupiers of space in India's commercial office segment will continue to significantly influence the results of our operations.

We derive 81% of Gross Annualised Rental Obligations from multinational corporation as at March 31, 2022. Further, we derive 48% of the gross rentals from Fortune 500 companies.

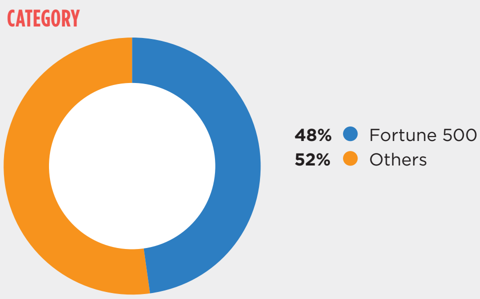
The global and other factors impacting businesses of these types of corporations may affect their ability to service contracted lease agreements.

GROSS ANNUALISED RENTAL OBLIGATIONS AMONG CORPORATIONS (%)



The global and other factors impacting businesses of these types of corporations may affect their ability to service contracted lease agreements.

GROSS ANNUALISED RENTAL OBLIGATIONS ACCORDING TO TYPE OF COMPANIES (%)



Occupancy rates: The success of our business depends on our ability to maintain high occupancy across the portfolio. On a total portfolio basis, our occupancy as of March 31, 2022 was at 87% as against 89% as of March 31, 2021. 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 foray 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 large infrastructure like business parks such as ours is difficult given land acquisition complexities and long development timelines in India. We believe that we enjoy greater credibility with our occupiers because 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 in core office markets, thereby enhancing the portfolio's appeal to occupiers, which has resulted in high occupancy rates.

- **Lease expiries:** We typically enter long-term leases with our occupiers, which provide us a steady source of rental income. The tenure of leases for our office parks are typically nine to fifteen years (assuming successive renewals at our occupiers' option), with a three to five-year initial commitment period, and contractual escalations of 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 maintain regular communication with the corporate real estate heads of our occupiers through a dedicated customer relationship management programme, which ensures we anticipate and cater to tenant needs. Further, across our portfolio assets, we have implemented various energy efficiency and sustainability initiatives, which help 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 the portfolio assets. 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 has 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. Besides, 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 re-leasing the same space at higher market 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, 2022, we had 4.6 msf of under construction area and 4.4 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, considering the specific requirements of our occupiers. This enhances our ability to develop and maintain long-term relationships with our occupiers. An example of built-to-suit project is the 1.1 msf area we have delivered in December 2021 for JP Morgan at Embassy TechVillage in Bengaluru. The timeline for development will vary depending on factors such as size, complexity, and occupier specifications.

  Construction progress depends on various factors, including business plans, the availability of finance, 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. While industry construction costs have increased due to rise in costs of input materials led by global factors, our nimble design and robust procurement strategy, centralised procurement team and long-term relation with key vendors enables us to optimise the construction cost.

  We capitalise our construction and borrowing costs in relation to our under-construction properties and capitalise brokerage costs with respect to 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 can obtain funding at competitive interest rates as evidenced basis the fund raising done by us during FY22, the cost of financing is material for us, as we require significant capital to develop our projects and the expected increase in interest rates might affect our distributable surplus.
- **Government regulations and policies including taxes and duties:** The real estate sector in India is highly regulated and there are several 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 like 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 operations and cause our business to suffer.
- **Future acquisitions:** We intend to selectively acquire from the Sponsors 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 on commercially viable terms, which will in part be affected by the prevailing interest rates or the price of our units 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 the portfolio assets we provide Common Area Maintenance (CAM) services to our occupiers. We derive income from these maintenance services that include a margin on the expenses incurred for providing such services.

Cost increases because 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.

Basis of preparation of consolidated financial statements

The Consolidated Financial Statements of the Group comprises the Consolidated Balance Sheet and the Consolidated Statement of Net Assets at fair value as at March 31, 2022, 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 Cashflows of Embassy REIT and each of the REIT assets, 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, 2022. 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 Embassy REIT on April 28, 2022.

The Consolidated Financial Statements have been prepared in accordance with the requirements of the Securities and Exchange Board of India (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 read with relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with the SEBI Circular. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from 1 April 2021. The preparation of consolidated financial statements is after taking into consideration the effect of the amended Schedule III, to the extent relevant to the presentation requirements of Division II of Schedule III. The Group has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Summary of significant judgements and estimates used in the preparation of the Consolidated Financial Statements

- **Use of judgement 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:

1. Business combinations
2. Impairment of goodwill and intangible assets with infinite useful life
3. Classification of lease arrangements as finance lease or operating lease
4. Classification of assets as investment property or as property, plant and equipment
5. 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
6. Judgements in preparing Consolidated Financial Statements
7. 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, 2022 is included in the following notes:

1. **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 on a 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

2. **Useful lives of Investment Property and Property, Plant and Equipment**

3. **Valuation of financial instruments**

4. **Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit:** The 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 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

5. **Uncertainty relating to the global health pandemic COVID-19:** The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on revenue recognition, 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, and have compared the actual performance with the projections and expects the carrying amount of these assets as reflected in the balance sheet as at 31 March 2022 will be recovered. The management has also estimated the future cash flows with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. 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.

Analysis of consolidated statement of profit and loss (₹ in million)

Particulars	FY 2022	As % of Revenue	FY 2021	As % of Revenue
Revenue from operations	29,626.05	100%	23,603.20	100%
Interest income	899.81	3%	971.20	4%
Other income	369.46	1%	214.06	1%
Total income	**30,895.32**		**24,788.46**	
Expenses				
Cost of materials consumed	84.53	0%	35.55	0%
Employee benefits expense	228.59	1%	225.48	1%
Operating and maintenance expenses	585.64	2%	413.81	2%
Repairs and maintenance	2,657.67	9%	1,794.20	8%
Valuation expenses	11.56	0%	8.45	0%
Audit fees	53.81	0%	49.26	0%
Insurance expenses	149.49	1%	81.90	0%
Investment management fees	924.63	3%	748.14	3%
Trustee fees	2.95	0%	2.95	0%
Legal and professional fees	408.46	1%	291.18	1%
Other expenses	1,537.82	5%	1,444.33	6%
Total expenses	**6,645.15**	**22%**	**5,095.25**	**22%**
Earnings before finance costs, depreciation, amortisation, impairment loss and tax	**24,250.17**	**82%**	**19.693.21**	**83%**
Finance costs	8,285.28	28%	6,452.89	27%
Depreciation expense	5,996.08	20%	4940.15	21%
Amortisation expense	1,968.55	7%	766.82	3%
Impairment loss	-	0%	988.96	4%
Profit before share of profit of equity accounted investee and tax	**8,000.26**	**27%**	**6,544.39**	**28%**
Share of profit after tax of equity accounted investee	962.14	3%	994.48	4%
Profit before tax	**8,962.40**	**30%**	**7,538.87**	**32%**
Tax expense	78.55	0%	555.34	2%
Profit for the year	**8,883.85**	**30%**	**6,983.53**	**30%**
Other comprehensive income	0.83	0%	0.81	0%
Total comprehensive income	**8,884.68**	**30%**	**6,984.34**	**30%**

Revenue from operations (₹ in million)

Particulars	FY 2022	FY 2021	Variance	Variance %
Facility rentals	22,162.32	18,475.61	3,686.71	20%
Income from finance lease	183.83	51.33	132.50	258%
Room rentals	288.37	99.08	189.29	191%
Revenue from contracts with customers				
Maintenance services	4,429.19	2,547.77	1,881.42	74%
Sale of food and beverages	281.99	118.86	163.13	137%
Income from generation of renewable energy	1,504.98	1,548.26	(43.28)	(3%)
Other operating income:				
- Hospitality	38.34	13.51	24.83	184%
- Others	737.03	748.78	(11.75)	(2%)
Total revenue from operations	**29,626.05**	**23,603.20**	**6,022.85**	**26%**

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 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 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, to the extent such leases are classified as operating lease as per accounting requirements.
- Facility rentals for the portfolio increased by ₹3,686.71 million or 20% from ₹18,475.61 million in FY21 to ₹22,162.32 million in FY22. A summary of movement is captured in the below table:

Facility rental portfolio (₹ in million)

Particulars	Amount (₹ in million)	% of total movement
Facility rentals for the year ended March 31, 2021	18,475.61	
Add:		
Increase in contracted revenue	1,540.24	8%
Lease up, vacancy and Mark-to-Market (MTM)	(2,958.42)	(16)%
Acquisitions	5,104.89	28%
Facility rentals for the year ended March 31, 2022	**22,162.32**	

Facility rentals increased primarily due to:

- **Contracted revenue:** Contracted lease escalation of 14% on 7.7msf across 89 lease contracts
- **Lease up, vacancy and MTM:** Lease up of 1.0 msf across Embassy Manyata, Embassy TechZone, Express Towers and others as well as renewals of 1.2 msf at 13% renewal spread across 47 deals off set by reduction in facility rentals due to Occupier exits during the year
- **Acquisitions:** Represents facility rentals from the 6.1 msf of completed area at Embassy TechVillage

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 the risks and rewards of ownership transfer to the lessee
- Income from finance lease increased from ₹51.33 million in FY21 to ₹183.83 million in FY22 due to new fit-out rental contracts with occupiers at Embassy Manyata and Embassy Tech Village

Revenue from room rentals and sale of food and beverages

- Revenue from room rentals and sale of food and beverages comprises revenue generated from our operating hotels viz. Hilton at Embassy Golflinks and Hilton Garden Inn (HGI) at Embassy Manyata and Four Seasons at Embassy One.
- During the year, the hospitality sector witnessed an improvement in business as compared with FY21 due to resumption of domestic travel resulting in an increase of revenue from room rentals by ₹189.29 million or 191% from ₹99.08 million in FY21 to ₹288.37 million in FY22. The segment also witnessed corresponding increase in sale of food and beverages by ₹163.13 million or 137%, from ₹118.86 million in FY21 to ₹281.99 million in FY22.

Key Performance Indicators for our hotels (₹ in million)

	YTD period ended							
	Hilton at Embassy GolfLinks		Four Seasons at Embassy One		HGI at Embassy Manyata		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22[1]	31-Mar-21	31-Mar-22	31-Mar-21
Keys	247	247	230	230	353	NA	830	477
Occupancy	29%	14%	23%	6%	23%	NA	26%	10%
Rooms Available	90,155	90,155	83,950	83,950	10,943	NA	1,85,048	1,74,105
Rooms Sold	26,528	12,344	19,482	5,430	2,551	NA	48,561	17,774
ADR (₹)	5,105	4,920	7,551	7,651	4,302	NA	6,044	5,754
RevPAR (₹)	NM	NM	NM	NM	NM	NA	NM	NM
Total Revenue (₹ mn)	227	100	365	132	18	NA	609	231
NOI (₹ mn)	(34)	(115)	(102)	(229)	0.2	NA	(135)	(344)
NOI Margin	NM	NM	NM	NM	NM	NA	NM	NM
EBITDA (₹ mn)	(35)	(114)	(115)	(229)	0.2	NA	(150)	(343)

[1]Hilton Garden Inn at Embassy Manyata was launched in Mar'22 and is currently under stabilisation

Maintenance services

Income from maintenance services consists of the revenue received from our occupiers for the Common Area Maintenance (CAM) services provided across our commercial office portfolio. Income from maintenance services is generally a function of our maintenance expenses at the 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 ₹1,881.42 million or 74% from ₹2,547.77 million in FY21 to ₹4,429.19 million in FY22, primarily due to acquisition of CAM services operations of Embassy Manyata and Embassy TechZone in October 2020 as well as addition of ETV assets to the commercial offices segment portfolio in December 2020. This increase has also been offset by reduction in income due to occupier exits.

Income from generation of renewable energy

The 100 MW solar park at Embassy Energy is located in Bellary district of Karnataka and helps reduce an estimated 200 million kgs of carbon footprint by providing green energy to our occupiers. The income from the segment remained flat at ₹1,504.98 million (FY21: ₹1,548.26 million).

Solar power generation

Particulars	FY 2022	FY 2021
Capacity (MW)	100	100
Solar units generated (million units)	177	190
Solar units consumed (million units)	176	183
Average blended tariff (₹ per unit)	8.5	8.4

Other operating income

Other operating income primarily includes revenue from ancillary operating departments at our Hospitality segment as well as the rental compensation receivable from Embassy Property Developments Private Limited (EPDPL) in relation to M3 Block A. Other operating income increased marginally by ₹13.08 million or 2% from ₹762.29 million in FY21 to ₹775.37 million in FY22 primarily due to increase in hospitality operations during the current year.

Property-wise revenue from operations

We have provided a property-wise/ asset-wise break up of our revenue from operations for FY22 vis-à-vis FY21.

Asset-wise revenue from operation (₹ in million)

Asset SPV	Name of the property	Location	FY 2022		FY 2021	
			Revenue	As % of total revenue	Revenue	As % of total revenue
MPPL	Embassy Manyata	Bengaluru	11,654.54	39%	10,802.17	46%
ETV Assets	Embassy TechVillage	Bengaluru	6,813.16	23%	1,708.28	7%
QBPL	Hotel, Retail and Office at Embassy One and Embassy Quadron	Bengaluru	1,126.39	4%	1,138.68	5%
IENMPL	Express Towers	Mumbai	1,449.80	5%	1,438.41	6%
VCPPL	Embassy 247	Mumbai	1,315.65	4%	1,321.66	6%
ETPL	FIFC	Mumbai	958.99	3%	1,025.77	4%
EOPPL	Embassy TechZone	Pune	1,534.56	5%	1,407.91	6%
QBPPL	Embassy Qubix	Pune	804.97	3%	873.31	4%
OBPPL	Embassy Oxygen	Noida	1,454.00	5%	1,435.74	6%
GSPL	Embassy Galaxy	Noida	782.43	3%	803.26	3%
UPPL	Hilton - Embassy Golfinks	Bengaluru	226.58	1%	99.75	0%
EEPL	Embassy Energy	Bellary	1,504.98	5%	1,548.26	7%
	Total		**29,626.05**	**100%**	**23,603.20**	**100%**

Interest income

Interest income includes interest on (i) debentures, (ii) fixed deposits with banks, (iii) security deposits, (iv) other statutory deposits, and (v) income-tax refunds. Interest income decreased by ₹71.39 million or 7% from ₹971.20 million for FY21 to ₹899.81 million for FY22.

The decrease is majorly on account of decrease in interest income from fixed deposits and income tax refund. During the previous year, the Group had surplus funds parked in fixed deposits which was utilised towards ongoing under-construction projects within the portfolio in the current year.

Other income

The details of other income as per the Consolidated Financial Statements is set forth in the below table:

Other income (₹ in million)

Particulars	FY 2022	FY 2021	Variance	Variance %
Liabilities no longer required written back	128.84	4.68	124.16	2,653%
Profit on sale of mutual funds	140.82	154.11	(13.29)	(9%)
Net gain on disposal of Property, Plant and Equipment/ Investment Properties	-	12.72	(12.72)	(100%)
Miscellaneous	99.80	42.55	57.25	135%
Total	**369.46**	**214.06**	**155.40**	**73%**

The increase is mainly on account of write back of liabilities no longer required during the current year as well as increase in miscellaneous income. During FY21, provision for stamp duty amounting to ₹229.44 million was created in relation to the composite scheme of arrangement involving MPPL, EOPPL and EPTPL. During FY22, the excess provision made of ₹82.94 million towards such stamp duty based on the final stamp duty adjudication was reversed.

Expenses

The Consolidated Financial Statements include expenses as set forth in the below table:

Expenses (₹ in million)

Particulars	FY 2022	FY 2021	Variance	Variance %
Cost of materials consumed	84.53	35.55	48.98	138%
Employee benefits expense	228.59	225.48	3.11	1%
Operating and maintenance expenses	585.64	413.81	171.83	42%
Repairs and maintenance	2,657.67	1,794.20	863.47	48%
Valuation expenses	11.56	8.45	3.11	37%
Audit fees	53.81	49.26	4.55	9%
Insurance expenses	149.49	81.90	67.59	83%
Investment management fees	924.63	748.14	176.49	24%
Trustee fees	2.95	2.95	-	0%
Legal and professional fees	408.46	291.18	117.28	40%
Other expenses	1,537.82	1,444.33	93.49	6%
Total expenses	**6,645.15**	**5,095.25**	**1,549.90**	**30%**

Our expenses comprises the following:

Cost of materials consumed

Cost of materials consumed includes direct material cost of our three operating hotels, i.e., Hilton at Embassy Golflinks and Embassy Manyata and the Four Seasons at Embassy One ('Hospitality operations') primarily towards the provision of food and beverage services to the guests at these hotels.

Cost of materials consumed increased by ₹48.98 million or 138% from ₹35.55 million for FY21 to ₹84.53 million for FY22 in line with increase in revenue from hospitality operations. The average occupancy for the year was 29% (FY21: 14%), 23% (FY21: Nil) and 23% (FY21: 6%) at Hilton Hotel at Embassy Golflinks and HGI at Embassy Manyata and Four Seasons Hotel, respectively.

Employee benefits expense

Employee benefits expense primarily includes salaries and wages, contribution to provident and other funds and staff welfare expenses in relation to our Hospitality operations. Employee benefits expense increased marginally by ₹3.11 million or 1% from ₹225.48 million for FY21 to ₹228.59 million for FY22.

Operating and maintenance expenses

Operating and maintenance expenses include power and fuel expenses and operating consumables in relation to our Common Area Maintenance operations.

Operating and maintenance expenses increased by ₹171.83 million or 42% from ₹413.81 million for FY21 to ₹585.64 million for FY22 majorly due to acquisition of CAM services operations of Embassy Manyata, Embassy TechZone and ETV during previous year.

Repairs and maintenance

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

There is an increase in expense by ₹863.47 million i.e. 48% from ₹1,794.20 million for FY21 to ₹2,657.67 million for FY22 primarily due to acquisition of CAM services operations of Embassy Manyata, Embassy TechZone and ETV during previous year.

Insurance

Insurance expenses increased by ₹67.59 million or 83% from ₹81.90 million for FY21 to ₹149.49 million for FY22 mainly due to acquisition of CAM services operations of Embassy Manyata, Embassy TechZone and ETV during previous year.

Investment management fees

This includes the property management fees and REIT management fees.

- **Property management fees:** This represents the fees earned by the Manager to the REIT pursuant to the investment management agreement.

  The Manager earns property management fees computed at 3% per annum of facility rentals collected by the relevant property with respect to operations, maintenance, administration, and management of the Holdco or the SPVs, as applicable. The fees have been determined to meet the ongoing costs of the Manager to undertake the services provided to the Embassy REIT and REIT assets. Property management fees increased by ₹134.25 million or 25% from ₹535.92 million for FY21 to ₹670.17 million for FY22 in line with increase in revenue from facility rentals.

- **REIT management fees:** This represents fees earned by the Manager to the REIT pursuant to the investment management agreement between the REIT and Manager. REIT management fees is computed at 1% of the REIT distributions. The fees have been determined for undertaking management of the REIT and its investments. REIT management fees for FY22 amounts to ₹254.46 million vis-à-vis ₹212.23 million for FY21, which are in line with the distributions for respective years.

Legal and professional fees

Legal and professional fees represent amounts paid to consultants for their services in relation to legal and compliance advisory, accounting and taxation advisory and internal audit. Legal and professional fees have increased by ₹117.28 million or 40% from ₹291.18 million for FY21 to ₹408.46 million for FY22 due to increase in operations due to acquisition of ETV assets during previous year.

Other expenses

Other expenses mainly include the following:

Other expenses (₹ in million)

Particulars	FY 2022	FY 2021	Variance	Variance %
Property tax (net)	1,025.21	766.67	258.54	34%
Rates and taxes	92.94	306.39	(213.45)	(70%)
Corporate Social Responsibility (CSR) expenses	111.52	93.72	17.80	19%
Marketing and advertising expenses	111.04	84.90	26.14	31%
Loss on sale of fixed assets	15.71	61.89	(46.18)	(75%)
Brokerage and commission	28.98	3.27	25.71	786%
Other direct and indirect expenses	152.42	127.49	24.93	20%
Total other expenses	**1,537.82**	**1,444.33**	**93.49**	**6%**

- **Property tax**
  Property tax increased by ₹258.54 million or 34% from ₹766.67 million for ₹Y21 to ₹1,025.21 million for FY21 mainly due to full year impact of ETV acquisition in the current year & HGI.
- **Rates and taxes**
  Rates and taxes decreased by ₹213.45 million or 70% from ₹306.39 million for FY21 to ₹92.94 million for FY22 due to inclusion of one-time provision for stamp duty amounting to ₹229.44 million in relation to the composite scheme of arrangement involving MPPL, EOPPL and EPTPL in FY21.
- **Corporate Social Responsibility (CSR) expenses**
  CSR expenses increased by ₹17.80 million or 19% from ₹93.72 million for FY21 to ₹111.52 million for FY22 due to increase in profits of REIT assets.
- **Marketing and advertisement expenses** Marketing and advertisement expenses has increased by ₹26.14 million or 31% from ₹84.90 million for FY22 to ₹111.04 million for FY22 due to increase in operations in hospitality segment.
- **Loss of sale of fixed assets**
  Loss of sale of fixed assets for FY22 amounts to ₹15.71 million, mainly due to sale of fit out assets on occupier exits.
- **Brokerage and commission**
  Brokerage and commission represents the marketing and brokerage expenses for Hospitality segment. The expense for FY22 amounts to ₹28.98 million vis-à-vis ₹3.27 million for FY21, mainly due to increase in Hospitality operations during current year.
- **Other direct and indirect expenses**
  Other direct and indirect expenses majorly include management fees paid by hotels, travel and conveyance, and allowance for credit loss. Other direct and indirect expenses increased by ₹24.93 million or 20% from ₹127.49 million for FY21 to ₹152.42 million for FY22 due to increase in the management fees paid by hotels owing to increased operations during the year.

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

Our EBITDA for FY22 was ₹24,250.17 million, an increase of ₹4,556.96 million or 23%, compared to ₹19,693.21 million for FY21 broadly in line with increase of 26% in revenue from operations partially offset by increase in expenses.

Finance costs

The Consolidated Financial Statements include finance costs as set forth in the below table:
Finance costs (₹ in million)

Particulars	FY 2022	FY 2021	Variance	Variance %
Interest expenses				
- on borrowings from banks and financial institutions	1,847.98	1,016.44	831.54	82%
- on deferred payment liability	-	477.76	(477.76)	(100%)
- on lease deposits	546.24	377.62	168.62	45%
- on lease liabilities	33.77	40.64	(6.87)	(17%)
- on non-convertible debentures				
- Embassy REIT Series II, Series III, Series IV and Series V NCD	3,831.21	914.43	2,916.78	319%
Accrual of premium on redemption of debentures	2,026.08	3,626.00	(1,599.92)	(44%)
Total finance costs	**8.285.28**	**6,452.89**	**1,832.39**	**28%**

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

- Interest expense on borrowings from banks and financial institutions increased by ₹831.54 million or 82% from ₹1,016.44 million for FY21 to ₹1,847.98 million for FY22 primarily due to full year impact on interest expense on incremental borrowings attributed to ETV assets and additional borrowing taken at Embassy Manyata to refinance the Series I NCD of REIT.
- The decrease in interest on deferred payment liability is due to prepayment of deferred payment liability during FY21.
- The interest on Non-Convertible Debentures (NCD) represents the interest expense of incremental Series IV and Series V NCD's raised during the FY 22 and full year impact of interest expense on Series II and Series III NCD's raised during FY 21.
- Premium on redemption of debentures represents redemption premium accrued on the Series I NCD issued by the REIT during FY20. The decrease is due to preclosure of Series I NCD in November 2021.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by ₹2,257.66 million or 40% from ₹5,706.97 million for FY21 to ₹7,964.63 million for FY22 primarily due to full year impact of depreciation owing to the acquisition of ETV and intangible assets in the form of CAM service rights on account of acquisition of the property maintenance services business in relation to Embassy Manyata and Embassy TechZone.

Impairment loss

The Group recognised an impairment loss of Nil in FY22 as against ₹988.96 million in FY21. During the previous year, an impairment loss of ₹590.89 million was recognised in the hospitality segment due to slower ramp up of occupancy coupled with prevailing economic conditions owing to COVID-19. Besides, an impairment loss of ₹398.07 million was recognised in FY21 in commercial offices segment as a result of slower than anticipated lease-up at Embassy One property. Since the hospitality sector has revamped from COVID-19, there is no impairment in the current year. 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 investee and tax

As a result of the foregoing, we recorded ₹8,000.26 million as profit before share of profit of equity accounted investee and tax for FY22 vis-à vis ₹6,544.39 million in FY21, an increase of ₹1,455.87 million or 22%.

Share of profit after tax of equity accounted investee

The share of profit after tax in Embassy Golflinks, our investment entity, an equity accounted investee, for FY22 was ₹962.14 million as compared with ₹994.48 million for FY21. The decrease of ₹32.34 million or 3% in the share of profit from Embassy Golflinks is primarily due to higher finance cost and tax expense in FY22.

Profit before tax

As a result of the foregoing, we recorded a profit before tax of ₹8,962.40 million for FY22, as compared to a profit before tax of ₹7,538.87 million for FY21, an increase of ₹1,423.53 million or 19%.

Tax expense

The portfolio of assets which we own are housed in 13 SPVs, which have different tax considerations including SEZ benefits, available MAT credit etc. and accordingly will have varying current tax percentages. On a blended basis, our current taxes for FY22 works out to ~6% of our revenue from operations as compared with ~7% for FY21 at the Consolidated Group level.

The Consolidated Financial Statements include tax expenses as set forth in the below table:

Tax expense (₹ in million)

Particulars	FY 2022	FY 2021	Variance	Variance %
Current tax	1,669.30	1,649.06	20.24	1%
Deferred tax charge/ (credit)	(1,590.75)	(1,093.72)	(497.03)	45%
Total tax expenses	**78.55**	**555.34**	**(476.79)**	**(86%)**

Total tax expenses decreased by ₹476.79 million or 116% from ₹555.34 million for FY21 to ₹78.55 million for FY22.

Current tax expense has marginally increased by ₹20.24 million or 1% from ₹1,649.06 million to ₹1,669.30 million for FY 22.

Deferred tax credit has increased by ₹497.03 million or 45% from ₹1,093.72 million to ₹1,590.75 million primarily due to benefit obtained from the collapse of ETV structure in FY 22 whereby deferred tax assets are created on unabsorbed depreciation and business losses as the realisation of such tax assets have become reasonably certain.

Profit for the year

As a result of the foregoing, our profit for FY22 was ₹8,883.85 million as compared with ₹6.983.53 million for FY21, a increase of ₹1,900.32 million or 27%.

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 offers 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 include (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 include (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, 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 up to EBITDA:

(₹ in million)

Particulars	FY 2022	FY 2021	Variance	Variance %
Revenue from operations	29,626.05	23,603.20	6,022.85	26%
Property taxes and insurance	(1,174.70)	(848.57)	(326.13)	38%
Direct operating expenses	(3,540.01)	(2,431.16)	(1,108.85)	46%
Net operating income	**24,911.34**	**20,323.47**	**4,587.87**	**23%**
Other income	1,269.27	1,185.26	84.01	7%
Property management fees	(924.63)	(748.14)	(176.49)	24%
Indirect operating expenses	(1,005.81)	(1,067.38)	61.57	(6%)
EBITDA	**24,250.17**	**19,693.21**	**4,556.96**	**23%**

Segment-level profitability (₹ in million)

Particulars	Commercial offices		Hospitality		Other segment	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Revenue from operations	27,512.07	21,823.48	609.00	231.46	1,504.98	1,548.26
Net operating income	23,641.91	19,245.65	(135.47)	(343.76)	1,396.21	1,421.58
NOI margin (%)	86	88	(22)	(149)	93	92

NOI margins

Our NOI margin for FY22 was 84% as compared with 86% for FY21, primarily due to increase in CAM income which have lower margins. NOI margin for commercial offices segment for FY22 was 86% as against 88% for FY21. The 2% reduction in margin is due to increase in revenues from CAM operations of Embassy Manyata, Embassy TechZone and ETV assets due to full year impact of these acquisitions. Our hospitality segment reported a negative NOI of ₹135.47 million for FY22 vis-à-vis negative NOI of ₹343.76 million for FY21 due to ramp up of the sector post the impact of the COVID-19 pandemic. Our NOI margin from other segment is in line for both years.

EBITDA

We use Earnings Before Finance costs, Depreciation, Amortisation, Impairment loss and Tax, excluding share of profit of equity accounted investee (EBITDA) internally as a performance measure. We believe it provides useful information to investors regarding our financial condition and results of operations because it offers a direct measure of the operating results of our business segments. Other companies may use different methodologies for calculating EBITDA and accordingly, our presentation of the same may not be comparable to other companies.

EBITDA does not have a standardised meaning, nor is it a recognised measure under Ind AS and may not be comparable with measures among similar names presented by other companies. EBITDA should not be

considered by itself or as a substitute for comparable measures under Ind AS or other measures of operating performance, liquidity or ability to pay dividends. Our EBITDA may not be comparable to the EBITDA or other similarly titled measures of other companies/ REITs as not all companies/ REITs use the same definition of EBITDA or other similarly titled measures. Accordingly, there can be no assurance that our basis for computing this non-GAAP measure is comparable with that of other companies/ REITs.

We believe that the comparable Ind AS metric to our EBITDA is profit for the year, and a reconciliation between these two is provided here:

(₹ in million)

Particulars	FY 2022	FY 2021
Profit for the year	**8,883.85**	**6,983.53**
Add: Tax expense	78.55	555.34
Profit before tax	**8,962.40**	**7,538.87**
Less: Share of profit after tax of equity accounted investee	(962.14)	(994.48)
Add: Depreciation expense	5,996.08	4,940.15
Add: Amortisation expense	1,968.55	766.82
Add: Finance costs	8,285.28	6,452.89
Add: Impairment loss	-	988.96
Earnings before finance costs, depreciation, amortisation, impairment loss and tax	**24,250.17**	**19,693.21**

Net Asset Value (NAV)

We use NAV internally as a performance measure and believe it provides useful information to investors regarding our financial condition. The computation of NAV is as prescribed under the REIT regulations.

This computation takes into account the Gross Asset Value (GAV) as arrived at by our independent external property valuers appointed under Regulation 21 of REIT regulations, along with the recorded book values of other assets as well as all other liabilities recorded in the financial statements to arrive at the NAV.

Our Statement of Net Assets at Fair Value as of the dates indicated, at a consolidated level, along with the NAV per unit is set forth here:

Statement of Net Assets at Fair Value (₹ in million)

Particulars	FY 2022	FY 2021	Variance %
Gross asset value (GAV)	493,674.00	466,051.25	6%
Other assets	73,518.96	81,819.13	(10%)
Other liabilities	(193,819.45)	(180,520.80)	7%
NAV	**373,373.51**	**367,349.58**	**2%**
NAV per unit	**393.90**	**387.54**	**2%**

Mr. Manish Gupta, Partner, iVAS Partners in conjunction with value assessment services undertaken by CBRE South Asia Pvt. Ltd, carried out our property valuation as an independent valuer and valued the GAV of our portfolio at ₹493,673.91 million with ~94% of value from core commercial office segment and with over 74% of value from Bengaluru, underpinning Embassy REIT's asset quality as of March 31, 2022

Asset-wise GAV, along with the key assumptions used in the valuation are provided here:

Asset	Leasable Area (msf)/Keys/MW			Valuation Assumptions[1,2]				GAV[1,2] as of Mar-22 (₹ mn)		
	Completed	Proposed/ U/C	Total	Discount Rate Completed	Discount Rate U/C	Cap Rate/ EBITDA Multiple	Rent/ ADR/Tariff Rate5	Completed	Proposed/ U/C	Total
Commercial Assets										
Embassy Manyata	11.8	3.0	14.8	11.70%	13.00%	8.00%	93	1,59,564	23,464	1,83,028
Embassy TechVillage	7.3	1.9	9.2	11.70%	13.00%	8.00%	94	1,02,902	13,427	1,16,329
Embassy GolfLinks3	3.1	-	3.1	11.70%	NA	8.00%	150	31,560	-	31,560
Embassy One	0.3	-	0.3	11.70%	NA	7.50%	147	4,678	-	4,678
Express Towers	0.5	-	0.5	11.70%	NA	7.50%	270	17,987	-	17,987
Embassy 247	1.2	-	1.2	11.70%	NA	8.00%	112	17,939	-	17,939
FIFC	0.4	-	0.4	11.70%	NA	7.75%	275	14,045	-	14,045
Embassy TechZone	2.2	3.3	5.5	11.70%	13.00%	8.25%	48	15,784	6,657	22,441
Embassy Quadron	1.9	-	1.9	11.70%	NA	8.25%	48	12,855	-	12,855
Embassy Qubix	1.5	-	1.5	11.70%	NA	8.25%	48	9,999	-	9,999
Embassy Oxygen	2.5	0.7	3.3	11.70%	13.00%	8.25%	54	22,131	2,517	24,648
Embassy Galaxy	1.4	-	1.4	11.70%	NA	8.25%	45	9,276	-	9,276
Sub-Total (Commercial Offices)	**33.8**	**9.0**	**42.8**					**4,18,720**	**46,065**	**4,64,785**
Hospitality Asset										
Hilton at Embassy GolfLinks	247 Keys	-	247 Keys	12.38%	-	14.0x	9,200	4,280	-	4,280
Four Seasons at Embassy One	230 Keys	-	230 Keys	12.38%	-	14.0x	11,500	7,938	-	7,938
Hilton and Hilton Garden Inn at Embassy Manyata	619 Keys	-	619 Keys	12.38%	-	14.0x	5 Star-8,000 3 Star-5,500	7,496	-	7,496
Hilton and Hilton Garden Inn at Embassy TechVillage	-	518 Keys	518 Keys	-	13.60%	14.0x	5 Star-8,000 3 Star-5,500	-	210	210
Sub-Total (Hospitality)	**1,096 Keys**	**518 Keys**	**1,614 Keys**					**19,714**	**210**	**19,924**
Others[4]										
Embassy Energy	100MW	-	100MW	11.70%	-	NA	8.5	8,965	-	8,965
Sub-Total (Others)	**100MW**	**-**	**100MW**					**8,965**	**-**	**8,965**
Total	**33.8 msf/ 1,096**	**9.0 msf/ 518 Keys**	**42.8 msf/ 1,614**					**4,47,399**	**46,275**	**4,93,674**
% Split								91%	9%	100%

[1]Gross Asset Value (GAV) considered per Mar'22 valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually. GAV of approximately 186k sf area and property maintenance business of EGL Campus has not been considered for Mar'22 valuation purposes, as the acquisition was completed by GLSP post year end

[2]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 Mar'22

[3]Details include 50% Embassy GolfLinks except leasable area. Embassy REIT owns 50% economic interest in Embassy GolfLinks and accounts for only the proportionate profits of Embassy GolfLinks basis the equity method

[4]Comprises of Solar Park located at Bellary district, Karnataka

[5]ADR/ Tariff Rates presented on a stabilised basis

Liquidity and Capital Resources

Overview

During FY22, we refinanced existing zero-coupon bond through debt raise of ₹46,000 million, combination of listed Non-Convertible Debentures (NCD) and bank loan at SPV at 6.5% average coupon and delivered significant c.300 bps or ₹1,300 million proforma annual interest savings. Further at SPV level, we raised ₹12,000 million bank loan at 7.4% coupon and refinanced existing bank loan of ₹5,200 million leading to c.80 bps savings. In addition, we obtained sanction for bank loans of ₹7,550 million at an average 6.90% coupon for construction purposes at SPVs. Independent rating agencies have rated the REIT as well as the NCD issuances by the REIT as AAA/ Stable. Our liquidity position of ₹12,546 million, which includes cash equivalents as well as undrawn committed facilities provides us the financial strength to overcome the current pandemic as well as offers the flexibility to pursue growth.

Financial resources

As of March 31, 2022, we had cash and cash equivalents, along with liquid investments of ₹5,884.49 million (March 31, 2021: ₹9,174.78 million).

This table depicts a selected summary of our statement of cash flows for the periods indicated:

Cash flows (₹ in million)

Particulars	FY 2022	FY 2021
Cash generated from operating activities	23,669.74	18,704.94
Net cash flow used in investing activities	(11,820.24)	(30,413.31)
Net cash generated from / (used in) financing activities	(15,139.79)	17,771.40
Net increase/ (decrease) in cash and cash equivalents	**(3,290.29)**	**6,063.03**
Cash and cash equivalents at the beginning of the year	9,174.78	3,111.75
Cash and cash equivalents at the end of the year	**5,884.49**	**9,174.78**

Cash generated from operating activities

Net cash generated from operating activities for FY22 is ₹23,669.74 million. Profit before tax of ₹8,962.40 million was adjusted for financing and investing activities as well as other non-cash items and movement in working capital by a net amount of ₹14,707.34 million to arrive at operating cash flow of ₹23,669.74 million. The operating cash flow recorded an increase of 27% vis-à-vis ₹18,704.94 million for FY21. The increase is in line with growth in revenue from operations of 26% in FY22 as well as the 23% growth in EBITDA during the year.

Net cash flow used in investing activities

We continued our focus on organic growth during the year resulting in a net cash flow used in investing activities of ₹11,820.24 million. This includes ₹14,009.65 million deployed towards our newly constructed Hotel, Hilton Garden Inn and Hilton Inn at Embassy Manyata and the 1.1 msf of JPM BTS at Embassy Tech Village as well as other on-campus development projects including several infrastructure upgrades. This was partially offset by cash inflows due to redemption of treasury surplus which were invested in mutual funds and dividend income received from our investment entity.

Net cash generated from / (used in) financing activities

During FY22, we had net cash used in financing activities of ₹15,139.79 million as compared to net cash generated from financing activities of ₹17,771.40 million in FY21. During FY22, we primarily raised borrowings of ₹64,534.67 million and repaid debt of ₹52,268.00 million; paid ₹6,420.61 million as interest on our borrowing as well as distributed ₹20,947.47 million in the form of distributions to Unitholders resulting in a net cash used in financing activities of ₹15,139.79 million. During FY21, we had net cash generated in financing activities of ₹17,771.40 million primarily due to proceeds from preferential issue of Units for ETV acquisition.

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 NDCF 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 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 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 have declared a cumulative distribution of ₹21.76 for FY22. The distribution comprises ₹3.85 per unit in the form of interest payment, ₹9.85 per unit in the form of dividend and the balance ₹8.06 per unit in the form of amortisation of SPV debt. For the full year FY22, we delivered Distributions totaling ₹20,626.17 million, which is on target with our full year Distribution guidance.

Collapsing of the legacy two-tier structure and capital reduction of various SPVs has enabled Embassy REIT to significantly increase tax-free component of its overall distributions to 82% for FY22.

Borrowings

This table presents a breakdown of borrowings as at March 31, 2022 and the corresponding ratios:

Debt analysis (₹ in million)

Description	Rating	Fixed/ Floating	Total Facility	Balance Facility	Out-standing Principal	Amor-tised Cost	Interest Rate	Maturity Date	Principal Repayment Schedule						
									FY23	FY24	FY25	FY26	FY27	FY28 & Beyond	Total
At REIT															
Embassy Office Parks REIT Series II NCD (Tranche A)	CRISIL AAA/Stable	Fixed	7,500	-	7,500	7,429	7.25%	Oct-23[1]	-	7,500	-	-	-	-	7,500
Embassy Office Parks REIT Series II NCD (Tranche B)	CRISIL AAA/Stable	Fixed	7,500	-	7,500	7,462	6.70%	Oct-23[1]	-	7,500	-	-	-	-	7,500
Embassy Office Parks REIT Series III NCD	CRISIL AAA/Stable	Fixed	26,000	-	26,000	25,809	6.40%	Jan-24[2]	-	26,000	-	-	-	-	26,000
Embassy Office Parks REIT Series IV NCD	CRISIL AAA/Stable	Fixed	3,000	-	3,000	2,976	6.80%	Sep-26[3]	-	-	-	-	3,000	-	3,000
Embassy Office Parks REIT Series V NCD (Tranche A)	CRISIL AAA/Stable	Fixed	20,000	-	20,000	19,884	6.25%	Oct-24[4]	-	-	20,000	-	-	-	20,000
Embassy Office Parks REIT Series V NCD (Tranche B)	CRISIL AAA/Stable	Fixed	11,000	-	11,000	10,932	7.05%	Oct-26[5]	-	-	-	-	11,000	-	11,000
Sub-total (A)			**75,000**	**-**	**75,000**	**74,491**	**6.59%**		**-**	**41,000**	**20,000**	**-**	**14,000**	**-**	**75,000**
At SPV															
Term Loan (Embassy Manyata)	CARE AAA/ Stable	Floating	8,500	-	8,500	8,472	6.90%	Oct-26	-	-	-	-	8,500	-	8,500
Term Loan (Embassy Manyata)	CRISIL AAA/Stable	Floating	6,500	2,535	4,702	4,670	6.50%	May-33	37	47	47	257	482	3,832	4,702
Construction Finance (Embassy Manyata)	CRISIL AAA/Stable	Floating	5,500	555	4,945	4,913	7.70%	May-31	-	25	49	198	396	4,277	4,945
Construction Finance (Embassy Manyata)	CRISIL AAA/Stable	Floating	6,000	2,254	3,746	3,726	7.95%	Mar-24	-	3,746	-	-	-	-	3,746
Term Loan (Embassy TechVillage)	CARE AAA/ Stable	Floating	4,603	1,850	2,729	2,715	6.45%	Oct-25	26	26	26	2,651	-	-	2,729
Term Loan (Embassy Oxygen)	CARE AAA/ Stable	Floating	2,000	1,050	950	947	7.25%	Aug-24	101	849	-	-	-	-	950
Construction Finance (Embassy TechZone)	CARE AAA/ Stable	Floating	2,750	872	1,878	1,867	7.70%	Aug-23	-	1,867	-	-	-	-	1,878
Green Loan (Embassy Manyata)	CARE AAA/ Stable	Floating	6,500	-	6,500	6,479	6.90%	Oct-26	-	-	-	-	6,500	-	6,500
Green Loan (Embassy TechVillage)	CARE AAA/ Stable	Floating	14,397	2,000	12,283	12,234	6.56%	Oct-25	124	124	124	11,911	-	-	12,283
Green Loan (Various) - Rooftop Solar	CARE AAA/ Stable	Floating	800	300	500	497	5.95%	Mar-26	-	-	-	500	-	-	500
Others[6]	-	-	NM	-	-	2	NM	Various	-	-	-	-	-	-	-
Sub-total (B)			**57,550**	**11,416**	**46,734**	**46,522**	**6.94%**		**288**	**6,683**	**246**	**15,518**	**15,878**	**8,109**	**46,734**
Total (A+B)			**1,32,550**	**11,416**	**1,21,734**	**1,21,013**	**6.72%**		**288**	**47,683**	**20,246**	**15,518**	**29,878**	**8,109**	**1,21,734**

[1]Embassy REIT has option to redeem all or part of the debentures on a pro-rata basis at any time on a specified call option date (between Mar'23 to Sep'23) subject to terms of the Debenture Trust Deed

[2]Embassy REIT has option to redeem all or part of the debentures on a pro-rata basis at any time on a specified call option date (between Jul'23 to Jan'24) subject to terms of the Debenture Trust Deed

[3]Embassy REIT has option to redeem all or part of the debentures on a pro-rata basis at any time on a specified call option date (between Mar'26 to Aug'26) subject to terms of the Debenture Trust Deed

[4]Embassy REIT has option to redeem all or part of the debentures on a pro-rata basis at any time on a specified call option date (between Apr'24 to Jul'24) subject to terms of the Debenture Trust Deed

[5] Embassy REIT has option to redeem all or part of the debentures on a pro-rata basis at any time on a specified call option date (between Apr'26 to Jul'26) subject to terms of the Debenture Trust Deed

[6]Others includes vehicle loans

Key leverage metrics

Our key leverage metrics are:

Leasing & Lease Management (₹ in million)

Particulars	FY 2022	FY 2021
Net debt to TEV (%)	25	25
Net debt to GAV (%)	24	22
Net debt to EBITDA	4.46x	4.2x
Interest coverage ratio		
- excluding capitalised interest	3.1x	3.3x
- including capitalised interest	2.7x	3.0x
Available debt headroom (₹ in billion)	120	126

We continue to maintain a strong liquidity position of ₹12.5 billion and a low leverage of 24% Net Debt to Gross Asset Value (GAV). Considering our AAA credit rating, additional proforma headroom of ₹120 billion and our ability to raise debt at competitive rates, we are in a strong position to pursue growth through on-campus development and accretive acquisitions.

Capital expenditures and capital investments

Historical capital expenditure

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

During FY22 we have incurred capital expenditure of ₹14,010 million primarily towards construction of 4.6 msf of Under Construction blocks which include M3 Block A at Embassy Manyata, Hudson and Ganges blocks at Embassy TechZone, Tower 1 at Embassy Oxygen, JPM Built to Suit (BTS) block at Embassy TechVillage as well as Construction of Hilton Garden Inn and Hilton Garden at Embassy Manyata, capex spends towards various Infrastructure and Upgrade Projects across our Parks including the flyover at Embassy Manyata and the Master Plan Upgrades at Embassy Manyata, Embassy Quadron and Embassy TechZone assets.

Planned capital expenditure

This table presents the development status and balance costs to be spent for development projects in progress as at March 31, 2022.

Development in Progress as at March 31, 2022

Asset	Projects	Development		Pre committed/ Leased	Occupier	Estimated Completion Date	Balance cost to be spent (₹ mn)
		Area (msf)	Keys	Area (%)			
Base-Build Projects (Completed)							
Embassy Manyata	Front Parcel - Hilton Hotels	NA	619	NA	NA	Completed in Mar-22	1,247
Embassy TechVillage	Parcel 9 - J PM BTS	1.1	NA	100%	JP Morgan	Completed in Dec-21	112
Sub-total		**1.1**	**619**	**100%**			**1,359**
Base-Build Projects (Under Construction)							
Embassy Manyata	M3 Block A	1.0	NA	-	-	Dec-22	793
Embassy TechVillage	Block 8	1.9	NA	-	-	Sep-24	8,034
Embassy TechZone	Hudson Block	0.5	NA	-	-	Sep-22	623
Embassy TechZone	Ganges Block	0.4	NA	-	-	Sep-22	738
Embassy Oxygen	Tower 1	0.7	NA	-	-	Jun-23	1,845
Sub-total		**4.6**	**NA**	**0%**			**12,033**
Infrastructure and Upgrade Projects							
Embassy TechZone	Master Plan Upgrade	NA	NA	NA	NA	Completed in Sep-21	75
Embassy Quadron	Master Plan Upgrade	NA	NA	NA	NA	Completed in Sep-21	17
Embassy Manyata	Flyover	NA	NA	NA	NA	Completed in Dec-21	148
Embassy Manyata	Master Plan Upgrade	NA	NA	NA	NA	Dec-22	471
Various	Solar Rooftop	NA	NA	NA	NA	Mar-23	518
Embassy TechVillage	Central Garden	NA	NA	NA	NA	Dec-22	540
Embassy TechVillage	Master Plan Upgrade	NA	NA	NA	NA	Jun-24	879
Others	Various	NA	NA	NA	NA	Various	3,998
Sub-total		**NA**	**NA**	**NA**	**NA**		**6,646**
Total (Under Construction)		**4.6**	**NA**				**20,038**

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, 2022:

Off-balance sheet arrangements and contingent liabilities (₹ in million)

Particulars	FY 2022	FY 2021
Claims not acknowledged as debt in respect of Income Tax matters	351.31	440.27
Claims not acknowledged as debt in respect of Indirect Tax matters	772.09	769.80
Claims not acknowledged as debt in respect of Property Tax matters	3,418.89	3,418.89

Internal financial control systems

Embassy REIT has a strong internal financial control system to manage its operations, financial reporting, and compliance requirements. The 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 business parameters are regularly monitored, and effective steps are taken to control them.

Embassy REIT has appointed one of the Big4 firms to conduct internal audit of its activities. The internal audit plan is reviewed each year and is approved by the audit committee. The internal audit is focused on review of internal controls and operational risk in the business of Embassy REIT.

Embassy REIT takes a proactive approach to risk management, making it an integral part of our business – both strategically and operationally. Our objective is optimisation of opportunities within the known and agreed risk appetite levels set by our Board. We take measured risks in a prudent manner for justifiable business reasons. Our ERM framework encompasses all our risks such as strategic, operational, and compliance risks. Appropriate risk indicators are used to identify these risks proactively. A robust internal control system and an effective, independent review and audit process underpin our ERM Framework. While management is responsible for the design and implementation of effective internal controls using a risk-based approach, external consultant reviews such design and implementation to provide reasonable assurance on the adequacy and effectiveness of the risk management and internal control systems.

The Audit Committee and the Board of Directors periodically reviews the adequacy and effectiveness of internal financial control systems and suggests improvements to further strengthen them. The internal financial control systems are adequate and operating effectively as at March 31, 2022. The effectiveness of the internal control over financial reporting for each of the SPVs as at March 31, 2022 has been attested by the respective statutory auditors of SPVs who expressed an unqualified opinion on the effectiveness of each SPV's internal control over financial reporting as of March 31, 2022.

Business performance for FY22 and outlook

All our parks remained open throughout the year for business, despite localised restrictions on movement especially in 1H FY22 during the severe impact of Covid second wave. However, these restrictions were gradually removed as Covid cases declined and mass vaccination picked up. Resurgent Omicron in late 2021 and early 2022 delayed office to return plans, however, its lower severity coupled with near universal vaccination, resulted in faster business recovery. We have seen a continued improvement in office attendance and a reduction in Covid cases and restrictions since the peak of Omicron in January 2022. As per the conversations with our key occupiers, we expect the occupancy numbers to continue on this upward trajectory over the coming months.

Our on-ground teams continue to support businesses throughout the year. Through our partnerships with leading hospitals as well as support of local civic authorities, we facilitated vaccine roll- out at our park premises. In addition to our safety initiatives and our investments in touchless technology, advanced air filters, among other technological initiatives. Our enhanced commitment towards safety, hygiene and wellness was certified by British Safety Council. Our recent association with WELL Institute is another illustration of our focus on providing world-class health and wellness-oriented solutions to our occupiers.

Key highlights

Operational

- Leased 2.2 msf across 47 deals at 18% spreads, and achieved 14% rent escalations on 7.7 msf;
- Delivered 1.1 msf JP Morgan campus within timelines and budget, and ramped-up new growth cycle with 4.6 msf new office development;
- Launched one of India's largest mixed-use complexes offering 619 dual-branded Hilton hotel keys at Embassy Manyata;

Financial

- Refinanced our ₹46 billion ZCB with coupon bearing debt at positive spreads of c.300 bps leading to proforma ₹1.3 billion annual interest savings. Post this significant refinance, our balance sheet remains conservative with 24% leverage and 6.7% cost of debt.

- Enhanced post-tax distributions yield for our Unitholders by simplifying the two-tier structures of our Manyata and ETV properties and increasing tax-free component of our distributions from 66% in previous year to 82% in FY22. Going forward, we expect c.85% of our distributions to be tax-free.
- Achieved a 6% YoY increase in Gross Asset Value for our portfolio, independently assessed by valuers at ₹494 billion as of 31 March 2022. Our NAV also increased by 2% YoY to ₹393.90 per unit, primarily driven by improved market outlook, lease-up, market rent assumptions and new deliveries.

Acquisitions

- As demonstrated by our ₹97.8 billion successful acquisition of ETV in December 2020, we remain highly selective and are focused on ensuring acquisitions are complementary to our existing portfolio. Our robust governance framework, strong balance sheet and well-established access to capital markets are our key strengths and help us pursue accretive growth.
- Consolidated ownership in Embassy GolfLinks ('EGL') property at Bengaluru, one of India's best office parks. Our 50%-owned investment entity GolfLinks Software Park Private Limited ('GLSP') acquired 0.4 msf area within EGL from strata owners, thereby consolidating GLSP's ownership footprint to 3.1 msf. GLSP also acquired the property management business for the entire 4.7 msf EGL business park. The entire acquisition was completed by GLSP for a total consideration of ₹9.3 billion and was funded through a debt by REIT at 70 bps spread to REIT's recently raised 5-year fixed coupon debt at 7.35%.
- Evaluating the Right of First Offer opportunity received from Embassy Sponsor in January'22 in relation to Embassy Splendid TechZone, a 26-acre business park in Chennai totaling around 5 msf when fully developed. This is in addition to other third-party opportunities which we are currently considering.

ESG

- Earlier this year, we announced our ESG strategy based on 3 key pillars of Resilient Planet, Revitalised Communities and Responsible Business. We have committed to achieve net zero carbon emissions by 2040 across our operational portfolio and have set medium-term goals for our 19 ESG programs – key being our '75/25 Renewable Programme', i.e., our commitment to achieve 75% renewable energy usage across our properties by FY25. To that end, we have initiated a 20 MW solar rooftop project across our pan-India properties, this being one of Asia's largest such initiatives. This project is on track for end 2022 completion and is expected to deliver over 30% IRR given the attractive 5.95% certified green financing.
- In recognition of our efforts and leadership position in sustainability, we received multiple prestigious ESG recognitions, such as the Golden Peacock Award for Sustainability, a 4-star GRESB rating, a portfolio-wide WELL score and USGBC LEED Platinum rating for all our Mumbai, Pune and Noida properties. We consider our ESG focus and commitments to be aligned with the broader goals of our global occupiers and investors and our leadership position as a strong differentiator and a long-term advantage.

Outlook for FY23

- In FY23, we expect our NOI to be in the range of ₹25,679 million to ₹28,382 million with midpoint of ₹27,030 million, which is 9% higher than previous year FY22. We expect our NDCF to be in the range of ₹19,541 million to ₹21,598 million with midpoint of ₹20,569 million. Correspondingly, our DPU is expected to be in the range of ₹20.62 per unit to ₹22.79 per unit with a midpoint of ₹21.70 per unit, in-line with the previous year. We would like to highlight that this distribution guidance includes the impact of the ZCB which we refinanced in November last year with a coupon-bearing debt. Our new guidance should be viewed as core recurring distributions, and on a like-to-like basis, post factoring the impact of ZCB refinancing, our guidance is 9% higher compared to the previous year.
- With Covid cases at record low and near universal vaccine coverage, tenants have started back to office plans and expect higher physical occupancy in few quarters. Considering the improved demand outlook and our leasing pipeline, we expect a total lease-up of 5 msf, comprising 1.7 msf new deals on operating portfolio, 1.2 msf pre-leases on under-construction projects and 2.1 msf lease renewals.
- In the mid-term, as we look beyond the pandemic, we are well placed to capitalise on the future opportunities given the continued growth in our occupier businesses, especially technology and global captives. Our portfolio comprises some of the highest quality properties in the Indian office market. We believe our differentiated office portfolio will continue to attract quality occupiers, and that owners who have invested in amenities, services, and technology ('Total Business Ecosystem') will be preferred by tenants. We remain focused on delivering our NOI and quarterly distributions and maintaining our balance sheet discipline.

Report on Corporate Governance

Overview

Embassy Office Parks REIT ("**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" or "Manager") 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, 2022, 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

a. The Manager has 8 (eight) Directors. All the Directors of the Manager are Non-Executive Directors, one half of which are Independent Directors including one Woman Director. The profiles of the Directors are set forth on pages 64-67 of this report.

   Mr. Jitendra Virwani has been elected as the Chairperson of the Board of Directors of the Company for the Financial Year 2021-22.

   Mr. Asheesh Mohta is alternate director to Mr. Robert Christopher Heady.

   Mr. Jitendra Virwani, non-executive director, is father of Mr. Aditya Virwani, non-executive director.

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

c. 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

a. Six Board Meetings were held during the year ended March 31, 2022 on April 29, 2021, July 28, 2021, October 29, 2021, January 28, 2022, March 17, 2022 and March 29, 2022. The necessary quorum was present through Audio-Visual Electronic Communication Means for all the meetings. The time gap between two board meetings was less than 120 days.

b. The Board meets at regular intervals to discuss and decide on policies and business strategy apart from other Board and compliance matters. Advance notice is given to all directors to schedule the Board meetings, including those held at shorter notice. The agenda and other related papers are circulated to the Directors ahead of the Meetings. The minutes of the meetings of all the Board and Committees are circulated to all the Directors and are finalised after incorporating comments of the Directors, if any. Unanimous decisions were carried through and there were no instances where any director expressed any dissenting views.

c. The Board and Committee meetings are scheduled in co-ordination with the offices of the directors, in case of special and urgent business needs, the Board's approval is taken by passing resolutions through circulation, subject to applicable law, which are noted and confirmed in the subsequent Board meeting.

d. None of the Directors is a member of more than ten Board level committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five committees across all public limited companies (listed or unlisted).

e. The Company has availed Directors and Officers Insurance for all its Directors, including Independent Directors of the Company.

f. The Board passed three resolutions through circular during the year ended March 31, 2022 i.e., on June 11, 2021 covering matters which were subsequently noted by the Board in their meeting held on July 28, 2021 and inter-alia, approved:

   (i) the Annual Report of Embassy REIT for the financial year ended March 31, 2021;

   (ii) an amended "Distribution Policy" of Embassy REIT; and

   (iii) notice of the Third Annual Meeting of the Unitholders for the financial year ended March 31, 2021.

g. Performance Evaluation of the Board, its Committees and Individual Directors, including Independent Directors:

   The Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the process, format, attributes and criteria for the performance evaluation of the entire Board, its committees and individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee.

   The Independent Directors had met separately on April 28, 2021 without the presence of Non-Independent Directors and the Management and discussed, inter-alia, the performance of Non-Independent Directors and the Board as a whole and the performance of the Chairperson of the Board of Directors of the Company after taking into consideration the views of Non- Independent Directors.

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, 2022	Whether attended the Annual Meeting of the Unitholders held on July 08, 2021
Mr. Anuj Puri	Independent Director Non-Executive Director	6	Yes
Mr. Vivek Mehra	Independent Director Non-Executive Director	6	Yes
Dr. Ranjan Pai	Independent Director Non-Executive Director	6	Yes
Dr. Punita Kumar-Sinha	Independent Director Non-Executive Director	6	Yes
Mr. Jitendra Virwani	Non-Independent Non-Executive Director	6	Yes
Mr. Aditya Virwani	Non-Independent Non-Executive Director	6	Yes
Mr. Tuhin Parikh	Non-Independent Non-Executive Director	3	Yes
Mr. Robert Christopher Heady	Non-Independent Non-Executive Director	5	Yes
Mr. Asheesh Mohta*	Non-Independent Non-Executive Director	1	NA

*Alternate director to Mr. Robert Christopher Heady

I. Due to the Covid-19 pandemic, Embassy REIT held all its Board, Committee and Unitholder meetings through Audio-Visual Electronic Communication Means.

II. As on March 31, 2022, 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	5,200
Mr. Michael D Holland	Chief Executive Officer	2,65,200

Mr. Karan Virwani holds 2,000 Units. He is related to Mr. Aditya Virwani and Mr. Jitendra Virwani, both of whom are Non-Executive Directors.

Committees Constituted by the Board

The Board has constituted Nine (9) committees. The composition and terms of reference of each of those committees is set forth below:

Committee	Composition	
Audit Committee	**Name**	**Category**
	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. Robert Christopher Heady*	Non-Independent Non-Executive Director
	*Mr. Asheesh Mohta, Alternate Director to Mr. Robert Christopher Heady	
Nomination and Remuneration Committee	**Name**	**Category**
	Dr. Ranjan Pai – Chair	Independent Non-Executive Director
	Mr. Vivek Mehra	Independent Non-Executive Director
	Mr. Jitendra Virwani	Non-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. Robert Christopher Heady*	Non-Independent Non-Executive Director
	Mr. Vivek Mehra	Independent Non-Executive Director
	*Mr. Asheesh Mohta, Alternate Director to Mr. Robert Christopher Heady	
Corporate Social Responsibility Committee	**Name**	**Category**
	Dr. Ranjan Pai – Chair	Independent Non-Executive Director
	Mr. Aditya Virwani	Non-Independent Non-Executive Director
	Mr. Tuhin Parikh	Non-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. Robert Christopher Heady*	Non-Independent Non-Executive Director
	*Mr. Asheesh Mohta, Alternate Director to Mr. Robert Christopher Heady	
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
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. Aravind Maiya until May 31, 2022	Chief Financial Officer
	Mr. Abhishek Agrawal w.e.f June 01, 2022	Deputy Chief Financial Officer
Securities Committee	**Name**	**Category**
	Mr. Tuhin Parikh	Non-Independent Non-Executive Director
	Mr. Aditya Virwani	Non-Independent Non-Executive Director
	Mr. Anuj Puri	Independent Non-Executive Director
	Mr. Jitendra Virwani	Non-Independent Non-Executive Director

Committee	Composition	
Management Committee	**Name**	**Category**
	Mr. Michael D Holland	Chief Executive Officer
	Mr. Vikaash Khdloya	Deputy Chief Executive Officer and COO
	Mr. Aravind Maiya - until May 31, 2022	Chief Financial Officer
	Mr. Ritwik Bhattacharjee w.e.f March 29, 2022	Chief Investment Officer
	Mr. Abhishek Agrawal w.e.f March 29, 2022	Deputy Chief Financial Officer

Mr. Vikaash Khdloya has been appointed as the Chief Executive Officer of Embassy Office Parks REIT with effect from July 01, 2022.

Mr. Abhishek Agrawal has been appointed as the Interim Chief Financial Officer of Embassy Office Parks REIT with effect from June 01, 2022

Environment, Social and Governance ("ESG")

An Environment Social and Governance (ESG) Committee has been established to drive ESG initiatives and compliances. The ESG Committee is a cross-functional management committee of the Manager. It is chaired by the Chief Executive Officer of the Manager, with the Head-Operations of the Manager as the Secretary to the Committee. The Committee reports to the Management Committee and the Chairperson of the ESG Committee is responsible to provide the ESG update to the Management Committee every quarter. The Secretary is responsible for setting the agenda and circulating the minutes of the Committee Meetings.

The Committee is responsible for aligning Embassy REIT's ESG objectives along with its business objectives by creating a periodic Environmental, Social and Governance road map for achieving the Embassy REIT's goals and targets. The Committee is responsible for overseeing all ESG initiatives. It plays a pivotal role in analysing current and emerging ESG trends that may have an impact on business, operations, performance, stakeholders needs and interests, and advising the Board on appropriate actions for the same.

Audit Committee - Terms of Reference

The Board of Directors at its meeting held on October 29, 2021, have revised the terms of reference of the Audit Committee. The revised terms of reference of the Audit Committee are set out below:

a. Providing recommendations to the Board of Directors regarding any proposed distributions;

b. 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;

c. Giving recommendations to the Board of Directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditors of the Embassy REIT and the audit fee, subject to the approval of the Unitholders (if required under applicable law);

d. Reviewing and monitoring the independence and performance of the statutory auditors of the Embassy REIT, and effectiveness of audit process;

e. Approving payments to statutory auditors of the Embassy REIT for any other services rendered by such statutory auditors;

f. Reviewing the annual financial statements and auditors' report thereon of the Embassy REIT, before submission to the Board of Directors for approval, with particular reference to:

    i. changes, if any, in accounting policies and practices and reasons for such change;

    ii. major accounting entries involving estimates based on the exercise of judgment by management;

    iii. significant adjustments made in the financial statements arising out of audit findings;

    iv. compliance with listing and other legal requirements relating to financial statements;

    v. disclosure of any related party transactions; and

    vi. modified opinions in the draft audit report;

g. reviewing, with the management, the quarterly financial statements before submission to the board for approval;

h. Reviewing, with the management, the statement of uses/application of funds raised through an issue of units or other securities (if applicable) 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 and monitoring the use of proceeds of offerings of securities of the Embassy REIT, as applicable;

i. Reviewing and monitoring the Embassy REIT's auditors' independence and performance, and effectiveness of the audit process;

j. Approval or any subsequent modifications of transactions of the Embassy REIT with related parties, as may be required under applicable law;

k. Scrutiny of inter-corporate loans and investments of the Embassy REIT, as applicable;

l. Reviewing valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law.

m. Evaluating internal financial controls and risk management systems of the Embassy REIT;

n. Reviewing, with the management, the performance of statutory and internal auditors of the Embassy REIT, and adequacy of the internal control systems, as applicable;

o. Reviewing the adequacy of internal audit function of the Embassy REIT, if any, 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;

p. Reviewing the findings of any internal investigations by the internal auditors of Embassy REIT in 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;

q. 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;

r. Discussing with statutory auditors and valuers of the Embassy REIT 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;

s. Reviewing and monitoring the independence and performance of the valuer of the Embassy REIT;

t. 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;

u. Evaluating any defaults or delay in payment of distributions to the Unitholders or dividends/ distributions 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;

v. Reviewing periodically the statement of related party transactions, submitted by the management;

w. Reviewing the Management letters/ letters of internal control weaknesses issued by the statutory auditors of the Embassy REIT;

x. Discussion with internal auditors of the Embassy REIT of any significant findings and follow up there on (and the internal auditors may report directly to the Audit Committee);

y. To review the functioning of the whistle blower mechanism/vigil mechanism;

z. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

aa. Reviewing the utilisation of loans and/ or advances from/investment by the Embassy REIT/holding company in the holding company/special purpose vehicle exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower, or such other thresholds as may be prescribed and as may be required under applicable law;

ab. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Embassy REIT and its Unitholders, to the extent applicable;

ac. To investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

ad. Periodic review compliance with the provisions of the Code on unpublished price sensitive information and dealing in securities of the Embassy REIT and Code of Practices and Procedures for Fair Disclosure in respect of the Embassy REIT, verification that the systems for internal control are adequate and are operating effectively and general supervision of the implementation of such Code;

ae. Formulating any policy for the Manager, as necessary, in relation to its functions, as specified above; and

af. Performing such other activities or functions as may be delegated by the Board of Directors of the Manager and/or prescribed under any applicable law.

The Audit Committee shall mandatorily review the following information:

a. management discussion and analysis of financial condition and results of operations;

b. statement of significant related party transactions (as defined by the Audit Committee), to the extent applicable, submitted by management;

c. management letters / letters of internal control weaknesses issued by the statutory auditors;

d. internal audit reports relating to internal control weaknesses; and

e. the appointment, removal and terms of remuneration of the chief internal auditor;

f. statement of deviations:

    (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 and to the extent applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with the circulars, clarifications, guidelines and notifications issued thereunder, each as amended.

    (b) annual statement of funds utilised for purposes other than those stated in the offer document/

prospectus/notice in terms of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 and to the extent applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with the circulars, clarifications, guidelines and notifications issued thereunder, each as amended.

Nomination and Remuneration Committee - Terms of Reference

The Board of Directors at their meeting held on October 29, 2021, have revised the terms of reference of the Nomination and Remuneration Committee. The revised terms of reference of the Nomination and Remuneration Committee are set out below:

a. 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. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the board of directors and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
    i. use the services of an external agencies, if required;
    ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    iii. consider the time commitments of the candidates;
b. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
c. Devising a policy on diversity of the board of directors of the Manager;
d. 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, to the extent required under applicable law;
e. Determining whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors;
f. 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;
g. recommending to the board of directors, all remuneration, in whatever form, payable to senior management, to the extent required under applicable law;
h. Overseeing the administration and execution of any employee incentive scheme adopted in relation to the employees of the Company including the Employee Incentive Plan 2020 ("Plan 2020"), including matters relating to the settlement and administration of any employee welfare trusts. The role of the committee shall, inter alia, include determining the following:
    i. the eligibility criteria for employees eligible for incentives under the Plan 2020;
    ii. the terms and conditions of the awards granted under the Plan 2020, including the Deferred Unit awards and Performance Unit awards, including the criteria and performance parameters for the granting and vesting of such awards to eligible employees;
    iii. the number of tranches in which the awards are to be granted and the number of awards to be granted in each such tranche;
    iv. the quantum of awards to be granted to each employee under the Plan 2020;
    v. the timing of issuance of the letters of grant, vesting letters, or amendments or modifications thereto, determining the pool of units available for grant and the timing of contributions to such pool;
    vi. the number of awards if any, reserved for granting to new employees who would join the services of the Company;
    vii. specify the method, as applicable, which the Company shall use to value the awards;
    viii. lay down the procedure for cashless exercise of awards, if any;
    ix. provide for the grant, vesting and exercise of awards in case of eligible employees or awards holders who are on long leave or who have been seconded to any other company by the Company;
    x. the vesting and exercise period for the awards;
    xi. terms on which the awards would lapse on failure to Exercise within the relevant exercise period;
    xii. specifying the time period within which an employee shall exercise the vested awards in the event of termination or resignation of such employee;
    xiii. the conditions under which the vested awards may lapse, in case of termination of employment for fraud or misconduct;

xiv. the treatment of unvested awards upon events including but not limited to, termination of employment or upon a director ceasing to hold office;

xv. the procedure for surrender and cancellation of awards, if required;

xvi. framing appropriate procedures and rules for granting, vesting and exercise of awards and amending, altering, modifying or rescinding such procedures and rules from time to time;

xvii. ensuring submission of information, reports, etc., in connection with the Plan 2020 or the EWT, if required, to the recognised stock exchange(s) at stipulated periodical intervals or otherwise, as the case may be;

xviii. obtaining permissions from, and making periodic reports, to regulatory authorities, as may be required, and ensuring compliance with applicable law;

xix. laying down a method for satisfaction of any tax obligation arising in connection with the awards in compliance with applicable law;

xx. provide for any statutory, contractual, regulatory or such other matters as may be necessary for the administration and implementation of the Plan 2020 in accordance with applicable law;

xxi. finalise, approve and authorise executives of the Company to execute various agreements, deeds, writings, confirmations, undertakings, indemnities, letters or other documents, as may be necessary, under the common seal of the Company or otherwise, with any party including the Blackstone Sponsor Group and the Embassy Sponsor group, legal advisors, accountants, registrar and transfer agents, depositories, custodians, trustees, bankers, employees and/or others for the purposes of the Plan 2020 and accept modifications, changes and amendments to any such documents/ agreements;

xxii. formulation of suitable policies and systems to ensure that there is no violation of any applicable law;

xxiii. such other matters, not captured above, which may be required in relation to the implementation of the Plan 2020 in accordance with applicable law and the terms set out herein;

xxiv. formulate various sets of special terms and conditions under the Plan 2020 to apply to an employee (or his nominee or legal heir, as the case may be). Each of such sets of special terms and conditions under the Plan 2020 shall be restricted in their application to such employee (or his respective nominees/ legal heirs). The Nomination and Remuneration Committee may also formulate separate sets of special terms and conditions to apply to each class or category of employees (or their respective nominees/legal heirs) and each of such sets of special terms and conditions shall be restricted in its application to such class or category of employees (or their respective nominees/legal heirs);

xxv. the Nomination and Remuneration Committee may appoint a third party to administer the Plan 2020 and support employee communication, on its behalf; and

xxvi. any and all the above matters in relation to any other employee incentive scheme that may be considered or adopted by the Company in the future.

xxvii. delegate activities pertaining to any and all of the above matters to one or more persons as it may deem fit.

i. Performing such other activities or functions as may be delegated by the board of directors of the Manager and/or prescribed under any applicable law.

Stakeholders' Relationship Committee - Terms of Reference

The Board of Directors in their meeting held on October 29, 2021 have revised the terms of committee, the revised terms of reference of the Stakeholders' Relationship Committee is set out below:

a. Considering and resolving grievances of security holders of the Embassy REIT, including complaints related to the transfer or transmission of units, non-receipt of annual report and non-receipt of declared distributions, general meetings etc.;

b. Reviewing of any litigation related to Unitholders' grievances;

c. Reporting specific material litigation related to Unitholders' grievances to the Board of Directors;

d. Approving report on investor grievances, if any, to be submitted to the Trustee by the Manager;

e. Review of measures taken for effective exercise of voting rights by Unitholders;

f. Review of adherence to the service standards adopted by the Embassy REIT in respect of various services being rendered by the Registrar & Share Transfer Agent;

g. Review of the various measures and initiatives taken by the Embassy REIT for reducing the quantum of unclaimed distributions and ensuring timely receipt of distribution warrants/annual reports/statutory notices by the Unitholders of the company; and

h. Performing such other activities or functions as may be delegated by the Board of Directors of the Manager and/or prescribed under any applicable law.

Corporate Social Responsibility Committee - Terms of Reference

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

a. 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;

b. Instituting an implementation and monitoring mechanism for CSR Activities and CSR Policy;

c. Periodically updating the Board on the progress being made in the planned CSR Activities; and

d. Providing a responsibility statement in the Board's Report.

Risk Management Committee - Terms of Reference

The Board of Directors in their meeting held on October 29, 2021 have revised the terms of reference of the Risk Management Committee. The revised terms of reference of the Risk Management Committee is set out below:

a. Assessing the Embassy REIT's risk profile and key areas of risk;

b. Recommending the adoption of risk assessment and rating procedures;

c. to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Embassy REIT;

d. Examining and determine the sufficiency of the internal process for reporting on and managing key risk areas;

e. Assessing and recommending to the Board the acceptable levels of risk

f. to keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

g. 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;

h. Reviewing the nature and level of insurance coverage of the assets of the Embassy REIT;

i. Investigating areas of corporate risk and breakdowns in internal controls, in coordination with the Audit Committee;

j. Periodically reviewing the enterprise risk management process of the Embassy REIT;

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

l. to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

m. Ensuring effective and timely implementation of corrective actions to address risk management deficiencies;

n. To formulate a detailed risk management policy which shall include:

   i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   ii. Measures for risk mitigation including systems and processes for internal control of identified risks.

   iii. Business continuity plan.

o. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

p. The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

q. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

r. Performing such other activities or functions as may be delegated by the Board and/or prescribed under any applicable law; and

s. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board.

Investment Committee - Terms of Reference

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

a. 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;

b. 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;

c. Approving any proposal in relation to acquisition of assets or further issue of Units including in relation to acquisition of assets;

d. Formulating any policy for the Manager as necessary, in relation to its functions, as specified above; and

e. 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 by the Investment Committee.

Management Committee - Terms of Reference

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

a. 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.;

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

c. Monitoring of Accounts Receivables, Accounts Payables and other routine finance related matters;

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

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

f. Providing reviews and recommendations on all matters presented to the Board including the following:

   i. Business and strategy review;

   ii. Long-term financial projections and cash flows

   iii. Capital and revenue budgets and capital expenditure programmes;

   iv. Acquisitions, divestments and business restructuring proposals; and

   v. Senior management succession planning.

g. 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;

h. To avail, renew and enhance the Auto Loan facilities including bank overdraft, from time to time, up to prescribed limits and authorise execution of loan and other agreements including hypothecation agreements and to create charges on the Company's assets;

i. To approve any amendments to the primary/ secondary approvers under the Delegation of Authority Matrix ("DoA") of Embassy 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;

j. 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;and

k. Opening, operating, modifying and / or closing of any and all demat account(s) of and / or in the name of the Company and / or Embassy Office Parks REIT including authorising any official/s to do any and all actions for or in connection therewith, from time to time.

Debenture Committee - Terms of Reference

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

a. perform all actions and undertake all responsibilities of the REIT to be undertaken by the Company pursuant to the Investment Management Agreement

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

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

d. comply with the requirements applicable to an investment manager under the REIT Regulations and under applicable law;

e. 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;

f. 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;

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

h. 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;

i. 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;

j. authorising the appointment of credit rating agencies in order to obtain a credit rating in relation to the Debentures;

k. 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;

l. 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;

m. 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;

n. 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;

o. dealing with all matters up to allotment of the Debentures to the debenture holders;

p. authorising the maintenance of a register of debenture holders;

q. dealing with all matters relating to the issue and listing of the Debentures as specified under REIT Regulations, the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 SEBI (Debenture Trustee) Regulations, 1993 and any guidelines as may be issued by SEBI or the Reserve Bank of India ("RBI") in this regard;

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

s. opening and operating of bank accounts for the Issue;

t. 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;

u. 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;

v. 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; and

w. 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.

Securities Committee - Terms of Reference

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

a. Subject to unitholder approval and applicable law, approving amendments to the trust deed and the investment management agreement;

b. To make applications, where necessary, to such authorities or entities as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions as may be required in relation to any Offering;

c. To authorise 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 any Offering;

d. To give or authorise the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;

e. To seek, if required, the consent of the lenders, parties with whom the Embassy REIT, the Asset SPVs, the Investment Entity and any other portfolio assets as may be acquired by the Embassy REIT from time to time, have entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with any Offering;

f. To finalise, settle, approve, adopt and file where applicable, the draft offer document, the offer document, the final offer document, the preliminary placement document, placement document, preliminary placement memorandum, placement memorandum, draft letter of offer, letter of offer, any preliminary and final international wrap (including any notices, amendments, addenda, corrigenda or supplements thereto) or any other Offering document, in accordance with all applicable law, rules, regulations and guidelines, to be filed with the Securities and Exchange Board of India (the "SEBI") and the stock exchanges and such other authorities, as may be applicable, and to make necessary amendments or alterations therein and to submit undertakings/certificates or provide clarifications to the SEBI and the stock exchanges or any other regulatory authority in relation to any Offering;

g. To decide on the timing, pricing (including any discount or premium), relevant date, record date and all terms and conditions in relation to any Offering, including the determination of the minimum subscription for the Offering (if applicable), allotment, any rounding off in the event of over subscription as permitted under applicable law and to accept any amendments, modifications, variations or alterations thereto;

h. To appoint and enter into, modify or amend arrangements with the trustee, sponsors, book running lead managers, legal counsel and any other agencies or persons or intermediaries in relation to any Offering and to negotiate and finalise the terms of their appointment and give them instructions in connection with the Offering;

i. To arrange for the submission, withdrawal and filing of any offering document including incorporating such alterations/modifications as may be required by the SEBI, the Reserve Bank of India (the "RBI"), the stock exchanges, or any other relevant governmental and statutory authorities or in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the RBI, the SEBI and/ or any other competent authorities, if applicable, and taking all such actions as may be necessary for submission, withdrawal and filing of the Offering documents;

j. To negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the agreements and all other documents, deeds, agreements and instruments and any notices, supplements and corrigenda thereto, as may be required or desirable in relation to any Offering;

k. To open with bankers (including bankers to an issue registered with the SEBI) such accounts as may be required by applicable law and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

l. Opening and operating bank accounts, share/ securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with the terms of any agreement entered into in this respect and subject to applicable law;

m. To authorise and approve, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with any Offering;

n. To issue all documents and authorise one or more officers of the Company to sign all or any of the above documents;

o. To seek further listing of the Securities on any Indian stock exchanges, submitting the listing application to such stock exchanges and taking all actions as may be necessary in connection with obtaining such listing and trading approval;

p. To appoint the registrar and other intermediaries to any Offering, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 as amended, including any applicable circulars, notifications, guidelines and clarifications issued thereunder from time to time (the "REIT Regulations") and other statutory and/or regulatory requirements;

q. To enter into agreements with, and remunerate the lead managers, syndicate members, bankers to the Offering, the registrar to the Offering, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Offering, by the way of commission, brokerage, fees or the like;

r. To issue advertisements as it may deem fit and proper in accordance with and subject to applicable law;

s. To authorise the maintenance of a register of Unitholders or holders of other Securities;

t. To accept and appropriate the proceeds of any Offering;

u. To finalise and take on record the allocation and allotment of Securities on the basis of the applications received, including the basis of the allotment (if applicable);

v. To enter into share purchase agreements, business transfer agreements and other agreements in connection with any Offering with the Asset SPVs, the Investment Entity, any other portfolio assets or any third party;

w. For and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Securities Committee considers necessary, desirable or advisable, in connection with any Offering, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar's agreement, the depositories agreements, the issue agreement with the lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the escrow agreement, placement agreement, confirmation of allocation notes, the advertisement agency agreement and any agreement or document in connection with any Offering, with, and to make payments to or remunerate by way of fees, commission, brokerage or the like, the book running lead managers, syndicate members, placement agents, bankers to any Offering, registrar to any Offering, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with any Offering, if any; and any such agreements or documents so executed and delivered and acts and things done by the Securities Committee shall be conclusive evidence of the authority of the Authorised Officer and the Company in so doing; and

x. To do all such acts, deeds, matters and things and execute all such other document/s, application/s, agreement/s, undertaking/s, deed/s, affidavits, declarations and certificates, etc., as may be necessary or authorised in relation to any Offering.

Number of Committee Meetings held and attendance records:

The table below sets out the number of committee meetings attended by each member with reference to certain committees:

Name of the Committee	**Audit Committee ("AC")**	**Risk Management Committee ("RMC")**	**Stakeholders' Relationship Committee ("SRC")**	**Corporate Social Responsibility Committee ("CSR")**
No. of meetings held	6	2	2	2
Date of meetings	April 28, 2021; July 27, 2021; October 28, 2021 and reconvened on October 29,2021; January 27, 2022 and reconvened on January 28, 2022; March 17, 2022; and March 29, 2022.	April 29, 2021; and January 28, 2022	April 29, 2021; and October 29, 2021	April 29, 2021. March 29, 2022
	No. of Meetings Attended			
Name of Member				
Vivek Mehra	6	2	1	NA
Anuj Puri	6	2	NA	NA
Dr. Punita Kumar-Sinha	6	2	2	NA
Jitendra Virwani	6	2	NA	NA
Dr. Ranjan Pai	6	2	NA	2
Tuhin Parikh	NA	NA	NA	Nil
Aditya Virwani	NA	NA	2	2
Robert Christopher Heady	3	2	2	NA
Asheesh Mohta*	3	Nil	Nil	NA

Name of the Committee	**Nomination and Remuneration Committee ("NRC")**	**Debenture Committee ("DC")**	**Investment Committee ("IC")**
No. of meetings held	2	5	6
Date of meetings	March 17, 2022; March 29, 2022	September 2,2021; September 7,2021; October 12, 2021; October 18, 2021; March 30, 2022	April 29, 2021; July 27, 2021; September 3, 2021; October 28, 2021; January 27, 2022; March 29, 2022
	No. of Meetings Attended		
Name of Member			
Vivek Mehra	2	NA	NA
Anuj Puri	NA	NA	6
Dr. Punita Kumar-Sinha	NA	NA	NA
Jitendra Virwani	2	NA	5
Dr. Ranjan Pai	2	NA	6
Tuhin Parikh	NA	5	5
Aditya Virwani	NA	3	NA
Robert Christopher Heady	NA	NA	NA
Asheesh Mohta*	NA	NA	NA
Vikaash Khdloya	NA	3	NA
Aravind Maiya	NA	5	NA

*Alternate director to Mr. Robert Christopher Heady

During the year, no Securities Committee Meeting was held.

Remuneration of Directors

Sitting fees is paid to the independent directors for attending Board/Committee meetings.

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	https://eopwebsvr.blob.core.windows.net/media/filer_public/3d/52/3d528648-4e22-40e7-b288-f8d18cea7eaa/code-of-conduct.pdf
Code on unpublished price sensitive information and dealing in the securities of Embassy REIT and Code of Practices and Procedures for Fair Disclosure in respect of the Embassy REIT	https://eopwebsvr.blob.core.windows.net/media/filer_public/22/e0/22e08db1-6d98-4707-8d0e-d9bf6fdefa74/insider-trading-code-reit.pdf
Distribution Policy	https://eopwebsvr.blob.core.windows.net/media/filer_public/44/33/4433d807-ad6c-4a1f-8224-45374a2504d2/distribution_policy_1.pdf
Policy for Determining Materiality of Information for Periodic Disclosures	https://eopwebsvr.blob.core.windows.net/media/filer_public/6f/55/6f552876-3dc0-4070-a339-57074ac2397f/materiality_of_information_29october2021.pdf
Whistle Blower Policy	https://eopwebsvr.blob.core.windows.net/media/filer_public/13/34/13343a90-beb0-4707-8291-679809fc47a2/whistle_blower_policy.pdf
Policy on Related Party Transactions	https://eopwebsvr.blob.core.windows.net/media/filer_public/92/3a/923a72c3-56fb-49f0-94a0-aef28cc1ba41/related_party_transactions.pdf
Investors and Other Stakeholders' Grievances and Redressal Policy	https://eopwebsvr.blob.core.windows.net/media/filer_public/69/11/69110385-7539-4401-87ed-c79485d83eb5/investors_and_other_stakeholders_grievance_and_redressal_policy.pdf
Borrowing Policy	https://eopwebsvr.blob.core.windows.net/media/filer_public/4c/72/4c7290fc-e3d4-4878-b394-9b392419ac80/borrowing-policy.pdf
Corporate Social Responsibility Policy	https://eopwebsvr.blob.core.windows.net/media/filer_public/d5/e3/d5e39d47-8f18-4448-8fbc-c851c6c5beb4/corporate_social_responsibility_policy.pdf
Policy on Appointment of Auditor and Valuer	https://eopwebsvr.blob.core.windows.net/media/filer_public/15/e2/15e2516c-af5a-4d70-99a8-12fbfb076b5a/policy-on-appointment-of-auditor-and-valuer.pdf
Risk Management Policy	https://eopwebsvr.blob.core.windows.net/media/filer_public/81/be/81be62ce-0e9f-4e6c-8409-57d2fe9d2014/risk-management-policy-29october2021.pdf
Anti-Money Laundering Policy and Anti-Bribery and Corruption Policy	https://eopwebsvr.blob.core.windows.net/media/filer_public/98/e4/98e402e9-7aec-4b77-a20d-74ba943bff07/anti-money-laundering-policy-and-anti-corruption-compliance-policy.pdf
Prevention of Sexual Harassment Policy	https://eopwebsvr.blob.core.windows.net/media/filer_public/e1/0b/e10b3dc4-dbc8-45a6-abbd-38441a94ad72/prevention_of_sexual_harassment_policy.pdf
Nomination and Remuneration Policy	https://eopwebsvr.blob.core.windows.net/media/filer_public/44/dc/44dc28b7-85a3-45a2-b019-e8993aaf1caf/nomination_and_remuneration_policy.pdf
Data Privacy Policy	https://eopwebsvr.blob.core.windows.net/media/filer_public/fc/cf/fccf1c2d-3a44-4a28-9446-fed552266c6e/data_privacy_policy_1.pdf
Fraud Prevention Policy; and	https://eopwebsvr.blob.core.windows.net/media/filer_public/3f/cb/3fcbac13-b750-47f5-bbd8-b55924ff20ac/fraud_prevention_policy.pdf
Cyber Security Policy	https://eopwebsvr.blob.core.windows.net/media/filer_public/92/d2/92d286c7-2b47-4376-ab9c-729e089519b6/cyber_security_policy.pdf
Policy on Succession Planning for the Board and Senior Management	https://eopwebsvr.blob.core.windows.net/media/filer_public/d0/16/d016d8c1-d1df-4b83-9b8d-04e3c533d167/embassy_reit_-_sucession_policy.pdf

As a part of the overall governance framework, the Board of Directors reviews all the policies, once in a year.

ESG Policy:

Our ESG policy demonstrates Embassy REIT's overall commitment to undertake sustainable initiatives that contribute to creating a sustainable organisation with a focus on environmental stewardship, social responsibility and governance. It is supplemented by policy documents which guide the activities in each of the focus areas.

These policy documents may be viewed on:	
Environment	https://www.embassyofficeparks.com/esg/environment-policies/
Social	https://www.embassyofficeparks.com/esg/social-engagement/
Governance	https://www.embassyofficeparks.com/esg/governance-documents/

Apart from above mentioned policies, Manager has also adopted Document Archival Policy, Board Evaluation Policy and Business Continuity Policy.

Unitholders

The number of Unitholders of the Embassy REIT as on March 31, 2022 was 31,666. The detailed category wise break-down of the composition of the Unitholders as on March 31, 2022 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	11,54,84,802	12.18	11,54,84,802#	100.00	11,54,84,802	100.00
	Sub- Total (A) (1)	**11,54,84,802**	**12.18**	**11,54,84,802**	**100.00**	**11,54,84,802**	**100.00**
(2)	**Foreign**						
(a)	Individuals (Non-Resident Indians / 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)	77,431,543	8.17	77,431,534#	99.99	77,431,543	100.00
	b. Sponsor Group (Bodies Corporate)	223,165,648	23.54	0	0.00	223,165,648	100.00
	Sub- Total (A) (2)	**300,597,191**	**31.71**	**77,431,534**	**99.99**	**300,597,191**	**100.00**
	Total unit holding of Sponsor & Sponsor Group (A) = (A)(1) + (A)(2)	**416,081,993**	**43.89**	**19,29,16,336**	**-**	**416,081,993**	**-**

Category	Category of Unit holder	No. of Units Held	As a % of Total Outstanding Units
(1)	**Institutions**		
(a)	Mutual Funds	3,19,98,506	3.38
(b)	Financial Institutions/Banks	0	0
(c)	Central/State Govt.	0	0
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	2,33,44,379	2.46
(f)	Provident/ pension funds	26,80,434	0.28
(g)	Foreign Portfolio Investors	29,11,09,359	30.71
(h)	Foreign Venture Capital Investors	0	0.00
(i)	Any Other:-		
	Alternative Investment Fund	53,52,887	0.56
	Sub- Total (B) (1)	**35,44,85,565**	**37.40**
(2)	**Non-Institutions**		
(a)	Central Government/State Governments(s)/President of India	0	0.00
(b)	Individuals	15,22,17,189	16.06
(c)	NBFCs registered with RBI	21,02,600	0.22
(d)	Any Other (specify):	0	0.00
i.	Trusts	13,300	0.00
ii.	Non-Resident Indians	31,37,987	0.33
iii.	Clearing Members	3,38,529	0.04

Category	Category of Unit holder	No. of Units Held	As a % of Total Outstanding Units
iv.	Body Corporates	1,95,16,580	2.06
	Sub- Total (B) (2)	**17,73,26,185**	**18.71**
	Total Public Unit holding (B) = (B)(1)+(B)(2)	**53,18,11,750**	**56.10**
	Total Units Outstanding (C) = (A) + (B)	**94,78,93,743**	**100.00**

Pursuant to Regulation 11(3)(a) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended (**"REIT Regulations"**), 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. 115,484,802 units (i.e., 14.97% of the total post-IPO outstanding units) held by Embassy Property Developments Private Limited (Embassy Sponsor) and 77,431,534 units (i.e., 10.03% of total post-IPO outstanding units) held by BRE/ Mauritius Investments (Blackstone Sponsor) together constitute the minimum holding of 25% on a post-issue basis after the initial offer.

Meetings of the Unitholders

During the year ended March 31, 2022, the third annual meeting of the Unitholders of the Embassy REIT was held on Thursday, July 08, 2021 at 11.00 AM IST through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM"). The necessary quorum was present for the meeting through VC and OAVM.

The following items were considered at the said annual meeting of the Unitholders:

i. Approval and adoption of the audited condensed standalone financial statements and audited condensed consolidated financial statements of Embassy REIT as at, and for the financial year ended March 31, 2021 together with the report of the auditors thereon for the financial year ended March 31, 2021 and the report on performance of Embassy REIT;

ii. Approval and adoption of the valuation report issued by Mr. Manish Gupta, Partner, iVAS Partners, independent valuer, for the valuation of the portfolio as at March 31, 2021; and

iii. Approval of the amendments to the Distribution Policy.

Investor Complaints

Details of investor complaints received and redressed during the year ended March 31, 2022 are as follows:

Details of Investor Complaints	Number of complaints during the quarter ended June 30, 2021	Number of complaints during the quarter ended September 30, 2021	Number of complaints during the quarter ended December 31, 2021	Number of complaints during the quarter ended March 31, 2022
Number of investor complaints pending at the beginning of the quarter	Nil	Nil	Nil	Nil
Number of investor complaints received during the quarter	2	Nil	Nil	Nil
Number of investor complaints disposed of during the quarter	2	Nil	Nil	Nil
Number of investor complaints pending at the end of the quarter	Nil	Nil	Nil	Nil

Company Secretary and Compliance Officer

Ms. Deepika Srivastava

Royal Oaks, Embassy Golf Links BusinessPark, Off Intermediate Ring Road,
Bengaluru, Karnataka – 560071.

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 - 560001 have been appointed as the Statutory Auditors of Embassy REIT for a term of five consecutive years from the financial year 2019–20.

Internal Auditors

KPMG Assurance and Consulting Services LLP, Chartered Accountants, having their office at Embassy Golf links Business Park, Pebble Beach, B Block, 1st and 2nd Floor, Off Intermediate Ring Road, Bengaluru – 560071 have been appointed as the Internal Auditors of Embassy REIT for the financial year 2021–22.

Secretarial Auditor

Ms. Rupal D. Jhaveri (Membership No. 5441 and Certificate of Practice No. 4225), Practicing Company Secretary, having her office at 207 Regent Chambers, 2nd Floor, 208, Jamnalal Bajaj Road, Nariman Point, Mumbai - 400020 has been appointed as the Secretarial Auditor of Embassy REIT for the financial year 2021–22.

Ms. Rupal D. Jhaveri, as the Secretarial Auditor conducted the Secretarial Audit of the Embassy REIT for the financial year 2021-22 and her Report is annexed to this report (Annexure 1). There are no qualifications, observations or adverse remarks mentioned in the said Report.

Debenture Trustees for NCDs issued by Embassy REIT

a. SBICAP Trustee Company Limited, as Debenture Trustee to the issue of Series II NCDs amounting to ₹ 1,500 Crores raised by way of private placement.

b. IDBI Trusteeship Services Limited, as Debenture Trustee to the issue of Series III NCDs amounting to ₹ 2,600 Crores raised by way of private placement.

c. Catalyst Trusteeship Limited, as Debenture Trustee to the issue of Series IV NCDs amounting to ₹ 300 crores raised by way of private placement, Series V Tranche A NCDs amounting to ₹ 2,000 crores and Series V Tranche B NCDs amounting to ₹ 1,100 crores and Series VI NCDs amounting to ₹ 1,000 crores raised by way of Private Placement

   Catalyst Trusteeship Limited were the debenture trustees for Series I NCDs amounting to ₹ 3,650 crores. Series I NCDs have been redeemed pursuant to full redemption of NCD Series I on November 02, 2021.

Registrar and Transfer Agent

Name and Address: Kfin Technologies Limited Selenium Building, 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@kfintech.com
Website : http://www.kfintech.com

Publications

The information required to be disclosed to the stock exchanges (including financial results, press releases and presentations made to the investors) have been duly submitted to the NSE and BSE as well as uploaded on Embassy REIT's website. Further Embassy REIT has opted voluntarily to publish newspaper advertisements in relation to its the financial results.

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, 2022 on the BSE and NSE:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-21	326	305	18,44,000	325	305	1,10,31,000
May-21	331	313	1,29,69,600	330	314	1,86,74,600
Jun-21	354	324	8,73,000	354	324	1,51,51,800
Jul-21	363	347	7,49,800	362	347	92,81,200
Aug-21	363	344	24,07,796	363	345	1,61,24,334
Sep-21	375	330	6,02,91,485	375	330	2,67,08,095
Oct-21	353	340	6,00,189	354	340	2,31,61,821
Nov-21	372	352	35,02,452	372	353	2,72,78,989
Dec-21	365	340	4,75,289	363	340	1,33,75,384
Jan-22	368	340	2,50,801	368	340	89,49,523
Feb-22	390	370	58,38,667	390	370	1,48,47,955
Mar-22	380	361	7,06,628	380	362	99,21,574

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 on the structure of Embassy REIT please refer to pages 20-21 of this report. Embassy REIT owns a high-quality office portfolio comprising of eight best-in-class office parks and four prime city center office buildings totalling 42.8 msf as of March 31, 2022. For further details on the properties please refer to pages 76-99 of this report.

Embassy REIT was listed on the BSE and NSE on April 01, 2019 after an initial public offering that was oversubscribed by 2.6 times. Embassy REIT is registered under SEBI (Real Estate Investment Trusts) Regulations, 2014.

A brief overview and a quick glance at Embassy REIT activities for the financial year 2021-22 on Commercial offices, Development and Hospitality are set forth on pages 32-37 respectively.

The NAV of Embassy REIT as on March 31, 2022 was ₹ 393.90, as represented on page 235.

With respect to trading price, kindly refer to page 147 of this report.

b. Summary of the audited standalone and consolidated financial statements for the year

Please refer to pages 171-330 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 110-131 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 tenants (not less than top 10 tenants 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 76-106 of this report.

b. Location of the properties

Please refer to pages 76-99 of this report.

c. Area of the properties

Please refer to pages 76-99 of this report.

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

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

Name of the Asset SPV	Name of the Tenant
Vikhroli Corporate Park Private Limited - 247 Tech park	• Link Intime India Private Limited
	• Reliance Projects & Property Management Services Limited
	• Accelya Kale Solution Limited
	• Wework India Management Private Limited
	• DHL Logistics Private Limited
	• ICICI Lombard General Insurance Company Limited
	• ATC Tires Private Limited
	• Gravitas Technology Private Limited
	• Vistra International Expansion (India) Private Limited
	• DBS Bank Limited
Embassy One-Four Seasons	• Hyundai Motor India Limited
	• The State of the Netherlands
	• Korean Trade Investment Promotion Agency
	• Wework India Management Private Limited
Indian Express Newspapers (Mumbai) Private Limited	• DBS Bank India Limited
	• Shardul Amarchand Mangaldas & Co
	• The Indian Hotels Corporation Limited
	• Blackstone Advisors India Private Limited
	• Enam Holdings Private Limited
	• ECGC Limited
	• McKinsey & Company, Inc.
	• Warburg Pincus India Private Limited
	• Jefferies India Private Limited
	• JBF Industries Limited

Name of the Asset SPV	Name of the Tenant
Earnest Towers Private Limited	• Google India Private Limited
	• Oracle India Private Limited
	• Pernod Ricard India Private Limited
	• Executive Centre India Private Limited
	• ICICI Securities Primary Dealership Limited
	• McKinsey & Company India LLP
Galaxy Square Private Limited	• Tata Consultancy Services Limited
	• DXC Technologies India Private Limited
	• Fiserv India Private Limited
	• Wow Vision India Private Limited
	• Coredge.IO India Private Limited
	• HDFC Bank Limited
	• Xylem Water Solutions Private Limited
	• Mitel Communications Private Limited
	• Elixir Softech Private Limited
	• Esaote Asia Pacific Diagnostic Private Limited
Oxygen Business Park Private Limited	• ExlService.com (India) Private Limited
	• Global Logic India Private Limited
	• NTT Data Information Processing Services Private Limited
	• Optum Global Solutions India Private Limited
	• MetLife Global Operations Support Center
	• Sapient Consulting Private Limited
Quadron Business Park Private Limited	• Cognizant Technology Solutions India Private Limited
	• E-CLERX Services Limited
	• Telstra Global Business Services LLP
	• Human Business Intelligence Technology Solutions Private. Ltd.
	• Luxoft India LLP
	• Teledyne Lecroy India Trading Private Limited
	• EIT Services

Name of the Asset SPV	Name of the Tenant
Qubix Business Park Private Limited	• Accenture Services Private Limited
	• Larson & Turbo Infotech Limited
	• Persistent Systems Limited
	• Tata Technologies Limited
	• Sciformix Technologies Private Limited
	• HCL Technologies Limited
	• Aker Powergas Subsea Private Limited
	• NCSI Technologies (India) Private Limited
	• Searce Logistics Analytics LLP
	• Crisil Limited
Manyata Promoters Private Limited	• Cognizant Technology Solutions India Private Limited
	• IBM India Private Limited
	• ANSR Global Corporation Private Ltd
	• Cerner HealthCare Solultions India Private Limited
	• Lowe's Services India Private Limited
	• Nokia Solutions & Networks India Private Limited
	• Commonwealth Bank of Australia
	• Target Corporation India Private Limited
	• Alcatel-Lucent India Limited
	• Legato Health Technologies LLP
Embassy Pune Techzone Private Limited	• IBM India Private Limited
	• HCL Technologies Limited
	• Infosys BPM Limited
	• Nice Interactive Solutions India Private Limited
	• Rockwell Automation India Private Limited
	• Tech Mahindra Limited
	• Volkswagen IT Services India Private limited
	• Flextronics Technologies (India) Private Limited
	• Larson & Turbo Infotech Limited
	• Nitor Infotech Private Limited

Name of the Asset SPV	Name of the Tenant
Embassy TechVillage	• JP Morgan Services India Pvt Ltd
	• Flipkart Internet Private Limited
	• Wells Fargo International India Private Limited
	• Cisco Systems (India) Private Limited
	• Bundl Technologies Private Limited
	• Quest Global Engineering Services Private Limited
	• CSG Systems International (India) Private Limited
	• Mathworks India Private Limited
	• Telstra Global Business Services LLP
	• Sony India Software Centre Pvt. Ltd.

Additionally, for the top 10 tenants of Embassy REIT, please refer to page 148-149 of this report.

For the lease maturity profile of each Asset SPV, please refer to pages 32 of this report.

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

Please refer to page 27 of this report.

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

Please refer to pages 331-366 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

Not applicable.

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

Please refer to pages 342 of this report for Gross Asset Valuation and pages 181 and 235 for NAV respectively.

c. Letting of assets, occupancy, lease maturity, key tenants, etc.

Please refer to pages 32 of this report with respect to the new leases for the financial year ended March 31, 2022. The occupancy of Embassy REIT as of March 31, 2022 was 87.1% as against the occupancy of 89% as of the start of this year. The WALE of Embassy REIT is set out at page 26. The current list of key tenants is set out at page 16 of this Report.

d. Borrowings/ repayment of borrowings (standalone and consolidated)

Please refer to pages 203-208 of this report with respect to borrowings on a standalone basis as on March 31, 2022 and pages 279-289 of this report with respect to borrowings on a consolidated basis, as on March 31, 2022.

Please refer to pages 203-208 of this report with respect to repayment of borrowings on a standalone basis and pages 279-289 of this report with respect to repayment of borrowings on a consolidated basis. On a standalone basis as on March 31, 2022, the repayment of borrowings including redemption premium was ₹ 45,302.84 million.

e. 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, 2022.

iVAS Partners, represented by Mr. Manish Gupta, has been appointed as the valuer of Embassy REIT for the financial years 2020-21, 2021-22, 2022-23 pursuant to a resolution approved by the Unitholders at their second annual meeting held on August 27, 2020.

CBRE South Asia Private Limited has been appointed to provide value assessment services to Embassy REIT for the financial years 2020-21, 2021-22, 2022-23.

The Board of Directors at their meeting on July 28, 2021, approved the re-appointment of Mr. Vivek Mehra (DIN: 00101328) and Dr. Ranjan Pai (DIN: 00863123) as Independent Directors on the board of directors of the Manager for a term of 5 (five) years commencing from October 01, 2021 to September 30, 2026, not liable to retire by rotation. The Shareholders of the Manager approved the appointment by way of a special resolution in their meeting held on August 27, 2021.

The below table indicates the change of Directors in Trustee/Manager/Sponsors for the year ended March 31, 2022:

Entity	Nature of Change
Axis Trustee Services Limited ("**Trustee**")	No change in the composition of the board of directors
Embassy Office Parks Management Services Private Limited ("**Manager**")	No change in the composition of the board of directors
Embassy Property Developments Private Limited ("**Embassy Sponsor**")	No change in the composition of the board of directors
BRE/Mauritius Investments ("**Blackstone Sponsor**")	Mr. Eugene Min resigned as a Director of the Blackstone Sponsor with effect from February 10, 2022. Mr. Tsui Kai Yin Keith has been appointed as Director with effect from February 10, 2022.

Blackstone Sponsor, along with other entities forming part of the Blackstone Sponsor Group have transferred 56,999,997 Units held by them in Embassy REIT on September 15, 2021 pursuant to a bulk trade undertaken on the stock exchange platforms (the "Trade"). The Blackstone Sponsor Group held an aggregate of 357,597,188 Units, aggregating 37.72% of the total outstanding Units of the Embassy REIT prior to the Trade. Post the Trade, the Blackstone Sponsor Group holds 300,597,191 Units, aggregating 31.71% of the total outstanding Units of the Embassy Offce Parks REIT.

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

No changes have been made to the trust deed or investment management agreement.

g. Any other material change during the year

1. The Board of Directors at their meeting held on July 28, 2021, approved an amended and restated shareholders' agreement ("Amended and Restated SHA") to be executed among Embassy Office Parks Management Services Private Limited ("EOPMSPL"/ "Company"), Manager to Embassy REIT and its shareholders, i.e., Embassy Property Developments Private Limited ("Embassy Sponsor"), SG Indian Holding (NQ) Co I Pte Ltd, SG Indian Holding (NQ) Co II Pte Ltd and SG Indian Holding (NQ) Co III Pte Ltd ("Blackstone Entities"). The Embassy Sponsor currently holds 51% of the equity shares of EOPMSPL and the Blackstone Entities hold the remaining 49%. Under the original shareholders agreement dated September 20, 2018 ("Original SHA"), if the unitholding of the Embassy sponsor group in the Embassy REIT fell below the prescribed threshold, the Blackstone Entities were entitled to require the Embassy Sponsor (and any sponsor group entities) to transfer all its securities in EOPMSPL to the Blackstone Entities. The Embassy Sponsor had a corresponding right in case the unitholding of the Blackstone Entities in the Embassy REIT fell below the prescribed threshold.

   Under the Amended and Restated SHA, inter-alia, the above threshold for the Embassy sponsor group has been modified and the Blackstone Entities' right specified above shall be effective if the Embassy sponsor group holds less than (i) 12.18% of the total issued and outstanding units of Embassy REIT at all times until March 31, 2022; and (ii) 7.5% of the total issued and outstanding units of Embassy REIT at all times from and after April 1, 2022. Embassy Sponsor's rights specified above shall be effective if the unitholding of the Blackstone sponsor group falls below 10% of the total issued and paid-up units of Embassy REIT.

   The Shareholders of EOPMSPL have approved and adopted the amended and restated Articles of Association of the Company in their meeting held on August 27, 2021.

2. The scheme of arrangement (the "Scheme") involving Embassy Office Ventures Private Limited ("EOVPL") and Vikas Telecom Private Limited ("VTPL") and their respective shareholders became effective on February 28, 2022, upon filing of eform INC-28 with the Registrar of Companies pursuant to the approval of the Scheme by the NCLT vide its order dated February 17, 2022 and receipt of the in-principle approval from the Unit Approval Committee (Special Economic Zone), Development Commissioner – Bangalore. Therefore, VTPL became a 100% directly held Special Purpose Vehicle of Embassy Office Parks REIT.

6. Update on development of under-construction properties, if any

Please refer to page 129 of this report.

7. 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 128 and pages 203-208 for standalone and pages 279-289 for consolidated of this report.

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

Please refer debt maturity profile on page 128 and for debt covenants refer pages 203-208 for standalone and pages 279 – 289 for consolidated of this report.

9. 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 293 - 294 and 308 - 311 of this report.

10. 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

Particulars	31-Mar-22		31-Mar-21		31-Mar-20	
Units Outstanding	947,893,743	947,893,743	947,893,743	947,893,743	771,665,343	771,665,343
Unit Price Performance (₹)	NSE	BSE	NSE	BSE	NSE	BSE
Opening Price: April 1	325.4	325	351.00	350.2	308.00	300.00
Closing Price: March 31	371.75	371.72	325.45	325.43	350.74	351.51
52-Weeks-High	389.98	390.07	397.40	397.7	512.00	518.00
52-Weeks-Low	304.57	304.89	318.65	318.51	301.35	300.00
Market Capitalisation (₹ billion)						
March 31	352.38	352.35	308.49	308.47	270.65	271.25
Trading Volume for the year						
Units (million)	190.3	90.53	142.29	119.93	98.54	15.03
₹ billion	66.63	31.7	49.75	40.79	38.28	5.94
Average Daily Trading Volume (ADTV)						
Units	7,67,321	365,036	5,71,461	4,81,639	398,951	60,856
₹ million	268.66	127.83	199.79	163.81	154.99	24.06
Distribution per unit	21.76		21.48		24.39	
Distribution Yield	5.85%		6.60%		6.95%	

Source: NSE (Designated stock exchange) and BSE

Note: ADTV refers to Average Daily Trading Volume, computed using simple average.

The distributions were declared and paid out on a quarterly basis in each financial year within fifteen days from the date of such declaration.

11. Related party transactions

a. Refer to page 312 - 317 of this report which contains details of all related party transactions entered into by the Embassy REIT and its Asset SPVs during the financial year ended March 31, 2022 (excluding transactions between Embassy REIT and its Asset SPVs which are eliminated on consolidation).

b. Refer to pages 212 - 217 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 companies and its Asset SPVs.

12. Details of fund-raising during the financial year ended March 31, 2022

Series IV NCDs

The Debenture Committee of the Board of Directors of the Manager of Embassy REIT ("Debenture Committee"), at their meeting held on September 02, 2021, had approved the issue of rupee denominated, listed, rated, secured, redeemable, transferable, non-convertible debentures by Embassy REIT on a private placement basis for an aggregate amount of 3,000,000,000/- (Indian Rupees Three Hundred Crores only). Further, the Debenture Committee, at their meeting held on September 07, 2021, had approved the allotment of 3,000 rupee denominated, listed, rated, secured, redeemable, transferrable, nonconvertible debentures of 10,00,000/- (Indian Rupees ten lakh) per debenture, aggregating to 3,000,000,000/- (Indian Rupees Three hundred crores only) on a private placement basis as per the terms and conditions as mentioned in the Information Memorandum for the said issue.

Series V NCDs

The Debenture Committee, at their meeting held on October 12, 2021, had approved the issue of rupee denominated, listed, rated, secured, redeemable, transferable, non-convertible debentures by Embassy REIT on a private placement basis for an aggregate amount of 25,000,000,000/- (Rupees Two Thousand Five Hundred Crores only) (including the greenshoe option of a principal aggregate amount of up to ₹ 15,000,000,000/- (Indian Rupees One thousand Five Hundred Crores only) under Tranche A and rupee denominated, listed, rated, secured, redeemable, transferable, non-convertible debentures by Embassy REIT on a private placement basis for an aggregate amount of 20,000,000,000/- (Rupees Two Thousand Crores only) (including the greenshoe option of a principal aggregate amount of up to ₹ 15,000,000,000/- (Indian Rupees One thousand Five Hundred Crores only) under Tranche B . Further, Debenture Committee, at their meeting held on October 18, 2021, had approved the allotment of 20,000 rupee denominated, listed, rated, secured, redeemable, transferrable, non-convertible debentures of 10,00,000/- (Indian Rupees ten lakh) per debenture, aggregating to 20,000,000,000/- (Indian Rupees Two Thousand crores only) on a private placement basis under Series V Tranche A and allotment of 11,000 rupee denominated, listed, rated, secured, redeemable, transferrable, non-convertible debentures of 10,00,000/- (Indian Rupees ten lakh) per debenture, aggregating to 11,000,000,000/- (Indian Rupees One Thousand Hundred crores only) on a private placement basis under Series V Tranche B as per the terms and conditions as mentioned in the Information Memorandum for the said issue.

The above mentioned non-convertible debentures are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited.

13. Brief details of material and price sensitive information

Not applicable

14. 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

Legal and other information

This section discloses all outstanding material litigation and regulatory action against 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 proceedings 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 any 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 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 the 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, 2022:

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. The matter is currently pending.

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 City Civil Court, Bengaluru seeking (i) 1/8th share of property by way of partition, out of which MPPL is only concerned with one land parcel; (ii) a declaration that the panchayth parikath alias partition deed dated February 20, 1997 and sale deeds executed in favour of MPPL are null and void. The matter is currently pending.

c. A third party suit was filed against MPPL and other defendants in 2003 before the City Civil and Sessions Court, Bengaluru seeking 1/6th share of certain property by way of partition and court on October 16, 2019 ordered that the plaintiff shall be entitled to the share of the compensation awarded by the government and separate possession of the property. This order does not apply to those properties which are not owned by MPPL. Further, the matter was appealed by the respondent against the order dated October 16, 2019.

   The matter was last heard on January 31, 2020 and the matter is yet to be listed for final hearing. Another respondent has also filed a miscellaneous petition before the City Civil Court on September 3, 2020 and the next date of hearing is scheduled for June 23, 2022.

d. A third-party suit was filed against MPPL and other defendants on September 24, 2020 before the Prl. City and Sessions Judge, Bengaluru seeking possession of the property admeasuring 1 acre and 12 guntas forming part of Embassy Manyata. MPPL has filed its response to the complaint filed by the third party and the matter is currently pending.

e. A third party writ petition was filed in 2003 against the State of Karnataka (Department of Industries and Commerce), Special Land Acquisition Officer, KIADB, MPPL and others, wherein the petitioner had questioned the acquisition proceedings initiated by the government at Nagavara Village by filing writ petition and thereon a writ appeal before the High Court of Karnataka in 2003 and 2004 respectively, both were rejected. Subsequently, a Special Leave Petition was also filed before Hon'ble Supreme Court which also came to be dismissed on September 3, 2004 and further a Review Petition was filed which was also dismissed on September 10, 2009. Currently, the same third party has filed this Writ Petition on September 19, 2019 before the High Court of Karnataka seeking

(i) quashing of the awards proceedings initiated by respondents which has led to arbitrary determination of the compensation

(ii) direct the state to pass an award and pay compensation under the provisions of The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation And Resettlement Act, 2013; and

(iii) quash the acquisition of property situated in Embassy Manyata. The matter is currently pending.

f. MPPL had filed a suit against a third party for a relief that the third party be restrained for interfering with MPPL's possession and enjoyment of the land parcel admeasuring 4 guntas which forms part of Embassy Manyata before the Additional City Civil Judge, Bengaluru. The Additional City Civil Judge, Bengaluru passed a judgement and decree on December 8, 2017 in favour of MPPL. Aggrieved by the judgement and decree dated December 8, 2017, the third party has filed an appeal before the High Court of Karnataka against MPPL in 2018. The matter is currently pending.

g. An original suit was filed by third parties in 2007 against certain defendants before the City Civil Judge, Bangalore in relation to land parcels admeasuring 1 acre and 38 guntas situated in Nagavara Village, Kasaba Hobli, Bangalore, North Taluk. MPPL impleaded itself as party to this suit. The plaintiffs claim that the land parcels are their ancestral properties and sought, inter-alia (i) half share of the land parcels by way of partition in favour of the plaintiffs and possession of such property; (ii) a declaration that the sale of the land parcels and the consequent khata and mutation in favour of the defendants (including MPPL) was illegal and is not binding on the plaintiffs; (iii) a direction to MPPL to deposit the amount of compensation paid by KIADB along with interest before the court and to release half of the compensation amount or alternative land to the plaintiffs; and (iv) permanent injunction against certain defendants (including MPPL) in relation to the land parcels. The matter is currently pending.

h. An original suit was filed by third parties in 2019 against certain defendants before the City Civil Judge, Bangalore in relation to land parcels admeasuring 15 guntas and 31 guntas situated at Nagavara Village, Kasaba Hobli, Bangalore, North Taluk. The plaintiffs claim that the land parcels are their ancestral properties and sought, inter-alia: (i) 1/6th share of the land parcel by way of partition to the plaintiffs and possession of such property; and (ii) a declaration that the sale of the schedule properties by the defendant was illegal and is not binding on the plaintiffs. MPPL is not a party to the suit, however, MPPL is concerned with certain land parcels in relation to which the suit is filed as they form a part of Embassy Manyata and is in the process of filing an application for impleadment. The matter is currently pending.

i. An original suit was filed by third parties in 2016 against certain defendants before the City Civil Judge, Bangalore in relation to land parcels admeasuring approximately 1 acre and 31 guntas situated at Nagavara Village, Kasaba Hobli, Bangalore, North Taluk including in respect of a land parcel located in Embassy Manyata seeking, inter-alia: (i) legitimate share in the land parcel by way of partition; and (ii) a declaration that the sale deed in relation to the land parcel executed by the defendants is null and void. The plaintiffs have sought that MPPL be impleaded as a defendant in 2018 to this matter. The matter is currently pending.

j. An original suit was filed by third parties in 2012 against certain defendants before the City Civil Judge, Bangalore in relation to land parcels admeasuring 1 acre and 14 guntas situated at Nagawara Village, Kasaba Hobli, Bangalore, North Taluk. The plaintiffs claim that the land parcels are their ancestral properties and sought, inter-alia: (i) partition of the land parcel and possession to the plaintiffs to the extent of their share; (ii) a declaration that the release deed in relation to the land parcels is not binding on the plaintiffs; and (iii) order for mesne profit. MPPL was not made party to the suit, however, it is concerned with certain land parcels in relation to which the suit is filed as they form a part of Embassy Manyata. Thus, MPPL filed an application for impleading it as a party. The matter is currently pending.

k. An original suit was filed by third parties in 2008 against certain defendants before the City Civil Judge, Bangalore in relation to land parcels admeasuring 26 guntas and 36 guntas situated at Thanisandra Village, K.R. PuramHobli, Bangalore East Taluk, among others. The plaintiffs claim that the land parcels are their ancestral properties and have seeking inter-alia (i) 1/4th share of several land parcels by way of partition to each of the two plaintiffs; and (ii) a declaration that the compromise entered between certain defendants is not binding of the plaintiffs . The matter is currently pending.

l. An original suit was filed by a third party in 2009 against MPPL and others before the City Civil Judge, Bangalore in relation to land parcels admeasuring 1 acre 16 guntas and 15 guntas situated at Nagavara Village, Bangalore, North Taluk, among others. The plaintiffs claim that the land parcels are their joint family properties and sought, inter-alia: (i) 1/3rd share of the properties by way of partition to the plaintiffs and possession of such property; and (ii) a declaration that the sale deed executed in favour of defendants (including MPPL) was null and void and is not binding on the plaintiffs. The matter is currently pending.

m. An original suit was filed by third parties in 2010 against MPPL and certain others before the City Civil Judge, Bangalore in relation to land parcels admeasuring 1 acre and 18 guntas situated at Nagavara Village, Kasaba Hobli, Bangalore, North Taluk, among others. The plaintiffs claim that the land parcels are their joint family properties and sought, inter-alia: (i) 5/10th share in the land parcels by way of partition to the plaintiffs and possession of such property; (ii) a declaration that the transactions made by the defendants (including MPPL) are not binding on the plaintiffs; and (iii) order for mesne profit. The matter is currently pending.

n. An original suit was filed by a third party in 2019 before the City Civil Judge, Bangalore in relation to land parcels admeasuring 1 acre and 18 guntas situated at Rachenahalli Village K.R. Puram, Hobli, Bangalore, East Taluk, Bangalore. The plaintiff claims that the land parcels are its ancestral properties and has sought inter-alia (i) 1/6th share of the land parcels by way of partition and possession of such property; and (ii) a declaration that certain sale deeds executed are not binding upon plaintiff's share. MPPL is not a party to the suit, however, MPPL is concerned with certain land parcels in relation to which the suit is filed as they form a part of Embassy Manyata and we are in the process of filing impleadment. The matter is currently pending.

o. An original suit was filed by third parties in 2016 against MPPL and others before the City Civil Judge, Bangalore in relation to land parcels admeasuring 1 acre and 31 guntas situated at Nagawara Village, Kasaba Hobli, Bangalore, North Taluk and Kothanur Narayanapura (K.Narayanapura) village, Bengaluru, East Taluk, among others. The plaintiffs claim that the land parcels are their ancestral and hindu joint family properties and sought, inter-alia:

   (i) legitimate share of the land parcels by way of partition to the plaintiffs and possession of such property; (ii) a declaration that the sale deed executed by certain defendants is not binding on the plaintiffs; and (iii) permanent injunction restraining certain defendants (including MPPL) from alienating or encumbering the land parcels to any third parties, pending disposal of the suit. The matter is currently pending. An original suit was filed by a third party in 2014 before the City Civil Judge, Bangalore in relation to land parcels admeasuring 7.5 guntas situated at Rachenahalli Village, K.R Puram Hobli, Bangalore East Taluk, Bangalore forming part of Embassy Manyata. The plaintiff claims that the land parcels are its ancestral properties and has sought inter alia (i) 2/3rd share in the land parcels; (ii) declaration that the sale deed executed by the defendant is not binding on the plaintiff. The matter is currently pending.

B. Hilton at Embassy Golflinks

A third party has filed a suit against GLSP, UPPL 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 square feet 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 and UPPL indicating that no encumbrance will be created on the suit property of 94,000 sft and the matter is currently pending.

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. The matter is currently pending.

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 square feet 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 square foot per month from May 1, 2015 to continue the possession of the premises. The occupier continues to occupy the premises and pay rentals. The matter is currently pending.

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. The matter is currently pending.

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 when GLSP filed a compromise petition and the matter was adjourned. The matter is currently pending.

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 and the next date of hearing is yet to be fixed. 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.

The Hon'ble Arbitrator has retired due to personal reasons and the Petitioners in the Arbitration are yet to move the Hon'ble High Court of Karnataka for appointment of a new arbitrator to adjudicate up on the matter. The matter is currently pending.

d. 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 square meters, 274.86 square meters and 2,079.79 square meters 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 could not be evicted without the leave of court. In 2019, the High Court of Karnataka allowed the appeals.

e. 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 thereafter filed an application seeking to restore the case and the summons are yet to be served on some of the respondents. The matter is currently pending.

f. 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.

g. Certain third parties have filed an original suit against GVPPL and others before the Court of Additional City Civil Judge, Bangalore claiming 3/7th share ownership over certain parcels of land belonging to GLSP, i.e. Survey No.10/2A admeasuring 25 guntas in Bengaluru. The Additional City Civil Judge, has passed the judgement dated 20 February 2020 that (i) the petitioners are entitled to 1/7th share in the property (ii) the sale deed executed subsequently not binding on the petitioner and (iii) handover of the premises to the petitioner. GVPPL have filed an appeal before the Regular First Appeal before the Hon'ble High Court of Karnataka assailing the judgement and decree. Further, the plaintiff has filed a final decree proceedings before the Additional City Civil Judge, Bangalore. These matters are currently pending.

E. Embassy Pune TechZone

Pursuant to the sanctioning of the Composite Scheme of Arrangement amongst EOPPL, EPTPL and MPPL ("Scheme") by the Hon'ble National Company Law Tribunal, Mumbai Bench, ("NCLT"), vide its order dated February 11, 2021. The Scheme has been made operational by filing the order of the NCLT with the Registrar of Companies, Pune on with effect from March 10, 202. Pursuant to the Scheme becoming effective and operational, the TechZone Undertaking of EOPPL (i.e. business related to development, operations and maintenance of Embassy TechZone, Pune) has been transferred to EPTPL on a going concern basis.

Embassy Sponsor has received a notice dated September 18, 2020 from the National Green Tribunal, Western Zone Bench, Pune indicating that a third party has filed an original application against Embassy Sponsor claiming that Embassy Sponsor has failed to obtain the relevant environmental clearances from the Environment Department, Ministry of Environmental and Forest and Climate Change, Government of India as per the Environmental Impact Assessment Notification dated September 14, 2006 for construction of the buildings. The National Green Tribunal has disposed the matter vide order dated February 10, 2022.

F. Embassy TechVillage

a. A third party individual filed a suit in 2017 against the 'Embassy Group' before the City Civil Court, Bangalore seeking a decree of permanent injunction against 'Embassy Group' from interfering with the alleged rights of the plaintiff in relation to a land parcel forming part of ETV. VTPL filed two interim applications for: (i) dismissal of the suit contending that 'Embassy Group' is not a valid legal entity; and (ii) impleading itself as party. Pursuant to an order dated December 16, 2017, the Civil Court rejected both the above applications and rejected an interim application filed by the plaintiff seeking a temporary injunction against 'Embassy Group'. VTPL filed a civil revision petition and a writ petition before the High Court of Karnataka against the rejection of its applications. Pursuant to orders dated January 10, 2018, the High Court of Karnataka stayed the proceedings until the next date of hearing.

The third party individual has also filed an appeal under the Karnataka Land Revenue Act, 1964 before the Assistant Commissioner, Bangalore, North Sub-Division challenging the endorsement dated October 29, 2015 issued by the Tahasildar, Bangalore East Taluk rejecting the claim of the plaintiff to a land parcel admeasuring 21 guntas. VTPL has impleaded itself as a party and filed a statement of objections. The matter is currently pending.

b. A third party individual has filed a suit before City Civil Court, Bangalore against the 'Managing Director, Embassy Group of Company' seeking a decree of permanent injunction against the defendants from interfering with the peaceful possession of a land parcel. While VTPL has not claimed title over the disputed land parcel, the plaintiffs have alleged that the land parcel is at the edge of the property owned by VTPL. VTPL has impleaded itself as a party and has contended, inter-alia, that the land parcel has been acquired by the BBMP for a road. The matter is currently pending.

c. Certain third parties have filed a suit before City Civil Court, Bengaluru against VTPL and its representatives seeking a decree of permanent injunction against the defendants from interfering with the peaceful possession of a land parcel. While VTPL has not claimed title over the disputed land parcel, the plaintiffs have alleged that the land parcel is at the edge of the property owned by VTPL. VTPL has impleaded itself as a party and has contended, inter-alia, that the land parcel has been acquired by the BBMP for a road. The matter is currently pending.

II. Material litigation and regulatory action pending against 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 Embassy REIT (Asset SPVs and Investment Entity), and Associates of Embassy REIT (excluding the Manager, the Sponsors, their respective Associates and the Blackstone Sponsor Group) matters exceeding ₹ 296.26 million (being 1% of the consolidated income as of March 31, 2022) 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 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 Embassy REIT (excluding the Manager, the Sponsors, their respective Associates and the Blackstone Sponsor Group) as of March 31, 2022. Further, there is no litigation against Embassy REIT as of March 31, 2022.

A. MPPL

(a) Regulatory Proceedings

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 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.

(b) 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. Further, an appeal has been filed against the order in 2018 before the City Civil Court, Bengaluru. Both the matters have been shifted to Commercial Courts, Bengaluru as per notification dated August 17, 2020 issued by the City Civil Court, Bengaluru. The matter has been pending for hearing.

B. EEPL

Regulatory Proceedings

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 withdrawing 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, Bangalore Electricity Supply Company Limited, Gulbarga Electricity Supply Company Limited and Karnataka Power Transmission Corporation Limited. In the event of cancellation of the aforesaid exemption, EEPL would incur an estimated loss of approximately ₹ 1,053.50 million over a ten year period. The High Court of Karnataka by way of an order dated May 24, 2018 has directed interim stay on the Commission's order withdrawing the aforesaid exemptions. The Bangalore Electricity Supply Company Limited filed an interlocutory application on June 18, 2018, seeking vacating of the interim order dated May 24, 2018 passed by 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 a caveat petition for receiving notifications in case any intra court writ appeal filed by any of the parties to the said petition, before the Division Bench of the High Court of Karnataka. Karnataka Electricity Regulatory Commission has filed a common writ appeal against the said order, against EEPL & Others. Electricity Supply Companies have also filed writ appeals against some of the petitioners, but no appeal has been filed against EEPL.

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 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. 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 Insolvency and Bankruptcy Code, 2016 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 NCLT, Bengaluru has disposed this matter on March 8, 2022. The third party sub-contractor has filed an appeal against the order of the NCLT, Bengaluru before the National Company Law Appellate Tribunal, Chennai.

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 465.77 acres of land and such approvals have been received for 442.54 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 fee is pending.

C. 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. As per the National Green Tribunal and a public notice issued by the Karnataka State Pollution Control Board, all the sewage treatment plants in Embassy Golflinks have been upgraded as per the National Green Tribunal guidelines and to meet the Karnataka State Pollution Control Board prescribed new standards.

GLSP has informed the KSPCB of completion of upgradation works pursuant to a letter dated September 10, 2020 and requested officials to conduct an inspection, if required.

D. IENMPL

Certain other matters

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 in1990 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.

E. Embassy TechVillage

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 Special Economic Zones Act, 2005 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 VTPL for the period between the 2015 circular and the 2016 guidelines. By way of its letter dated March 3, 2016, the diesel supplier providing high speed diesel to VTPL, informed VTPL that amount payable due to excise duty on supply of diesel to VTPL was ₹ 4.31 million, due to the changed guidelines. VTPL filed an application before the Development Commissioner, Vikas Telecom SEZ in 2016 seeking approval of its DG set unit as a SEZ unit with retrospective effect, which was not granted. Subsequently, VTPL filed an appeal before the Board of Approval, SEZ Section in 2016 seeking modification of the letter of approval granted by the Board of Approval, SEZ Section to classify VTPL's captive power plant as a SEZ unit, as it was not granted with retrospective effect, which was rejected. VTPL has filed a writ petition in 2017 before the High Court of Karnataka to set aside the said order and a stay order was granted.

b. VTPL has received a demand note dated August 14, 2020 from the Bangalore Water Supply and Sewerage Board ("BWSSB") for a payment of total charges amounting to ₹ 99.44 million in relation to issuance of a no- objection certificate for a proposed project commercial building on land parcel. VTPL has filed a writ petition before the High Court of Karnataka against the State of Karnataka, Bangalore Water Supply and Sewerage Board and others challenging inter-alia, the government order dated February 12, 2016 and the demand note issued against VTPL and seeking to, inter-alia, (i) quash the demand notice dated August 14, 2020; and (ii) issue of no-objection certificate to VTPL. Pursuant to an order dated November 17, 2020, the High Court of Karnataka granted an ad-interim stay on the demand notice dated August 14, 2020 in relation to certain charges and instructed VTPL to pay the prescribed fee for issuance of no objection certificate. Accordingly, VTPL has made the requisite payment hereunder and received the NOC from BWSSB. The matter is currently pending.

c. VTPL has received a demand note dated September 29, 2020 from the Bangalore Water Supply and Sewerage Board for a payment of total charges amounting to ₹ 39.20 million in relation to issuance of a no- objection certificate for a proposed project office building on land parcel. VTPL has filed a writ petition before the Karnataka High Court against State of Karnataka, Bangalore Water Supply and Sewerage Board and others challenging inter-alia, the government order dated February 12, 2016 and the demand note against VTPL seeking to, inter-alia, (i) quash the demand notice dated September29, 2020; and(ii)issueofno-objection certificate to VTPL. Pursuant to an order dated November 30, 2020, the High Court of Karnataka granted an ad-interin stay on the demand notice dated September 29, 2020 in relation to certain charges and instructed VTPL to pay the prescribed fee for issuance of no objection certificate. Accordingly, VTPL has made the requisite payment hereunder and received the NOC from BWSSB. The matter is currently pending.

Other Material Litigation

A third-party suit was filed against VTPL and other defendants in 2004 before the Additional City Civil & Sessions Judge, Bengaluru seeking partition of a land parcel admeasuring 1 acre and 9 guntas forming part of Embassy TechVillage. The court decreed on November 29, 2011 dismissing the suit filed by the plaintiffs. The appellant has filed an appeal in 2012 before the High Court of Karnataka to set aside the judgement and decree dated November 29, 2011. The matter is currently pending.

III. Material litigation and regulatory action pending against Embassy Sponsor

With respect to Embassy Sponsor, details of all pending regulatory actions and criminal matters against Embassy Sponsor have been disclosed. For the purpose of pending civil/ commercial matters against Embassy Sponsor matters exceeding ₹ 306.54 million (being 5% of the total consolidation revenue of Embassy Sponsor for Financial Year 2021 being latest available audited financial) 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 Embassy REIT has been disclosed. Other than as disclosed below, there is no pending criminal litigation, regulatory actions or material civil/commercial matters against Embassy Sponsor as of March 31, 2022.

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 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 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, 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 Embassy Sponsor in this regard until the date of the next hearing. 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 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 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 Embassy Sponsor to pay an amount of ₹ 100.97 million. Embassy Sponsor has filed a writ petition before the

High Court of Karnataka challenging the orders passed by the KAT and High Court has granted 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. 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. 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 minimus exemption for combinations under the provisions of the Competition Act, 2002. Embassy Sponsor has replied to the above notice and has not received any response thereafter.

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 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. This matter is pending for hearing before the Bombay High Court.

e. In 2015, Embassy Sponsor filed an application with the Bangalore Development Authority ("BDA") for the issue of a development plan in relation to certain property owned by MPPL. The BDA issued the development plan. Subsequently, the Embassy Sponsor as the co-developer of the property filed an application with the BDA for a modified development plan in connection with the use of TDR rights. In February 2020, the Karnataka state government issued amendments to the relevant regulations in relation to levy of fees, cess and surcharges for modified development plans. Subsequently, the BDA issued two demand notices dated September 24, 2020 to the Embassy Sponsor to pay ₹ 121 million towards various charges in connection with the modified development plan. The Embassy Sponsor has filed a writ petition against the State of Karnataka and others before the High Court of Karnataka, inter-alia, to set aside the demand notices issued by the BDA and declare the amendments as ultra vires. Subsequently, BDA issued a letter dated March 10, 2021 to Embassy Sponsor. On March 17, 2021, Embassy Sponsor has paid ₹ 0.04 million to the BDA towards issuance of modified development plan. The matter is currently pending.

f. Embassy Sponsor received a demand notices dated January 13, 2021 and October 7, 2021 from BBMP towards ground rent and other charges for the purposes of issuing occupancy certificate at certain properties owned by Embassy Sponsor. The Embassy Sponsor has filed two separate writ petitions against State of Karnataka before the High Court of Karnataka, inter alia to set aside the demand notices issued by BBMP. On March 30, 2021 the High Court of Karnataka has passed a stay against the demand notices. However, demand with respect to (i) scrutiny fee and license fee shall be stayed only to excess of 50% of the demand (i) security deposit shall be paid at the rate specified i.e. ₹ 25/- per square meter and (iii) stay on administrative charges. The High Court has indicated that the payments need to be made within four weeks, pursuant to which BBMP will issue the occupancy certificate.

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

With respect to the Associates of Embassy Sponsor, details of all pending regulatory actions and criminal matters against the Associates of Embassy Sponsor have been disclosed. For the purpose of pending civil/ commercial matters against Associates of Embassy Sponsor, (excluding the Asset SPVs and the Investment Entity) matters exceeding 5% of the total consolidated revenue of Embassy Sponsor as of March 31, 2022 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 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 Embassy Sponsor as of March 31, 2022.

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 judgment 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. Further, the provident fund along with the payment of back wages was remitted.

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 and has not received any further communication in this regard from RBI.

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. The company has not received any further communication in this regard from RBI.

e. Embassy Construction Private Limited ("ECPL") has received a demand note dated June 16, 2020 from the Bangalore Water Supply and Sewerage Board for a payment of total charges amounting to ₹ 20.57 million in relation to issuance of a no-objection certificate for a proposed project commercial building on land situated at Venkatala Village, Yelahanka Hobli, Bangalore North Taluk, Bangalore and ECPL has filed a writ petition before the Karnataka High Court against State of Karnataka, Bangalore Water Supply and Sewerage Board and others challenging inter-alia, the demand note against ECPL seeking to, inter-alia, (i) quash the demand notice; and (ii) issue of no-objection certificate to ECPL. The High Court of Karnataka granted an ad-interim stay dated November 13, 2020 on the demand notice issued by BWSSB in relation to certain charges and instructed ECPL to pay the prescribed fee for issuance of no objection certificate and directed BWSSB to issue NOC by accepting Admn Fees & Scrutiny Fees amounting to ₹ 3.2 million and the said demand notice will be subject to outcome of the Writ Petition. The matter is currently pending.

f. ECPL received a demand notice dated July 16, 2021 from BBMP towards ground rent and other charges for the purposes of issuing occupancy certificate at certain properties owned by ECPL. ECPL has filed a writ petition against State of Karnataka before the High Court of Karnataka, inter alia to set aside the demand notice dated July 16, 2021 issued by BBMP. On August 27, 2021 the High Court of Karnataka has passed a stay against the demand notice dated July 16, 2021. However, demand with respect to (i) scrutiny fee and license fee shall be stayed only for those in excess of 50% of the demand (i) security deposit shall be paid at the rate of ₹ 25/- per square meter and (iii) stay on administrative charges. The High Court has indicated that the payments need to be made within four weeks, pursuant to which BBMP will issue the occupancy certificate

Other Material Litigation

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 Blackstone Sponsor, its Associates and the Blackstone Sponsor Group

As of March 31, 2022, Blackstone Sponsor, its Associates and Blackstone Sponsor Group do not have any regulatory actions, criminal matters, or material civil/commercial litigation, i.e., in excess of USD 6.94 million (being 5% of the income of the Blackstone Sponsor for the calendar year ended December 31, 2021) pending against them.

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

As of March 31, 2022, 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 2020 have been considered material.

VII. Material litigation and regulatory action pending against the Trustee

As of March 31, 2022, the Trustee does not have any regulatory actions, criminal matters, or material civil/commercial litigation, i.e., in excess of ₹ 9.19 million (Indian Rupees Nine Million and Nineteen Thousand Only) (being 5% of the income of the profit after tax of the Trustee for the Financial Year 2019-2020) 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, 2022 are as follows:

Nature of case	Nature of case	Amount involved (in ₹ million)
Embassy REIT (Asset SPVs and Investment Entity)		
Direct Tax	17	349.45
Indirect Tax	11	669.71
Property Tax	4	3,418.89
Embassy Sponsor – EPDPL		
Direct Tax	18	217.45
Indirect Tax	3	227.66
Property Tax	Nil	Nil
Key Persons (Board of Directors) of the Embassy Sponsor		
Direct Tax	3	669.56
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Blackstone Sponsor		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Key Persons (Board of Directors) of the Blackstone Sponsor		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Manager – EOPMSPL		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Blackstone Sponsor Group		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Associates of the Manager*		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Associates of the Embassy Sponsor		
Direct Tax	28	560.02
Indirect Tax	18	636.14728.69

Nature of case	Nature of case	Amount involved (in ₹ million)
Property Tax	Nil	Nil
Associates of the Blackstone Sponsor#		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil

* Excludes Associates of the Sponsors

Excludes the Blackstone Sponsor Group

15. 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. The laws governing REITs in India are in their early stages and relatively 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 and any government action (lockdown etc.). 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 tenants, tenants in the technology sector and from a few integrated office parks. Any conditions that impact these tenants, the technology sector or parks may adversely affect our business, revenue from operations and financial condition.
5. Tenant 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 Current Portfolio is undergoing certain internal restructuring. There can be no assurance that the approvals and consents for such restructuring will be received or that such restructuring will be completed in a timely manner or at all.
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 have in the past recognized impairment losses and 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/ or 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 on land leased from the MMRDA, MIDC, NOIDA and KIADB. 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, NOIDA or KIADB, 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, leasehold rights 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 and/or leasehold rights 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. Recent disruptions in the financial markets and current economic conditions could adversely affect our ability to service existing indebtedness. We may require additional debt financing in order to continue to grow our business, which may not be available on acceptable terms, or at all.
33. Except in relation to a portion of the Embassy TechVillage campus (which has not been acquired by Embassy REIT), the Blackstone

Sponsor has not entered into a deed of right of first offer with Embassy REIT 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.

34. The ROFO Deed entered into with Embassy Sponsor, in respect of certain identified existing assets and the potential future asset pipeline, is subject to various terms and conditions. Further, the Embassy Sponsor may undertake corporate restructuring exercises, including mergers and amalgamations with third-party entities, which may impact the potential future asset pipeline under the ROFO Deed.
35. 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.
36. 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.
37. We may experience a decline in realised rent rates from time to time, which may adversely affect our business, results of operations, cash flows and distributions.
38. We may not able to maintain adequate insurance to cover all losses we may incur in our business operations.
39. There is outstanding litigation and regulatory action involving Embassy Sponsor and its Associates that may adversely affect our business.
40. Our business may be adversely affected by the illiquidity of real estate investments.
41. Lease deeds with some of our tenants 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.
42. Security and IT risks may disrupt our business, result in losses or limit our growth.
43. Foreign Account Tax Compliance withholding may affect payments on the Units for investors.
44. 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. In addition, the Manager may also provide property management services to entities outside the Embassy REIT Assets in the future subject to applicable law.

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 over a substantial portion 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.

6. It may not be possible for Unitholders to enforce foreign judgments.

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

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

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

8. 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.

9. 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 like Embassy REIT 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. As a REIT with outstanding listed non-convertible debt securities exceeding a specified threshold, we are classified as a "high value debt listed entity" and the applicability of certain reporting and disclosure requirements to us is not clear (and may be subject to clarifications issued by the SEBI). The 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 limited as compared to 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. The Units may experience price and volume fluctuations and there may not be an active or liquid market for the Units.

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

7. 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. The Embassy Sponsor and certain members of the Blackstone Sponsor Group have pledged a portion of their Units. We cannot assure you that we will not issue further Units or that the Unitholders, including the Embassy Sponsor, the Blackstone Sponsor Group, and other significant Unitholders, will not dispose of, pledge or otherwise encumber their Units.

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

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

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

16. Information of the Contact Person of Embassy REIT

Ms. Deepika Srivastava

Company Secretary & Compliance Officer

Royal Oaks, Embassy Golflinks Business Park,
Off Intermediate Ring Road,
Bengaluru – 560 071;
T: +91 80 3322 2222;
F: +91 80 3322 2223;
E: compliance@embassyofficeparks.com

17. 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.

18. Auditor's report

Please refer to pages 171 – 175 and 225 – 229 of this report.

Annexure 1

Secretarial Audit Report

For the Financial year ended 31st March, 2022

[Pursuant to Regulation 24A(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Unitholders,
EMBASSY OFFICE PARKS REIT

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Embassy Office Parks REIT** (hereinafter called the **"Embassy REIT"**) acting through its Manager, **Embassy Office Parks Management Services Private Limited** (hereinafter called the **"Manager"**).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Manager's books, papers, minute books, forms and returns filed and other records maintained by the Manager and also the information provided by the Manager, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Embassy REIT acting through its Manager has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Manager has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Manager** for the financial year ended on 31st March 2022, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
4. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment. There is no overseas Direct Investment made or any External Commercial Borrowing raised by the Manager and Embassy REIT;
5. The laws prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to Embassy REIT and Manager during the Audit Period)**;
    d) The Securities and Exchange Board of India (Share Based Employee Benefits Sweat Equity) Regulations, 2021 **(Not Applicable to Embassy REIT and Manager during the Audit Period)**;
    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 10th August, 2021);
    f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client;
    g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to Embassy REIT and Manager during the Audit Period)**;
    h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to Embassy REIT and Manager during the Audit Period)**;
    i) The applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable w.e.f. 07 September, 2021);
    j) SEBI (Real Estate Investment Trusts) Regulations, 2014;
    k) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
    l) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;
    m) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (w.e.f August 10, 2021)
6. Other laws to the extent applicable to Embassy REIT and Manager as per the representations made by the Manager.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued pursuant to section 118(10) of the Act issued by The Institute of Company Secretaries of India.

During the period under review the Manager has complied with the above-mentioned Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Manager with each of the BSE Limited and the National Stock Exchange of India Limited.

During the period under review the Manager has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that

The Board of Directors of the Manager is duly constituted and consists of Non-Executive Directors, 50% being Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meetings which were held at a shorter notice to transact urgent business and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Manager commensurate with the size and operations of Embassy REIT and Manager to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. Mr. Vivek Mehra (DIN: 00101328) and Dr. Ranjan Ramdas Pai (DIN: 00863123) were reappointed as Independent Directors at the Extra-Ordinary General Meeting of the Manager held on 27th August, 2021.

Rupal Dhiren Jhaveri
FCS No: 5441
Certificate of Practice No. 4225
UDIN: F005441D000224033
Peer Review Certificate No.: PR1139/2021

Place: Mumbai
Date: 27th April, 2022

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

Annexure A

To,
The Unitholders,
EMBASSY OFFICE PARKS REIT

Our report of even date is to be read along with this letter.

'Annexure A'

1. Maintenance of secretarial record is the responsibility of the management of the Manager. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Manager.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of Embassy REIT and the Manager nor of the efficacy or effectiveness with which the management has conducted the affairs of the Manager.

Rupal Dhiren Jhaveri
FCS No: 5441
Certificate of Practice No. 4225
UDIN: F005441D000224033
Peer Review Certificate No.: PR1139/2021

Place: Mumbai
Date: 27th April, 2022

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, 2022, the Statement of Profit and Loss, including the statement of 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, 2022 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, 2022, its profit including other comprehensive income, its cash flows, its statement of changes in Unitholders' equity for the year ended on that date, its net assets at fair value as at March 31, 2022, 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 other 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 judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. 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 and 7 of the standalone Ind AS financial statements)	
As at March 31, 2022, the carrying values of REIT's investment in subsidiaries and joint venture entity amounted to ₹ 429,800.75 million. Further the REIT has granted loans to its subsidiaries amounting to ₹ 232,463.50 million. 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.	Our audit procedures included, among others, the following: • We assessed the REIT's valuation methodology applied in determining the recoverable amount. • 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, 2022. • 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.

Key audit matters	How our audit addressed the key audit matter
Computation and disclosures 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 standalone 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 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 Ind AS 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 recording of all possible 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, 2022 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. • 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 and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position as at March 31, 2022, financial performance including other comprehensive income, cash flows, the movement of the unit holders' equity for the year ended March 31, 2022, its net assets at fair value as at March 31, 2022, its total returns at fair value and the net distributable cash flows of the REIT for the year ended March 31, 2022, 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.

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

- Identify and assess the risks of material misstatement of the standalone 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, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, 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

per **Adarsh Ranka**
Partner
Membership Number: 209567
UDIN: 22209567AHYPOF1310

Place: Bengaluru, India
Date: April 28, 2022

Standalone Balance Sheet

(all amounts in ₹ million unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Financial assets			
- Investments	3	239,333.52	241,739.54
- Loans	4	86,410.72	98,998.92
Other non-current assets	5	1.47	-
Total non-current assets		**325,745.71**	**340,738.46**
Current assets			
Financial assets			
- Cash and cash equivalents	6	5,200.47	7,171.26
- Loans	7	2,080.00	1,475.00
- Other financial assets	8	6.51	-
Other current assets	9	50.95	6.66
Total current assets		**7,337.93**	**8,652.92**
Total assets		**333,083.64**	**349,391.38**
Equity And Liabilities			
EQUITY			
Unit capital	10	288,262.11	288,262.11
Other equity	11	(30,233.92)	(22,682.89)
Total equity		**258,028.19**	**265,579.22**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	12	74,491.33	83,319.10
Total non-current liabilities		**74,491.33**	**83,319.10**
Current liabilities			
Financial liabilities			
- Trade payables	13		
- total outstanding dues of micro and small enterprises		0.59	1.65
- total outstanding dues of creditors other than micro and small enterprises		8.22	0.95
- Other financial liabilities	14	463.90	460.16
Other current liabilities	15	88.61	26.60
Liabilities for current tax (net)	16	2.80	3.70
Total current liabilities		**564.12**	**493.06**
Total equity and liabilities		**333,083.64**	**349,391.38**
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 Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

Standalone Statement of Profit and Loss

(all amounts in ₹ million unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income and gains			
Dividend		9,475.00	2,781.76
Interest	17	11,579.53	9,427.24
Other income	18	81.52	47.51
Total Income		**21,136.05**	**12,256.51**
Expenses			
Valuation expenses		11.56	8.45
Audit fees	22	4.85	8.39
Investment management fees	37	254.46	212.23
Trustee fees		2.95	2.95
Legal and professional fees		57.11	58.97
Other expenses	19	42.57	66.56
Total Expenses		**373.50**	**357.55**
Earnings before finance costs, impairment loss and tax		**20,762.55**	**11,898.96**
Finance costs	20	6,462.30	4,698.65
Impairment loss	3	857.48	2,688.11
Profit before tax		**13,442.77**	**4,512.20**
Tax expense:	21		
Current tax		45.35	37.78
		45.35	**37.78**
Profit for the year		**13,397.42**	**4,474.42**
Items of other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Gain/(loss) on remeasurement of defined benefit liability, net of tax		-	-
Total comprehensive income for the year		**13,397.42**	**4,474.42**
Earning per unit	23		
Basic		14.13	5.46
Diluted		14.13	5.46
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 Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

Standalone Statement of Cash Flows

(all amounts in ₹ million unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities			
Profit before tax		13,442.77	4,512.20
Adjustments to reconcile profit before tax to net cash flows:			
Interest income		(11,579.53)	(9,427.24)
Dividend		(9,475.00)	(2,781.76)
Profit on sale of investments		(75.97)	(47.51)
Impairment loss		857.48	2,688.11
Liabilities no longer required written back		(5.55)	-
Finance costs		6,462.30	4,698.65
Operating cash flow before working capital changes		**(373.50)**	**(357.55)**
Changes in:			
Other current assets and non-current assets		(45.76)	40.76
Other current and non-current liabilities and provisions		62.01	22.23
Other current financial liabilities		2.51	(3.30)
Other financial assets		(6.51)	3.15
Trade payables		6.21	(4.08)
Cash used in operations		**(355.05)**	**(298.79)**
Income taxes paid, net		(46.25)	(34.65)
Net cash used in operating activities		**(401.30)**	**(333.44)**
Cash flow from investing activities			
Loans given to subsidiaries		(10,232.51)	(43,590.31)
Loans repaid by subsidiaries		27,743.31	11,186.11
Investment in subsidiary		-	(34,068.14)
Redemption of debentures issued by joint venture		-	724.38
Interest received		7,600.48	7,120.09
Dividend received		9,475.00	2,781.76
Redemption / (Investments) in mutual funds, (net)		75.97	3,256.58
Net cash generated from /(used in) from investing activities		**34,662.25**	**(52,589.53)**
Cash flow from financing activities			
Proceeds from issue of units		-	36,852.02
Expenses incurred towards issue of units		(17.72)	(834.93)
Proceeds from Issue of Non-convertible debentures (net of issue expenses)		33,771.77	40,459.37
Redemption of Non-convertible debentures (including redemption premium)		(45,302.84)	-
Distribution to unitholders		(20,947.51)	(18,370.92)
Security deposits repaid		-	1.00
Interest paid		(3,735.44)	(857.76)
Net cash (used in)/generated from financing activities		**(36,231.74)**	**57,248.78**
Net (decrease)/increase in cash and cash equivalents		**(1,970.79)**	**4,325.81**
Cash and cash equivalents at the beginning of the year		7,171.26	2,845.45
Cash and cash equivalents at the end of the year		**5,200.47**	**7,171.26**

Standalone Statement of Cash Flows

(all amounts in ₹ million unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash and cash equivalents comprise:			
Balances with banks			
- in current accounts		5,197.53	7,169.26
- in escrow accounts		2.94	2.00
Cash and Cash equivalents at the end of the Year	6	**5,200.47**	**7,171.26**

Note: The Trust had issued 64,893,000 units through preferential allotment in exchange for acquisition of 40% stake in VTPL during the year ended 31 March 2021. The same has not been reflected in Standalone Statement of Cash Flows since it was a non-cash transaction.

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 Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

Standalone Statement of changes in Unitholder's Equity

(all amounts in ₹ million unless otherwise stated)

A. Unit Capital

Particulars	Units (No in million)	Amount
Balance as at 1 April 2020	**771.67**	**229,120.96**
Units issued during the year (refer note 10)	176.23	59,999.35
Less: Issue expenses (refer note 10)	-	(858.20)
Balance as at 31 March 2021	**947.90**	**288,262.11**
Balance as at 1 April 2021	**947.90**	**288,262.11**
Changes during the year	-	-
Balance as at 31 March 2022	**947.90**	**288,262.11**

B. Other equity

Particulars	Reserves and Surplus Retained Earnings
Balance as at 1 April 2020	**(8,784.65)**
Add : Total comprehensive income for the year ended 31 March 2021	4,474.42
Less: Distribution to Unitholders during the year ended 31 March 2021 * ^	(18,372.66)
Balance as at 31 March 2021	**(22,682.89)**
Balance as at 1 April 2021	**(22,682.89)**
Add : Total comprehensive income for the year ended 31 March 2022	13,397.42
Less: Distribution to Unitholders during the year ended 31 March 2022 * ^^	(20,948.45)
Balance as at 31 March 2022	**(30,233.92)**

* 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 Embassy REIT.

^ The distribution for year ended 31 March 2021 does not include the distribution relating to the quarter ended 31 March 2021, as the same was paid subsequent to the year ended 31 March 2021.

^^ The distribution for year ended 31 March 2022 does not include the distribution relating to the quarter ended 31 March 2022, as the same will be paid subsequently.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

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

S. No	Particulars	Unit of measurement	As at 31 March 2022		As at 31 March 2021	
			Book value	Fair value	Book value	Fair value
A	Assets	₹ in million	333,083.64	435,060.15	349,391.38	438,653.91
B	Liabilities	₹ in million	75,055.45	75,055.45	83,812.16	83,812.16
C	Net Assets (A-B)	₹ in million	**258,028.19**	**360,004.70**	**265,579.22**	**354,841.75**
D	No. of units	Numbers	947,893,743	947,893,743	947,893,743	947,893,743
E	NAV (C/D)	₹	**272.21**	**379.79**	**280.18**	**374.35**

Notes

1) Measurement of fair values

The fair value of investments in SPVs are computed basis the fair value of the underlying investment properties, investment properties under development, property, plant and equipment and capital work-in-progress as at 31 March 2022 and as at 31 March 2021 along with book values of other assets and liabilities accounted in the respective SPV financial statements as at 31 March 2022 and as at 31 March 2021. The fair value of the properties has been determined by independent registered 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.

Valuation technique

The fair value measurement for all the investment properties, investment properties under development, property plant and equipment and capital work-in-progress has been categorized 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 (primary 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 31 March 2022 and as at 31 March 2021.

2) Break up of Net asset value

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of investments in SPVs	429,800.75	431,475.99
Add: Other assets	5,259.40	7,177.92
Less : Liabilities	(75,055.45)	(83,812.16)
Net Assets	**360,004.70**	**354,841.75**

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

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

B) Statement of Total Returns at fair value

S. No	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A	Total comprehensive income	13,397.42	4,474.42
B	Add : Income of SPV's and changes in fair value not recognised in total comprehensive income of Standalone financial statements	7,265.24	17,478.77
C (A+B)	**Total Return**	**20,662.66**	**21,953.19**

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

Sl No	Particulars	For the year ended 31 March 2022
1	Cash flows received from SPVs/Holdcos and Investment Entity in the form of:	
	• Interest	7,577.28
	• Dividends (net of applicable taxes)	9,475.00
	• Repayment of Shareholder Debt (to the extent not repaid through debt or equity)	7,761.35
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-
2	Add: Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs/ Holdcos/ Investment Entity 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) or any other relevant provisions of the REIT Regulations	-
3	Add: Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs / Holdcos/ Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) or any other relevant provisions of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-
4	Add: Any other income at the Trust level not captured herein	99.17
5	Less: Any other expense at the Trust level, and not captured herein (excluding acquisition related costs)	(77.14)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(2.95)
	• REIT Management Fees (to the extent not paid in Units)	(254.46)
	• Valuer fees	(11.56)
	• Legal and professional fees	(58.98)
	• Trademark license fees	(1.42)
	• Secondment fees	(1.56)
7	Less: Debt servicing (including principal, interest, redemption premium etc.) of external debt at the Trust level, to the extent not paid through debt or equity (refer note 2 below)	(3,820.29)
8	Less: Income tax (net of refund) and other taxes (if applicable) at the Trust level	(46.25)
	Net Distributable Cash Flows	**20,638.19**

Notes:

1 The Board of Directors of the Manager to the Trust, in their meeting held on 28 April 2022, have declared distribution to Unitholders of ₹ 5.26 per unit which aggregates to ₹ 4,985.92 million for the quarter ended 31 March 2022. The distribution of ₹ 5.26 per unit comprises ₹ 0.70 per unit in the form of interest payment, ₹ 2.25 per unit in the form of dividend and the balance ₹ 2.31 per unit in the form of amortization of SPV debt.

Along with distribution of ₹ 15,640.25 million/ ₹ 16.55 per unit for the nine months ended 31 December 2021, the cumulative distribution for the year ended 31 March 2022 aggregates to ₹ 20,626.17 million/ ₹ 21.76 per unit.

2 NDCF for the year ended 31 March 2022 is computed in accordance with the revised NDCF framework. The Manager has made certain clarificatory amendments to the NDCF framework under the Distribution Policy to ensure that there is no ambiguity in computing the NDCF at Embassy REIT and SPV/Holdco level. The amended framework was approved by a special majority in the Unitholder's Meeting held on 08 July 2021 and is effective from 1 April 2021.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

Sl No	Particulars	For the year ended 31 March 2021
1	Cash flows received from SPVs and investment entity in the form of :	
	• Interest	7,077.90
	• Dividends (net of applicable taxes)	2,781.76
	• Repayment of Shareholder Debt	9,740.49
	• 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	89.70
5	Less: Any other expense accruing at the Trust level, and not captured herein	(93.56)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(2.95)
	• REIT Management Fees	(212.23)
	• Valuer fees	(8.45)
	• Legal and professional fees	(64.53)
	• Trademark license fees	(1.42)
	• Secondment fees	(1.42)
7	Less: Debt servicing	
	• Interest on external debt	(914.44)
	• Repayment of external debt	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(34.65)
	Net Distributable Cash Flows	**18,356.20**

Notes:

1 Repayment of short-term construction debt given to SPVs and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions.

2 Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

3 NDCF computed till 31 March 2021 is in accordance with the NDCF framework under the Distribution Policy as approved in the offer document by the Unitholders.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
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Tuhin Parikh
Director
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Place: Mumbai
Date: 28 April 2022

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 30 March 2017 at Royal Oaks, Embassy Golf Links Business Park, Bangalore, 560071, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a Trust Deed dated 30 March 2017 as amended on 11 September 2018. The Embassy REIT was registered with SEBI on 3 August 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 21 August 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.

The Units of the Trust were listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 1 April 2019.

Details of Special Purpose Vehicles (SPVs)/ Subsidiaries of Trust is provided below:

Name of the SPV/Subsidiary	Activities	Shareholding (in percentage)
Manyata Promoters Private Limited ('MPPL')	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Manyata), located at Bengaluru along with being an intermediate (HoldCo.) (from 10 March 2021, refer note 39) for the Trust.	Embassy Office Parks REIT : 100%, (64.23% upto 10 March 2021), refer note 39), EOPPL : Nil, (35.77% upto 10 March 2021)
Umbel Properties Private Limited ('UPPL')	Development, rental and maintenance of serviced residences (Hilton hotel) located at Bengaluru.	Embassy Office Parks REIT : 100%
Embassy Energy Private Limited ('EEPL')	Generation and supply of solar power to the office spaces of SPVs/Subsidiaries of the Trust located in Bengaluru.	MPPL: 80% (from 10 March 2021 refer note 39) Embassy Office Parks REIT : 20%, EOPPL: Nil (80% upto 10 March 2021 refer note 39)
Galaxy Square Private Limited ('GSPL')	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Galaxy), located in Noida.	Embassy Office Parks REIT : 100%
Quadron Business Park Private Limited ('QBPL')	Development and leasing of office space and related interiors and maintenance of such assets (Quadron Business Park), located in Pune and (Embassy one) located in Bengaluru Development, rental and maintenance of serviced residences (Hotel Four Seasons at Embassy One), located in Bengaluru	Embassy Office Parks REIT : 100%
Earnest Towers Private Limited ('ETPL')	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	Embassy Office Parks REIT : 100%
Qubix Business Park Private Limited ('QBPPL')	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Qubix), located in Pune.	Embassy Office Parks REIT : 100%
Oxygen Business Park Private Limited ('OBPPL')	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Oxygen), located in Noida.	Embassy Office Parks REIT : 100%
Vikhroli Corporate Park Private Limited ('VCPPL')	Development and leasing of office space and related interiors and maintenance of such assets (Embassy 247), located in Mumbai.	Embassy Office Parks REIT : 100%

Notes
to the Standalone Financial Statements

Name of the SPV/Subsidiary	Activities	Shareholding (in percentage)
Indian Express Newspapers (Mumbai) Private Limited ('IENMPL')	Development and leasing of office₹ space and related interiors and maintenance of such assets (Express Towers), located in Mumbai.	Embassy Office Parks REIT : 100%
Embassy Pune TechZone Private Limited ('EPTPL')	Development and leasing of office space and related interiors and maintenance of such assets (Embassy TechZone) located at Pune	Embassy Office Parks REIT : 100 % from 10 March 2021, EOPPL : 100% (upto 10 March 2021, refer note 39)
Vikas Telecom Private Limited ('VTPL') *	Development and leasing of office space and related interiors and maintenance of such assets "Embassy TechVillage" (ETV), located in Bengaluru.	Embassy Office Parks REIT : 100%, (40% upto 1 April 2021, refer note 40) EOVPL : Nil (60% upto 1 April 2021, refer note 40)
Embassy Office Ventures Private Limited ('EOVPL') *	Hold Co of VTPL and Common area maintenance services of ETV, located in Bangalore.	Embassy Office Parks REIT : Nil, (100% upto 01 April 2021, refer note 40)
Sarla Infrastructure Private Limited ('SIPL') *	Development and leasing of office space and related interiors and maintenance of such assets (ETV, Block 9), located in Bengaluru.	Embassy Office Parks REIT : 100%
Embassy Office Parks Private Limited ('EOPPL')	Development and leasing of office space and related interiors and maintenance of such assets (Embassy TechZone), located at Pune along with being an intermediate holding company (HoldCo.) (upto 10 March 2021, refer note 39) for the Trust.	Embassy Office Parks REIT : Nil, (100% upto 10 March 2021, refer note 39)

* together known as Embassy Tech Village assets (ETV assets/ETV SPVs).

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/Subsidiary	Activities	Shareholding (in percentage)
Golflinks Software Park Private Limited ('GLSP')	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bengaluru	Kelachandra Holdings LLP (50%), MPPL: 50% (from 10 March 2021, refer note 39), EOPPL: 50% (upto 10 March 2021, refer note 39)

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 31 March 2022, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flow, the Statement of Net Distributable Cashflows, 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 31 March 2022. 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 28 April 2022.

The Standalone financial statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations"); Indian Accounting Standards as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), 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. The Standalone financial statements are presented in Indian Rupees in Millions, except when otherwise indicated.

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from 1 April 2021. The preparation of Standalone financial statements is after taking into consideration the effect of the amended Schedule III, to the extent relevant to the presentation requirements of Division II of Schedule III. The Trust has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Statement of compliance to Ind-AS

These Standalone financial statements for the year ended 31 March 2021 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 accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below. There were several new and amendments to standards and interpretations which are applicable for the first time for the year ended 31 March 2022, but either not relevant or do not have an impact on the Standalone financial statements of the Trust. The Trust has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. For example, costs the acquirer expects but is not obliged to incur in the future to effect its plan to exit an activity of an acquiree or to terminate the employment of or relocate an acquiree's employees are not liabilities at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Trust.

Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the Standalone financial statements of the Trust.

Several other amendments apply for the first time for the year ending 31 March 2022, 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 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 judgments 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 31 March 2022 will be recovered. The impact of COVID-19 on the Trust's Standalone 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.

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 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.

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 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.
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 expired.

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 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.

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

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 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 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 Standalone 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 REIT recognizes 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.

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.

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.

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) 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.

u) Cash distributions to unitholders

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

v) Statement of Cash flows

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.

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

w) 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 year. 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.

x) Earnings before finance costs, impairment loss and tax

The Embassy Office Parks REIT has elected to present earnings before finance cost, 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, impairment loss and tax on the basis of profit/ (loss) from continuing operations. In its measurement, the Embassy Office Parks REIT does not include finance costs, impairment loss and tax expense.

y) 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. The Manager has made certain clarificatory amendments to the NDCF framework under the Distribution Policy to ensure that there is no ambiguity in computing the NDCF at Embassy REIT and SPV/Holdco level. The amended framework is approved by a special majority in the Unitholder's Meeting held on 08 July 2021 and is effective from 1 April 2021.

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 SPV's/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 endeavours 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 dividend, to the extent permitted under the Companies Act, 2013. Further, repayment of short-term construction debt given to SPVs, debt repayment of Series I NCD (including redemption premium) which was refinanced through debt, and interest on external debt paid and capitalised to development work in progress to the extent funded by debt, are not considered for NDCF computation.

z) Statement of net assets at fair value

The disclosure of Statement of Net Assets at Fair value comprises of the fair values of the properties held by Asset SPVs and the HoldCo as well as book values of the total liabilities and other assets of the Trust. The fair value of the property held by Asset SPVs and HoldCo are reviewed semi-annually by the independent property valuer taking into consideration market conditions existing at the reporting date, and other generally accepted market practices. The independent valuer is leading independent appraiser with a recognised and relevant professional qualification and experience.

Notes

to the Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

3. Non-current investments

Particulars	As at 31 March 2022	As at 31 March 2021
Trade, unquoted investments in subsidiaries (at cost) (refer note below and note 25)		
- 405,940,204 (31 March 2021: 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 (refer note (a) below)	(1,348.68)	(1,235.48)
- 2,129,635 (31 March 2021: 2,129,635) equity shares of Quadron Business Park Private Limited of ₹ 10 each, fully paid up	13,689.26	13,689.26
Less: Provision for impairment (refer note (a) below)	(2,718.94)	(1,974.66)
- 1,999 (31 March 2021: 1,999) equity shares of Embassy Energy Private Limited of ₹ 10 each, fully paid up	732.79	732.79
Less: Provision for impairment (refer note (a) below)	(65.43)	(65.43)
	13,130.67	**13,988.15**
- 8,703,248 (31 March 2021: 8,703,248) equity shares of Embassy Pune Techzone Private Limited of ₹ 10 each, fully paid up (refer note (b) below and note 39)	12,083.50	12,083.50
- 1,461,989 (31 March 2021: 1,461,989) equity shares of Manyata Promoters Private Limited of ₹ 100 each, fully paid up (refer note (b) below and note 39)	99,475.27	99,475.27
- 271,611 (31 March 2021: 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 (31 March 2021: 1,884,747) equity shares of Oxygen Business Park Private Limited of ₹ 10 each, fully paid up	12,308.89	12,308.89
- 154,633,789 (31 March 2021: 185,604,589) equity shares of Earnest Towers Private Limited of ₹ 10 each, fully paid up (refer note (c) below)	10,590.24	12,138.78
- 6,134,015 (31 March 2021: 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of ₹ 10 each, fully paid up	10,710.94	10,710.94
- 254,583 (31 March 2021: 254,583) equity shares of Indian Express Newspapers (Mumbai) Private Limited of ₹ 100 each, fully paid up	13,210.96	13,210.96
- 107,958 (31 March 2021: 107,958) equity shares of Galaxy Square Private Limited of ₹ 100 each, fully paid up	4,662.50	4,662.50
- 65,15,036 (31 March 2021: 2,637,348) Class A equity shares of Vikas Telecom Private Limited of ₹ 10 each, fully paid up (refer note 40)	50,695.45	23,147.33
- Nil (31 March 2021: 4,847,584) Ordinary equity shares of Embassy Office Ventures Private Limited of ₹ 10 each, fully paid up (refer note 40)	-	10,972.41
- Nil (31 March 2021: 8,682,000) Class A equity shares of Embassy Office Ventures Private Limited of ₹ 10 each, fully paid up (refer note 40)	-	16,575.71
- 3,300 (31 March 2021: 3,300) equity shares of Sarla Infrastructure Private Limited of ₹ 1,000 each, fully paid up	6,870.02	6,870.02
	226,202.85	**227,751.39**
	239,333.52	**241,739.54**
Aggregate amount of impairment recognised	**4,133.05**	**3,275.57**

a) The recoverable amounts of the investments in subsidiaries have been computed based on value in use calculation of the underlying properties, computed semi-annually in March and September of each financial year. The value in use calculation is 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 South Asia Private Limited based on discounted cash flow method. As at 31 March 2022, an amount of ₹ 4,133.05 million (31 March 2021: ₹ 3,275.57 million) has been provided as impairment on investment in subsidiaries namely Umbel Properties Private Limited, Quadron

(all amounts in ₹ million unless otherwise stated)

Business Park Private Limited and Embassy Energy Private Limited based on independent valuation report as on 31 March 2022. This includes impairment loss of ₹ 857.48 million for the year ended 31 March 2022 for Umbel Properties Private Limited and Quadron Business Park Private Limited. The impairment charge arose in these entities mainly due to slower ramp up of hotel room occupancy, slower than anticipated lease up, coupled with the current economic conditions due to Covid-19 pandemic for the year ended 31 March 2022. In determining the value in use, the cash flows were discounted at the rate of 12.38% (31 March 2021: 12.38%) for investment in Hospitality operations (UPPL and QBPL) and 11.70% (31 March 2021: 13.50%) for investment in solar power plant (EEPL).

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.

(b) The Board of Directors of the Manager in their meeting held on 19 May 2020 approved the composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL. The above scheme was approved by National Company Law Tribunal (NCLT), Mumbai bench with an effective date of 10 March 2021. Upon completion of the scheme, MPPL became a 100% HoldCo of the Trust, holding Embassy Manyata, Bengaluru, 80% of the share capital of EEPL, 50% of the share capital of GLSP, while EPTPL became a 100% directly-held SPV of the Trust, holding Embassy TechZone, an existing asset of the Trust. Due to the above, the shares of EOPPL held by the Trust were cancelled. Further, MPPL and EPTPL issued 734,451 equity shares and 8,703,248 equity shares respectively to the Trust, in accordance with the Scheme.

Since Trust continued to hold the same economic interest through equity shareholding both before and after the composite scheme of arrangement, the carrying amount of Embassy Office Parks REIT's investment in Embassy Office Parks Private Limited was split into investment in EPTPL and MPPL based on relative fair values of such business/investments.

(c) Pursuant to the National Company Law Tribunal, Mumbai (NCLT), order dated 24 August 2021, Earnest Towers Private Limited (ETPL) has reduced its equity share capital by 30,970,800 fully paid equity shares and details of consideration receivable by REIT from ETPL on such capital reduction are provided below. The said consideration is converted into long term loan receivable by the Trust from ETPL, carrying interest rate of 12.5% per annum (refer note 25).

As per the petition, the capital reduction is to be implemented in the following manner:

Particulars	Amount
Number of equity shares cancelled	30,970,800
Consideration per equity share (in ₹)	50.00
Total consideration payable to Trust on capital reduction (in ₹ million)	**1,548.54**

Since the Trust continues to hold the same economic interest through equity shareholding in ETPL, both before and after capital reduction, the aforementioned consideration of ₹ 1,548.54 million has been accounted for as a reduction of carrying amount of the Trust's investment in ETPL.

(d) The Board of Directors of the Manager through a resolution by circulation dated 23 January 2021 approved the Scheme of Arrangement ("the Scheme") involving EOVPL and VTPL. The Scheme provides for the merger/amalgamation of EOVPL into VTPL (on a going concern basis). The Scheme has been approved by Bengaluru Bench of National Company Law Tribunal (NCLT) on 17 February 2022, The Company has filed the necessary forms with Registrar of Companies (RoC). Upon the Scheme becoming effective, VTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy Tech Village. Since the Trust continues to hold the same economic interest through equity shareholding both before and after the composite scheme of arrangement, the Trust's investments in EOVPL are derecognised and the carrying amount of such investments is recognised as cost of shares issued by VTPL to the Trust upon such merger during the year ended 31 March 2022.

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(all amounts in ₹ million unless otherwise stated)

(e) Details of % shareholding in the subsidiaries, held by Trust is as under:

Name of Subsidiary	As at 31 March 2022	As at 31 March 2021
Embassy Pune TechZone Private Limited (refer note i below)	100.00%	100.00%
Manyata Promoters Private Limited	100.00%	100.00%
Umbel Properties Private Limited	100.00%	100.00%
Embassy Energy Private Limited (refer note ii below)	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%
Vikas Telecom Private Limited (refer note iii below and 40)	100.00%	40.00%
Embassy Office Ventures Private Limited (refer note iii below and 40)	-	100.00%
Sarla Infrastructure Private Limited	100.00%	100.00%

(i) Embassy Pune TechZone Private Limited was a wholly owned subsidiary of Embassy Office Parks Private Limited upto 10 March 2021 (refer note 39).

(ii) Remaining 80.01% of ownership interest in Embassy Energy Private Limited is owned by Manyata Promoters Private Limited from 10 March 2021 (Embassy Office Parks Private Limited till 10 March 2021). Therefore, the Trust directly or indirectly owns 100% interest in Embassy Energy Private Limited (refer note 39).

(iii) 60% of ownership interest in Vikas Telecom Private Limited was held by Embassy Office Ventures Private Limited till 1 April 2021. Pursuant to the merger/amalgamation of EOVPL and VTPL through an order from the NCLT Bengaluru, the shareholding of VTPL by EOVPL was cancelled and the Trust directly owns 100% interest in Vikas Telecom Private Limited effective 1 April 2021. (refer note 40)

4. Non-current loans

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Loan to subsidiaries (refer note 25)	86,410.72	98,998.92
	86,410.72	**98,998.92**

Terms attached to loan to subsidiaries

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 (SPV's).

(all amounts in ₹ million unless otherwise stated)

5. Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Prepayments	1.47	-
	1.47	**-**

6. Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- in current accounts*	5,197.53	7,169.26
- in escrow accounts		
- Balances with banks for unclaimed distributions	2.94	2.00
	5,200.47	**7,171.26**

* Balance in current accounts includes cheques on hand received from SPV's in respect of interest/principal repayments of loans as at 31 March 2022 amounting to ₹ 536.97 million (31 March 2021 : ₹ 763.77 million).

7. Current loans

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Loan to subsidiaries (refer note 25)	2,080.00	1,475.00
	2,080.00	**1,475.00**

Terms attached to loan to subsidiaries

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 (SPV's).

8. Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Other receivables		
- from related party (refer note 25)	6.51	-
	6.51	**-**

9. Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advance for supply of goods and rendering of services	-	0.72
Balances with government authorities	19.05	0.33
Prepayments	31.90	5.61
	50.95	**6.66**

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(all amounts in ₹ million unless otherwise stated)

10. Unit capital

Particulars	Units (No in million)	Amount
As at 1 April 2020	**771.67**	**229,120.96**
Add : Units issued during the year (refer note c)	176.23	59,999.35
Less: Issue expenses *	-	(858.20)
Balance as at 31 March 2021	**947.90**	**288,262.11**
As at 1 April 2021	**947.90**	**288,262.11**
Changes during the year	-	-
Balance as at 31 March 2022	**947.90**	**288,262.11**

* During the year ended 31 March 2021 issue expenses pertaining to further issue of units (Institutional placement and Preferential allotment) was reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation. The issue expenses included payments to auditor of ₹ 51.55 million (excluding applicable taxes).

(a) Terms/rights attached to Units

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

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

Name of the Unitholder	As at 31 March 2022		As at 31 March 2021	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	12.18%	115,484,802	12.18%
SG Indian Holding (Nq) Co I Pte Limited	74,262,742	7.83%	88,333,166	9.32%
BRE/ Mauritius Investments	77,431,543	8.17%	83,730,208	8.83%

(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 issued an aggregate of 613,332,143 Units at ₹ 300 each for consideration other than cash from the date of incorporation till 31 March 2022. Further, during the year ended 31 March 2021, the Trust has issued 111,335,400 Units at a price of ₹ 331.00 per Unit through an Institutional Placement. The Trust also made Preferential allotment of 64,893,000 Units at ₹ 356.70 per Unit to acquire 40% equity interest of VTPL held by third party shareholders.

(all amounts in ₹ million unless otherwise stated)

(d) Unitholding of Sponsor:

Name of Sponsors	Units held by Sponsors				% Change during the year ended 31 March 2022
	No. of units as at 31 March 2022	% of total units as at 31 March 2022	No. of units as at 1 April 2021	% of total units as at 1 April 2021	
Embassy Property Developments Private Limited	115,484,802	12.18%	115,484,802	12.18%	-
BRE Mauritius Investments (Co sponsor including cosponsor group) (refer note 25)	300,597,191	31.71%	357,597,188	37.73%	(6.02%)

11. Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Retained earnings*	(30,233.92)	(22,682.89)
	(30,233.92)	**(22,682.89)**

*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 accumulated under the heading of retained earnings. At the end of the year, the profit after tax is transferred from the statement of profit and loss to the retained earnings account.

12 Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Non-convertible debentures		
Nil (31 March 2021 : 36,500) Embassy REIT Series I, Non-Convertible debentures (NCD) 2019, face value of ₹ 1,000,000 each (net of issue expenses, at amortised cost) (refer note A below)		
- Embassy REIT Series I NCD 2019 - Tranche I	-	35,503.64
- Embassy REIT Series I NCD 2019 - Tranche II	-	7,276.40
15,000 (31 March 2021 : 15,000) Embassy REIT Series II, Non-Convertible debentures (NCD) 2020, face value of ₹ 1,000,000 each (net of issue expenses, at amortised cost) (refer note B below)		
- Embassy REIT Series II NCD 2020 - Tranche A	7,428.80	7,382.15
- Embassy REIT Series II NCD 2020 - Tranche B	7,462.25	7,437.51
26,000 (31 March 2021 : 26,000) Embassy REIT Series III, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each (net of issue expenses, at amortised cost) (refer note C below)	25,808.89	25,719.40
3,000 (31 March 2021 : Nil) Embassy REIT Series IV, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each (net of issue expenses, at amortised cost) (refer note D below)	2,975.64	-
31,000 (31 March 2021 : Nil) Embassy REIT Series V, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each (net of issue expenses, at amortised cost) (refer note E and F below)		
- Embassy REIT Series V NCD 2021 - Series A	19,883.54	-
- Embassy REIT Series V NCD 2021 - Series B	10,932.21	-
	74,491.33	**83,319.10**

Notes

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(all amounts in ₹ million unless otherwise stated)

Note:

Notes (Also in line with regulation 54 of SEBI Listing and Disclosure Regulations (LODR), 2015 as amended):

A. Nil (31 March 2021 : 36,500) Embassy REIT Series I NCD 2019, face value of ₹ 1,000,000 each

In May 2019, the Trust issued 30,000 listed, AAA/Stable, 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 2 June 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 15 May 2019 and 28 November 2019 respectively.

Security terms:

The debentures 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”. The above charge excludes L1 - Office block, consisting of 477,949 sq.ft of super built up area along with the undivided share of the lands and future development / construction on Blocks designated as F1 and L4 that MPPL may undertake in the Project "Embassy Manyata, Bengaluru" along with the remaining undivided share of such land.
2. A sole and exclusive first ranking pledge created by the REIT over their total shareholding in the SPV's 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.
5. The Trust had issued a call option notice dated 01 October 2021 and accordingly these debentures were fully redeemed on 2 November 2021 as per the terms of debenture trust deed.

B. 15,000 (31 March 2021 : 15,000) Embassy REIT Series II NCD 2020, face value of ₹ 1,000,000 each

In September 2020, the Trust issued 7,500 listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series II NCD 2020 (Tranche A), debentures having face value of ₹ 1 million each amounting to ₹ 7,500.00 million with a coupon rate of 7.25% p.a. payable quarterly. In October 2020, the Trust further issued 7,500 such debentures (Tranche B), with an coupon rate of 6.70% p.a. payable quarterly and with same terms and conditions as Tranche A.

The Tranche A and Tranche B NCD described above were listed on the Bombay Stock Exchange on 17 September 2020 and 05 November 2020 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 by way of mortgage created by EPTPL on the constructed buildings and related parcels

(all amounts in ₹ million unless otherwise stated)

identified as Block 2, Block 3, Food court, Block 6, Block I, Block 11 and Block 5, having an aggregate leasable area of 2,00,674 square meters and forming part of the development known as Embassy TechZone together with portion of land admeasuring 96,630 square meters on which the aforesaid buildings are constructed out of the aggregate area of land measuring 67.45 acres equivalent to 2,72,979 sq. mtrs.

2. A sole and exclusive first ranking pledge created by the Embassy REIT over the shareholding in the SPV's namely IENMPL and EPTPL together known as "secured SPVs" along with shareholder loans given to these SPVs
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by EPTPL over identified bank accounts and receivables.
5. A corporate guarantee issued by each of EPTPL and IENMPL.

Redemption terms:

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date
2. These debentures will be redeemed on the expiry of 37 months from the date of allotment for the debentures at par on 9 October 2023.
3. In case of downgrading of credit rating , the coupon rate shall increase by 0.25% - 1.25% over and above the applicable coupon rate 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 coupon rate 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 March 2023 to September 2023) 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.

C. 26,000 (31 March 2021 : 26,000) Embassy REIT Series III NCD 2021, face value of ₹ 1,000,000 each

In January 2021, the Trust issued 26,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series III NCD 2021 debentures having face value of ₹ 1 million each amounting to ₹ 26,000.00 million with an coupon rate of 6.40% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 19 January 2021.

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 first ranking charge by way of mortgage created by VTPL on the constructed buildings and related parcels identified as Block 1A, Block 2 and Block 7B, having an aggregate leasable area of 3,43,772 square meters and forming part of the development known as Embassy TechVillage together with portion of land admeasuring 101,859 square meters on which the aforesaid buildings are constructed.
2. A first ranking charge by way of mortgage created by QBPPL on the constructed buildings and related parcels identified as Block IT 1 and Block IT 2, having an aggregate leasable area of 42,163 square meters and forming part of the development known as Embassy Qubix together with portion of land admeasuring 23,028 square meters on which the aforesaid buildings are constructed.
3. A first ranking pari passu pledge created by the Embassy REIT, MPPL and EOVPL over their shareholding in the SPV's namely VTPL and EEPL together known as "Secured SPVs".
4. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
5. A sole and exclusive first ranking charge by way of hypothecation created by VTPL over identified bank accounts and receivables and by QBPPL over identified receivables.
6. A corporate guarantee issued by each of VTPL, EEPL and QBPPL.

(all amounts in ₹ million unless otherwise stated)

Redemption terms:

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date.
2. These debentures will be redeemed on the expiry of 37 months from the Date of Allotment for the Debentures at par on 15 February 2024.
3. In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate 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 July 2023 to January 2024) 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.

D. 3,000 (31 March 2021: Nil) Embassy REIT Series IV, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each

In September 2021, the Trust issued 3,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series IV NCD 2021 debentures having face value of ₹ 1 million each amounting to ₹ 3,000.00 million with an coupon rate of 6.80% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 9 September 2021.

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 first ranking charge by way of mortgage created by SIPL on the constructed, under-construction buildings, erections, constructions of every description and related parcels identified as Block 9, admeasuring 1.1 million square feet and forming part of the development known as Embassy TechVillage.
2. A first ranking pari passu pledge created by the Embassy REIT over its shareholding in SIPL; known as the "Secured SPV".
3. A first ranking pari passu charge by way of hypothecation created by Embassy REIT over identified receivables from SIPL
4. A first ranking pari passu charge by way of hypothecation created by SIPL over all current and future movable assets, including identified bank accounts and receivables.
5. A corporate guarantee issued by SIPL.

Redemption terms:

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date
2. These debentures will be redeemed on the expiry of 60 months from the Date of Allotment for the Debentures at par on 7 September 2026.
3. In case of downgrading of credit rating , the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate 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 March 2026 to August 2026) 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.

E. 20,000 (31 March 2021: Nil) Embassy REIT Series V - Series A, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each

In October 2021, the Trust issued 20,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series V NCD 2021 (Series A) debentures having face value of ₹ 1 million each amounting to ₹ 20,000.00 million with a coupon rate of 6.25% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 20 October 2021.

Security term

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 first ranking pari passu charge by way of mortgage created by MPPL on the constructed

(all amounts in ₹ million unless otherwise stated)

buildings and related parcels identified as Palm (Block F3), Mahogany (Block F2), Mulberry (Block G1), Ebony (Block G2), G Bridge (G1 & G2), Teak (Block G3), Cypress (Block D4), Beech (Block E1) and Mfar – Green Phase 4, having an aggregate leasable area of 40,16,856 sq ft and land admeasuring 30.856 acres, forming part of the development known as Embassy Manyata Promoters Business Park.

Security term

2. A first ranking pari passu pledge created by Embassy REIT over its shareholding in MPPL; known as "Secured SPV".
3. A first ranking pari passu charge by way of hypothecation created by Embassy REIT over the identified receivables from MPPL.
4. A first ranking pari passu charge by way of hypothecation created by MPPL including identified bank accounts and receivables.
5. A corporate guarantee issued by MPPL.

Redemption terms

1. Interest is payable on the last day of each financial quarter in a year until the scheduled redemption date.
2. These debentures will be redeemed on the expiry of 36 months from date of allotment at par on 18 October 2024.
3. In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate calculated from the date of change of rating.
4. The issuer shall have the option of redeeming all or part of the Series V (Series A) debentures on a pro-rata basis at any time on a specified call option date (between April 2024 to July 2024) 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.

F. 11,000 (31 March 2021: Nil) Embassy REIT Series V - Series B, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each

In October 2021, the Trust issued 11,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series V NCD 2021 (Series B) debentures having face value of ₹ 1 million each amounting to ₹ 11,000.00 million with a coupon rate of 7.05% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 20 October 2021.

Security term

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 first ranking pari passu charge by way of mortgage created by MPPL on the constructed buildings and related parcels identified as Magnolia (Block B), Pine (Block L5), Mountain Ash (Block H2), Silver Oak (Block E2) and Mfar-Philips Building having an aggregate leasable area of 20,23,051 sq ft and land admeasuring 11.530 acres forming part of the development known as Embassy Manyata Business Park.
2. A first ranking pari passu pledge created by Embassy REIT over its shareholding in MPPL; known as "Secured SPV".
3. A first ranking pari passu charge by way of hypothecation created by Embassy REIT over the identified receivables from MPPL.
4. A first ranking pari passu charge by way of hypothecation created by MPPL including identified bank accounts and receivables.
5. A corporate guarantee issued by MPPL.

Redemption terms

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption date.
2. These Debentures will be redeemed on the expiry of 60 months from Date of Allotment at par on 18 October 2026.
3. In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate calculated from the date of change of rating.
4. The issuer shall have the option of redeeming all or part of the Series V (Series B) debentures on a pro-rata basis at any time on a specified call option date (between April 2026 to July 2026) 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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G. 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 II NCD 2020 (Tranche A and B)	Secured	-	31 March 2022	09 October 2023	30 June 2022
Embassy REIT Series III NCD 2021	Secured	-	31 March 2022	15 February 2024	30 June 2022
Embassy REIT Series IV NCD 2021	Secured	-	31 March 2022	07 September 2026	30 June 2022
Embassy REIT Series V NCD 2021 (Series A)	Secured	-	31 March 2022	18 October 2024	30 June 2022
Embassy REIT Series V NCD 2021 (Series B)	Secured	-	31 March 2022	18 October 2026	30 June 2022

6. Rating agency CRISIL has assigned a rating of “CRISIL AAA/Stable” to Embassy REIT Series I NCD 2019, Embassy REIT Series II NCD 2020, Embassy REIT Series III NCD 2021, Embassy REIT Series IV NCD 2021 and Embassy REIT Series V NCD 2021.

H. Other requirements as per Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs)

Particulars	As at 31 March 2022	As at 31 March 2021
Asset cover ratio (refer a below) **	15.09%	17.88%
Debt-equity ratio (refer b below)	0.29	0.31
Debt-service coverage ratio (refer c below)	3.21	2.53
Interest-service coverage ratio (refer d below)	3.21	2.53
Net worth (refer e below)	2,58,028.19	2,65,579.22

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

a) Asset cover ratio *= Total borrowings of the Trust/ Gross asset value of the Subsidiaries and Joint venture of the Trust as computed by independent valuers

b) Debt equity ratio * = Total borrowings of the Trust/ Unitholders' Equity

c) Debt Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/ (Finance costs + Principal Repayments made during the year (excluding loan refinanced))

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 to the extent not repaid through debt or equity]

e) Net worth = Unit capital + Other equity

* Total borrowings of the Trust = Long-term borrowings + Short-term borrowings

Unitholder's Equity = Unit Capital + Other equity

**Also in line with regulation 54 of SEBI Listing and Disclosure Regulations (LODR), 2015 as amended.

13 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payable		
- Total outstanding dues to micro and small enterprises (refer note (ii) below)	0.59	1.65
- Total outstanding dues other than micro and small enterprises		
- to related party (refer note 25)	-	0.86
- to others	8.22	0.09
	8.81	2.60

(all amounts in ₹ million unless otherwise stated)

Notes:

(i) All the trade payables are current in nature. The Trust's exposure to currency and liquidity risks related to trade payables and trade payables ageing are disclosed in note 26.

(ii) Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006").

Particulars	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	0.59	1.65
The amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-

14 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Unclaimed distribution	2.94	2.00
Contingent consideration (refer note 25 and 28)	350.00	350.00
Other liabilities		
- to related party (refer note 25)	56.73	50.30
- to others	54.23	57.86
	463.90	**460.16**

15 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues	23.63	26.60
Other liabilities	64.98	-
	88.61	**26.60**

16 Liabilities for current tax (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for income-tax, net of advance tax	2.80	3.70
	2.80	**3.70**

Notes
to the Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

17. Interest income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income		
- on fixed deposits	23.20	42.19
- on debentures (refer note 25)	-	14.61
- on loan to subsidiaries (refer note 25)	11,556.33	9,370.44
	11,579.53	**9,427.24**

18. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit on sale of investments	75.97	47.51
Liabilities no longer required written back	5.55	-
	81.52	**47.51**

19. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Bank charges	0.33	0.15
Rates and taxes	27.63	21.17
Marketing and advertisement expenses	12.39	41.12
Insurance expenses	0.56	0.32
Miscellaneous expenses	1.66	3.80
	42.57	**66.56**

20. Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on Non-Convertible debentures		
- Embassy REIT Series II, Series III, Series IV and Series V NCD	3,937.95	914.44
Accrual of premium on redemption of debentures (Embassy REIT Series I NCD)	2,523.94	3,784.21
Other borrowing costs (refer note 25)	0.41	-
	6,462.30	**4,698.65**

21. Tax expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax	45.35	37.78
	45.35	**37.78**

(all amounts in ₹ million unless otherwise stated)

Reconciliation of tax expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	13,442.77	4,512.20
Domestic tax rate	42.74%	42.74%
Tax using the Trust's domestic tax rate	5,745.98	1,928.69
Effect of exempt incomes	(8,989.63)	(5,200.58)
Effect of non-deductible expenses	3,288.42	3,310.23
Others	0.59	(0.56)
Tax expense	**45.35**	**37.78**

22. Auditor's remuneration *

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor		
- statutory audit	2.50	3.10
- limited review	1.50	4.10
Reimbursement of expenses (including goods and services tax)	0.85	1.19
	4.85	**8.39**

* Excludes payments to auditor of Nil (31 March 2021 ₹ 51.55 million) (excluding applicable taxes) relating to issue expenses reduced from Unitholders capital.

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit after tax for calculating basic and diluted EPU (₹ in million)	13,397.42	4,474.42
Weighted average number of Units (No. in million)*	947.90	819.59
Earnings Per Unit		
- Basic (Rupees/unit)	14.13	5.46
- Diluted (Rupees/unit) **	14.13	5.46

* The weighted average number of units for the year ended 31 March 2021 have been computed basis 111.34 million units issued by way of institutional placement and 64.89 million units issued by way of preferential allotment on 22 December 2020 and 24 December 2020 respectively.

** The Trust does not have any outstanding dilutive potential instruments.

Notes
to the Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

24. Commitments and contingencies

a. Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Guarantee given to a Bank for loan obtained by a SPV	-	8,400.00

Note :

Trust had given an irrevocable and unconditional Corporate guarantee dated 27 December 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. The Borrower has repaid the loan as at 31 March 2022, accordingly the guarantee is cancelled.

b. Statement of capital and other commitments

i) There are no capital commitments as at 31 March 2022 and 31 March 2021.

ii) The Trust has 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 31 March 2022

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 - Manager

Axis Trustee Services Limited - Trustee

BRE/ Mauritius Investments - Co-Sponsor

SG Indian Holding (NQ) Co. I Pte. Limited

SG Indian Holding (NQ) Co. II Pte. Limited (Upto 10 March 2021)

SG Indian Holding (NQ) Co. III Pte. Limited (Upto 10 March 2021)

BRE/Mauritius Investments II

BREP NTPL Holding (NQ) Pte Limited

BREP VII NTPL Holding (NQ) Pte Limited

. BREP Asia SBS NTPL Holding (NQ) Limited (Upto 10 March 2021)

BREP VII SBS NTPL Holding (NQ) Limited (Upto 10 March 2021)

BREP GML Holding (NQ) Pte Limited

BREP VII GML Holding (NQ) Pte Limited

BREP Asia SBS GML Holding (NQ) Limited (Upto 10 March 2021)

BREP VII SBS GML Holding (NQ) Limited (Upto 10 March 2021)

BREP Asia SG Oxygen Holding (NQ) Pte Limited

BREP VII SG Oxygen Holding (NQ) Pte Limited

BREP Asia SBS Oxygen Holding (NQ) Limited (Upto 10 March 2021)

BREP VII SBS Oxygen Holding (NQ) Limited (Upto 10 March 2021)

BREP Asia HCC Holding (NQ) Pte Limited

BREP VII HCC Holding (NQ) Pte Limited

BREP Asia SBS HCC Holding (NQ) Limited (Upto 10 March 2021)

BREP VII SBS HCC Holding (NQ) Limited (Upto 10 March 2021)

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 (Upto 10 March 2021)

BREP VII SBS Holding NQ CO XI Limited (Upto 10 March 2021)

(all amounts in ₹ million unless otherwise stated)

Directors and Key managerial personnel's of the Manager (Embassy Office Parks Management Services Private Limited)

Directors	Key management personnel
Jitendra Virwani	Michael David Holland - CEO
Tuhin Parikh	Rajesh Kaimal - CFO (upto 19 May 2020)
Vivek Mehra	Aravind Maiya - CFO (from 19 May 2020)
Ranjan Ramdas Pai	Ramesh Periasamy - Compliance Officer and Company Secretary (upto 6 August 2020)
Anuj Puri	
Punita Kumar-Sinha	Deepika Srivastava- Compliance Officer and Company Secretary (from 7 August 2020)
Robert Christopher Heady	
Aditya Virwani	
Asheesh Mohta (alternate to Robert Christopher Heady)	

(i) Subsidiaries (SPV)

Embassy Office Parks Private Limited (upto 10 March 2021) (refer note 39)
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
Vikas Telecom Private Limited (from 24 December 2020)
Embassy Office Ventures Private Limited (from 24 December 2020 upto 01 April 2021) (refer note 40)
Sarla Infrastructure Private Limited (from 24 December 2020)

(ii) Joint Venture

Golflinks Software Park Private Limited

B Other related parties with whom the transactions have taken place during the year

Embassy Shelters Private Limited
BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd *
BREP VII SG Indian Holding (NQ) Co I Pte. Ltd *
BREP Asia SBS Holding-NQ Co IV Ltd. (Cayman) *
BREP VII SBS Holding-NQ IV Co Ltd (Cayman) *

*together known as BREP entities.

Notes
to the Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

C Transactions during the year

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Unsecured loans given to		
Quadron Business Park Private Limited	55.00	270.00
Embassy Pune Techzone Private Limited *	450.00	905.50
Manyata Promoters Private Limited	390.00	8,819.38
Qubix Business Park Private Limited	45.00	-
Oxygen Business Park Private Limited	165.00	3,396.43
Earnest Towers Private Limited	400.00	500.00
Vikhroli Corporate Park Private Limited	20.00	161.00
Galaxy Square Private Limited	20.00	-
Umbel Properties Private Limited	63.50	30.00
Indian Express Newspapers (Mumbai) Private Limited	40.00	13.00
Embassy Energy Private Limited	40.00	225.00
Sarla Infrastructure Private Limited	3,000.20	1,745.00
Vikas Telecom Private Limited	-	24,500.00
Long term loan pursuant to capital reduction (refer note 3 (c))		
Earnest Towers Private Limited	1,548.54	-
Short term construction loan given		
Manyata Promoters Private Limited	4,538.81	1,755.00
Oxygen Business Park Private Limited	100.00	-
Quadron Business Park Private Limited **	300.00	-
Vikas Telecom Private Limited	95.00	-
Embassy Pune Techzone Private Limited *	510.00	800.00
Sarla Infrastructure Private Limited	-	470.00
Redemption of investment in debentures		
Golflinks Software Park Private Limited	-	724.38
Unsecured loans repaid by		
Embassy Pune Techzone Private Limited *	283.64	1,135.96
Manyata Promoters Private Limited	15,084.18	4,316.41
Qubix Business Park Private Limited	252.24	277.01
Oxygen Business Park Private Limited	218.27	-
Earnest Towers Private Limited	337.78	738.02
Vikhroli Corporate Park Private Limited	285.60	487.71
Galaxy Square Private Limited	345.61	280.11
Indian Express Newspapers (Mumbai) Private Limited	201.26	244.57
Embassy Energy Private Limited	609.63	304.90
Sarla Infrastructure Private Limited	716.68	223.33
Vikas Telecom Private Limited	4,366.46	1,008.09
Short term construction loan repaid by		
Manyata Promoters Private Limited	3,813.81	1,700.00
Embassy Pune Techzone Private Limited *	1,030.00	-
Vikas Telecom Private Limited #	198.15	-
Sarla Infrastructure Private Limited	-	470.00
Secondment fees		
Embassy Office Parks Management Services Private Limited	1.56	1.42
Business acquisition of ETV assets from		
Embassy Property Developments Private Limited	-	6,870.02
BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd	-	8,736.46

(all amounts in ₹ million unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
BREP VII SG Indian Holding (NQ) Co I Pte. Ltd	-	2,182.64
BREP Asia SBS Holding NQ Co IV Ltd. (Cayman)	-	41.46
BREP VII SBS Holding NQ IV Co Ltd (Cayman)	-	11.84
Investment in Class A equity share capital of		
Embassy Office Ventures Private Limited	-	16,575.71
Investment management fees		
Embassy Office Parks Management Services Private Limited	254.46	212.23
Trademark license fees		
Embassy Shelters Private Limited	1.42	1.42

* refer note 39

** Includes conversion of ₹ 180 million of long term loan to short term loan

Includes repayment of long term loan converted to short term loan during the quarter ended 31 March 2022 of ₹ 103.15 million.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Trustee fee expenses		
Axis Trustee Services Limited	2.95	2.95
Interest received on debentures		
Golflinks Software Park Private Limited	-	14.61
Interest income		
Quadron Business Park Private Limited	1,583.53	1,538.29
Embassy Pune Techzone Private Limited *	682.04	642.19
Manyata Promoters Private Limited	2,794.28	3,213.69
Qubix Business Park Private Limited	313.91	345.25
Oxygen Business Park Private Limited	906.38	708.95
Earnest Towers Private Limited	132.19	32.26
Vikhroli Corporate Park Private Limited	498.76	554.38
Galaxy Square Private Limited	229.21	268.39
Umbel Properties Private Limited	224.72	215.75
Indian Express Newspapers (Mumbai) Private Limited	374.37	409.30
Embassy Energy Private Limited	716.61	750.33
Sarla Infrastructure Private Limited	332.36	62.63
Vikas Telecom Private Limited	2,767.97	629.03
Dividend Received		
Indian Express Newspapers (Mumbai) Private Limited	450.00	439.00
Oxygen Business Park Private Limited	-	292.76
Manyata Promoters Private Limited	8,190.00	2,050.00
Embassy Pune Techzone Private Limited *	175.00	-
Earnest Towers Private Limited	330.00	-
Vikhroli Corporate Park Private Limited	330.00	-
Expenses incurred by related party on behalf of the Trust		
Embassy Office Parks Management Services Private Limited	3.50	1.97
Embassy Pune Techzone Private Limited *	-	1.04
Expenses incurred by the Trust on behalf of related party		
Vikas Telecom Private Limited	36.70	339.15
Manyata Promoters Private Limited	53.26	0.82
Others	54.13	2.11

Notes
to the Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Other borrowing costs (Guarantee fees)		
Qubix Business Park Private Limited	0.06	-
Manyata Promoters Private Limited	0.06	-
Sarla Infrastructure Private Limited	0.06	-
Vikas Telecom Private Limited	0.06	-
Embassy Energy Private Limited	0.06	-
Indian Express Newspapers (Mumbai) Private Limited	0.06	-
Embassy Pune Techzone Private Limited *	0.06	-
Change in investments pursuant the composite scheme of arrangement (refer note 39)		
Embassy Pune Techzone Private Limited *	-	12,083.50
Manyata Promoters Private Limited	-	50,684.75
Guarantee given by SPV on behalf of REIT		
Indian Express Newspapers (Mumbai) Private Limited and Embassy Pune TechZone Private Limited *	-	15,000.00
Vikas Telecom Private Limited, Embassy Energy Private Limited and Qubix Business Park Private Limited	-	26,000.00
Sarla Infrastructure Private Limited	3,000.00	-
Manyata Promoters Private Limited	31,000.00	-

* refer note 39

D Closing balances

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured loan receivable (non-current)		
Quadron Business Park Private Limited	15,232.22	14,071.94
Embassy Pune Techzone Private Limited **	4,119.83	3,953.47
Manyata Promoters Private Limited	16,847.37	28,951.41
Qubix Business Park Private Limited	2,395.75	2,602.98
Oxygen Business Park Private Limited	7,125.78	7,182.40
Earnest Towers Private Limited	1,679.04	51.66
Vikhroli Corporate Park Private Limited	3,973.46	4,171.11
Galaxy Square Private Limited	1,659.17	1,984.78
Umbel Properties Private Limited	2,237.46	1,971.55
Indian Express Newspapers (Mumbai) Private Limited	2,941.20	3,102.46
Embassy Energy Private Limited	5,371.94	5,941.57
Sarla Infrastructure Private Limited	3,805.19	1,521.67
Vikas Telecom Private Limited	19,022.31	23,491.92
Short term construction loan		
Manyata Promoters Private Limited	780.00	55.00
Oxygen Business Park Private Limited	100.00	-
Embassy Pune Techzone Private Limited **	900.00	1,420.00
Quadron Business Park Private Limited	300.00	-

(all amounts in ₹ million unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Other receivables		
Vikas Telecom Private Limited	1.77	-
Embassy Pune TechZone Private Limited **	2.13	-
Manyata Promoters Private Limited	2.61	-
Other financial liabilities		
Embassy Office Parks Management Services Private Limited	56.73	50.30
Trade Payables		
Embassy Office Parks Management Services Private Limited	-	0.86
Investment in equity shares of subsidiaries		
Embassy Pune Techzone Private Limited **	12,083.50	12,083.50
Manyata Promoters Private Limited	99,475.27	99,475.27
Quadron Business Park Private Limited *	10,970.32	11,714.60
Oxygen Business Park Private Limited	12,308.89	12,308.89
Earnest Towers Private Limited	10,590.24	12,138.78
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 *	1,492.99	1,606.19
Indian Express Newspapers (Mumbai) Private Limited	13,210.96	13,210.96
Embassy Energy Private Limited *	667.36	667.36
Vikas Telecom Private Limited	50,695.45	23,147.33
Embassy Office Ventures Private Limited ***	-	27,548.12
Sarla Infrastructure Private Limited	6,870.02	6,870.02
Contingent consideration payable		
Embassy Property Developments Private Limited (refer note 28)	350.00	350.00
Guarantee given to lender's trustee for loan obtained by SPV		
Manyata Promoters Private Limited	-	8,400.00
Guarantee given by SPV on behalf of REIT		
Indian Express Newspapers (Mumbai) Private Limited and Embassy Pune Techzone Private Limited **	15,000.00	15,000.00
Vikas Telecom Private Limited, Embassy Energy Private Limited and Qubix Business Park Private Limited	26,000.00	26,000.00
Sarla Infrastructure Private Limited	3,000.00	-
Manyata Promoters Private Limited	31,000.00	-

* Net of provision for impairment of ₹ 4,133.05 (31 March 2021 : ₹ 3,275.57 million).

** refer note 39

*** refer note 40

Notes
to the Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

26. Financial instruments

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

Particulars	Carrying value 31 March 2022	Fair Value 31 March 2022	Carrying value 31 March 2021	Fair Value 31 March 2021
Financial assets				
Amortised cost				
Loans	88,490.72	-	100,473.92	-
Cash and cash equivalents	5,200.47	-	7,171.26	-
Other financial assets	6.51	-	-	-
Total assets	**93,697.70**	**-**	**107,645.18**	**-**
Financial liabilities				
Amortised cost				
Borrowings	74,491.33	78,186.53	83,319.10	84,630.97
Other financial liabilities	463.90	-	460.16	-
Trade payables	8.81	-	2.60	-
Total liabilities	**74,964.04**	**78,186.53**	**83,781.86**	**84,630.97**

The fair value of cash and cash equivalents, 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 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.

Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the year ended 31 March 2022 and year ended 31 March 2021.

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 cashflows discounted at the current market rate.

c) 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

(all amounts in ₹ million unless otherwise stated)

risk management policies are established to identify and analyse the risks faced by the Turst, 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 SPV's 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 Standalone 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 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				Total
		Within 1 year	1-3 years	3-5 years	More than 5 years	
31 March 2022						
Borrowings	74,491.33	4,939.75	45,247.99	22,643.88	14,516.48	87,348.10
Trade payables	8.81	8.81	-	-	-	8.81
Other financial liabilities - current	463.90	463.90	-	-	-	463.90
Total	**74,964.04**	**5,412.46**	**45,247.99**	**22,643.88**	**14,516.48**	**87,820.81**

Notes
to the Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

Particulars	Carrying value	Contractual cash flows				Total
		Within 1 year	1-3 years	3-5 years	More than 5 years	
31 March 2021						
Borrowings	83,319.10	2,710.25	50,407.95	43,013.76	-	96,131.96
Trade payables	2.60	2.60	-	-	-	2.60
Other financial liabilities - current	460.16	460.16	-	-	-	460.16
Total	**83,781.86**	**3,173.01**	**50,407.95**	**43,013.76**	**-**	**96,594.72**

Following table provides detailed ageing for trade payables:

As at 31 March 2022

Particulars	Outstanding for the following periods from due date of payments						
	Unbilled dues	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	0.59	-	-	-	0.59
(ii) Others	-	-	8.22	-	-	-	8.22
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**8.81**	**-**	**-**	**-**	**8.81**

As at 31 March 2021

Particulars	Outstanding for the following periods from due date of payments						
	Unbilled dues	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	1.65	-	-	-	1.65
(ii) Others	-	-	0.95	-	-	-	0.95
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**2.60**	**-**	**-**	**-**	**2.60**

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

The Trust operates only in India and hence does not have any exposure to 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.

(all amounts in ₹ million unless otherwise stated)

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.

27. 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 SPV's 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 SPV's. 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 31 March 2022 and 31 March 2021 are as follows:

Particulars	31 March 2022	31 March 2021
Net debt	74,491.33	83,319.10
GAV	493,673.00	466,051.25
Net debt to GAV	**15.09%**	**17.88%**

28. During year ended 31 March 2021, the Trust acquired VTPL, EOVPL and SIPL by acquiring all of the equity interest held by the Embassy Sponsor, BREP entities and certain other third party shareholders. The acquisition of equity interest in EOVPL (which in turn holds 60% equity interest in VTPL) and SIPL has been completed with issue proceeds received of ₹ 36,852.02 million, by issue of 111,335,400 Units at a price of ₹ 331.00 per Unit through the Institutional Placement.

The acquisition of balance 40% equity interest in VTPL is completed through Preferential issue of 64,893,000 Units at a price of ₹ 356.70 per unit to the third party shareholders aggregating to ₹ 23,147.33 million.

The investments in VTPL, EOVPL and SIPL are accounted for at cost less accumulated impairment losses. Below is the details of purchase consideration paid to acquire the SPV's.

Entity	Amount
VTPL	23,147.33
EOVPL	27,548.12
SIPL *	6,870.02

* The Purchase consideration for acquisition of SIPL includes contingent consideration of ₹ 350.00 million which shall be payable to the Embassy Sponsor upon satisfaction of certain conditions and as per timeline agreed between the parties.

(all amounts in ₹ million unless otherwise stated)

29. Details of utilisation of proceeds of Institutional placement as on 31 March 2022 are as follows

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021	Actual utilisation upto 31 March 2022	Unutilised amount as at 31 March 2022
Funding of consideration for the acquisition of the ETV SPVs, including subscription to Class A equity shares in EOVPL, payment of consideration to the BREP Entities and the Embassy Sponsor	34,068.14	34,068.14	-	-	-
Debt funding to the ETV SPVs for partial or full repayment or pre-payment of bank/financial institution debt and settlement of certain liabilities	1,550.00	1,550.00	-	-	-
Issue expenses	750.00	750.00	-	-	-
General purposes	483.88	84.93	398.95	48.95	350.00
Total	**36,852.02**	**36,453.07**	**398.95**	**48.95**	**350.00**

30. Details of utilisation of proceeds of issue of Embassy REIT Series III NCD 2021 as on 31 March 2021 are as follows

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2022	Unutilised amount as at 31 March 2022
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	24,500.00	24,500.00	-
General purposes including issue expenses	1,500.00	1,500.00	-
Total	**26,000.00**	**26,000.00**	**-**

31. Details of utilisation of proceeds of issue of Embassy REIT Series IV NCD 2021 as at 31 March 2022 are follows

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2022	Unutilised amount as at 31 March 2022
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	2,760.00	2,760.00	-
General purposes including issue expenses and payment of coupon	240.00	240.00	-
Total	**3,000.00**	**3,000.00**	**-**

32. Details of utilisation of proceeds of issue of Embassy REIT Series V NCD 2021 as at 31 March 2022 are follows

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2022	Unutilised amount as at 31 March 2022
Refinancing of the Existing Series I NCD Debt	30,845.00	30,845.00	-
General purposes including issue expenses	155.00	129.26	25.74
Total	**31,000.00**	**30,974.26**	**25.74**

(all amounts in ₹ million unless otherwise stated)

33. Reconciliation of movements of financial liabilities to cash flows arising from financing activities

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Opening balance	83,319.10	39,018.84
Changes from financing cash flows		
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)	33,771.77	40,459.37
Redemption of Non-convertible debentures (including redemption premium)	(45,302.84)	-
Interest paid	(3,735.44)	(857.76)
Other changes		
Accrual of interest on debentures	6,462.30	4,698.65
Unpaid issue expenses	(23.55)	-
Closing balance	**74,491.33**	**83,319.10**

34. Segment Reporting

The Trust does not have any Operating segments as at 31 March 2022 and 31 March 2021 and hence, disclosure under Ind AS 108, Operating segments has not been provided in the Standalone financial statements.

35. The Trust does not have any unhedged foreign currency exposure as at 31 March 2022.

36. 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.

37. Investment management fees

Pursuant to the Investment management agreement dated 12 June 2017, as amended, the 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 Trust and its investments. Investment management fees accrued for the year ended 31 March 2022 amounts to ₹ 254.46 million (31 March 2021 ₹ 212.23 million). There are no changes during the year ended 31 March 2022 in the methodology for computation of fees paid to the Manager.

38. Secondment fees

Pursuant to the Secondment agreement dated 11 March 2019, the Manager is entitled to fees of ₹ 0.10 million per month in respect certain employees of the Manager being deployed to the Trust in connection with the operation and management of the assets of the Trust. The fees shall be subject to an escalation of 5% (five per cent) every financial year. Secondment fees for the year ended 31 March 2022 amounts to ₹ 1.56 million. There are no changes during the nine months ended 31 March 2022 in the methodology for computation of secondment fees paid to the Manager.

39. The Board of Directors of the Manager in their meeting held on 19 May 2020 approved a composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL. The Scheme provides for:

a) The demerger, transfer and vesting of the Techzone business of EOPPL comprising Embassy TechZone Business Park (more specifically defined as the 'TechZone Undertaking' in the Scheme) into EPTPL on a going concern basis, in consideration for which the Trust (as shareholder of EOPPL) will be issued shares in EPTPL; followed by

b) Amalgamation of EOPPL into MPPL, on a going concern basis.

The above scheme has been approved by National Company Law Tribunal (NCLT), Mumbai bench with an effective date of 10 March 2021. Further the Scheme was approved by the Board of Approval of Special Economic Zones ("BoA") in its meeting held on March 18, 2021 and the necessary form with ROC was filed on 25 March 2021, for all the three entities. Upon completion of the Scheme, MPPL has become a 100% HoldCo of the Trust, holding Embassy Manyata, Bengaluru, 80% of the share capital of EEPL, 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of the Trust, holding Embassy TechZone, an existing asset of the Trust.

40. The Board of Directors of the Manager through a resolution by circulation dated 23 January 2021 approved the Scheme of Arrangement ("the Scheme") involving EOVPL and VTPL. The Scheme provides for the merger/amalgamation of EOVPL into VTPL (on a going concern basis). The Scheme has been approved by Bengaluru Bench of National Company Law Tribunal (NCLT) on 17 February

Notes
to the Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

2022, The Company has filed the necessary forms with Registrar of Companies (RoC). Upon the Scheme becoming effective, VTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy Tech Village.

The consideration paid by VTPL to give effect to the Scheme to Embassy REIT is as follows:

- VTPL has issued and allotted 1 fully paid-up ordinary share of face value of ₹ 10 each for every 3.72 class A equity shares of face value of ₹ 10 each, fully paid-up held in EOVPL.
- VTPL has issued and allotted 1 fully paid-up ordinary share of face value of ₹ 10 each for every 3.14 ordinary equity shares of face value of ₹ 10 each, fully paid-up held in EOVPL.

41. Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 28 April 2022, have declared distribution to Unitholders of ₹ 5.26 per unit which aggregates to ₹ 4,985.92 million for the quarter ended 31 March 2022. The distribution of ₹ 5.26 per unit comprises ₹ 0.70 per unit in the form of interest payment, ₹ 2.25 per unit in the form of dividend and the balance ₹ 2.31 per unit in the form of amortization of SPV debt.

Along with distribution of ₹ 15,640.25 million/ ₹ 16.55 per unit for the nine months ended 31 December 2021, the cumulative distribution for the year ended 31 March 2022 aggregates to ₹ 20,626.17 million/ ₹ 21.76 per unit.

The accompanying notes referrred to above are an intergral part of Standalone financial statements.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

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, 2022, 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, 2022 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 "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, 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, 2022, its consolidated profit including other comprehensive income, its consolidated cash flows, the consolidated statement of changes in Unitholders' equity for the year ended on that date, its consolidated net assets at fair value as at March 31, 2022, its consolidated total returns at fair value and the NDCFs of the REIT and each of its subsidiaries for the year ended March 31, 2022.

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 Ind AS 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

1) We draw attention to note 45(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 ₹ 3,418.89 million as at March 31, 2022, payable by Manyata Promoters Private Limited, before judicial forums, basis previously raised demand notices by the local regulatory authority. Based on legal opinions obtained and pending outcome of such legal matter no provision has been made in these consolidated Ind AS financial statements.

2) We draw attention to note 60 to the consolidated Ind AS financial statements, regarding advance aggregating to ₹ 4,519.66 million as at March 31, 2022, paid for co-development of M3 Block B property as detailed in note 60, totalling 0.6 msf. As explained by the Group, basis the representation obtained from Embassy Property Development Private Limited, the Group is confident of delivery of the property under development after acquisition of necessary transferable development rights and building approvals.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. 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 audit procedures performed by us, including those 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 ₹ 287,302.21 million (including properties under construction –₹ 6,779.98 million) and carrying value of Property, plant and equipment is ₹ 30,559.91 million (including capital work in progress – ₹ 324.80 million) as at March 31, 2022, which is also subject to impairment testing. 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 recognized. 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 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 19(a) 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.

Key audit matters	How our audit addressed the key audit matter
Computation and disclosures 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), capitalization 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 49 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, business acquisitions, 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 49 of the consolidated Ind AS financial statements. We identified the recording of all possible 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, 2022 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 authorization 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, 2022, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in Unitholders' equity for the year ended March 31, 2022, its consolidated net assets at fair value as at March 31, 2022, its consolidated total returns at fair value of the REIT and the net distributable cash flows of the REIT and each of its subsidiaries for the year ended March 31, 2022 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS 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 also 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 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 judgment 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 Ind AS 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, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, 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 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 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

per **Adarsh Ranka**
Partner
Membership Number: 209567
UDIN: 22209567AHYPOX1654

Place: Bengaluru, India
Date: April 28, 2022

Consolidated Balance Sheet

(all amounts in ₹ million unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	30,235.11	22,067.35
Capital work-in-progress	4	324.80	4,739.47
Investment properties	5	280,522.23	272,345.76
Investment properties under development	8	6,779.98	8,968.79
Goodwill	6	64,045.35	63,946.24
Other intangible assets	7	13,978.00	15,924.64
Equity accounted investee	9	23,634.69	24,118.57
Financial assets			
- Other financial assets	10	2,781.36	4,839.80
Deferred tax assets (net)	24	89.30	48.84
Non-current tax assets (net)	11	814.99	1,095.27
Other non-current assets	12	19,001.37	18,383.62
Total non-current assets		**442,207.18**	**436,478.35**
Current assets			
Inventories	13	11.09	10.80
Financial assets			
- Trade receivables	14	605.81	473.16
- Cash and cash equivalents	15A	5,884.49	9,174.78
- Other bank balances	15B	231.50	253.75
- Other financial assets	16	2,240.81	4,057.38
Current tax assets	17	307.19	-
Other current assets	18	470.72	395.34
Total current assets		**9,751.61**	**14,365.21**
Total assets		**451,958.79**	**450,843.56**
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	19	288,262.11	288,262.11
Other equity	20	(29,395.21)	(17,331.44)
Total equity		**258,866.90**	**270,930.67**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	21	120,739.79	106,023.33
- Lease liabilities	52	347.98	314.52
- Other financial liabilities	22	3,494.61	4,435.05
Provisions	23	7.64	5.79
Deferred tax liabilities (net)	24	51,745.44	53,296.43
Other non-current liabilities	25	560.81	685.26
Total non-current liabilities		**176,896.27**	**164,760.38**
Current liabilities			
Financial liabilities			
- Borrowings	26	273.73	199.58
- Lease liabilities	52	-	20.35
- Trade payables	27		
- total outstanding dues of micro and small enterprises		112.73	48.27
- total outstanding dues of creditors other than micro and small enterprises		204.38	392.62
- Other financial liabilities	28	14,163.26	12,517.90
Provisions	29	6.24	1.89
Other current liabilities	30	1,355.16	1,872.13
Liabilities for current tax (net)	31	80.12	99.77
Total current liabilities		**16,195.62**	**15,152.51**
Total equity and liabilities		**451,958.79**	**450,843.56**
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 Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

Consolidated Statement of Profit and Loss

(all amounts in ₹ million unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income and gains			
Revenue from operations	32	29,626.05	23,603.20
Interest	33	899.81	971.20
Other income	34	369.46	214.06
Total Income		**30,895.32**	**24,788.46**
Expenses			
Cost of materials consumed	35	84.53	35.55
Employee benefits expense	36	228.59	225.48
Operating and maintenance expenses	37	585.64	413.81
Repairs and maintenance	39	2,657.67	1,794.20
Valuation expenses		11.56	8.45
Audit fees		53.81	49.26
Insurance expenses		149.49	81.90
Investment management fees	44	924.63	748.14
Trustee fees		2.95	2.95
Legal and professional fees		408.46	291.18
Other expenses	38	1,537.82	1,444.33
Total Expenses		**6,645.15**	**5,095.25**
Earnings before finance costs, depreciation, amortisation, impairment loss and tax		**24,250.17**	**19,693.21**
Finance costs (net)	40	8,285.28	6,452.89
Depreciation expense	41	5,996.08	4,940.15
Amortisation expense	41	1,968.55	766.82
Impairment loss	3,5,6	-	988.96
Profit before share of profit of equity accounted investee and tax		**8,000.26**	**6,544.39**
Share of profit after tax of equity accounted investee	54	962.14	994.48
Profit before tax		**8,962.40**	**7,538.87**
Tax expense:			
Current tax	42	1,669.30	1,649.06
Deferred tax charge/ (credit)	42	(1,590.75)	(1,093.72)
		78.55	**555.34**
Profit for the year		**8,883.85**	**6,983.53**
Items of other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Gain/ (loss) on remeasurement of defined benefit liability, net of tax		0.83	0.81
Total comprehensive income attributable to Unitholders for the year		**8,884.68**	**6,984.34**
Earnings per Unit			
Basic, attributable to the Unitholders of the Trust	43	9.37	8.52
Diluted, attributable to the Unitholders of the Trust	43	9.37	8.52
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 Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

Consolidated Statement of Cashflow

(all amounts in ₹ million unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit before share of profit of equity accounted investee and tax	8,000.26	6,544.39
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation expense	5,996.08	4,940.15
Amortisation expense	1,968.55	766.82
Assets no longer required, written off	6.11	1.16
Loss on sale of fixed assets	15.71	61.89
Allowance for credit loss	2.56	20.83
Liabilities no longer required written back	(128.84)	(4.68)
Profit on sale of mutual funds	(140.82)	(154.11)
Finance costs	8,285.28	6,452.89
Interest income	(899.81)	(871.21)
Fair value loss/(gain) on investment measured at FVTPL	-	3.00
Impairment loss recognised	-	988.96
Operating profit before working capital changes	**23,105.08**	**18,750.09**
Working capital adjustments		
- Inventories	(0.29)	2.02
- Trade receivables	(96.32)	(167.57)
- Other financial assets (current and non-current)	4,049.37	(229.51)
- Other assets (current and non-current)	(100.61)	134.17
- Trade payables	(77.89)	177.28
- Other financial liabilities (current and non-current)	(857.82)	(216.60)
- Other liabilities and provisions (current and non-current)	(635.22)	811.60
Cash generated from operating activities before taxes	**25,386.30**	**19,261.48**
Taxes (paid)/refund received (net)	(1,716.56)	(556.54)
Cash generated from operating activities	**23,669.74**	**18,704.94**
Cash flow from investing activities		
(Investments)/ redemption of deposits with banks (net)	518.97	552.31
(Investments)/ redemption in mutual funds (net)	140.82	11,700.32
Repayment of investment in debentures	-	724.38
Payment for purchase of Investment Properties, Property, Plant and Equipment and Intangibles including Capital Work-in-progress and Investment Properties under Development	(14,009.65)	(7,677.69)
Payment for acquisition of ETV business	-	(32,804.45)
Payment for acquisition of CAM business in EOPPL and MPPL	-	(4,730.21)
Dividend received	1,400.00	915.00
Interest received	129.62	907.03
Net cash flow (used in) investing activities	**(11,820.24)**	**(30,413.31)**

Consolidated Statement of Cashflow

(all amounts in ₹ million unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from financing activities		
Interest paid	(6,420.61)	(3,698.75)
Repayment of borrowings	(51,770.13)	(40,451.82)
Proceeds from borrowings (net of issue expenses)	64,036.80	44,303.50
Proceeds from issue of units	-	36,852.02
Transaction costs related to issue of units	(17.72)	(834.93)
Cash used in distribution to Unitholders	(20,947.47)	(18,370.92)
Payment of lease liabilities	(20.66)	(28.70)
Security deposits received	-	1.00
Net cash (used in)/ generated from financing activities	**(15,139.79)**	**17,771.40**
Net increase/ (decrease) in cash and cash equivalents	**(3,290.29)**	**6,063.03**
Cash and cash equivalents at the beginning of the year	9,174.78	3,111.75
Cash and cash equivalents at the end of the year	**5,884.49**	**9,174.78**
Components of cash and cash equivalents (refer note 15A)		
Cash in hand	0.74	0.69
Balances with banks		
- in current accounts	5,821.18	9,068.79
- in escrow accounts	54.00	105.30
- in fixed deposits	8.57	-
	5,884.49	**9,174.78**

Significant accounting policies (refer note 2)

In the previous year ended 31 March 2021, the Trust had issued 64,893,000 units through preferential allotment in exchange for acquisition of 40% stake in VTPL. The same has not been reflected in Consolidated Statement of Cash Flow since it was a non-cash transaction.

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 Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

Consolidated Statement of Changes in Unitholder's Equity

(all amounts in ₹ million unless otherwise stated)

A. Unit Capital

	No in million	Amount
Balance as on 1 April 2020	**771.67**	**229,120.96**
Units issued during the year (refer note 19)	176.23	59,999.35
Less: Issue expenses (refer note 19)	-	(858.20)
Balance as at 31 March 2021	**947.90**	**288,262.11**
Balance as on 1 April 2021	**947.90**	**288,262.11**
Changes during the year	-	-
Balance as at 31 March 2022	**947.90**	**288,262.11**

B. Other equity

Particulars	Reserves and Surplus
	Retained Earnings
Balance as on 1 April 2020	**(5,943.12)**
Add: Profit for the year ended 31 March 2021	6,983.53
Add: Other Comprehensive Income for the year ended 31 March 2021#	0.81
Less: Distribution to Unitholders during the year ended 31 March 2021*^	(18,372.66)
Balance as at 31 March 2021	**(17,331.44)**
Balance as on 1 April 2021	**(17,331.44)**
Add: Profit for the year ended 31 March 2022	8,883.85
Add: Other Comprehensive Income for the year ended 31 March 2022#	0.83
Less: Distribution to Unitholders during the year ended 31 March 2022*^^	(20,948.45)
Balance as at 31 March 2022	**(29,395.21)**

* 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 loan by SPVs to Embassy REIT.

^ The distribution for year ended 31 March 2021 does not include the distribution relating to the quarter ended 31 March 2021, as the same was paid subsequent to the year ended 31 March 2021.

^^ The distribution for year ended 31 March 2022 does not include the distribution relating to the quarter ended 31 March 2022, as the same will be paid subsequently.

Other comprehensive income comprises of remeasurements of defined benefit liability (net) of ₹ 0.83 million for the year ended 31 March 2022 (31 March 2021: ₹ 0.81 million).

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

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

S. No	Particulars	Unit of measurement	As at 31 March 2022		As at 31 March 2021	
			Book value	Fair value	Book value	Fair value
A	Assets	₹ in million	451,958.79	567,192.96	450,843.56	547,870.38
B	Liabilities	₹ in million	193,091.89	193,819.45	179,912.89	180,520.80
C	Net Assets (A-B)	₹ in million	**258,866.90**	**373,373.51**	**270,930.67**	**367,349.58**
D	No. of units	Numbers	947,893,743	947,893,743	947,893,743	947,893,743
E	NAV (C/D)	₹	**273.10**	**393.90**	**285.82**	**387.54**

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, MPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in ETV); intangibles and the investment in GLSP as at 31 March 2022 and 31 March 2021 has been determined by iVAS Partners, independent external registered 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 the investment property, investment property under development, property plant and equipment, intangibles and capital work-in-progress has been categorized 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, lease terms, seasonality in sustaining a stable average room rent and occupancy for the hotels.

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 31 March 2022 and 31 March 2021.

2) Property wise break up of Fair value of Assets as at 31 March 2022 is as follows:

Particulars	Fair value of investment property, investment property under development, property, plant and equipment, capital work-in-progress and intangibles*	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	190,524.00	2,916.34	193,440.34	38,246.87	155,193.47	134,444.03
EPTPL	22,441.00	692.70	23,133.70	3,714.43	19,419.27	22,581.47
UPPL	4,280.00	91.05	4,371.05	407.38	3,963.67	4,241.15
EEPL	8,965.00	58.40	9,023.40	197.72	8,825.68	8,843.39
GSPL	9,276.00	80.76	9,356.76	422.07	8,934.69	5,846.95
ETPL	14,045.00	27.30	14,072.30	449.42	13,622.88	9,807.28

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

Particulars	Fair value of investment property, investment property under development, property, plant and equipment, capital work-in-progress and intangibles*	Other assets at book value (***) (Note i)	Total assets	Total liabilities to be considered (Note ii)	Asset wise NAV	Book value of assets
OBPPL	24,648.00	231.03	24,879.03	2,298.76	22,580.27	15,884.51
QBPPL	9,999.00	157.03	10,156.03	217.97	9,938.06	8,894.53
QBPL	25,470.00	1,863.56	27,333.56	556.84	26,776.72	21,776.69
VCPPL	17,939.00	128.57	18,067.57	638.23	17,429.34	12,712.56
IENMPL	17,987.00	136.83	18,123.83	899.71	17,224.12	14,294.69
ETV Assets	116,539.00	1,458.91	117,997.91	20,068.40	97,929.51	99,722.44
Trust	-	69,274.41	69,274.41	125,701.65	(56,427.24)	69,274.41
Total	**462,113.00**	**77,116.89**	**539,229.89**	**193,819.45**	**345,410.44**	**428,324.10**
Investment in GLSP **	27,963.07	-	27,963.07	-	27,963.07	23,634.69
	490,076.07	**77,116.89**	**567,192.96**	**193,819.45**	**373,373.51**	**451,958.79**

3) Property wise break up of Fair value of Assets as at 31 March 2021 is as follows:

Particulars	Fair value of investment property, investment property under development, property, plant and equipment, capital work-in-progress and intangibles*	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	177,919.67	2,603.26	180,522.93	17,834.79	162,688.14	127,895.25
EPTPL (Refer note 60)	22,826.71	683.03	23,509.74	1,558.85	21,950.89	20,945.88
UPPL	3,995.09	95.81	4,090.90	511.71	3,579.19	4,373.13
EEPL	9,302.43	209.30	9,511.73	233.26	9,278.47	9,497.45
GSPL	9,028.07	93.46	9,121.53	407.84	8,713.69	5,991.18
ETPL	13,889.21	747.96	14,637.17	445.50	14,191.67	10,691.63
OBPPL	23,693.70	278.31	23,972.01	1,490.32	22,481.69	15,173.26
QBPPL	10,413.56	210.21	10,623.77	230.24	10,393.53	8,952.98
QBPL	24,540.65	1,820.61	26,361.26	574.77	25,786.49	22,001.73
VCPPL	16,913.95	157.30	17,071.25	621.69	16,449.56	12,961.31
IENMPL	18,402.62	137.83	18,540.45	959.47	17,580.98	14,418.34
ETV Assets	107,073.00	5,316.67	112,389.67	20,466.09	91,923.58	102,762.99
Trust	-	71,059.86	71,059.86	135,186.27	(64,126.41)	71,059.86
Total	**437,998.66**	**83,413.61**	**521,412.27**	**180,520.80**	**340,891.47**	**426,724.99**
Investment in GLSP **	26,458.11	-	26,458.11	-	26,458.11	24,118.57
	464,456.77	**83,413.61**	**547,870.38**	**180,520.80**	**367,349.58**	**450,843.56**

* Fair values of investment property, investment property under development, property, plant and equipment, intangibles, capital work in progress and investment in GLSP as at 31 March 2022 and 31 March 2021 as disclosed above are solely based on the fair valuation report of iVAS Partners, independent external registered 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.

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

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, MPPL and QBPL and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in ETV assets); intangibles 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.

*** Other assets at book value include Goodwill of ₹ 64,045.35 million on book value basis (net off impairment loss, refer note 6). The Goodwill of ₹ 64,045.35 million (31 March 2021: ₹ 63,946.24 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 ₹ 53,207.28 million (31 March 2021: ₹ 53,207.28 million), calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases.

Notes:

(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, capital work-in-progress and intangibles.

(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 Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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
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Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

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

S. No	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A	Total comprehensive income	8,884.68	6,984.34
B	Add: Changes in fair value not recognised in total comprehensive income (refer notes below)	11,777.97	14,968.85
C (A+B)	**Total Return**	**20,662.65**	**21,953.19**

Notes:

1. In the above statement, changes in fair value for the year ended 31 March 2022 and 31 March 2021 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, MPPL and QBPL and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in ETV assets); intangibles and investment in GLSP as at 31 March 2022 and 31 March 2021 as compared with the values as at 31 March 2021 and 31 March 2020 respectively, net of cash spent on construction during the year. The fair values of the afore-mentioned assets as at 31 March 2022 and 31 March 2021 are solely based on the valuation report of iVAS Partners, independent external registered 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.
2. ETV assets were acquired on 24 December 2020 and accordingly the statement of total returns at fair value does not include any difference in fair values of Investment Property, Investment property under development, Property, Plant and Equipment, Capital Work-in-progress and intangibles for ETV assets for the year ended 31 March 2021.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

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 31 March 2022
1	Cash flows received from SPVs/ Holdcos and Investment Entity in the form of:	
	• Interest	7,577.28
	• Dividends (net of applicable taxes)	9,475.00
	• Repayment of Shareholder Debt (to the extent not repaid through debt or equity)	7,761.35
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-
2	Add: Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs/ Holdcos/ Investment Entity 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) or any other relevant provisions of the REIT Regulations	-
3	Add: Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs/ Holdcos/ Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) or any other relevant provisions of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-
4	Add: Any other income at the Embassy REIT level not captured herein	99.17
5	Less: Any other expense at the Embassy REIT level, and not captured herein (excluding acquisition related costs)	(77.14)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(2.95)
	• REIT Management fees (to the extent not paid in Units)	(254.46)
	• Valuer fees	(11.56)
	• Legal and professional fees	(58.98)
	• Trademark license fees	(1.42)
	• Secondment fees	(1.56)
7	Less: Debt servicing (including principal, interest, redemption premium, etc.) of external debt at the Embassy REIT level, to the extent not paid through debt or equity (refer note 2 below)	(3,820.29)
8	Less: Income tax (net of refund) and other taxes (if applicable) at the standalone Embassy REIT level	(46.25)
	Net Distributable Cash Flows at REIT level	**20,638.19**

Notes:

1. The Board of Directors of the Manager to the Trust, in their meeting held on 28 April 2022, have declared distribution to Unitholders of ₹ 5.26 per unit which aggregates to ₹ 4,985.92 million for the quarter ended 31 March 2022. The distribution of ₹ 5.26 per unit comprises ₹ 0.70 per unit in the form of interest payment, ₹ 2.25 per unit in the form of dividend and the balance ₹ 2.31 per unit in the form of amortization of SPV debt.

   Along with distribution of ₹ 15,640.25 million/ ₹ 16.50 per unit for the nine months ended 31 December 2021, the cumulative distribution for the year ended 31 March 2022 aggregates to ₹ 20,626.17 million/ ₹ 21.76 per unit.
2. NDCF for the year ended 31 March 2022 is computed in accordance with the revised NDCF framework. The Manager has made certain clarificatory amendments to the NDCF framework under the Distribution Policy to ensure that there is no ambiguity in computing the NDCF at Embassy REIT and SPV/ Holdco level. The amended framework is approved by a special majority in the Unitholder's Meeting held on 8 July 2021 and is effective from 1 April 2021.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

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 31 March 2021
1	Cash flows received from SPVs and investment entity in the form of:	
	• Interest	7,077.90
	• Dividends (net of applicable taxes)	2,781.76
	• Repayment of Shareholder Debt	9,740.49
	• 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	89.70
5	Less: Any other expense accruing at the Trust level and not captured herein	(93.56)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(2.95)
	• REIT Management fees	(212.23)
	• Valuer fees	(8.45)
	• Legal and professional fees	(64.53)
	• Trademark license fees	(1.42)
	• Secondment fees	(1.42)
7	Less: Debt servicing	
	• Interest on external debt	(914.44)
	• Repayment of external debt	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(34.65)
	Net Distributable Cash Flows at REIT level	**18,356.20**

Notes:

1. Repayment of short-term construction debt given to SPVs and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distribution.
2. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.
3. NDCF computed till 31 March 2021 is in accordance with the NDCF framework under the Distribution Policy as approved in the Offer Document by the Unitholders.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

(ii) Calculation of net distributable cash flows at each Asset SPV and HoldCo

For the year ended 31 March 2022 pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

Sl No	Particulars	EPTPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	VTPL*	EOVPL*	SIPL	Total
1	Profit/(loss) after tax as per Statement of Profit and Loss (standalone) (A)	277.07	4,772.68	228.30	(372.19)	398.82	236.01	427.62	(73.63)	(1,378.00)	239.00	285.87	832.95	(844.57)	(132.06)	4,897.87
	Adjustment:															
2	Add/(Less): Non-cash and other adjustments as per the Statement of Profit and Loss, including but not limited to:															
	• Depreciation, amortisation and impairment	504.38	2,314.45	364.78	228.36	198.58	102.52	238.23	313.15	324.48	60.81	145.30	1,377.06	690.00	-	6,862.10
	• Assets written off or liabilities written back	(0.21)	(11.22)	0.75	(4.82)	(5.00)	(2.32)	(0.29)	(2.18)	10.04	(3.06)	(0.96)	(6.51)	(0.10)	-	(25.88)
	• Current tax charge as per Statement of Profit and Loss	54.57	974.99	56.31	1.10	152.91	50.35	170.42	(0.20)	1.47	47.90	102.21	11.92	-	-	1,623.95
	• Deferred tax	(3.16)	(167.30)	93.99	(128.42)	(3.33)	(8.89)	(13.96)	(37.82)	(788.30)	28.51	(22.24)	(159.25)	-	1.31	(1,208.86)
	• MAT adjustments	(109.81)	-	(56.31)	-	-	-	-	-	645.87	(48.28)	-	-	-	-	431.47
	• Ind AS adjustments (straight lining, effective interest for finance costs, straight lining of security deposits etc)	19.02	106.62	-	-	14.52	7.92	40.67	41.76	(1.81)	(19.27)	78.78	109.12	-	(44.02)	353.31
	• Acquisition related costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Add: Interest on Shareholders Debt from Embassy REIT, charged to Statement of Profit and Loss	457.84	2,578.13	716.61	224.72	132.19	228.77	374.37	855.58	1,565.98	312.80	498.77	2,649.90	-	82.71	10,678.37
4	Add/(Less): Loss/(gain) on sale of real estate investments, real estate assets or shares of SPVs/Holdcos or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of real estate investments, real estate assets or shares of SPVs/Holdcos or Investment Entity 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) or any other relevant provisions of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

Sl No	Particulars	EPTPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	VTPL*	EOVPL*	SIPL	Total
6	Add: Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs/ Holdcos or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) or any other relevant provisions 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.	(2.36)	(1,141.97)	(30.84)	19.63	33.40	39.41	(40.72)	(7.28)	92.04	7.50	96.23	2,625.43	152.82	1,133.48	2,976.77
8	Less: External debt repayment to the extent not repaid through debt or equity	-	(13.38)	-	-	-	-	-	-	(14.39)	-	-	(106.25)	-	-	(134.02)
9	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Less: Income tax (net of refund) and other taxes paid (as applicable)	(56.04)	(879.03)	(47.33)	5.90	(137.20)	(78.95)	(166.77)	38.62	24.83	(59.78)	(129.41)	(197.73)	(2.10)	15.38	(1,669.61)
	Total Adjustments (B)	**864.23**	**3,761.29**	**1,097.96**	**346.47**	**386.07**	**338.81**	**601.95**	**1,201.63**	**1,860.21**	**327.13**	**768.68**	**6,303.69**	**840.62**	**1,188.86**	**19,887.60**
	Net distributable Cash Flows at SPV Level C = (A+B)	**1,141.30**	**8,533.97**	**1,326.26**	**(25.72)**	**784.89**	**574.82**	**1,029.57**	**1,128.00**	**482.21**	**566.13**	**1,054.55**	**7,136.64**	**(3.95)**	**1,056.80**	**24,785.47**

* VTPL filed a scheme of arrangement ('the Scheme') pursuant to which EOVPL is merged with VTPL. The appointed date for the scheme is 1 April 2021. For the purpose of NDCF disclosure, management has computed and presented the NDCF of EOVPL upto 31 December 2021 in EOVPL. NDCF for the period 1 January 2022 to 31 March 2022 of EOVPL is computed and presented in VTPL (refer note 62).

- 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.

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

(ii) Calculation of net distributable cash flows at each Asset SPV and HoldCo

For the year ended 31 March 2021 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**	VTPL	EOVPL	SIPL	Total
1	Profit/ (loss) after tax as per Statement of Profit and Loss (standalone) (A)	662.70	3,738.25	(20.07)	(417.47)	437.67	165.52	423.64	(64.43)	(1,701.99)	274.38	223.65	-	(197.66)	(285.02)	54.63	3,293.80
	Adjustment:																
2	Add/ (Less): Non-cash adjustments and taxes, including but not limited to:																
	• Depreciation, amortisation and impairment	435.89	1,850.58	351.75	226.36	201.49	89.17	247.19	278.10	930.94	57.42	150.30	-	297.52	230.00	-	5,346.71
	• Assets written off or liabilities written back	22.18	(21.88)	-	-	5.83	2.73	(4.34)	3.61	3.10	1.80	1.09	-	(5.30)	-	-	8.82
	• Current tax charge as per Statement of Profit and Loss	209.33	754.85	-	(1.82)	190.95	104.24	130.80	1.37	-	53.07	76.87	-	91.59	-	-	1,611.25
	• Deferred tax	108.98	372.34	3.15	(149.32)	(14.12)	1.03	14.65	(7.11)	(250.70)	29.65	(30.36)	-	198.86	-	(82.90)	194.15
	• MAT adjustments as per Statement of Profit and Loss	(55.73)	(440.29)	-	-	-	-	-	-	-	(53.34)	-	-	(91.59)	-	-	(640.95)
	• Ind AS adjustments not considered in any other item above	19.94	(131.67)	-	-	44.65	11.80	(69.20)	(35.12)	0.78	(17.41)	104.02	-	217.32	-	(23.30)	121.81
3	Add: Interest on shareholders debt charged to Statement of Profit and Loss	520.21	3,211.78	750.33	215.74	32.18	268.39	409.30	681.52	1,538.29	345.24	554.38	-	610.03	-	22.25	9,159.64
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

Sl No	Particulars	EOPPL**	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	EPTPL**	VTPL	EOVPL	SIPL	Total
7	Add/ (Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(32.98)	(103.95)	19.22	(26.21)	(26.82)	19.30	23.63	94.66	(288.46)	(17.01)	(66.03)	0.01	320.28	69.06	315.02	299.72
8	Less: Maintenance capex not charged in the Statement of Profit and Loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(24.08)	(60.25)	-	-	-	-	(21.20)	-	-	-	-	(27.21)	-	-	(132.74)
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)	(113.16)	(477.92)	4.77	(2.29)	(106.00)	(109.19)	(72.05)	74.09	86.64	(52.01)	26.96	-	221.40	(3.38)	0.24	(521.90)
	Total Adjustments (B)	**1,114.66**	**4,989.76**	**1,068.97**	**262.46**	**328.16**	**387.47**	**679.98**	**1,069.92**	**2,020.59**	**347.41**	**817.23**	**0.01**	**1,832.90**	**295.68**	**231.31**	**15,446.51**
	Net distributable Cash Flows [C = (A+B)]	**1,777.36**	**8,728.01**	**1,048.90**	**(155.01)**	**765.83**	**552.99**	**1,103.62**	**1,005.49**	**318.60**	**621.79**	**1,040.88**	**0.01**	**1,635.24**	**10.66**	**285.94**	**18,740.31**

* Repayment of borrowings 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 given to SPVs and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

** EOPPL filed a composite scheme of arrangement (the "Scheme") pursuant to which EOPPL has demerged it's commercial office business to EPTPL and merged the remaining business with MPPL. The effective date for the Scheme is 10 March 2021. For the purpose of NDCF disclosure, management has presented the entire NDCF pertaining to demerged undertaking upto 31 March 2021 under EOPPL (refer note 61).

- Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation.

- Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of the Companies Act, 2013.

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

1. Organisation structure

The Consolidated Financial Statements comprise financial statements of Embassy Office Parks REIT (the 'Trust' or the 'Embassy REIT' or the 'REIT'), its subsidiaries namely 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'), Embassy Pune Techzone Private Limited ('EPTPL'), Vikas Telecom Private Limited ('VTPL') and Sarla Infrastructure Private Limited ('SIPL') (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, having its registered office at Royal Oaks, Embassy Golf Links Business Park, Off Intermediate Ring Road, Bengaluru, Karnataka, 560071, 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 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 3 August 2017 under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. The Trustee to Embassy Office Parks REIT is Axis Trustee Services Limited (the 'Trustee') and the Manager for Embassy Office Parks REIT is Embassy Office Parks Management Services Private Limited (the 'Manager' or 'EOPMSPL').

The Units of the Trust were listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 1 April 2019.

Details of SPVs/ Subsidiaries of REIT is provided below:

Name of the SPV	Activities	Shareholding (in percentage)
MPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Manyata), located at Bangalore along with being an intermediate (HoldCo.) (from 10 March 2021, refer note 61) for the Embassy Office Parks Group.	Embassy Office Parks REIT: 100% from 10 March 2021 EOPPL: Nil from 10 March 2021 (refer note 61)
UPPL	Development, rental and maintenance of serviced residences (Hilton hotel).	Embassy Office Parks REIT: 100%
EEPL	Generation and supply of solar power mainly to the office spaces of Embassy Office Parks Group located in Bangalore.	MPPL: 80% (from 10 March 2021 refer note 61) Embassy Office Parks REIT: 20% EOPPL: Nil (80% upto 10 March 2021 refer note 61)
GSPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Galaxy), located in Noida.	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 and (Embassy one) located in Bangalore. Development, rental and maintenance of serviced residences (Hotel Four Seasons at Embassy One), located in Bangalore.	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.	Embassy Office Parks REIT: 100%

Notes
to the Consolidated Financial Statements

Name of the SPV	Activities	Shareholding (in percentage)
OBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Oxygen), located in Noida.	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.	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.	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.	Embassy Office Parks REIT: 100%
EPTPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Tech Zone), located at Pune (from 10 March 2021) (refer note 61).	Embassy Office Parks REIT: 100% from 10 March 2021 (refer note 61) EOPPL: Nil from 10 March 2021
EOPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks holding company (HoldCo.) (upto 10 March 2021, refer note 61) for the Embassy Office Parks Group.	Embassy Office Parks REIT: Nil [100% upto 10 March 2021, (refer note 61)]
EOVPL*	HoldCo of VTPL and Common area maintenance services of ETV, located in Bangalore (refer note 50). w.e.f. 1 April 2021, the entity is merged with VTPL (refer note 62).	Embassy Office Parks REIT: Nil [100% (upto 31 March 2021), (refer note 62)
VTPL*	Development and leasing of commercial space and related interiors and maintenance of such assets "Embassy TechVillage" (ETV), located in Bangalore (refer note 50). w.e.f. 1 April 2021, EOVPL is merged with VTPL (refer note 61).	EOVPL: 60% (upto 1 April 2021) Embassy Office Parks REIT: 100% [40% upto 1 April 2021, (refer note 62)]
SIPL*	Development and leasing of commercial space and related interiors and maintenance of such assets (ETV Block 9), located in Bangalore (refer note 50).	Embassy Office Parks REIT: 100%

* together known as Embassy TechVillage assets (ETV assets/ ETV SPVs).

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/Subsidiary	Activities	Shareholding (in percentage)
GLSP	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bangalore.	MPPL: 50% (from 10 March 2021, refer note 61) Kelachandra Holdings LLP (50%) EOPPL: Nil (50% upto 10 March 2021, refer note 61)

2. Significant accounting policies

2.1 Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Information of the Embassy Office Parks Group comprises the Consolidated Balance Sheet and the Consolidated Statement of Net Assets at fair value as at 31 March 2022, 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 Cashflows 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 31 March 2022. 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 28 April 2022. 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 including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated 29 December 2016 ("the REIT regulations"); Indian Accounting Standard 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 REIT Regulations.

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from 1 April 2021. The preparation of consolidated financial statements is after taking into consideration the effect of the amended Schedule III, to the extent relevant to the presentation requirements of Division II of Schedule III. The Group has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

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

Statement of compliance to Ind AS

These Consolidated Financial Statements for the year ended 31 March 2022 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 REIT regulations.

ETV assets were acquired on 24 December 2020 by Embassy REIT. The ETV assets have been consolidated from 31 December 2020, a date close to the acquisition date, as there are no significant transactions or events that have occurred between 24 December 2020 and 31 December 2020 and the effect thereof is not considered to be material to the results for the previous year ended 31 March 2021.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the SPVs and the Trust used for the purpose of consolidation are drawn up for the year ended 31 March 2022.

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.

c) The Consolidated 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 recognize the Embassy Office Parks Group's share of the post-acquisition profits or losses of the investee in profit and loss, and Embassy Office Parks Group's share of other comprehensive income of the investee in other comprehensive income.

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 recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between Embassy Office Parks Group and 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.

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.

The Embassy Office Parks Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. When the Embassy Office Parks Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values and no goodwill or deferred tax is recognised.

When the acquisition of subsidiaries represent a business combination, purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss, except for changes in fair value which are measurement period adjustments, wherein the change is adjusted with the asset/liability recognised at the acquisition date with corresponding adjustment to goodwill. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates subsequent its settlement is accounted for within equity.

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.

2.2 Summary of significant accounting policies

a) Functional and presentation currency

The Consolidated 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 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;
- 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; and
- Contingent consideration: measured at fair value.

c) Use of judgments 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:

i) Business combinations

The Embassy Office Parks Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which substantive processes are acquired and, in particular, the extent of services provided by the subsidiary.

In accounting for business combinations, judgment 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 judgment. 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 judgments, 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 recognized. 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 (r).

iv) Classification of assets as investment property or as property, plant and equipment - Notes 2.2 (f) and (g).

v) Significant judgements 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 (v) (ii).

vi) Judgements in preparing Consolidated Financial Statements - Note 2.1.

vii) Classification of Unitholders' funds - Note 19(a).

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment during the year ended 31 March 2022 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(v)(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) Uncertainty relating to the global health pandemic on COVID-19: The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on revenue recognition, 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, and have compared the actual performance with the projections and expects the carrying amount of these assets as reflected in the balance sheet as at 31 March 2022 will be recovered. The management has also estimated the future cash flows with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. 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.

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.

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 registered 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 properties

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.

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

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

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 recognized 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 and adjusted prospectively.

CAM service rights are contract-based intangible assets, which represent the value of contractual rights that arise from contractual arrangements. An entity establishes relationships with its customers through certain contracts, these customer relationships arise from contractual rights.

CAM service rights are recognised at their fair value as at the date of acquisition, these are subsequently amortised on a straight-line basis, over their estimated contractual lives.

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.

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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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 of disposal. 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 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;
- 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.

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 expired.

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) Rental support

Rental supports that are an integral part of an acquisition transaction is treated as a deduction in the acquisition cost of such investment property. Where, the right to receive the rental support is spread over a period of time, the right to receive the rental support is reduced from the acquisition cost and is recognised as a financial asset at fair value and subsequently measured at amortised cost based on effective interest rate method.

o) 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 FVOCI 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
- 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 reorganization; 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 FVOCI, the loss allowance is charged to profit and loss account and is recognised in OCI.

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

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

p) 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.

q) 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.

r) **Leases**

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 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 recognizes 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.

s) 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 from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

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

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.

t) 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.

Assets or liabilities related to employee benefit arrangements acquired on Business Combination are recognised and measured in accordance with Ind AS 19 Employee Benefits.

u) 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.

Capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average borrowing costs (WABC). Capitalisation of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

v) 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 period/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;
- 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.

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.

Deferred tax assets or liabilities acquired on Business Combination are recognised and measured in accordance with Ind AS 12 Income taxes.

w) Provisions and contingencies

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

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

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

x) 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, amortization, impairment and finance cost) are not specifically allocable to segments and accordingly these expenses are adjusted against the total income of the Embassy Office Parks Group.

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 the manner provided in the NDCF framework defined by the Manager. The Manager has made certain clarificatory amendments to the NDCF framework under the Distribution Policy to ensure that there is no ambiguity in computing the NDCF at Embassy REIT and SPV/Holdco level. The amended framework is approved by a special majority in the Unitholder's Meeting held on 8 July 2021 and is effective from 1 April 2021.

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 SPV's/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 endeavours 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 dividend, to the extent permitted under the Companies Act, 2013. Further, repayment of short-term construction debt given to SPVs, debt repayment of Series I NCD (including redemption premium) which was refinanced through debt, and interest on external debt paid and capitalised to development work in progress to the extent funded by debt, are not considered for NDCF computation.

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.

ae) Statement of net assets at fair value

The disclosure of Statement of Net Assets at Fair value comprises of the fair values of the properties held by Asset SPVs and the HoldCo as well as book values of the total liabilities and other assets of all SPVs consolidated. The fair value of the property held by Asset SPVs and HoldCo are reviewed semi-annually by the independent property valuer taking into consideration market conditions existing at the reporting date, and other generally accepted market practices. The independent valuer is leading independent appraiser with a recognised and relevant professional qualification and experience.

af) Recent pronouncements

New and amended standards

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below:

There were several amendments to standards and interpretations which are applicable for the first time for the year ended 31 March 2022, but either the same are not relevant or do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendment to Ind AS 103

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Group.

Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.

Several other amendments apply for the first time for the year ended 31 March 2022, but they do not have an impact on the consolidated financial statements of the Group.

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to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

3. Property, plant and equipment

Reconciliation of carrying amounts for the year ended 31 March 2022

Particulars	Land-freehold (refer note i)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Gross block										
As at 1 April 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**
Additions due to business combination*	2,110.78	-	-	-	-	0.50	2.37	-	4.90	2,118.55
Additions for the year	213.30	-	221.59	0.23	8.96	0.62	0.11	-	-	444.81
Reclassifications	(18.15)	-	18.15	-	-	-	-	-	-	-
As at 31 March 2021	**8,846.00**	**7,067.88**	**7,382.02**	**486.21**	**457.90**	**19.58**	**20.37**	**10.83**	**45.31**	**24,336.10**
As at 1 April 2021	**8,846.00**	**7,067.88**	**7,382.02**	**486.21**	**457.90**	**19.58**	**20.37**	**10.83**	**45.31**	**24,336.10**
Additions for the year	5.84	5,854.05	602.32	801.89	1,313.53	24.96	17.18	255.78	17.40	8,892.95
Disposals	-	(14.50)	(0.56)	-	-	(0.10)	(0.10)	-	-	(15.26)
As at 31 March 2022	**8,851.84**	**12,907.43**	**7,983.78**	**1,288.10**	**1,771.43**	**44.44**	**37.45**	**266.61**	**62.71**	**33,213.79**
Accumulated depreciation and impairment										
As at 1 April 2020	**84.00**	**365.24**	**430.82**	**84.47**	**69.73**	**11.33**	**10.97**	**10.83**	**6.42**	**1,073.81**
Charge for the year	-	125.92	436.47	78.32	26.96	1.73	0.85	-	4.64	674.89
Impairment loss (refer note 6)	72.94	339.36	59.23	20.55	24.26	2.08	0.46	-	1.17	520.05
As at 31 March 2021	**156.94**	**830.52**	**926.52**	**183.34**	**120.95**	**15.14**	**12.28**	**10.83**	**12.23**	**2,268.75**
As at 1 April 2021	**156.94**	**830.52**	**926.52**	**183.34**	**120.95**	**15.14**	**12.28**	**10.83**	**12.23**	**2,268.75**
Charge for the year	-	129.82	430.99	88.31	53.42	1.86	2.83	0.22	4.63	712.08
Disposals	-	(1.69)	(0.29)	-	-	(0.07)	(0.10)	-	-	(2.15)
As at 31 March 2022	**156.94**	**958.65**	**1,357.22**	**271.65**	**174.37**	**16.93**	**15.01**	**11.05**	**16.86**	**2,978.68**
Carrying amount (net)										
As at 31 March 2021	**8,689.06**	**6,237.36**	**6,455.50**	**302.87**	**336.95**	**4.44**	**8.09**	**-**	**33.08**	**22,067.35**
As at 31 March 2022	**8,694.90**	**11,948.78**	**6,626.56**	**1,016.45**	**1,597.06**	**27.51**	**22.44**	**255.56**	**45.85**	**30,235.11**

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 50.

Notes:

i. The solar plant has been constructed on 465.77 acres of land, of which title for 424.50 acres is registered in name of the group and balance 41.24 acres is in the process of registration.

ii. Accumulated Depreciation as at 31 March 2022 includes impairment loss of ₹ 886.18 million (31 March 2021: ₹ 886.18 million).

iii. Refer Note 6 for disclosure on impairment.

iv. Refer Note 21 for information on charge created by the group on its property, plant and equipment.

v. Refer Note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

vi. The amount of borrowing cost capitalised during the year is ₹ 433.05 million (31 March 2021: ₹ 249.34 million) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).

(all amounts in ₹ million unless otherwise stated)

4. Capital work-in-progress

Particulars	As at 31 March 2022	As at 31 March 2021
MPPL - Hilton Hotels*	-	4,509.34
UPPL	18.27	-
VTPL - Hilton Hotels**	306.53	230.13
	324.80	**4,739.47**

*forms part of MPPL CGU
**forms part of ETV assets CGU

i. Capital work-in-progress ageing schedule:

Status as at 31 March 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	93.94	71.29	115.89	43.68	324.80
Projects temporarily suspended	-	-	-	-	-

Status as at 31 March 2021	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,311.87	1,124.64	1,168.37	134.59	4,739.47
Projects temporarily suspended	-	-	-	-	-

ii. As on 31 March 2022 and 31 March 2021, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on original approved plan.

Notes
to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

5. Investment property

Reconciliation of carrying amounts for the year ended 31 March 2022

Particulars	Land-freehold	Land-leasehold (refer notes)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Vehicle	Computer	Total
Gross block										
As at 1 April 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**
Additions due to business combination*	51,352.70	135.51	25,300.30	3,311.28	259.41	1,115.14	0.64	-	-	81,474.98
Additions for the year	33.10	7.95	800.75	230.42	59.74	52.42	19.68	-	1.16	1,205.22
Disposals	(21.74)	-	(23.25)	(19.93)	(50.68)	(13.23)	-	-	-	(128.83)
As at 31 March 2021	**126,547.49**	**28,370.64**	**107,760.97**	**13,095.99**	**1,759.03**	**3,425.00**	**63.74**	**5.31**	**12.00**	**281,040.17**
As at 1 April 2021	**126,547.49**	**28,370.64**	**107,760.97**	**13,095.99**	**1,759.03**	**3,425.00**	**63.74**	**5.31**	**12.00**	**281,040.17**
Additions for the year	5.49	238.91	9,872.06	2,307.64	225.57	818.20	2.00	-	0.04	13,469.91
Disposals	-	-	(1.20)	(0.20)	(13.99)	(0.48)	-	-	-	(15.87)
As at 31 March 2022	**126,552.98**	**28,609.55**	**117,631.83**	**15,403.43**	**1,970.61**	**4,242.72**	**65.74**	**5.31**	**12.04**	**294,494.21**
Accumulated depreciation and impairment										
As at 1 April 2020	**-**	**483.74**	**2,106.20**	**947.20**	**360.10**	**487.10**	**22.82**	**3.48**	**1.68**	**4,412.32**
Charge for the year	-	360.92	2,239.82	1,086.54	240.15	331.07	4.76	0.55	1.45	4,265.26
Impairment loss (refer note 6)	12.80	-	15.78	2.83	0.03	0.25	0.01	0.01	-	31.71
Disposals	-	-	-	(2.71)	(8.89)	(3.28)	-	-	-	(14.88)
As at 31 March 2021	**12.80**	**844.66**	**4,361.80**	**2,033.86**	**591.39**	**815.14**	**27.59**	**4.04**	**3.13**	**8,694.41**
As at 1 April 2021	**12.80**	**844.66**	**4,361.80**	**2,033.86**	**591.39**	**815.14**	**27.59**	**4.04**	**3.13**	**8,694.41**
Charge for the year	-	361.02	2,771.66	1,387.45	288.36	461.72	11.44	1.27	1.08	5,284.00
Disposals	-	-	-	(0.20)	(6.08)	(0.15)	-	-	-	(6.43)
As at 31 March 2022	**12.80**	**1,205.68**	**7,133.46**	**3,421.11**	**873.67**	**1,276.71**	**39.03**	**5.31**	**4.21**	**13,971.98**
Carrying amount (net)										
As at 31 March 2021	**126,534.69**	**27,525.98**	**103,399.17**	**11,062.13**	**1,167.64**	**2,609.86**	**36.15**	**1.27**	**8.87**	**272,345.76**
As at 31 March 2022	**126,540.18**	**27,403.87**	**110,498.37**	**11,982.32**	**1,096.94**	**2,966.01**	**26.71**	**-**	**7.83**	**280,522.23**

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 50.

(all amounts in ₹ million unless otherwise stated)

Notes:

i **EPTPL:** 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. Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the transfer for lease deeds of the leasehold land to EPTPL is in process (refer note 61).

ii. **OBPPL:** The leasehold land for Embassy Oxygen is taken from New Okhla Industrial Development Authority ('NOIDA') on a lease for a period of 90 years. The lease expires in September 2097.

iii. **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.

iv. **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.

v. **QBPL:** The leasehold land for Embassy Quadron is taken from MIDC for a lease term of 95 years. The lease expires in October 2100. As per the lease agreement the Company can renew the lease for a further period of 95 years.

vi. **VTPL:** VTPL had earlier entered into lease-cum sale agreement for the land located in Embassy Tech Village with Karnataka Industrial Area Development Board (KIADB) for a period of 20 years commencing from 16 June 2006. As per the lease agreement KIADB shall sell the land to VTPL at any time during the tenure of the lease or on expiry of the lease period, if VTPL has performed all the conditions contained in the agreement and committed no breach thereof. VTPL had converted the leasehold land measuring 81.385 acres into a freehold land as per the sale deed entered with KIADB on 12 February 2018. Further, 1 acre and 37 guntas leasehold land is yet to be registered and is classified as a leasehold land and no depreciation has been charged on the same.

vii. 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.

viii. The investment property have been leased out to lessees / held for lease on operating lease basis.

ix. 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.

x. The amount of borrowing cost capitalised during the year is ₹ 806.23 million (31 March 2021: ₹ 184.43 million) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).

xi. In accordance with Ind AS 116- Leases, investment property includes Right-of-Use (ROU) asset of ₹ 300.26 million (31 March 2021: ₹ 304.21 million) which is recorded under Land Leasehold. The corresponding lease liability amounting to ₹ 347.99 million (31 March 2021: ₹ 334.87 million) is recorded as a financial liability.

xii. Accumulated Depreciation as at 31 March 2022 includes impairment loss of ₹ 31.71 million (31 March 2021: ₹ 31.71 million).

xiii. Refer Note 6 for disclosure on impairment.

xiv. Amount recognised in statement of profit and loss for investment properties:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rental income	27,512.07	21,823.48
Less: Direct operating expenses arising from investment property that generated rental income during the year	(2,760.78)	(1,760.36)
Less: Direct operating expenses arising from investment property that did not generate rental income during the year	(1,100.69)	(817.47)
Less: Depreciation and amortisation expense	(7,101.26)	(4,877.39)
Profit arising from investment properties before indirect expenses	**16,549.34**	**14,368.26**

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(all amounts in ₹ million unless otherwise stated)

xv. Refer Note 21 for information on charge created by the group on its investment property.

xvi. Refer Note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

xvii. Refer Note 52 for disclosure of assets acquired under lease.

xviii. Fair value disclosures:

Particulars	Amount
Fair value as at 31 March 2022	387,160.00
Fair value as at 31 March 2021	352,882.01

The fair value of investment property as at 31 March 2022 and 31 March 2021 has been determined by iVAS Partners, independent external registered 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 categorized 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, seasonality in sustaining a stable average room rent and occupancy for the hotels.

6. Goodwill [refer note 2.1(b) and 50 B]

As at 31 March 2022

SPV	Goodwill as at 1 April 2021	Consideration transferred for business combination during the year	Fair value of net assets of business combination during the year/ adjustments	Goodwill on acquisitions during the year	Impairment loss for the year	Net carrying value as at 31 March 2022
MPPL	21,466.58	-	-	-	-	21,466.58
EPTPL	1,027.18	-	-	-	-	1,027.18
EEPL	703.52	-	-	-	-	703.52
UPPL	131.89	-	-	-	-	131.89
ETPL	2,899.23	-	-	-	-	2,899.23
GSPL	1,962.11	-	-	-	-	1,962.11
IENMPL	6,071.57	-	-	-	-	6,071.57
OBPPL	6,529.49	-	-	-	-	6,529.49
QBPPL	1,596.82	-	-	-	-	1,596.82
QBPL	3,198.66	-	-	-	-	3,198.66
VCPPL	4,265.12	-	-	-	-	4,265.12
ETV assets (refer note 50B)	14,094.07	-	99.11	-	-	14,193.18
	63,946.24	**-**	**99.11**	**-**	**-**	**64,045.35**

(all amounts in ₹ million unless otherwise stated)

As at 31 March 2021

SPV	Goodwill as at 1 April 2020	Consideration transferred for business combination during the year	Fair value of net assets of business combination during the year	Goodwill on acquisitions during the year	Impairment loss for the year	Net carrying value as at 31 March 2021
MPPL (refer note 61)	21,466.58	-	-	-	-	21,466.58
EPTPL (refer note 61)	1,027.18	-	-	-	-	1,027.18
EEPL (refer note 61)	703.52	-	-	-	-	703.52
UPPL	202.73	-	-	-	70.84	131.89
ETPL	2,899.23	-	-	-	-	2,899.23
GSPL	1,962.11	-	-	-	-	1,962.11
IENMPL	6,071.57	-	-	-	-	6,071.57
OBPPL	6,529.49	-	-	-	-	6,529.49
QBPPL	1,596.82	-	-	-	-	1,596.82
QBPL	3,565.02	-	-	-	366.36	3,198.66
VCPPL	4,265.12	-	-	-	-	4,265.12
ETV assets (refer note 50B)	-	57,565.47	43,471.40	14,094.07	-	14,094.07
	50,289.37	**57,565.47**	**43,471.40**	**14,094.07**	**437.20**	**63,946.24**

Impairment testing for goodwill

Goodwill acquired through business combinations has been allocated to the Cash Generating Units ('CGU') as below for impairment testing: (Each SPV has been considered to be an independent CGU except QBPL and MPPL). Goodwill pertaining to QBPL has been further allocated to commercial CGU forming part of commercial segment and hotel CGU forming part of hospitality segment. Similarly, goodwill pertaining to MPPL has been further allocated to commercial CGU forming part of commercial segment and hotel CGU forming part of hospitality segment. Goodwill pertaining to ETV assets has been considered as a single CGU as all the ETV assets have a similar risk and return profile).

CGU	As at 31 March 2022			As at 31 March 2021		
	Carrying amount of the CGU prior to impairment*	Recoverable amount	Impairment Loss	Carrying amount of the CGU prior to impairment*	Recoverable amount	Impairment Loss
Commercial						
MPPL	110,281.07	174,899.02	-	131,978.44	189,313.22	-
EPTPL (refer note 61)	16,998.45	19,419.27	-	17,475.97	21,950.89	-
ETPL	12,363.55	13,622.88	-	13,214.69	14,191.67	-
GSPL	6,584.40	8,934.69	-	6,703.68	8,713.69	-
IENMPL	16,574.27	17,224.12	-	16,626.87	17,580.98	-
OBPPL	18,935.96	22,580.27	-	19,034.16	22,481.69	-
QBPPL	8,565.55	9,938.06	-	8,589.42	10,393.53	-
QBPL - Embassy Quadron	11,245.89	14,161.22	-	12,425.62	14,090.00	-
QBPL - Embassy One	4,402.09	4,678.00	-	4,698.33	4,331.97	366.36
VCPPL	15,270.40	17,429.34	-	15,482.80	16,449.56	-
ETV assets (refer note 50)	79,594.54	97,929.51	-	81,935.45	91,923.58	-
Hospitality						
QBPL - Hotel	7,193.94	7,937.50	-	7,294.64	7,364.53	-
MPPL - Hotel	7,863.36	8,257.52	-	-	-	-
UPPL	3,534.28	3,963.67	-	3,644.40	3,573.56	70.84
Others						
EEPL	8,496.28	8,825.68	-	9,077.50	9,278.47	-
	327,904.04	**429,800.75**	**-**	**348,181.97**	**431,637.34**	**437.20**

* The carrying amount also includes carrying value of intangibles with indefinite useful life amounting to ₹ 3,641.88 million as at 31 March 2022 (31 March 2021: ₹ 3,641.88 million). Accordingly, the disclosures given in this note also covers the impairment testing relating to intangibles with indefinite useful lives.

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(all amounts in ₹ million unless otherwise stated)

During the year, management has estimated the recoverable amount of the CGUs based on a valuation determined by iVAS Partners, independent external registered 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 annual fair valuation, an impairment loss of ₹ Nil (31 March 2021: ₹ 437.20 million) is recognized in the Statement of Profit and Loss against Goodwill, an impairment loss of ₹ Nil (31 March 2021: ₹ 520.05 million) is recognized in the Statement of Profit and Loss against property, plant and equipment and an impairment loss of ₹ Nil (31 March 2021: ₹ 31.71 million) is recognized in the Statement of Profit and Loss against investment property totalling to ₹ Nil (31 March 2021: ₹ 988.96 million) as impairment loss. During the previous year, impairment loss majorly related to the hospitality segment and more specifically UPPL (Hilton Hotel), and hospitality segment of QBPL (Four Seasons Hotel) as well as Embassy One (Commercial segment) forming part of QBPL. The impairment loss in the previous year arose in these CGUs due to slower ramp up of room occupancy, slower than anticipated lease-up coupled with the economic conditions due to Covid-19 pandemic. The annual impairment test performed considers the 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 considering 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.

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:

CGU	As at 31 March 2022			As at 31 March 2021		
	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate
Commercial						
MPPL	11.70%	13.00%	8.00%	11.70%	13.00%	8.00%
EPTPL (refer note 61)	11.70%	13.00%	8.25%	11.70%	13.00%	8.25%
ETPL	11.70%	NA	7.75%	11.70%	NA	7.75%
GSPL	11.70%	NA	8.25%	11.70%	NA	8.25%
IENMPL	11.70%	NA	7.50%	11.70%	NA	7.50%
OBPPL	11.70%	13.00%	8.25%	11.70%	13.00%	8.25%
QBPPL	11.70%	NA	8.25%	11.70%	NA	8.25%
QBPL - Embassy Quadron	11.70%	NA	8.25%	11.70%	NA	8.25%
QBPL - Embassy One	11.70%	NA	7.50%	11.70%	NA	7.50%
VCPPL	11.70%	NA	8.00%	11.70%	NA	8.00%
ETV assets (refer note 50B)	11.70%	13.00%	8.00%	11.70%	13.00%	8.00%
Hospitality						
UPPL	12.38%	NA	14.0x of EBITDA	12.38%	NA	14.0x of EBITDA
QBPL - Hotel	12.38%	NA	14.0x of EBITDA	12.38%	NA	14.0x of EBITDA
MPPL - Hotel	12.38%	NA	14.0x of EBITDA	NA	13.60%	14.0x of EBITDA
ETV - Hotel	NA	13.60%	14.0x of EBITDA	NA	13.60%	14.0x of EBITDA
Others						
EEPL	11.70%	NA	NA	13.50%	NA	NA

(all amounts in ₹ million unless otherwise stated)

The recoverable amount of the CGUs exceeds the carrying amount of the CGUs by ₹ 101,896.71 million (31 March 2021: ₹ 83,892.57 million). Following change in discount rate and capitalization 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.

CGU	As at 31 March 2022			As at 31 March 2021		
	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate
Commercial						
MPPL	15.85%	17.90%	14.45%	14.39%	16.20%	13.75%
EPTPL (refer note 61)	14.62%	15.99%	9.59%	12.63%	14.15%	9.95%
ETPL	12.55%	NA	8.50%	12.61%	NA	8.00%
GSPL	15.06%	NA	10.00%	14.97%	NA	9.75%
IENMPL	12.29%	NA	8.10%	12.06%	NA	8.00%
OBPPL	13.20%	15.20%	9.00%	13.51%	15.20%	8.75%
QBPPL	13.22%	NA	9.50%	13.65%	NA	9.75%
QBPL - Embassy Quadron	14.83%	NA	9.70%	13.45%	NA	8.75%
QBPL - Embassy One **	12.00%	NA	8.00%	NA	NA	NA
VCPPL	12.93%	NA	9.00%	11.93%	NA	8.75%
ETV assets (refer note 50B)	13.32%	14.50%	9.10%	12.26%	13.60%	9.00%
Hospitality						
UPPL **	13.87%	NA	11.52x of EBITDA	NA	NA	NA
QBPL - Hotel **	13.78%	NA	11.68x of EBITDA	NA	NA	NA
MPPL - Hotel	12.93%	NA	13.08x of EBITDA	NA	15.91%	NA
ETV - Hotel	NA	13.68%	NA	NA	13.22%	NA
Others						
EEPL	12.44%	NA	NA	14.71%	NA	NA

** Sensitivity analysis for the previous year is not disclosed since the carrying value and the recoverable amount are equal.

7. Other intangible assets

Reconciliation of carrying amounts for the year ended 31 March 2022

Particulars	CAM service rights	Power Purchase Agreement	Right to use trade mark	Computer software	Total
As at 1 April 2020	**-**	**3,348.00**	**1,781.88**	**32.72**	**5,162.60**
Additions due to business combination*	9,826.91	-	1,860.00	1.66	11,688.57
Additions during the year	-	-	-	1.53	1.53
As at 31 March 2021	**9,826.91**	**3,348.00**	**3,641.88**	**35.91**	**16,852.70**
As at 1 April 2021	**9,826.91**	**3,348.00**	**3,641.88**	**35.91**	**16,852.70**
Additions during the year	-	-	-	21.91	21.91
As at 31 March 2022	**9,826.91**	**3,348.00**	**3,641.88**	**57.82**	**16,874.61**
Accumulated amortisation					
As at 1 April 2020	-	145.56	-	15.68	161.24
Amortisation for the year	612.13	145.57	-	9.12	766.82
As at 31 March 2021	**612.13**	**291.13**	**-**	**24.80**	**928.06**
As at 1 April 2021	**612.13**	**291.13**	**-**	**24.80**	**928.06**
Amortisation for the year	1,817.26	145.57	-	5.72	1,968.55
As at 31 March 2022	**2,429.39**	**436.70**	**-**	**30.52**	**2,896.61**
Carrying amount (net)					
As at 31 March 2021	**9,214.78**	**3,056.87**	**3,641.88**	**11.11**	**15,924.64**
As at 31 March 2022	**7,397.52**	**2,911.30**	**3,641.88**	**27.30**	**13,978.00**

*Refer note 2.1 Basis for consolidation and note 50.

(all amounts in ₹ million unless otherwise stated)

8. Investment property under development (IPUD)

IPUD mainly comprises upcoming buildings and other infrastructure upgrades in various properties. The details are as follows:

SPV/ Hold Co	Particulars	As at 31 March 2022	As at 31 March 2021
Base build			
SIPL	Block 9	-	3,794.98
VTPL	Block 8	933.51	429.47
EPTPL	Hudson block and Ganges block	2,878.05	816.34
OBPL	Tower 1	1,513.82	619.44
Infrastructure and Upgrade Projects			
MPPL	Flyover	-	1,311.14
MPPL	Master plan upgrade	681.36	1,091.40
EPTPL	Master plan upgrade	646.08	500.46
QBPL	Master plan upgrade	46.55	311.96
Multiple	Various	80.61	93.60
		6,779.98	**8,968.79**

Notes:

i. Investment property under development ageing schedule:

Status as at 31 March 2022	Amount in IPUD for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	5,074.91	1,087.18	402.82	215.07	6,779.98
Projects temporarily suspended	-	-	-	-	-

Investment property under development ageing schedule:

Status as at 31 March 2021	Amount in IPUD for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	5,754.70	2,532.96	435.69	245.44	8,968.79
Projects temporarily suspended	-	-	-	-	-

ii. As on 31 March 2022 and 31 March 2021, there are no IPUD projects whose completion is overdue or has exceeded the cost, based on original approved plan.

9. Equity accounted investee

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in joint venture		
Golflinks Software Park Private Limited 10,000 (31 March 2021: 10,000) equity share of ₹ 10 each, fully paid up	23,634.69	24,118.57
	23,634.69	**24,118.57**

Goodwill on acquisition included as a part of carrying cost	10,449.36	10,449.36

	As at 31 March 2022	As at 31 March 2021
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)	23,634.69	24,118.57

(all amounts in ₹ million unless otherwise stated)

10. Other non-current financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Bank deposits with more than 12 months maturity*	310.39	846.16
Unbilled revenue	784.82	832.37
Security deposits		
- related party (refer note 49)	-	4.30
- others	889.49	830.88
Receivable under finance lease	796.66	1,246.09
Receivable for sale of co-developer rights	-	1,080.00
	2,781.36	**4,839.80**

* Includes fixed deposits held as lien against debt taken and margin money for bank guarantee	310.39	846.16

11. Non-current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax, net of provision for tax	814.99	1,095.27
	814.99	**1,095.27**

12. Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advance paid for co-development of property, including development rights on land (refer note 49 and 60)	15,777.90	13,863.03
Other capital advances		
- related party (refer note 49)	223.73	274.23
- others	2,022.43	3,294.28
Balances with government authorities	193.78	189.97
Paid under protest to government authorities (refer note 45)	716.30	702.44
Prepayments	67.23	59.67
	19,001.37	**18,383.62**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Stock of consumables	11.09	10.80
	11.09	**10.80**

14 Trade receivables^

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
Considered good *	605.81	473.16
Credit impaired	6.60	56.21
Less: Allowances for impairment losses	(6.60)	(56.21)
	605.81	**473.16**

*Includes trade receivables from related parties amounting to ₹ 523.36 million (31 March 2021: ₹ 327.53 million) (refer note 49).
^ refer note 46 for ageing schedule based on requirements of Schedule III.

Notes
to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

15A Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.74	0.69
Balances with banks		
- in current accounts*	5,821.18	9,068.79
- in escrow accounts		
- Balances with banks for unclaimed distributions	2.94	2.00
- Others^	51.06	103.30
- in deposit accounts with original maturity of less than three months	8.57	-
	5,884.49	**9,174.78**

* Balance in current accounts includes cheques on hand as at 31 March 2022 amounting to ₹ 539.98 million (31 March 2021: ₹ 763.77 million).

^ Includes unspent Corporate Social Responsibility (CSR) balances amounting to ₹ 30.82 million (31 March 2021: ₹ 38.56 million) which has been deposited in separate escrow accounts.

15B Other bank balances

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- in fixed deposit accounts with original maturity greater than three months and maturity less than twelve months from the reporting date*	231.50	253.75
	231.50	**253.75**
*Deposit for availing letter of credit facilities	231.50	253.75

16. Other current financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Interest accrued but not due		
- on fixed deposits	0.88	0.50
- on statutory deposits	16.10	21.49
- on others	2.01	4.61
Security deposits	0.53	1.03
Unbilled revenue (refer note 49)	431.78	443.03
Unbilled maintenance charges	238.28	224.61
Receivable under finance lease	446.94	427.74
Receivable for rental support from a related party (refer note 49)	-	1,108.78
Receivable for sale of co-developer rights	482.92	1,632.97
Other receivables		
- related parties (refer note 49)	620.97	185.99
- others	0.40	6.63
	2,240.81	**4,057.38**

17. Current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax, net of provision for tax	307.19	-
	307.19	**-**

(all amounts in ₹ million unless otherwise stated)

18. Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advance for supply of goods and rendering of services		
- to related parties (refer note 49)	74.43	2.67
- to others	22.37	21.68
Balances with government authorities	180.51	237.71
Prepayments	189.63	123.18
Other advances	3.78	10.10
	470.72	**395.34**

19. Unit capital

Unit capital	Units (No in million)	Amount
As at 1 April 2020	**771.67**	**229,120.96**
Units issued during the year	176.23	59,999.35
Less: Issue expenses (refer note below)	-	(858.20)
Closing balance as at 31 March 2021	**947.90**	**288,262.11**
As at 1 April 2021	**947.90**	**288,262.11**
Changes during the year	-	-
Closing balance as at 31 March 2022	**947.90**	**288,262.11**

Note:

During the previous year ended 31 March 2021 issue expenses pertaining to further issue of units (Institutional Placement and Preferential Allotment) were reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation. The issue expenses included payments to auditor of ₹ 51.55 million (excluding applicable taxes).

(a) Terms/ rights attached to Units

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

Notes
to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

Name of the Unitholder	As at 31 March 2022		As at 31 March 2021	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	12.18%	115,484,802	12.18%
SG Indian Holding (NQ) Co I Pte Limited	74,262,742	7.83%	88,333,166	9.32%
BRE Mauritius Investments	77,431,543	8.17%	83,730,208	8.83%

(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 issued an aggregate of 613,332,143 Units at ₹ 300.00 each for consideration other than cash from the date of incorporation till 31 March 2022. Further, during the year ended 31 March 2021, the Trust has issued 111,335,400 Units at a price of ₹ 331.00 per Unit through an Institutional Placement. The Trust also made Preferential allotment of 64,893,000 Units at ₹ 356.70 per Unit to acquire 40% equity interest of VTPL held by third party shareholders.

(d) Unitholding of sponsor group:

Sponsor	Units held by Sponsors				% Change during the year ended 31 March 2022
	No. of units as at 31 March 2022	% of total shares as at 31 March 2022	No. of units as at 1 April 2021	% of total shares as at 1 April 2021	
Embassy Property Developments Private Limited	115,484,802	12.18%	115,484,802	12.18%	-
BRE Mauritius Investments (Co-sponsor including co-sponsor group) (refer note 49)	300,597,191	31.71%	357,597,188	37.73%	(6.02%)

20. Other Equity*

Particulars	As at 31 March 2022	As at 31 March 2021
Reserves and Surplus		
Retained earnings	(29,395.21)	(17,331.44)
	(29,395.21)	**(17,331.44)**

*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 recognized and accumulated under the heading of retained earnings. At the end of the year, the profit for the year including other comprehensive income is transferred from the Statement of Profit and Loss to the retained earnings account.

(all amounts in ₹ million unless otherwise stated)

21. Non-current Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Non-convertible debentures		
Nil (31 March 2021: 36,500) Embassy REIT Series I, Non-Convertible debentures (NCD) 2019, face value of ₹ 1,000,000 each (net of issue expenses, at amortised cost)		
- Embassy REIT Series I NCD 2019 - Tranche I (refer note i below)	-	35,503.62
- Embassy REIT Series I NCD 2019 - Tranche II (refer note i below)	-	7,276.40
15,000 (31 March 2021: 15,000) Embassy REIT Series II, Non-Convertible debentures (NCD) 2020, face value of ₹ 1,000,000 each (net of issue expenses, at amortised cost)		
- Embassy REIT Series II NCD 2020 - Tranche A (refer note ii below)	7,428.80	7,382.15
- Embassy REIT Series II NCD 2020 - Tranche B (refer note ii below)	7,462.25	7,437.51
26,000 (31 March 2021: 26,000) Embassy REIT Series III, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each (net of issue expenses, at amortised cost) [refer note (iii) below]	25,808.89	25,719.40
3,000 (31 March 2021: Nil) Embassy REIT Series IV, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each (net of issue expenses, at amortised cost) [refer note (iv) below]	2,975.64	-
31,000 (31 March 2021: Nil) Embassy REIT Series V, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each (net of issue expenses, at amortised cost)		
- Embassy REIT Series V NCD 2021 - Series A (refer note (v) below)	19,883.54	-
- Embassy REIT Series V NCD 2021 - Series B (refer note (vi) below)	10,932.21	-
Term loans		
- from banks (refer note viii)	45,751.36	22,701.75
- vehicle loans	-	2.50
Unsecured		
Term loans		
- from banks (refer note viii)	497.10	-
	120,739.79	**106,023.33**

Notes (Also in line with regulation 54 of SEBI Listing and Disclosure Regulations (LODR), 2015 as amended):

(i) Nil (31 March 2021: 36,500) Embassy REIT Series I NCD 2019, face value of ₹ 1,000,000 each

In May 2019, the Trust issued 30,000 listed, AAA stable, 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 2 June 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 15 May 2019 and 28 November 2019 respectively.

Security terms

The NCD's are secured against each of the following in favour of the Security Trustee (holding for the

(all amounts in ₹ million unless otherwise stated)

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". The above charge excludes L1 - Office block, consisting of 4,77,949 sq.ft of super built up area along with the undivided share of the lands and future development / construction on Blocks designated as F1 and L4 that MPPL may undertake in the Project "Embassy Manyata Business Park" along with the remaining undivided share of such land.
2. A sole and exclusive first ranking pledge created by the Embassy REIT 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 Embassy 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 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.
5. The Trust had issued a call option notice dated 1 October 2021 and accordingly these debentures were fully redeemed on 2 November 2021 at par as per the terms of debenture trust deed.

(ii) 15,000 (31 March 2021: 15,000) Embassy REIT Series II NCD 2020, face value of ₹ 1,000,000 each

In September 2020, the Trust issued 7,500 listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series II NCD 2020 (Tranche A), debentures having face value of ₹ 1 million each amounting to ₹ 7,500.00 million with a coupon rate of 7.25% p.a. payable quarterly. In October 2020, the Trust further issued 7,500 such debentures (Tranche B), with a coupon rate of 6.70% p.a. payable quarterly and with same terms and conditions as Tranche A.

The Tranche A and Tranche B NCD described above were listed on the Bombay Stock Exchange on 17 September 2020 and 05 November 2020 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 by way of mortgage created by EPTPL on the constructed buildings and related parcels identified as Block 2, Block 3, Food court, Block 6, Block 1, Block 11 and Block 5, having an aggregate leasable area of 200,674 square meters and forming part of the development known as Embassy Tech Zone together with portion of land admeasuring 96,630 square meters on which the aforesaid buildings are constructed out of the aggregate area of land measuring 67.45 acres equivalent to 272,979 sq. mtrs.
2. A sole and exclusive first ranking pledge created by the Embassy REIT over the shareholding in the SPVs namely IENMPL and EPTPL together known as "secured SPVs" along with shareholder loans given to these SPVs.
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.

4. A sole and exclusive first ranking charge by way of hypothecation created by EPTPL over identified bank accounts and receivables.
5. A Corporate Guarantee issued by each of EPTPL and IENMPL.

Redemption terms

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date.
2. These debentures will be redeemed on the expiry of 37 months from the Date of Allotment for the Debentures at par on 9 October 2023.
3. In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.25% over and above the applicable coupon rate 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 coupon rate 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 March 2023 to Sep 2023) 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.

(iii) 26,000 (31 March 2021: 26,000) Embassy REIT Series III NCD 2021, face value of ₹ 1,000,000 each

In January 2021, the Trust issued 26,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series III NCD 2021 debentures having face value of ₹ 1 million each amounting to ₹ 26,000.00 million with an coupon rate of 6.40% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 19 January 2021.

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 first ranking charge by way of mortgage created by VTPL on the constructed buildings and related parcels identified as Block 1A, Block 2 and Block 7B, having an aggregate leasable area of 3,43,772 square meters and forming part of the development known as Embassy TechVillage together with portion of land admeasuring 101,859 square meters on which the aforesaid buildings are constructed.
2. A first ranking charge by way of mortgage created by QBPPL on the constructed buildings and related parcels identified as Block IT 1 and Block IT 2, having an aggregate leasable area of 42,163 square meters and forming part of the development known as Embassy Qubix together with portion of land admeasuring 23,028 square meters on which the aforesaid buildings are constructed.
3. A first ranking pari passu pledge created by the Embassy REIT, MPPL and EOVPL over their shareholding in the SPV's namely VTPL and EEPL together known as "Secured SPVs".
4. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
5. A sole and exclusive first ranking charge by way of hypothecation created by VTPL over identified bank accounts and receivables and by QBPPL over identfied receivables.
6. A corporate guarantee issued by each of VTPL, EEPL and QBPPL.

Redemption terms

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date.
2. These debentures will be redeemed on the expiry of 37 months from the Date of Allotment for the Debentures at par on 15 February 2024.
3. In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate 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 July 2023 to January 2024) 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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(iv) 3,000 (31 March 2021: Nil) Embassy REIT Series IV, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each

In September 2021, the Trust issued 3,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series IV NCD 2021 debentures having face value of ₹ 1 million each amounting to ₹ 3,000.00 million with an coupon rate of 6.80% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 9 September 2021.

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 first ranking charge by way of mortgage created by SIPL on the constructed, under-construction buildings, erections, constructions of every description and related parcels identified as Block 9, admeasuring 1.1 million square feet and forming part of the development known as Embassy TechVillage.
2. A first ranking pari passu pledge created by the Embassy REIT over its shareholding in SIPL; known as the "Secured SPV".
3. A first ranking pari passu charge by way of hypothecation created by Embassy REIT over identified receivables from SIPL.
4. A first ranking pari passu charge by way of hypothecation created by SIPL over all current and future movable assets, including identified bank accounts and receivables.
5. A corporate guarantee issued by SIPL.

Redemption terms

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date.
2. These debentures will be redeemed on the expiry of 60 months from the Date of Allotment for the Debentures at par on 7 September 2026.
3. In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate 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 March 2026 to August 2026) 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.

(v) 20,000 (31 March 2021: Nil) Embassy REIT Series V - Series A, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each

In October 2021, the Trust issued 20,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series V NCD 2021 (Tranche A) debentures having face value of ₹ 1 million each amounting to ₹ 20,000.00 million with a coupon rate of 6.25% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 20 October 2021.

Security term

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 first ranking pari passu charge by way of mortgage created by MPPL on the constructed buildings and related parcels identified as Palm (Block F3), Mahogany (Block F2), Mulberry (Block G1), Ebony (Block G2), G Bridge (G1 & G2), Teak (Block G3), Cypress (Block D4), Beech (Block E1) and Mfar – Green Phase 4, having an aggregate leasable area of 40,16,856 sq ft and land admeasuring 30.856 acres, forming part of the development known as Embassy Manyata Business Park.
2. A first ranking pari passu pledge created by Embassy REIT over its shareholding in MPPL; known as "Secured SPV".
3. A first ranking pari passu charge by way of hypothecation created by Embassy REIT over the identified receivables from MPPL.
4. A first ranking pari passu charge by way of hypothecation created by MPPL including identified bank accounts and receivables.
5. A corporate guarantee issued by MPPL.

Redemption terms

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption date.

2. These Debentures will be redeemed on the expiry of 36 months from Date of Allotment at par on 18 October 2024.

3. In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate calculated from the date of change of rating.

4. The issuer shall have the option of redeeming all or part of the Series V (Tranche A) debentures on a pro-rata basis at any time on a specified call option date (between April 2024 to July 2024) 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.

(vi) 11,000 (31 March 2021: Nil) Embassy REIT Series V - Series B, Non-Convertible debentures (NCD) 2021, face value of ₹ 1,000,000 each

In October 2021, the Trust issued 11,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series V NCD 2021 (Tranche B) debentures having face value of ₹ 1 million each amounting to ₹ 11,000.00 million with a coupon rate of 7.05% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 20 October 2021.

Security term

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 first ranking pari passu charge by way of mortgage created by MPPL on the constructed buildings and related parcels identified as Magnolia (Block B), Pine (Block L5), Mountain Ash (Block H2), Silver Oak (Block E2) and Mfar-Philips Building having an aggregate leasable area of 20,23,051 sq ft and land admeasuring 11.530 acres forming part of the development known as Embassy Manyata Business Park.

2. A first ranking pari passu pledge created by Embassy REIT over its shareholding in MPPL; known as "Secured SPV".

3. A first ranking pari passu charge by way of hypothecation created by Embassy REIT over the identified receivables from MPPL.

4. A first ranking pari passu charge by way of hypothecation created by MPPL including identified bank accounts and receivables.

5. A corporate guarantee issued by MPPL.

(vi) Redemption terms

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption date.

2. These Debentures will be redeemed on the expiry of 60 months from Date of Allotment at par on 18 October 2026.

3. In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate calculated from the date of change of rating.

4. The issuer shall have the option of redeeming all or part of the Series V (Tranche B) debentures on a pro-rata basis at any time on a specified call option date (between April 2026 to July 2026) 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.

(all amounts in ₹ million unless otherwise stated)

(vii) Disclosure required under SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 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 II NCD 2020	Secured	-	31 March 2022	9 October 2023	30 June 2022
Embassy REIT Series III NCD 2021	Secured	-	31 March 2022	15 February 2024	30 June 2022
Embassy REIT Series IV NCD 2021	Secured	-	31 March 2022	7 September 2026	30 June 2022
Embassy REIT Series V NCD 2021 (Series A)	Secured	-	31 March 2022	18 October 2024	30 June 2022
Embassy REIT Series V NCD 2021 (Series B)	Secured	-	31 March 2022	18 October 2026	30 June 2022

2. Rating agency CRISIL has assigned a rating of “CRISIL AAA/Stable” to all the above NCDs.

3. Other requirements as per Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs)

Particulars	As at 31 March 2022	As at 31 March 2021
Asset cover ratio (refer a below)**	24.51%	22.79%
Debt - equity ratio (refer b below)	0.47	0.39
Debt - service coverage ratio (refer c below)	3.09	3.19
Interest-service coverage ratio (refer d below)	3.15	3.26
Net worth (refer e below)	258,866.90	270,930.67

Formulae for computation of ratios are as follows basis 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 to the extent not refinanced]

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

Unitholder's Equity = Unit Capital + Other equity

**Also in line with regulation 54 of SEBI Listing and Disclosure Regulations (LODR), 2015 as amended.

(viii) (a) Lender 1 [balance as at 31 March 2022: ₹ 3,724.44 million (31 March 2021: ₹ 1,725.80 million)]

1. First ranking mortgage over leasehold rights of 6.63 acres of Block M3 land and building being constructed thereon situated at Embassy Manyata Bengaluru.
2. First ranking mortgage over 1.77 acres of Block F1 land and any future construction thereon situated at Embassy Manyata Business Park.
3. Debt service reserve account to be maintained equal to three months interest on outstanding loan.
4. Keepwell Undertaking from Embassy Office Parks REIT.

(all amounts in ₹ million unless otherwise stated)

Repayment and interest terms	As at 31 March 2022	As at 31 March 2021
Repayable as bullet payment at the end of 36 months from first disbursement i.e., by March 2024. The loan carries an interest rate of 6M MCLR plus spread of 0.90% pa, currently 7.95% p.a.	3,726.20	1,725.80

(b) Lender 2 [balance as at 31 March 2022: ₹ 4,669.52 million (31 March 2021: Nil)]

1. Exclusive charge on mortgage of undivided share of land and building thereon (Office Tower – 1 and Office Tower -2 at NXT Block) situated at Front Parcel of Embassy Manyata, Bengaluru.
2. Exclusive charge over the entire lease rental receivables from tenants, security deposits payable and current assets pertaining to buildings (Office Tower – 1 and Office Tower -2 at NXT Block) situated at Embassy Manyata, Bengaluru.
3. Exclusive charge on the Escrow Account established and maintained pursuant to Escrow Agreement of the Borrower.
4. Debt service reserve account to be maintained equal to three months debt servicing requirement on the outstanding amount under the Facility.

Repayment and interest terms	As at 31 March 2022	As at 31 March 2021
Repayable in 144 monthly instalments with Nil moratorium, from the date of drawdown. The loan carries an interest rate of 3M T-Bill rate plus applicable spread, currently 6.50% p.a.	4,669.52	-

(c) Lender 3 [balance as at 31 March 2022: ₹ 4,913.42 million (31 March 2021: Nil)]

1. Exclusive charge on mortgage of undivided share of land and building thereon (Hilton Hotel, Hilton Garden Inn and Convention Centre) situated at Front Parcel of Embassy Manyata, Bengaluru.
2. Exclusive charge over current assets and fixed and moveable assets pertaining to buildings (Hilton Hotel, Hilton Garden Inn and Convention Centre) situated at Embassy Manyata, Bengaluru.
3. Exclusive charge on the Escrow Account established and maintained pursuant to Escrow Agreement of the Borrower.
4. Keepwell Undertaking from Embassy Office Parks REIT.

Repayment and interest terms	As at 31 March 2022	As at 31 March 2021
Repayable in 120 monthly instalments from the date of drawdown, with moratorium till 30 September 2023. The loan carries an interest rate of 1 Year I-MCLR plus spread of 0.40%, currently 7.70% p.a.	4,913.42	-

(d) Lender 4 [balance as at 31 March 2022: Nil (31 March 2021: ₹ 5,180.28 million)]

1. First ranking exclusive mortgage of undivided share of land admeasuring 8.26 acres (Front Parcel) situated at Embassy Manyata, Bengaluru.
2. 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.
3. First charge on the Trust and Retention Account and other accounts established and maintained pursuant to Trust and Retention Account Agreement.
4. A corporate guarantee issued by Embassy Office Parks REIT.

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Repayment and interest terms	As at 31 March 2022	As at 31 March 2021
Repayable by way of single bullet repayment in 18 months from date of commercial operations but not later than 30 September 2023. The debt carries interest of MCLR + 1.25% p.a.	-	5,180.28

The loan has been foreclosed in the month of June 2021.

(e) Lender 5 and 6 [balance as at 31 March 2022: ₹ 14,948.42 million (31 March 2021: ₹ 14,648.63 million)]

1. First pari passu charge on mortgage on the underlying parcel 5 land and buildings and blocks thereon measuring to 2.43 million square feet at Embassy Tech Village, Bengaluru.
2. First charge by way of hypothecation of the receivables of the above Buildings of Embassy TechVillage, Bengaluru.
3. A debt service reserve account with 1 months equivalent of ensuing repayment obligations in form of interest bearing deposit

Name of the lender	Repayment and interest terms	As at 31 March 2022	As at 31 March 2021
Lender 5	Repayable in structured monthly instalments with no moratorium, interest rate of lender's 3M T-Bill rate + applicable spread, currently 6.45% p.a.	7,404.34	7,198.66
	Repayable as bullet payment on 29 October 2025. The loan carries an interest rate of lender's 3M T-Bill rate + applicable spread, currently 6.45% p.a.	145.12	-
Lender 6	Repayable in structured monthly instalments with no moratorium, interest rate of 3 months T-Bill rate + applicable spread, currently 6.63% p.a.	7,398.97	7,449.97

(f) Lender 7 [balance as at 31 March 2022: ₹ 946.92 million (31 March 2021: ₹ 94.01 million)]

Exclusive mortgage of undivided share of land of 3.24 acres and building being constructed thereon (Tower 1) situated at Embassy Oxygen, Noida.

Repayment and interest terms	As at 31 March 2022	As at 31 March 2021
Repayable in 4 quarterly instalments after moratorium of 4 quarters from date of drawdown. The debt carries interest of 1 Year MCLR + spread of NIL, currently 7.25% p.a.	946.92	94.01

(g) Lender 8 [balance as at 31 March 2022: ₹ Nil (31 March 2021: ₹ 1,178.21 million)]

1. Exclusive mortgage of land admeasuring 8.00 acres and building constructed thereon situated at Block 9, Embassy TechVillage, Bengaluru.
2. Exclusive charge on the receivables, cash flows, moveable assets of SIPL in relation to the Project.
3. Exclusive charge on the Escrow Account established and maintained pursuant to Escrow Agreement and Current account of SIPL.

Repayment and interest terms	As at 31 March 2022	As at 31 March 2021
Repayable by way of single bullet repayment on 3 February 2023. The debt carries interest of 6M MCLR + 0.55% p.a.	-	1,178.21

The loan has been foreclosed in the month of September 2021.

(all amounts in ₹ million unless otherwise stated)

(h) Lender 9 [balance as at 31 March 2022: ₹ 1,866.69 million (31 March 2021: Nil)]

1. Exclusive mortgage of undivided share of land admeasuring approximately 9.83 acres and building being constructed thereon at Hudson & Ganges blocks and MLCP Building at Embassy TechZone, Pune ("Project")
2. Exclusive charge on the entire current assets including receivables of EPTPL in relation to the Project.
3. Exclusive charge on the Escrow Account established and maintained pursuant to Escrow Agreement of EPTPL.

Repayment and interest terms	As at 31 March 2022	As at 31 March 2021
Repayable by way of single bullet repayment on 31 August 2023. The debt carries interest of 1 Year MCLR + 0.35%, currently 7.70% p.a.	1,866.69	-

(i) Lender 10 [balance as at 31 March 2022: ₹ 14,953.18 million (31 March 2021: Nil)]

1. Exclusive charge on mortgage of undivided share of land admeasuring 26,67,701 sq ft and building thereon (Blocks C1, C2, C4, L1, L2 and L3) situated at Embassy Manyata Business Park, Bengaluru.
2. Exclusive charge over current assets and moveable assets pertaining to buildings (Blocks C1, C2, C4, L1, L2 and L3) situated at Embassy Manyata Business Park, Bengaluru.
3. First ranking pari-passu pledge over the equity shares of MPPL.

Repayment and interest terms	As at 31 March 2022	As at 31 March 2021
Repayable by way of a single bullet repayment at the end of 60th month from date of first disbursement i.e. 25 October 2026. The debt carries interest of 12 months T-Bill rate + applicable spread, currently 6.90% p.a.	14,951.41	-

(j) Lender 11 [balance as at 31 March 2022: ₹ 497.10 million (31 March 2021: Nil)]

1. Unsecured loan

Repayment and interest terms	As at 31 March 2022	As at 31 March 2021
Repayable by way of a single bullet repayment at the end of 48th month from date of first disbursement i.e. 24 March 2026. The debt carries interest of 3 months T- Bill rate + applicable spread, currently 5.95% p.a.	300.39	-
Repayable by way of a single bullet repayment at the end of 48th month from date of first disbursement i.e. 9 February 2026. The debt carries interest of 3 months T- Bill rate + applicable spread, currently 5.95% p.a.	196.71	-

(ix) Subsequent to the year ended 31 March 2022, the Trust issued 10,000 rupee denominated, listed, rated, secured, redeemable, transferrable, non-convertible debentures of face value ₹ 1 million per debenture, aggregating to ₹ 10,000 million on a private placement basis (NCD's). The tenure of the NCDs is 60 months from the deemed date of allotment of the NCDs, with its coupon rate at 7.35% p.a. payable on a quarterly basis to the debenture holders

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(x) Changes in liabilities arising from financing activities

Repayment and interest terms	As at 31 March 2022	As at 31 March 2021
Opening financial liability	**106,557.78**	**57,783.76**
Cashflows:		
Add: Acquired on business combination	-	42,140.75
Add: Proceeds from borrowings (net off issue expenses)	64,036.80	44,303.50
Less: Repayments of borrowings	(51,770.13)	(40,451.82)
Less: Interest paid	(6,420.61)	(3,698.75)
Less: Lease payments	(20.66)	(28.70)
Non-cash adjustments:		
Add: Finance cost (including capitalised interest)	8,978.32	6,509.04
Closing financial liability	**121,361.50**	**106,557.78**

(xi) There were no requirements of filing quarterly returns or statements of current assets with banks in respect of any loan.

22. Other non-current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Lease deposits (refer note 49)	3,126.11	4,155.40
Capital creditors	368.50	279.65
	3,494.61	**4,435.05**

23. Non-Current Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits *		
gratuity	7.64	5.79
	7.64	**5.79**

* refer note 51.

24. Deferred tax

Deferred tax Assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Minimum Alternate Tax credit entitlement	-	5.05
Deferred tax assets (net) (refer note 53)	89.30	43.79
	89.30	**48.84**

Deferred tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Minimum Alternate Tax credit entitlement	(4,648.90)	(4,586.33)
Deferred tax liabilities (net) (refer note 53)	56,394.34	57,882.76
	51,745.44	**53,296.43**

25. Other non-current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred lease rental	541.92	666.38
Advances from customers	18.89	18.88
	560.81	**685.26**

(all amounts in ₹ million unless otherwise stated)

26. Short-term borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Current maturities of long-term debt		
Secured		
Terms loans		
- from banks and financial institutions (refer note 21)	273.73	139.58
Unsecured		
- debentures [refer note (i) below and note 49]	-	60.00
	273.73	**199.58**

(i) In October 2020, pursuant to the Business Transfer Agreement with Embassy Services Private Limited (refer note 50) EPTPL had issued 100,000 unlisted, unrated, unsecured, redeemable and non-convertible debentures to ESPL having face value of ₹ 100 each (EPTPL debentures) amounting to ₹ 10.00 million with no interest rate attached. Further, MPPL had also issued 500,000 unlisted, unrated, unsecured, redeemable and non-convertible debentures to ESPL having face value of ₹ 100 each amounting to ₹ 50.00 million with same terms and conditions as EPTPL debentures.

Security terms

The NCD's rank pari passu with all other unsecured and unsubordinated debt of EPTPL and MPPL.

Redemption terms:

These debentures were redeemed on the expiry of the tenure of 13 months in a single instalment for an aggregate redemption amount equal to the face value of all the NCDs (matured in November 2021).

27. Trade payables ^

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payable		
- total outstanding dues to micro and small enterprises (including related parties - refer note 49)	112.73	48.27
- total outstanding dues of creditors other than micro and small enterprises		
- to related parties (refer note 49)	68.81	139.46
- to others	135.57	253.16
	317.11	**440.89**

^ refer Note 46 for ageing schedule based on requirements of Schedule III.

28. Other current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits		
- related party (refer note 49)	80.00	80.00
Lease deposits (refer note 49)	9,292.41	8,406.20
Capital creditors		
- to related party (refer note 49)	410.24	60.47
- to others	3,101.11	2,423.50
Unclaimed dividend	2.94	2.00
Contigent consideration (refer note 49 and 50)	350.00	350.00
Other liabilities		
- to related party (refer note 49)	178.07	240.96
- to others	748.49	954.77
	14,163.26	**12,517.90**

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29. Current provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits *		
- gratuity	0.27	0.03
- compensated absences	5.97	1.86
	6.24	**1.89**

* refer note 51.

30. Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Unearned income	21.52	65.50
Advances received from customers (refer note 49)	480.06	520.53
Advance compensation received from related party (refer note 49)	-	559.19
Statutory dues	260.70	237.95
Deferred lease rentals	410.28	488.96
Other liabilities	182.60	-
	1,355.16	**1,872.13**

31. Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for income-tax, net of advance tax	80.12	99.77
	80.12	**99.77**

32. Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Facility rentals	22,162.32	18,475.61
Income from finance lease	183.83	51.33
Room rentals	288.37	99.08
Revenue from contracts with customers		
Maintenance services	4,429.19	2,547.77
Sale of food and beverages	281.99	118.86
Income from generation of renewable energy	1,504.98	1,548.26
Other operating income		
- hospitality	38.34	13.51
- others (refer note 60)	737.03	748.78
	29,626.05	**23,603.20**

Note:

Contract balances

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade receivables	605.81	473.16
Unbilled maintenance	238.28	224.61

(all amounts in ₹ million unless otherwise stated)

Revenue recognised over a period of time	For the year ended 31 March 2022	For the year ended 31 March 2021
Maintenance services	4,429.19	2,547.77

33. Interest income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
- on debentures (refer note 49)	-	7.29
- on fixed deposits	61.58	195.18
- on security deposits	16.81	4.82
- on other statutory deposits	10.15	15.42
- on income-tax refund	19.22	99.99
- others	792.05	648.50
	899.81	**971.20**

34. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Liabilities no longer required written back [refer note 37 (i)]	128.84	4.68
Profit on sale of mutual funds	140.82	154.11
Net gain on disposal of Poperty, Plant and Equipment/ Investment Properties	-	12.72
Miscellaneous	99.80	42.55
	369.46	**214.06**

35. Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchases	84.82	37.57
Add: Decrease/(increase) in inventory	(0.29)	(2.02)
	84.53	**35.55**

36. Employee benefits expense *

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	199.32	189.07
Contribution to provident and other funds	12.64	15.07
Staff welfare	16.63	21.34
	228.59	**225.48**

* majorly refers to employee benefits expense of the hospitality segment.

37. Operating and maintenance expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel (net)	554.44	407.10
Operating consumables	31.20	6.71
	585.64	**413.81**

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38. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Property tax (net)	1,025.21	766.67
Rates and taxes [refer note (i) below]	92.94	306.39
Marketing and advertising expenses	111.04	84.90
Assets and other balances written off	6.11	1.16
Loss on sale of Poperty, Plant and Equipment/ Investment Properties (net)	15.71	61.89
Allowances for credit loss	1.76	20.83
Bad debts written off	0.80	2.73
Brokerage and commission	28.98	3.27
Net changes in fair value of financial assets	-	3.00
Travelling and conveyance	11.14	9.12
Corporate Social Responsibility (CSR) expenditure	111.52	93.72
Miscellaneous expenses	132.61	90.65
	1,537.82	**1,444.33**

Note:

(i) Year ended 31 March 2021 includes provision for stamp duty amounting to ₹ 229.44 million in relation to the composite scheme of arrangement involving MPPL, EOPPL and EPTPL (refer note 61). During the year ended 31 March 2022, the excess provision made of ₹ 82.94 million towards such stamp duty based on the final stamp duty adjudication is reversed which is disclosed under Liabilities no longer required written back (refer note 34).

39. Repairs and maintenance

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Repairs and maintenance		
- common area maintenance (refer note 50)	1,921.34	1,282.00
- buildings	148.14	126.56
- machinery	391.22	282.05
- others	196.97	103.59
	2,657.67	**1,794.20**

40. Finance costs (net of capitalisation)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense		
- on borrowings from banks and financial institutions	1,847.98	1,016.44
- on deferred payment liability	-	477.76
- on lease deposits	546.24	377.62
- on lease liabilities	33.77	40.64
- on Non convertible debentures		
- Embassy REIT Series II, Series III, Series IV and Series V NCD	3,831.21	914.43
Premium on redemption of debentures (Embassy REIT Series I NCD)	2,026.08	3,626.00
	8,285.28	**6,452.89**

Gross interest expense is ₹ 9,524.56 million (31 March 2021: ₹ 6,886.66 million) and interest capitalised is ₹ 1,239.28 million (31 March 2021: ₹ 433.77 million) for the year ended 31 March 2022.

(all amounts in ₹ million unless otherwise stated)

41. Depreciation and amortisation

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment	712.08	674.89
Depreciation on investment properties	5,284.00	4,265.26
Amortisation of intangible assets	1,968.55	766.82
	7,964.63	**5,706.97**

42. Tax expense*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax	1,669.30	1,649.06
Deferred tax charge/ (credit)		
Deferred tax charge/ (credit) for the year	(2,022.22)	(452.77)
Minimum Alternate Tax credit entitlement (MAT)	431.47	(640.95)
	78.55	**555.34**

* refer note 53.

43. 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 potential dilutive instruments into unit capital.

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit after tax for calculating basic and diluted EPU	8,883.85	6,983.53
Weighted average number of Units (No. in million)*	947.90	819.60
Earnings Per Unit		
- Basic (Rupees/unit)	9.37	8.52
- Diluted (Rupees/unit)**	9.37	8.52

* The weighted average number of units for the year ended 31 March 2021 have been computed on prorata basis of 111.34 million units issued by way of institutional placement and 64.89 million units issued by way of preferential allotment on 22 December 2020 and 24 December 2020 respectively.

** The Trust does not have any outstanding dilutive potential instruments.

44. Management Fees

Property Management Fee

Pursuant to the Investment Management Agreement dated 12 June 2017 as amended, 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 Manager to undertake the services provided to the Embassy REIT and its SPVs. Property Management fees for the year ended 31 March 2022 amounts to ₹ 670.17 million (31 March 2021: ₹ 535.92 million). There are no changes during the year in the methodology for computation of fees paid to Manager.

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REIT Management Fees

Pursuant to the Investment Management Agreement dated 12 June 2017, as amended, 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 31 March 2022 amounts to ₹ 254.46 million (31 March 2021: ₹ 212.23 million). There are no changes during the year in the methodology for computation of fees paid to Manager.

Secondment fees

Pursuant to the Secondment Agreement dated 11 March 2019, Manager is entitled to fees of ₹ 0.10 million per month in respect of certain employees of 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 31 March 2022 amounts to ₹ 1.56 million (31 March 2021: ₹ 1.42 million). There are no changes during the year in the methodology for computation of secondment fees paid to Manager.

45. Commitments and contingencies

Particulars	As at 31 March 2022	As at 31 March 2021
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (refer note i)	11,070.17	11,968.87
Contingent liabilities		
Claims not acknowledged as debt in respect of Income Tax matters (refer note ii)	351.31	440.27
Claims not acknowledged as debt in respect of Indirect Tax matters (refer note iii)	772.09	769.80
Claims not acknowledged as debt in respect of Property Tax matters (refer note iv)	3,418.89	3,418.89
Others (refer notes v and vi)		

Based on management's best estimate and basis expert opinion obtained by the Group, no provisions have been made for above claims as at 31 March 2022. 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 31 March 2022	As at 31 March 2021
MPPL	4,693.92	7,194.03
VTPL	4,077.96	1,099.60
OBPPL	946.42	848.10
EPTPL	1,154.13	1,391.46
SIPL	-	1,256.41
Others	197.74	179.27
	11,070.17	**11,968.87**

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

SPV	As at 31 March 2022	As at 31 March 2021
MPPL (refer note 61)	308.60	254.66
QBPL	-	77.60
QBPPL	3.76	3.76
OBPPL	-	69.83
IENMPL	9.25	9.25
VTPL	29.70	25.17
	351.31	**440.27**

(all amounts in ₹ million unless otherwise stated)

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. The CIT(A) had dismissed the appeals for AY 09-10, 11-12 and 12-13 upholding the assessment additions made. SPV has challenged the CIT(A) orders and filed appeals before Income-tax Appellate Tribunal ['ITAT']. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the applications for settling these litigations. The final settlement order from the Designated Authority has been received with the disputed tax demand and claims being settled. The SPV has therefore disclosed Nil (31 March 2021: ₹ 8.22 million) as contingent liability.

b) The erstwhile entity EOPPL (refer note 61) was assessed u/s. 143(3) of the Income Tax Act for AY 2016-17 and received assessment order dated 31 December 2018 with additions made u/s.14A of the Income Tax Act with a tax demand 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 (31 March 2021: ₹ 172.28 million) as contingent liability.

c) The erstwhile entity EOPPL (refer note 61) was assessed u/s. 143(3) of the Income Tax Act for AY 2017-18 and received assessment order dated 24 December 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 accounts. Further, order u/s 154 of the Income Tax Act was received dated 26 July 2021 with a disallowance made u/s 115JB of the Act. Aggrieved by such orders the SPV has filed appeals before the CIT(A). Accordingly the SPV has disclosed ₹ 109.50 million (31 March 2021: ₹ 74.17 million) as contingent liability.

d) The erstwhile entity EOPPL (refer note 61) was assessed u/s. 143(3) of the Income Tax Act for AY 2018-19 and received assessment order dated 13 September 2021 with additions made u/s.14A of the Income Tax Act read with rule 8D of the Income-tax Rules and short grant of TDS credit. The SPV has filed an appeal against the assessement order at the CIT(A). Accordingly, the SPV has disclosed ₹ 26.82 million (31 March 2021: 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 denial of benefit 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 favour of the SPV. Subsequent to this, Income tax Department has moved to Hon'ble High Court of Mumbai against the ITAT order. Based on the strong merits and favourable ITAT order, the SPV has disclosed Nil (31 March 2021: ₹ 71.71 million) as a contingent liability.

b) The SPV was assessed for AY 2014-15 u/s. 143(3) of the Income Tax Act with disallowance of loan processing fees which was accepted by the SPV. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand 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. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the applications for settling these litigations. The final settlement order from the Designated Authority has been received with the disputed tax demand and claims being settled. The SPV has therefore disclosed Nil (31 March 2021: ₹ 5.89 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 with 14A disallowance, certain expense disallowances and short grant of TDS credit resulting in demand of ₹ 3.76 million. An appeal against the assessment order was filed before CIT(A) and the same is in the process of hearing. Penalty proceedings have been initiated. Accordingly, the SPV has disclosed the above demand of ₹ 3.76 million (31 March 2021: ₹ 3.76 million) as a contingent liability.

OBPPL: The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2011-12 and received a tax demand notice of ₹ 69.83 million for Assessment Year 2011-12

(all amounts in ₹ million unless otherwise stated)

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) and the same has been disposed in favour of SPV during the current year by the ITAT, Further the deparment has filed an appeal before the High Court during the current year. Based on the strong merits and favourable ITAT order, the SPV has disclosed Nil (31 March 2021: ₹ 69.83 million) as a contingent liability.

IENMPL: 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 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 has filed an appeal with the CIT(A) against the said order. Accordingly, the SPV has disclosed ₹ 9.25 million (31 March 2021: ₹ 9.25 million) as contingent liability.

VTPL:

(a) The SPV was reassessed u/s. 153C read with 143(3) of the Income Tax Act, 1961 for the AY 2003-04 and 2004-05. Certain additions u/s. 68 were made and tax demand of ₹ 25.17 million was raised. The SPV filed an appeal against the demand order before CIT(A) which was upheld in favour of SPV quashing the demand raised. Aggrieved by the CIT(A) order, Income Tax Department filed an appeal before ITAT, Delhi which was dismissed and resultantly the income tax department filed an appeal before Hon'ble High Court of Karnataka which was also dismissed for want of jurisdiction. The Income tax department has now preferred an appeal before the Hon'ble High Court of Delhi. Accordingly, the SPV has disclosed ₹ 25.17 million (31 March 2021: ₹ 25.17 million) as contingent liability.

(b) The SPV was assessed u/s. 143(3) of the Income Tax Act, 1961 for AY 2018-19 with additions made u/s. 69C and u/s. 14A and a tax demand of ₹ 2.67 million was raised. The SPV has preferred an appeal against the assessment order before the CIT(A). The SPV has therefore disclosed ₹ 2.67 million (31 March 2021: Nil) as contingent liability.

(c) The SPV was assessed u/s. 201 of the Income Tax Act, 1961 for AY 2020-21 for short deduction of taxes and interest thereon and interest on late deduction with a tax demand of ₹ 1.87 million. The SPV has filed an appeal against the assessment order before the CIT(A). The SPV has therefore disclosed ₹ 1.87 million (31 March 2021: Nil) as contingent liability.

iii) Claims not acknowledged as debt in respect of Indirect Tax matters

SPV	As at 31 March 2022	As at 31 March 2021
MPPL	656.02	605.50
ETPL	64.73	64.73
GSPL	23.99	23.99
VCPPL	-	40.66
UPPL	23.04	30.61
VTPL	4.31	4.31
	772.09	**769.80**

MPPL:

(a) The SPV had received Order-in-original dated 23 December 2015 with a demand to pay a sum of ₹ 522.04 million (including interest and penalty) from the Commissioner of Central Excise Bangalore-V Commissionerate towards incorrectly availed Cenvat credit during the period 1 April 2006 to 31 March 2012. Appeal has been filed before CESTAT dated 18 April 2016. The appeal is pending before CESTAT and the amount of ₹ 522.04 million (31 March 2021: ₹ 522.04 million) is disclosed as contingent liability.

(b) The SPV had received an order dated 26 May 2011 from Assistant Commissioner of Commercial Taxes for rejecting the refund of ₹ 51.86 million towards incorrectly availed VAT input credit during the period 1 April 2009 to 31 March 2010. Appeal was filed before Karnataka Appellate Tribunal ("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. Based on the strong merits and favourable High Court order, the SPV has disclosed Nil (31 March 2021: ₹ 51.86 million) as a contingent liability.

(c) The Customs department issued demand notice to the Oil Suppliers of the SPV with a demand of ₹ 31.60 million for the period 1 April 2015 to 15 February 2016 denying duty benefit on the procurement of diesel. The Oil Suppliers have subsequently raised the demand on the SPV. Consequently, SPV preferred an appeal before the SEZ commissioner which was rejected by the Commissioner and aggrieved by the order, SPV filed a Writ Petition before the Hon'ble High Court of Karnataka and obtained an Interim stay order from the Court on 9 February 2017 which is still in force. Accordingly, a sum of ₹ 31.60 million (31 March 2021: ₹ 31.60 million) has been disclosed as contingent liability.

(d) The Principal Commissioner of Service Tax issued a final adjudication order dated 20 January 2022 with a demand of ₹ 102.38 million including penalty on various issues including irregular availment of input credit, turnover reconciliation etc. Post 31 March 2022 the SPV has filed an appeal with CESTAT against the order received from commissioner of service tax. Accordingly, a sum of ₹ 102.38 million (31 March 2021: Nil) has been disclosed as contingent liability.

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 of ₹ 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 demand along with penalty amount of ₹ 35.68 million (31 March 2021: ₹ 35.68 million) has been disclosed as a contingent liability.

(b) 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. Accordingly, the SPV has disclosed the demand along with penalty amount of ₹ 29.05 million (31 March 2021: ₹ 29.05 million) as contingent liability.

GSPL: The SPV had received an Order-in-Original passed by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Noida for the period FY 2007-08 to 2010-11 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 SPV had received a favourable order and the said demand was annulled and the pre-deposit has been refunded; 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 along with penalty amount of ₹ 23.99 million (31 March 2021: ₹ 23.99 million) as contingent liability.

VCPPL: The SPV has received an order issued by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Bombay demanding ₹ 29.91 million along-with penalty of ₹ 10.75 million in respect of inclusion of notional interest accrued on security deposit in the taxable value for the period FY 2012-2013 to 2014-2015. 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 ₹ 2.24 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the current period, the SPV has received a favourable order against the appeal and the matter is disposed. Accordingly, the SPV has disclosed Nil (31 March 2021: ₹ 40.66 million) as contingent liability.

(all amounts in ₹ million unless otherwise stated)

UPPL:

a) The SPV had received show cause notices dated 3 July 2015 for demand due to irregular cenvat credit availed for ₹ 23.04 million relating to period from 1 April 2011 to 31 March 2016. Responses have been filed and is pending before the Commissioner of Service Tax. Accordingly, the aforementioned demand of ₹ 23.04 million (31 March 2021: ₹ 23.04 million) is disclosed as contingent liability.

b) The SPV had received show cause notices dated 9 April 2019 for demand of ₹ 3.78 million relating to period from 1 April 2014 to 30 June 2017 with respect to payment of salary and bonus to certain employees of the SPV which has not been considered as Management fees. The Deputy Commissioner of Service Tax has disposed off the submissions made earlier and passed an order demanding the tax dues along with interest and penalty aggregating to ₹ 7.57 million. Aggrieved by the order, the SPV has preferred and appeal before the Commissioner of Appeals with pre-deposit of ₹ 0.28 million. During the year, Commissioner of Appeals decided the case in favour of the SPV. Accordingly, the SPV has disclosed Nil (31 March 2021: ₹ 7.57 million) as contingent liability.

VTPL: The Customs department issued demand notice to the Oil Suppliers of the SPV with a demand of ₹ 4.31 million for the period 1 April 2015 to 15 February 2016 denying duty benefit on the procurement of diesel. The Oil Suppliers have subsequently raised the demand on the SPV. Consequently, SPV preferred an appeal before the SEZ commissioner which was rejected by the Commissioner and aggrieved by the order, SPV filed a Writ Petition before the Hon'ble High Court of Karnataka and obtained an Interim stay order from the Court on 9 February 2017 which is still in force. Accordingly, a sum of ₹ 4.31 million (31 March 2021: ₹ 4.31 million) has been disclosed as contingent liability.

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

SPV	As at 31 March 2022	As at 31 March 2021
MPPL	3,418.89	3,418.89
	3,418.89	**3,418.89**

MPPL:

(a) The SPV has received a demand order dated 5 October 2015 to pay a sum of ₹ 2,739.49 million (including penalty and interest upto June 2016) 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 based on external legal opinion filed an appeal before the aforementioned court and the same has been admitted by the court on 27 June 2016. The Hon'ble High Court restrained BBMP from taking any coercive action against the SPV and also directed BBMP to allow the SPV to make payment of property tax for the assessment year 2016-17. The matter is currently pending as at the date of these financial statements. Accordingly, this has been disclosed as a contingent liability. The SPV paid ₹ 646.69 million (31 March 2021: ₹ 646.69 million) under protest against the above demand.

(b) The SPV has also received demand notices dated 9 October 2017 to pay a sum of ₹ 760.07 million including penalty as of that date towards the differential property tax based on the total survey report for certain blocks for the period 2008-09 to 2017-18. An appeal had been filed before the Joint Commissioner, BBMP, Bytarayanapura, Bangalore ("Joint Commissioner") objecting the total survey report and property tax assessment notice arising therefrom. New demand notices dated 17 January 2019 were issued to pay a sum of ₹ 860.39 million (including penalty) towards the differential property tax for the period

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2008-09 to 2017-18 and interest upto the date of payment as per the demand notices. The SPV submitted a letter to the Joint Commissioner dated 29 March 2019 referring to the appeals preferred by the SPV and had paid a sum of ₹ 286.80 million towards property tax demanded under protest. An order was passed by the Joint Commissioner dismissing the appeal preferred by the SPV. Against the order passed by the Joint Commissioner, MPPL has, based on external legal opinion, filed a writ petition before the Hon'ble High Court of Karnataka on 3 August 2020 on various grounds, inter alia, that the rates BBMP has relied on to calculate property tax in the said demand notices dated 9 October 2017 has been already challenged in a writ appeal filed by the SPV and pending before Hon'ble High Court of Karnataka as mentioned in note iv(a) above. Additionally new notices dated 24 July 2019 and 18 March 2021 were issued to pay a sum of ₹ 78.56 million (including penalty) and ₹ 27.25 million (including penalty) towards the differential property tax for the year 2018-19 and 2019-20 respectively and the SPV has paid ₹ 35.26 million towards property tax demanded under protest. However, BBMP vide notice dated 17 June 2021 have returned the demand draft amount of ₹ 9.08 million (differential property tax for the year 2019 -20 paid) requesting payment of interest and penalty along with the differential tax amounting to ₹ 27.25 million. The BBMP has issued distress warrant on 1 February 2022 in relation to the above said matter with a notice to pay ₹ 727.09 million against which MPPL has obtained an interim stay on 16 February 2022 from the Hon'ble High Court of Karnataka till the next date of hearing. Accordingly, a net contingent liability of ₹ 679.40 million (31 March 2021: ₹ 679.40 million) has been disclosed in these financial statements. Pursuant to the return of the demand draft amounting to ₹ 9.08 million, the SPV has filed an writ petition before the Hon'ble High Court of Karnataka for (i) staying the operation and execution of the demand notices dated 18 March 2021 and endorsement dated 17 June 2021 and (ii) directing the BBMP to accept the payment of differential property tax.

v) Others: tax matters pertaining to equity accounted investee company

(a) GLSP (50% equity accounted investee - joint venture) Income Tax matters:

During the year ended 31 March 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 accounts. GLSP has filed an appeal against the assessment order with CIT(A). Accordingly, GLSP has disclosed ₹ 2.83 million (31 March 2021: ₹ 2.83 million) as contingent liability.

During the year ended 31 March 2022, GLSP has received assessment order for AY 2018-19 with disallowance made under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules. GLSP has filed an appeal against the assessment order with CIT(A). Accordingly, GLSP has disclosed ₹ 2.14 million (31 March 2021: 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 14 August 2011 and 11 December 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 1 April 2009 to 31 March 2011. Appeal has been filed before CESTAT. As at 31 March 2022 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 31 August 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 favourable order was received by the entity. Commissioner of Service Tax has filed an appeal before Hon'ble High Court of Karnataka and the matter is taken up for hearing by the Court and accordingly the same is disclosed as 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

(all amounts in ₹ million unless otherwise stated)

account of breach of agreed terms of the said letter of intent. The matter is currently under adjudication.

(b) EEPL:

i) SPV received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on 28 February 2019 from a third party subcontractor, engaged by IL&FS Development 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 (categorized as operational debts) aggregating up to ₹ 1,008.10 million (including interest up to October 2018) 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 1 March 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 18 March 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. The sub-contractor has thereafter filed an application under Section 9 of the Code before the Bangalore bench of National Company Law Tribunal claiming debt of ₹ 1,082.50 million (including interest up to September 2019) and interest thereon against EEPL. During the previous year ended 31 March 2020, the third party sub-contractor vide a letter dated 2 January 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 16 December 2019. The petitioner has filed a claim as an operational creditor of IEDCL for an amount of ₹ 1,082.50 million (including interest up to September 2019) due to him. The National Company Law Tribunal vide its order dated 8 March 2022 has dismissed the petion filed by the third party sub-contractor and issued order in favour of the SPV. Subsequent to 31 March 2022 the third -party contractor filed an appeal before the National Company Law Appellate Tribunal, Chennai. The hearing date is currently awaited.

ii) 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 1 April 2013 and 31 March 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 14 May 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'b1e High Court of Karnataka challenging the KERC Order and obtained an interim Stay Order dated 24 May 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 judgment on 13 March 2019 allowing the Writ Petition and quashed the order dated 14 May 2018 passed by KERC. The SPV has filed 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 13 March 2019 against EEPL and Others. However, Electricity Supply Companies (ESCOMS) have also filed Writ Appeals against some of the petitioners, but no appeal has been filed against EEPL, In the event an adverse order is passed in the said appeal made by ESCOMS, EEPL may also be affected.

(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 ₹ 127.90 million. In 2016, the Hon'ble High Court of Karnataka has granted an interim stay on the impugned circular and notice. Further, MPPL has recieved a new demand notice dated March

(all amounts in ₹ million unless otherwise stated)

29, 2022 issued by the BBMP for payment of the betterment charges amounting to ₹ 127.91 million along with interest amounting to ₹ 184.19 million. MPPL has paid the betterment charges of ₹ 127.91 million under protest vide letter dated 30 March 2022 to BBMP.

(d) **VTPL:** SPV has received a demand note dated 14 August 2020 and 29 September 2020 from the Bangalore Water Supply and Sewerage Board for a payment of total charges amounting to ₹ 138.64 million in relation to issuance of a no-objection certificate (NOC) for a proposed project commercial building on land parcel. SPV has filed a writ petition before the High Court of Karnataka against the State of Karnataka, Bangalore Water Supply and Sewerage Board and others challenging inter-alia, the government order dated 12 February 2016 and the demand note issued against the SPV and seeking to, inter-alia, (i) quash the demand notice dated 14 August 2020 and 29 September 2020; and (ii) issuance of NOC to SPV. SPV has obtained an ad-interim direction from the High Court of Karnataka on 17 November 2020 wherein the court has granted stay of demand notice on 14 August 2020 and 29 September 2020 limited to advance probable prorata charges and beneficiary charges and has further instructed the SPV to pay the prescribed fee for issuance of NOC. Pursuant to the same, SPV has made payments on 29 December 2020 and 30 December 2020 amounting to ₹ 17.91 million towards NOC charges and treated water charges and the balance amount of ₹ 120.73 million towards advance probable prorata charges and BCC charges which have been stayed by the Hon'ble High Court of Karnataka have been shown as contingent liability (31 March 2021: ₹ 120.73 million). Additionally, SPV has received the NOCs dated 30 December 2020 from BWSSB with respect to the above.

46. Financial instruments - Fair values

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

Particulars	Carrying value 31 March 2022	Fair Value 31 March 2022	Carrying value 31 March 2021	Fair Value 31 March 2021
Financial assets				
Amortised cost				
Trade receivables	605.81	-	473.16	-
Cash and cash equivalents	5,884.49	-	9,174.78	-
Other bank balances	231.50	-	253.75	-
Other financial assets	5,022.17	-	8,897.18	-
Total assets	**11,743.97**	**-**	**18,798.87**	**-**
Financial liabilities				
Amortised cost				
Borrowings (including current maturities of long-term debt) - floating rates	46,025.09	-	22,843.83	-
Borrowings (including current maturities of long-term debt) - fixed rates	74,988.43	78,186.53	83,379.08	84,630.97
Lease deposits	12,418.52	-	12,561.60	-
Trade payables	317.11	-	440.89	-
Contingent consideration	350.00	350.00	350.00	350.00
Other financial liabilities	5,237.33	-	4,376.22	-
Total liabilities	**139,336.48**	**78,536.53**	**123,951.62**	**84,980.97**

The fair value of cash and cash equivalents, fixed deposits, trade receivables, 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.

(all amounts in ₹ million unless otherwise stated)

B. Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

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

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:

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.

Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the year ended 31 March 2022 and year ended 31 March 2021.

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 values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.

ii) The fair values of borrowings at fixed rates are considered to be equivalent to present value of the future contracted cashflows discounted at the current market rate. The fair value has been categorised as Level 3 Fair value.

iii) The fair values of contingent consideration is valued based on the present value of expected payments, discounted using a risk-adjusted discount 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.

(all amounts in ₹ million unless otherwise stated)

i. Currency risk

The Group does not have a material exposure to 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 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:

Particulars	As at 31 March 2022	As at 31 March 2021
Variable-rate instruments:		
Financial liabilities		
Borrowings (Non-current and current)	46,025.09	22,843.83
Variable rate instruments exposed to interest rate risks	**46,025.09**	**22,843.83**

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 31 March 2022		For the year ended 31 March 2021	
	+ 1%	- 1%	+ 1%	- 1%
Impact on the statement of profit and loss	(299.96)	299.96	(76.36)	76.36

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. Hence, there is no exposure as at the reporting date to the statement of profit or loss.

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.

Cash at bank and fixed deposits are placed with banks and 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.

(all amounts in ₹ million unless otherwise stated)

i. **Expected credit loss (ECL) assessment for customers/ tenants as at 31 March 2022 and 31 March 2021**

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 Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers.

Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 180 days past due.

The following table provides ageing of trade receivables alongwith information about the exposure to credit risk and expected credit loss for trade receivables:

As at 31 March 2022

Particulars	Outstanding for the following periods from due date of payments						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	20.30	291.93	291.71	0.11	-	1.76	605.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	6.60	6.60
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	**20.30**	**291.93**	**291.71**	**0.11**	**-**	**8.36**	**612.40**
Provision amount	-	-	-	-	-	(6.60)	(6.60)
Net carrying amount	**20.30**	**291.93**	**291.71**	**0.11**	**-**	**1.76**	**605.81**

(all amounts in ₹ million unless otherwise stated)

As at 31 March 2021

Particulars	Outstanding for the following periods from due date of payments						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	453.80	11.84	2.27	5.18	0.07	473.16
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0.92	13.83	15.52	-	6.60	36.87
(iii) Undisputed Trade Receivables – credit impaired	-	2.57	0.90	17.28	1.68	1.34	23.77
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	**-**	**457.29**	**26.57**	**35.07**	**6.86**	**8.01**	**533.80**
Provision amount	-	(3.49)	(14.73)	(32.80)	(1.68)	(7.94)	(60.64)
Net carrying amount	**-**	**453.80**	**11.84**	**2.27**	**5.18**	**0.07**	**473.16**

The movement in the allowance for impairment in respect of trade receivables is as follows:-

	As at 31 March 2022	As at 31 March 2021
Amount as at 1 April	**56.21**	**16.02**
Amount written off during the year	-	-
Acquired as part of business combination	-	19.36
Amount reversed during the year	(51.28)	-
Allowances for credit loss during the year	1.76	20.83
Balance as at 31 March	**6.69**	**56.21**

ii. Other financal assets: 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 31 March 2022	890.02	-	-	890.02
		As at 31 March 2021	836.21	-	-	836.21

(all amounts in ₹ million unless otherwise stated)

iii. Cash and bank balances

The Group holds cash and cash equivalents of ₹ 5,884.49 million (31 March 2021: ₹ 9,174.78 million) and fixed deposits with bank of ₹ 541.89 million (31 March 2021: ₹ 1,099.91 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 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 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 31 March 2022	Contractual cash flows				
		Within 1 year	1-3 years	3-5 years	More than 5 years	Total
Borrowings	121,013.52	10,526.12	57,780.78	60,432.06	35,355.32	164,094.28
Trade payables	317.11	317.09	-	-	-	317.09
Lease deposits - Current and non-current	12,418.52	9,310.90	2,643.32	1,342.47	162.09	13,458.78
Lease Liability	347.98	20.36	40.72	40.72	10,578.11	10,679.91
Other financial liabilities - non current	368.50	-	367.87	-	-	367.87
Other financial liabilities - current	4,870.85	4,870.27	0.63	-	-	4,870.90
	139,336.48	**25,044.74**	**60,833.32**	**61,815.25**	**46,095.52**	**193,788.83**

(all amounts in ₹ million unless otherwise stated)

Particulars	Carrying value as at 31 March 2021	Contractual cash flows				
		Within 1 year	1-3 years	3-5 years	More than 5 years	Total
Borrowings	106,222.91	4,603.23	105,200.15	15,764.89	-	125,568.27
Trade payables	440.89	440.89	-	-	-	440.89
Lease deposits - Current and non-current	12,561.60	8,322.53	3,462.16	1,843.17	106.35	13,734.21
Lease Liability	334.87	20.36	40.72	40.72	10,598.46	10,700.26
Other financial liabilities - non current	279.65	-	279.65	-	-	279.65
Other financial liabilities - current	4,111.70	4,111.70	-	-	-	4,111.70
	123,951.62	**17,498.71**	**108,982.68**	**17,648.78**	**10,704.81**	**154,834.98**

Following table provides detailed ageing for trade payables:

As at 31 March 2022

Particulars	Outstanding for the following periods from due date of payments					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	10.29	101.86	0.24	-	-	112.39
(ii) Others	13.08	190.92	0.72	-	-	204.72
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**23.37**	**292.78**	**0.96**	**-**	**-**	**317.11**

As at 31 March 2021

Particulars	Outstanding for the following periods from due date of payments					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	1.34	20.47	0.02	-	-	21.83
(ii) Others	40.19	290.14	87.37	1.37	-	419.07
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**41.53**	**310.61**	**87.39**	**1.37**	**-**	**440.90**

The above facilities may be drawn at any time.

Financing Arrangements

The Group has access to the following undrawn borrowing facilities as at end of the reporting period:

Particulars	As at 31 March 2022	As at 31 March 2021
Floating rate		
Construction finance and term loans	11,427.39	11,381.00

(all amounts in ₹ million unless otherwise stated)

47. 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 SPV's' 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 - Cash and cash equivalents (net of NDCF to be distributed for the recent quarter).

The Group's adjusted Net debt to GAV ratio as at 31 March 2022 and 31 March 2021 are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Net debt	120,114.95	102,102.58
GAV	493,673.00	466,051.25
Net debt to GAV	24.33%	21.91%

48. 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 categorized based on items that are individually identifiable to that segment.

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

a) Commercial Offices segment:

NOI for Commercial Offices is defined as revenue from operations (which includes (i) facility rentals, (ii) maintenance services income, (iii) income from finance lease, and (iv) other operating income for Commercial Offices) less direct operating expenses (which includes (i) operating and maintenance expenses 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, impairment loss 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.

(all amounts in ₹ million unless otherwise stated)

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 Segment		Total	
	For the year ended 31 March 2022	For the year ended 31 March 2021	**For the year ended 31 March 2022**	For the year ended 31 March 2021	**For the year ended 31 March 2022**	For the year ended 31 March 2021	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Revenue from operations	**27,512.07**	**21,823.48**	**609.00**	**231.46**	**1,504.98**	**1,548.26**	**29,626.05**	**23,603.20**
Identifiable operating expenses	(3,861.47)	(2,577.83)	(744.47)	(575.22)	(108.77)	(126.68)	(4,714.71)	(3,279.73)
Net Operating Income (segment results for the year)	**23,650.60**	**19,245.65**	**(135.47)**	**(343.76)**	**1,396.21**	**1,421.58**	**24,911.34**	**20,323.47**
Other operating expenses							(1,930.44)	(1,815.52)
Interest, dividend and other income							1,269.27	1,185.26
Earnings before finance costs, depreciation, amortisation, impairment loss and tax							**24,250.17**	**19,693.21**
Share of profit after tax of equity accounted investee							962.14	994.48
Depreciation and amortisation expenses							(7,964.63)	(5,706.97)
Impairment loss (refer note 6)							-	(988.96)
Finance costs							(8,285.28)	(6,452.89)
Profit before tax							**8,962.40**	**7,538.87**
Tax expense							(78.55)	(555.34)
Other Comprehensive Income							0.83	0.81
Total comprehensive income for the year							**8,884.68**	**6,984.34**

Notes
to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

For the year ended 31 March 2022

Particulars	Trust	MPPL	EPTPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENMPL	ETV	Total
Segment Revenue:														
Commercial Office Segment	-	11,637.01	1,534.56	-	-	782.43	958.99	1,454.00	804.97	761.50	1,315.65	1,449.80	6,813.16	27,512.07
Hospitality Segment	-	17.53	-	226.58	-	-	-	-	-	364.89	-	-	-	609.00
Others	-	-	-	-	1,504.98	-	-	-	-	-	-	-	-	1,504.98
Total	**-**	**11,654.54**	**1,534.56**	**226.58**	**1,504.98**	**782.43**	**958.99**	**1,454.00**	**804.97**	**1,126.39**	**1,315.65**	**1,449.80**	**6,813.16**	**29,626.05**
Net Operating Income (segment results)														
Commercial Office Segment	-	9,962.33	1,312.62	-	-	661.71	866.26	1,177.82	684.02	533.22	1,162.36	1,323.71	5,966.55	23,650.60
Hospitality Segment	-	0.22	-	(33.87)	-	-	-	-	-	(101.82)	-	-	-	(135.47)
Others	-	-	-	-	1,396.21	-	-	-	-	-	-	-	-	1,396.21
Total	**-**	**9,962.55**	**1,312.62**	**(33.87)**	**1,396.21**	**661.71**	**866.26**	**1,177.82**	**684.02**	**431.40**	**1,162.36**	**1,323.71**	**5,966.55**	**24,911.34**

For the year ended 31 March 2021

Particulars	Trust	MPPL	EOPPL**	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENMPL	ETV	Total
Segment Revenue:														
Commercial Office Segment	-	10,802.17	1,407.91	-	-	803.26	1,025.77	1,435.74	873.31	1,006.97	1,321.66	1,438.41	1,708.28	21,823.48
Hospitality Segment	-	-	-	99.75	-	-	-	-	-	131.71	-	-	-	231.46
Others	-	-	-	-	1,548.26	-	-	-	-	-	-	-	-	1,548.26
Total	**-**	**10,802.17**	**1,407.91**	**99.75**	**1,548.26**	**803.26**	**1,025.77**	**1,435.74**	**873.31**	**1,138.68**	**1,321.66**	**1,438.41**	**1,708.28**	**23,603.20**
Net Operating Income (segment results)														
Commercial Office Segment	-	9,719.10	1,271.12	-	-	679.97	936.78	1,139.71	751.09	794.49	1,169.44	1,309.70	1,474.25	19,245.65
Hospitality Segment	-	-	-	(114.56)	-	-	-	-	-	(229.20)	-	-	-	(343.76)
Others	-	-	-	-	1,421.58	-	-	-	-	-	-	-	-	1,421.58
Total	**-**	**9,719.10**	**1,271.12**	**(114.56)**	**1,421.58**	**679.97**	**936.78**	**1,139.71**	**751.09**	**565.29**	**1,169.44**	**1,309.70**	**1,474.25**	**20,323.47**

** Refer note 61.

(all amounts in ₹ million unless otherwise stated)

Information about major customers

Revenue from operations from customers amounting to 10% or more of the segment revenue is as follows (at SPV level):

For the year ended 31 March 2022

Segment	Commercial Offices											Hospitality	Other Segments
	MPPL	EPTPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENMPL	VTPL	SIPL	UPPL	EEPL
Number of customers	2	2	3	3	5	2	2	4	2	2	-	-	3
Amount	3,379.11	516.17	684.72	685.42	1,389.26	355.40	642.88	602.91	511.39	1,589.36	-	-	1,500.75

For the year ended 31 March 2021

Segment	Commercial Offices											Hospitality	Other Segments
	MPPL	EOPPL**	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENMPL	VTPL	SIPL	UPPL	EEPL
Number of customers	2	2	3	3	4	1	3	2	2	2	-	-	3
Amount	3,347.76	483.35	714.33	893.29	1,066.24	237.11	928.77	328.89	533.62	383.10	-	-	1,521.52

** Refer note 61.

Notes
to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

49. 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 - Manager
Axis Trustee Services Limited - Trustee

Co-Sponsor Group

SG Indian Holding (NQ) Co. I Pte. Limited	BREP VII SG Oxygen Holding (NQ) Pte Limited	BREP VII SBS NTPL Holding (NQ) Limited (Upto 10 March 2021)	BREP Asia SG Indian Holding (NQ) Co II Pte. Limited
SG Indian Holding (NQ) Co. II Pte. Limited (Upto 10 March 2021)	BREP GML Holding (NQ) Pte Limited	BREP Asia SBS Oxygen Holding (NQ) Limited (Upto 10 March 2021)	BREP VII SBS HCC Holding (NQ) Limited (Upto 10 March 2021)
SG Indian Holding (NQ) Co. III Pte. Limited (Upto 10 March 2021)	BREP VII GML Holding (NQ) Pte Limited	BREP VII SBS Oxygen Holding (NQ) Limited (Upto 10 March 2021)	India Alternate Property Limited
BRE/Mauritius Investments II	BREP Asia SG Oxygen Holding (NQ) Pte Limited	BREP VII SBS Holding-NQ CO XI Limited (Upto 10 March 2021)	BREP Asia SBS Holding-NQ CO XI Limited (Upto 10 March 2021)
BREP NTPL Holding (NQ) Pte Limited	BREP Asia HCC Holding (NQ) Pte Limited	BREP Asia SBS GML Holding (NQ) Limited (Upto 10 March 2021)	
BREP VII NTPL Holding (NQ) Pte Limited	BREP VII HCC Holding (NQ) Pte Limited	BREP VII SBS GML Holding (NQ) Limited (Upto 10 March 2021)	
BREP Asia SBS NTPL Holding (NQ) Limited (Upto 10 March 2021)	BREP VII SG Indian Holding (NQ) Co II Pte. Limited	BREP Asia SBS HCC Holding (NQ) Limited (Upto 10 March 2021)	

Directors & KMPs of the Manager (Embassy Office Parks Management Services Private Limited)

Directors

Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri
Punita Kumar-Sinha
Robert Christopher Heady
Aditya Virwani
Asheesh Mohta (alternate to Robert Christopher Heady)

KMPs

Michael David Holland - CEO
Rajesh Kaimal - CFO (upto 19 May 2020)
Aravind Maiya - CFO (from 19 May 2020)
Deepika Srivastava- Compliance Officer and Company Secretary (From 7 August 2020)
Ramesh Periasamy - Compliance Officer and Company Secretary (Upto 6 August 2020)

(all amounts in ₹ million unless otherwise stated)

B. Joint Venture

Golflinks Software Park Private Limited

C. Other related parties with whom the transactions have taken place during the period

Dynasty Properties Private Limited	Mac Charles (India) Limited	Embassy Real Estate and Development Services Private Limited
Snap Offices Private Limited	Lounge Hospitality LLP	JV Holding Private Limited
Embassy Industrial Parks Private Limited	Embassy Projects Private Limited	VTV Infrastructure Management Private Limited
Golflinks Embassy Management Services LLP	Anarock Retail Advisors Private Limited	Golflinks Embassy Business Park Management Services LLP
Wework India Management Private Limited	BREP VII SBS Holding-NQ IV Co Ltd (Cayman)*	Babbler Marketing Private Limited
Embassy Shelters Private Limited	BREP Asia SBS Holding-NQ Co IV Ltd (Cayman)*	Sarla Infrastructure Private Limited (upto 24 December 2020)
FIFC Condominium	BREP Asia SG India Holding (NQ) Co I Pte Ltd*	Vikas Telecom Private Limited (upto 24 December 2020)
Paledium Security Services LLP	BREP VII SG India Holding (NQ) Co I Pte Ltd*	G V Properties Private Limited
Technique Control Facility Management Private Limited	Embassy Services Private Limited	
HVS Anarock Hotel ADV Services Private Limited	Embassy One Developers Private Limited	

*together known as BREP entities.

II Related party transactions during the year

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Acquisition of Common Area Maintenance services business from		
Embassy Services Private Limited	-	4,730.21
Business acquisition of ETV assets from		
Embassy Property Developments Private Limited	-	6,870.02
BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd	-	8,736.46
BREP VII SG Indian Holding (NQ) Co I Pte. Ltd	-	2,182.64
BREP Asia SBS Holding-NQ Co IV Ltd (Cayman)	-	41.46
BREP VII SBS Holding-NQ IV Co Ltd (Cayman)	-	11.84
Non-Convertible Debentures issued/ (redeemed) to		
Embassy Services Private Limited	(60.00)	60.00
Property Management fees		
Embassy Office Parks Management Services Private Limited	670.17	535.92
REIT Management fees		
Embassy Office Parks Management Services Private Limited	254.46	212.23
Secondment fees		
Embassy Office Parks Management Services Private Limited	1.56	1.42
Trustee fees		
Axis Trustee Services Limited	2.95	2.96

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(all amounts in ₹ million unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of Investment Property		
Babbler Marketing Private Limited	129.58	77.11
Brokerage paid (capitalised)		
Anarock Retail Advisors Private Limited	-	8.00
Project cost - capitalised		
Embassy Property Developments Private Limited	513.00	128.05
Embassy Services Private Limited	59.12	24.20
Technique Control Facility Management Private Limited	1.66	-
Capital advances paid/ (refunded)		
Embassy Property Developments Private Limited	1,914.87	(135.24)
FIFC Condominium	5.72	8.37
Babbler Marketing Private Limited	25.77	124.11
Common area maintenance		
Embassy Services Private Limited	601.20	532.45
Golflinks Embassy Business Park Management Services LLP	11.69	18.97
FIFC Condominium	44.57	59.43
Paledium Security Services LLP	111.53	39.13
G V Properties Private Limited	8.35	-
Lounge Hospitality LLP	0.22	-
Technique Control Facility Management Private Limited	681.55	219.07
Repairs and maintenance- building		
Embassy Services Private Limited	22.81	23.83
Technique Control Facility Management Private Limited	0.28	-
Paledium Security Services LLP	-	0.83
Lounge Hospitality LLP	0.58	-
Repairs and maintenance - plant and machinery		
Embassy Services Private Limited	0.07	0.41
Paledium Security Services LLP	-	1.72
Technique Control Facility Management Private Limited	3.06	11.04
Repairs and maintenance - others		
Embassy Services Private Limited	0.05	-
Technique Control Facility Management Private Limited	3.94	-
Embassy Office Parks Management Services Private Limited	1.68	-
Power and fuel expenses		
Embassy Services Private Limited	78.67	68.89
Legal and professional charges		
Embassy Services Private Limited	23.38	22.70
Embassy One Developers Private Limited	2.39	-
Technique Control Facility Management Private Limited	1.29	-
HVS Anarock Hotel ADV Services Private Limited	-	0.70
Security charges		
Embassy Services Private Limited	9.45	16.23
Trademark and license fees		
Embassy Shelters Private Limited	1.42	1.42
Reimbursement of tenant improvements		
Wework India Management Private Limited	-	65.72
Rental and maintenance income		
Wework India Management Private Limited	617.53	234.21
FIFC Condominium	5.03	5.03

(all amounts in ₹ million unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Embassy Services Private Limited	5.54	-
Snap Offices Private Limited	44.25	41.03
Income from generation of renewable energy from the tenants of		
Vikas Telecom Private Limited	-	198.49
Embassy Property Developments Private Limited	-	6.72
Dynasty Properties Private Limited	-	1.79
Golflinks Software Park Private Limited	265.42	233.68
Revenue - Room rentals, sale of food and beverages		
Jitendra Virwani	3.03	1.71
Embassy Property Developments Private Limited	5.35	0.87
Embassy Services Private Limited	12.69	-
Others	11.90	3.67
Other operating income		
Embassy Property Developments Private Limited	686.40	686.40
Golflinks Software Park Private Limited	45.00	45.00
Interest income		
Golflinks Software Park Private Limited	-	7.29
Sarla Infrastructure Private Limited	-	4.76
Embassy Property Developments Private Limited	718.03	611.82
Security deposits received		
Wework India Management Private Limited	-	105.44
Advance compensation received from related party		
Embassy Property Development Private Limited	-	559.19
Redemption of investment in debentures		
Golflinks Software Parks Private Limited	-	724.38
Reimbursement of expenses (received)/ paid		
Embassy Services Private Limited	0.71	20.50
FIFC Condominium	(3.09)	5.70
Embassy One Developers Private Limited	(5.71)	(12.60)
Embassy Office Parks Management Services Private Limited	29.87	1.63
Miscellaneous expenses		
Embassy Services Private Limited	1.52	-
Technique Control Facility Management Private Limited	0.69	-
Embassy Office Parks Management Services Private Limited	1.26	-
Paledium Security Services LLP	0.13	-
Lounge Hospitality LLP	10.00	-

III. Related party balances

Particulars	As at 31 March 2022	As at 31 March 2021
Other non-current assets - capital advance		
Embassy Shelters Private Limited	206.35	206.35
Embassy Property Developments Private Limited	17.38	20.76
FIFC Condominium	-	18.08
Babbler Marketing Private Limited	-	29.04
Other non-current assets - advance paid for co-development of property, including development rights on land		
Embassy Property Developments Private Limited (refer note 60)	15,777.90	13,863.03

Notes
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(all amounts in ₹ million unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Other non-current financial assets - security deposits		
VTV Infrastructure Management Private Limited	-	4.30
Receivable for rental support from a related party*		
Embassy Property Developments Private Limited	-	1,108.78
Trade receivables		
Embassy Property Developments Private Limited**	518.80	171.90
VTV Infrastructure Management Private Limited	-	88.05
Golflinks Embassy Business Park Management Services LLP	1.76	1.71
Wework India Management Private Limited	-	64.43
Embassy Office Parks Management Service Private Limited	1.14	-
Others	1.66	1.44
Unbilled revenue		
Golflinks Software Park Private Limited	35.10	24.38
Other current financial assets - other receivables from related party		
Embassy Property Developments Private Limited	618.40	178.39
Embassy One Developers Private Limited	2.57	1.22
FIFC Condominium	-	6.38
Other current assets - Advance for supply of goods and rendering of services		
FIFC Condominium	0.68	2.67
Embassy Services Private Limited	73.75	-
Short-term borrowings		
Embassy Services Private Limited	-	60.00
Trade payables		
Embassy Services Private Limited	33.21	106.68
VTV Infrastructure Management Private Limited	-	13.03
Technique Control Facility Management Private Limited	29.82	28.95
Embassy Office Parks Management Services Private Limited	-	14.02
Embassy Real Estate and Development Services Private Limited	5.30	0.11
Others	37.80	5.62
Current liabilities - Capital creditors for purchase of fixed assets		
Embassy Property Developments Private Limited	331.44	41.23
Embassy Services Private Limited	39.56	11.43
Babbler Marketing Private Limited	34.17	-
FIFC Condominium	3.44	-
Others	1.63	7.81
Other current financial liabilities		
Embassy Services Private Limited	20.75	79.81
Technique Control Facility Management Private Limited	74.22	78.44
Embassy Office Parks Management Services Private Limited	61.59	52.87
Paledium Security Services LLP	18.91	10.23
Embassy One Developers Private Limited	0.25	-
FIFC Condominium	0.74	0.61
VTV Infrastructure Management Private Limited	1.61	19.00
Other current financial liabilities - Security deposits		
Golflinks Software Park Private Limited	80.00	80.00

*Represents rental support provided by Embassy Sponsor to SIPL as part of ETV Asset acquisition starting quarter ended 31 March 2021 until the quarter ending 31 March 2022.

** Received post balance sheet date on 21 April 2022

(all amounts in ₹ million unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Contingent consideration payable		
Embassy Property Developments Private Limited	350.00	350.00
Advance from customers		
Wework India Management Private Limited	-	139.12
Other current liabilities-Advance compensation received		
Embassy Property Developments Private Limited	-	559.19
Lease deposits		
Wework India Management Private Limited**	112.64	112.64
Snap Offices Private Limited	4.82	4.82

**MPPL has provided a guarantee to a tenant (sub-lessee) of Wework India Management Private Limited (Wework), for the security deposits paid by the sub-lessee to Wework. This guarantee has been provided based on the specific request of the sub-lessee and is backed by an independent bank guarantee received by MPPL for a similar amount and duration on behalf of Wework.

50. Business combinations

A Business Transfer Agreement (BTA) between MPPL, EOPPL and ESPL

On 22 October 2020, MPPL and EOPPL had entered into Business Transfer Agreement (BTA) with ESPL for acquisition of the Common Area Maintenance (CAM) services for Embassy Manyata and Embassy TechZone for a total consideration of ₹ 4,730.21 million.

The acquisition cost of ₹ 4,730.21 million was funded through coupon bearing debt obtained by Embassy Office Parks Group. The consideration for the aforesaid acquisition, is paid in the form of assumption and repayment of identified liabilities of ESPL and issuance of unlisted, unsecured, redeemable non-convertible debentures of MPPL and EOPPL to ESPL. The acquisition was completed on 28 October 2020. Details of assets acquired and liabilities assumed have been provided below:

Particulars	CAM services operations		Total
	Embassy Manyata	Embassy TechZone	
Assets acquired			
Intangible assets acquired [CAM service rights]	3,808.59	925.72	4,734.31
Fair value of other assets acquired	94.07	6.35	100.42
Total			**4,834.73**
Liabilities assumed			
Other current liabilities	94.02	10.50	104.52
Total			**104.52**
Fair value of net assets acquired			4,730.21
Less: Consideration	3,808.64	921.57	4,730.21
Goodwill/ Capital reserve on acquisition			-

Notes:

1. The total Purchase consideration mentioned above was settled through cash and issue of Non convertible debentures [refer note 26(i)].
2. Embassy office parks group has obtained two independent valuation reports as required by the REIT regulations for the above acquisition and the average of the two valuations amounts to ₹ 5,179 million. Acquisition consideration is at 8.5% discount to average of two independent valuation reports. No fees or commission is payable to any associate of the related party in relation to the transaction. All the material conditions and obligations for the transaction have been complied.
3. The above transaction enables full integration and overall alignment of property maintenance for two of existing REIT assets and helps further enhance service delivery to the occupants of Embassy Manyata, Bengaluru and Embassy TechZone, Pune especially important given the heightened focus on health and safety by occupiers.

(all amounts in ₹ million unless otherwise stated)

Measurement of fair values:

The valuation techniques used for measuring the fair value of material assets acquired and liabilities assumed are as follows:

Particulars	Valuation methodology
CAM service rights	The fair value of the CAM service rights 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 realize those benefits.
Assets other than those mentioned above	Book values as on the date of acquisition corresponds to the fair values which have been considered to be fully recoverable.
Liabilities	Liabilities includes trade payables and other liabilities. Book values as on the date of acquisition corresponds to the fair values.

B Acquisition of ETV Assets

During the previous year ended 31 March 2021, the Trust acquired Embassy Tech Village by acquiring all of the equity interest in VTPL, EOVPL and SIPL (ETV Assets) held by the Embassy Sponsor, BREP entities and certain other third party shareholders. The acquisition of equity interest in EOVPL (which in turn holds 60% equity interest in VTPL) and SIPL has been completed with issue proceeds received of ₹ 36,852.02 million, by issue of 111,335,400 Units at a price of ₹ 331.00 per Unit through the Institutional Placement. The acquisition of balance 40% equity interest in VTPL is completed through Preferential issue of 64,893,000 Units at a price of ₹ 356.70 per unit to the third party shareholders aggregating to ₹ 23,147.33 million.

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.

Details of assets acquired and liabilities assumed:

Particulars	Amount
Fair value of assets acquired	
Fair value of Land (including lease hold land)	53,598.99
Fair value of Buildings	25,300.30
Fair value of other investment property, property, plant and equipment acquired	12,107.48
Fair value of other investment property under development acquired	2,681.82
Fair value of other capital work-in-progress acquired	218.31
Fair value of other assets acquired*	11,509.99
Fair value of liabilities assumed	
Fair value of borrowings assumed	41,006.43
Fair value of other liabilities assumed	6,514.98
Deferred tax liability on fair valuation of assets acquired and liabilities assumed	14,424.08
Fair value of net assets taken over	**43,471.40**
Total Purchase consideration	57,565.47
Goodwill on consolidation	**14,094.07**

* Other assets include trade receivables of ₹ 40.33 million. Gross contractual value of trade receivables acquired is ₹ 59.69 million along with allowances for impairment losses estimated at ₹ 19.36 million.

(all amounts in ₹ million unless otherwise stated)

Notes:-

1. The total purchase consideration for SIPL includes a contingent consideration of ₹ 350.00 million which shall be payable to the Embassy Sponsor in cash subject to certain conditions and timeline agreed between the parties.

   The purchase consideration was settled through:

   - the acquisition of equity interest in EOVPL (which in turn holds 60% equity interest in VTPL) and SIPL has been completed with issue proceeds received of ₹ 36,852.02 million, by issue of 111,335,400 Units at a price of ₹ 331.00 per Unit through the Institutional Placement. The acquisition of balance 40% equity interest in VTPL is completed through Preferential issue of 64,893,000 Units at a price of ₹ 356.70 per unit to the third party shareholders aggregating to ₹ 23,147.33 million.
   - the remaining consideration has been settled in cash.

2. Embassy Office Parks Group has obtained two independent valuation reports as required by the REIT regulations for the ETV assets and the average of the two valuations for the enterprise value amounts to ₹ 102,555 million. Acquisition consideration is at 4.6% discount to average of two independent valuation reports. No fees or commission is payable to any associate of the related party in relation to the transaction. All the material conditions and obligations for the transaction have been complied.

3. The Goodwill of ₹ 14,094.07 million mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values as well as the requirement to recognise deferred tax liability of ₹ 14,424.08 million, calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases. Goodwill is attributable due to the acquisition price being dependent on the overall property valuation assuming a discounted cash flow method computed using future cashflows and other relevant assumptions as compared with the individual assets recorded at their fair values computed basis comparable approach or depreciated replacement cost basis. Goodwill is allocated entirely to the ETV assets CGU. Goodwill is not deductible for tax purposes.

4. The above transaction enhances Embassy REIT's commercial office portfolio, facilitates the REIT's entry into Bengaluru's best-performing sub-market and further diversifies the REIT's occupier base. Based on the Management's evaluation and the accounting policy followed by the Embassy Office Parks Group, the acquisition is accounted as a business combination.

5. During the year ended 31 March 2022, the fair value of other assets acquired has been revised by ₹ 99.11 million based on the new information obtained about facts and circumstances that existed as at the acquisition date. Accordingly, the above amount has been adjusted with Goodwill in the year ended 31 March 2022 with a corresponding impact in the fair value of the asset taken over.

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired and liabilities assumed are as follows:

Particulars	Valuation methodology
Property, plant and equipment and Investment properties	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, "Depreciated replacement cost approach" for the built up component, plant and machinery, capital work-in-progress and other assets. Direct comparison approach involves comparing to similar properties that have actually been sold in an arms length transaction or are offered for sale. 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 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.

Notes
to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

Particulars	Valuation methodology
CAM service rights	The fair value of the CAM service rights 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 realize those benefits.
Assets other than those mentioned above	Book values as on the date of acquisition corresponds to the fair values which have been considered to be fully recoverable.
Contingent consideration	Contingent consideration payable are estimated based on the terms of the sale contract, the entity's knowledge of the business and how the current economic environment is likely to impact it. The fair value of contingent consideration is valued based on the present value of expected payments, discounted using a risk-adjusted discount rate. In relation to SIPL it is probable that the consideration of ₹ 350 million will be paid in future to the Embassy Sponsor in cash and hence the entire payable of ₹ 350 million has been considered as contingent consideration.
Liabilities	Liabilities includes loans and borrowings, trade payables and provision for employee benefits. Book values as on the date of acquisition corresponds to the fair values.

C Additional disclosure regarding revenue and net profit of acquired assets (Pursuant to acquisition of CAM service operations and ETV assets)

Particulars	Revenue	Net profit/ (loss)
Amounts included in the consolidated financial statements for the year ended 31 March 2021 on account of the above business combination.	2,585.87	(217.51)
Revenue and net profit/(loss) if the above acquisitions had taken place on 1 April 2020 (refer note below).	9,567.30	(466.71)

Note: The revenue and net profit numbers disclosed above is without giving effect to Embassy REIT's capital raise pursuant to acquisition i.e. institutional placement/ preferential allotment or debt refinanced.

51. Employee benefits

I Defined contribution plan

The Group has employees majorly pertaining to its Hospitality segment. 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 31 March 2022	For the year ended 31 March 2021
Employer's contribution to Provident Fund	10.34	10.63
Employer's contribution to Employee State Insurance Corporation	0.82	1.94
Expense recognised during the year	11.16	12.57

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.

(all amounts in ₹ million unless otherwise stated)

a. Reconciliation of the net defined benefit obligations

(i) Change in projected benefit obligation:

Particulars	As at 31 March 2022	As at 31 March 2021
Obligations at beginning of the year	5.85	5.34
Current service cost	3.71	1.90
Interest on defined benefit obligation	0.54	0.35
Benefits paid	(1.33)	(0.93)
Actuarial (gains)/ losses on obligations - due to change in assumptions	(0.83)	(0.81)
Obligations at the end of year	**7.94**	**5.85**

(ii) Change in plan assets:

Particulars	As at 31 March 2022	As at 31 March 2021
Plan assets at year beginning, at fair value	0.03	0.06
Expected return on plan assets (estimated)	-	-
Actuarial gain / (loss)	-	-
Interest on plan assets	-	-
Contributions	-	-
Benefits paid	-	(0.03)
Plan assets acquired as part of business combination	-	-
Plan assets at end of the year, at fair value	**0.03**	**0.03**

(iii) Net defined benefit obligations recognised in balance sheet:

Particulars	As at 31 March 2022	As at 31 March 2021
Closing obligations	7.94	5.85
Closing fair value of plan assets	(0.03)	(0.03)
	7.91	**5.82**
Liability recognized in the balance sheet		
Net liability:	**7.91**	**5.82**
Non-current	7.64	5.79
Current	0.27	0.03

b. (i) Expense recognized in statement of profit and loss:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Service cost	3.71	1.90
Interest cost	0.54	0.35
Past service cost	-	-
Net gratuity cost	**4.25**	**2.25**

(ii) Remeasurements recognized in other comprehensive income:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial (gains)/ losses on obligations - due to change in assumptions	(0.83)	(0.81)
	(0.83)	**(0.81)**

(all amounts in ₹ million unless otherwise stated)

c. Other disclosures

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate	5.30% to 7.25%	5.30% to 6.80%
Salary increase	5.00% to 8.00%	5.00%
Attrition rate	2% to 5%	2% to 5%
Retirement age	58 years to 60 years	58 years to 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.

Particulars	For the year ended 31 March 2022	
	Increase	Decrease
Discount rate (50 basis points movement)	1.91	2.64
Employee attrition rate (50 basis points movement)	1.39	3.26
Future salary growth (50 basis points movement)	2.23	2.30

Particulars	For the year ended 31 March 2021	
	Increase	Decrease
Discount rate (50 basis points movement)	(0.26)	0.39
Employee attrition rate (50 basis points movement)	(0.66)	0.90
Future salary growth (50 basis points movement)	0.40	(0.27)

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 31 March 2022	As at 31 March 2021
1st following year	0.35	0.11
2nd to 5th year	3.34	2.35
6th to 10th year	1.96	2.09
Beyond 10 years	13.27	10.45

(all amounts in ₹ million unless otherwise stated)

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 recognized in the balance sheet

	As at 31 March 2022	As at 31 March 2021
Non-current	-	-
Current	5.97	1.86
Total	**5.97**	**1.86**

(ii) Expense recognized in statement of profit and loss:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Compensated absence expense	1.66	0.25
	1.66	**0.25**

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 payments 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 Mismatch 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.

52. Leases

A. Group as a lessor

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 recognized on a straight line basis over the term of the relevant lease. For more details on accounting as a lessor, refer note 2.2 r).

Notes
to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

The table below provides details regarding the lease payments as at 31 March 2022 and 31 March 2021 on an undiscounted basis:

Particulars	As at 31 March 2022	As at 31 March 2021
Not later than one year	10,055.42	11,420.49
Later than one year but within five years	13,779.72	16,141.06
Later than five years	10,698.92	9,394.25
	34,534.06	**36,955.80**

The total lease rental income recognised in the Consolidated Statement of Profit and Loss for the year ended 31 March 2022 is ₹ 22,162.32 million (31 March 2021: ₹ 18,475.51 million).

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 31 March 2021 is ₹ 183.83 million (31 March 2021: ₹ 51.33 million). The future minimum lease receipts in respect of non-cancellable lease for fit outs given on finance lease are as follows:

Particulars	As at 31 March 2022			As at 31 March 2021		
	Minimum lease payments	Unearned Finance Income	Present value of minimum lease payments	Minimum lease payments	Unearned Finance Income	Present value of minimum lease payments
Not later than one year	598.43	151.49	446.94	633.60	205.85	427.74
Later than one year but within five years	776.35	354.49	421.86	1,295.48	509.56	785.92
Later than five years	500.59	125.79	374.80	696.03	235.87	460.16
	1,875.37	**631.77**	**1,243.60**	**2,625.11**	**951.28**	**1,673.82**

B. Group as a lessee

The Group has lease contracts for land having lease term of 90 years.

The details of the right-of-use assets (capitalised under leasehold land) held by the Group is as follows:

	Balance as on 1 April 2021	Additions during the year	Deletions during the year	Depreciation for the year	Carrying amount as at 31 March 2022
Leasehold land	304.21	-	-	3.95	300.26
Total	**304.21**	**-**	**-**	**3.95**	**300.26**

	Balance as on 1 April 2020	Additions during the year	Deletions during the year	Depreciation for the year	Carrying amount as at 31 March 2021
Leasehold land	308.15	-	-	3.92	304.21
Total	**308.15**	**-**	**-**	**3.92**	**304.21**

Refer Statement of Cash Flow for total cash outflow on account of lease payments during the year ended 31 March 2022 and 31 March 2021.

Rental expense recorded for short-term leases was Nil (31 March 2021: Nil) for the year ended 31 March 2022.

(all amounts in ₹ million unless otherwise stated)

The details of the lease liabilities of the Group is as follows:

	Balance as on 1 April 2021	Interest on Lease Liabilities	Lease Payments	Carrying amount as at 31 March 2022
Lease Liability	334.87	33.77	20.66	347.98
Total	**334.87**	**33.77**	**20.66**	**347.98**

	Balance as on 1 April 2020	Interest on Lease Liabilities	Lease Payments	Carrying amount as at 31 March 2021
Lease Liability	322.93	40.64	28.70	334.87
Total	**322.93**	**40.64**	**28.70**	**334.87**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022 and 31 March 2021 on an undiscounted basis:

Particulars	As at 31 March 2022	As at 31 March 2021
Not later than one year	20.36	20.36
Later than one year but within three years	40.72	40.72
Later than three years but within five years	40.72	40.72
Later than five years	10,578.11	10,598.46

The effective interest rate for lease liabilities is 10.00%.

The Group does not face any 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.

53. Deferred tax assets, deferred tax liabilities and tax expense

(a) Deferred tax balances

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities on		
Impact of difference between Property, Plant and Equipment, Investment Properties and Intangible assets as per financials and tax books	(57,501.51)	(57,381.93)
Share of profit from equity accounted investee	(5,491.62)	(5,491.62)
Unbilled revenue	(160.28)	(99.68)
Fair valuation of security deposit (net of deferred income on security deposit)	(72.35)	(26.72)
Deferred tax assets on		
Impact of difference between Property, Plant and Equipment, Investment Properties and Intangible assets as per financials and tax books	106.21	53.89
Fair valuation of security deposit (net of deferred income on security deposit)	22.30	11.08
Unabsorbed depreciation and carry forward losses	6,659.63	4,898.07
Tax impact of other consolidation adjustments	74.49	85.25
Tax impact of expenses incurred by the Group but allowable for tax purposes in future periods	37.11	75.37
Others	20.97	42.37
Minimum Alternate Tax credit entitlement	4,648.91	4,586.33
Net Deferred Tax Asset / (Liability)	**(51,656.14)**	**(53,247.59)**

Notes
to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

(b) The unrecognised deferred tax assets amounts to Nil (31 March 2021: ₹ 83.00 million).

(c) Reconciliation of Effective Tax Rate

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit Before Tax	8,962.40	7,538.87
Enacted tax rate applicable to the group	29.12%	29.12%
Income tax on accounting profits	**2,609.85**	**2,195.32**
Reconciliation items:		
Effect of Non-deductible expenses	3,831.26	4,117.92
Effect of exempt income and tax holidays	(7,163.02)	(5,307.50)
Adjustment for tax of prior years	(674.36)	(118.89)
Impact of difference in tax rate of SPV's	2,181.30	827.13
Deductions allowed under income tax laws but not debited to Statement of profit and loss	(454.63)	(453.75)
Tax impact of consolidation adjustments	(554.52)	(816.06)
Adjustments on which deferred tax is not created	(282.77)	(162.28)
Unrecognised deferred tax assets	-	83.00
MAT credit written off	646.23	-
Other Adjustments	(60.79)	190.45
Tax expense at effective income tax rate	**78.55**	**555.34**

54. Interest in other entities

The consolidated financial statements of the Group includes Group's share of the profit / (loss) of joint venture listed in the table below:

Name of the Entity	Country of incorporation	Associate / joint venture / joint operation	Principal activities	Ownership interest (%)	
				As at 31 March 2022	As at 31 March 2021
Golflinks Software Park Private Limited	India	Joint venture	Real estate development and leasing	50.00%	50.00%

Summarised financial information of joint venture disclosed below is accounted for using the equity method.

a) Summarised Balance Sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalent	14.82	162.22
Other Assets	742.01	658.19
Current Assets	**756.83**	**820.41**
Non-current assets	**23,122.30**	**20,122.57**
Current financial liabilities (excluding trade payables and provisions)	5,737.79	2,045.49
Trade payables and provisions	1.24	12.86
Other current liabilities	52.16	112.76
Current liabilities	**5,791.19**	**5,791.18**
Non-current financial liabilities	2,908.70	3,025.76
Other non-current liabilities	1,857.49	1,522.47
Non-current liabilities	**4,766.19**	**4,548.23**
Net Assets	**13,321.74**	**14,223.64**

(all amounts in ₹ million unless otherwise stated)

b) Summarised Statement of profit and loss

	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	4,307.22	4,007.21
Other income	65.56	85.44
Total Income	**4,372.78**	**4,092.65**
Operating and maintenance expenses	74.23	19.87
Depreciation and amortisation	521.45	479.40
Other expenses	522.62	471.15
Finance costs	427.03	331.07
Total Expenses	**1,545.33**	**1,301.49**
Profit before tax	**2,827.45**	**2,791.16**
Tax expense	903.17	781.52
Profit for the year	**1,924.28**	**2,009.64**
Other comprehensive income	-	-
Total comprehensive income	**1,924.28**	**2,009.64**
Share of profit for the year	**962.14**	**1,004.82**

c) Reconciliation to carrying amount

Summarised balance sheet	As at 31 March 2022	As at 31 March 2021
Opening net assets	**27,463.70**	**27,284.06**
Profit for the year	1,924.28	2,009.64
Other comprehensive income	-	-
Dividend paid	(2,800.00)	(1,830.00)
Changes in other equity	-	-
Closing net assets	**26,587.98**	**27,463.70**
Group's share in %	50.00%	50.00%
Group's share in ₹	13,293.99	13,731.85
Goodwill	10,449.36	10,449.36
Others	(108.66)	(62.64)
Carrying amount	**23,634.69**	**24,118.57**

55. Details of utilisation of proceeds of Institutional placement as on 31 March 2022 are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021	**Actual utilisation upto 31 March 2022**	**Unutilised amount as at 31 March 2022**
Funding of consideration for the acquisition of the ETV SPVs, including subscription to Class A equity shares in EOVPL, payment of consideration to the BREP Entities and the Embassy Sponsor	34,068.14	34,068.14	-	-	-
Debt funding to the ETV SPVs for partial or full repayment or pre-payment of bank/financial institution debt and settlement of certain liabilities	1,550.00	1,550.00	-	-	-
Issue expenses	750.00	750.00	-	-	-
General purposes	483.88	84.93	398.95	48.95	350.00
Total	**36,852.02**	**36,453.07**	**398.95**	**48.95**	**350.00**

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to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

56. Details of utilisation of proceeds of issue of Embassy REIT Series III NCD 2021 as on 31 March 2022 are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021	Actual utilisation upto 31 March 2022	Unutilised amount as at 31 March 2022
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	24,500.00	24,500.00	-	-	-
General purposes including issue expenses and granting of shareholder debt including construction and development and/ or working capital requirements at the underlying SPVs	1,500.00	613.52	886.48	886.48	-
Total	**26,000.00**	**25,113.52**	**886.48**	**886.48**	**-**

57. Details of utilisation of proceeds of issue of Embassy REIT Series IV NCD 2021 (Tranche A & Tranche B) as on 31 March 2022 are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2022	Unutilised amount as at 31 March 2022
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPVs	2,760.00	2,760.00	-
General purposes including issue expenses and payment of coupon	240.00	240.00	-
Total	**3,000.00**	**3,000.00**	**-**

58. Details of utilisation of proceeds of issue of Embassy REIT Series V NCD 2021 as on 31 March 2022 are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2022	Unutilised amount as at 31 March 2022
Refinancing of the Existing Series I NCD Debt	30,845.00	30,845.00	-
General purposes including issue expenses	155.00	129.26	25.74
Total	**31,000.00**	**30,974.26**	**25.74**

59. Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 28 April 2022, have declared distribution to Unitholders of ₹ 5.26 per unit which aggregates to ₹ 4,985.92 million for the quarter ended 31 March 2022. The distribution of ₹ 5.26 per unit comprises ₹ 0.70 per unit in the form of interest payment, ₹ 2.25 per unit in the form of dividend and the balance ₹ 2.31 per unit in the form of amortization of SPV debt.

Along with distribution of ₹ 15,640.25 million/ ₹ 16.50 per unit for the nine months ended 31 December 2021, the cumulative distribution for the year ended 31 March 2022 aggregates to ₹ 20,626.17 million/ ₹ 21.76 per unit.

60. Advance paid for co-development of property, including development rights of land (M3 Block A & B)

Block A

Manyata Promoters Private Limited ('MPPL') and Embassy Property Developments Private Limited ('EPDPL') entered into a co-development agreement on 8 March 2017 whereby EPDPL shall develop 1 msf M3 Block A warm shell building to be handed over to MPPL by agreed delivery date for a total consideration of ₹ 8,256 million, of which ₹ 7,784.93 million has already been paid as of 31 March 2022 and balance is to be disbursed linked to achievement of construction milestones. EPDPL was originally obligated to obtain Occupancy Certificate (OC) for the buildings by December 2019. In case of any delay in obtaining the OC beyond the agreed delivery date, EPDPL is obligated to pay a rental compensation of ₹ 57 million per month of delay to MPPL. As of date, the bare shell building is under development and the estimated date of completion and obtaining occupancy certificate is now December 2022.

The carrying cost in the consolidated financial statements of the above advance is ₹ 11,258.24 million as at 31 March 2022 which includes one-time fair valuation gain on purchase price allocation on acquisition by the REIT.

As per terms of this co-development agreement, consideration is contingent on pre-defined Net Operating Income achieved and therefore consideration will be trued up/down accordingly upon project completion. As at 31 March 2022, MPPL had a net receivable of ₹ 514.80 million from EPDPL towards receipt of compensation for Block A which has been subsequently received post balance sheet date on 21 April 2022.

Block B

During the financial year ended 31 March 2020, to consolidate 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 warm shell building to be handed over to MPPL by agreed delivery date for a total consideration of ₹ 7,367 million, of which ₹ 4,519.66 million has already been paid as of 31 March 2022 (31 March 2021: ₹ 4,255.85 million) and balance is to be disbursed linked to achievement of development milestones. Furthermore, as per the co-development agreement, during the period of construction, EPDPL is obligated to pay interest to MPPL on the amount of the Development Consideration disbursed by MPPL to EPDPL. As of date, the acquisition of necessary transferable development rights and building approvals are yet to be received, delayed in part due to the pandemic, and are currently being pursued by EPDPL. In the interim, site works have been initiated and are underway and the revised estimated date of completion and obtaining occupancy certificate is now March 2025. Basis EPDPL's representation, the Group is confident of timely completion of the property under development after obtaining of balance pending regulatory approvals.

As per terms of this co-development agreement, consideration is contingent on pre-defined Net Operating Income achieved and therefore consideration will be trued up/down accordingly upon project completion. As at 31 March 2022, MPPL had a net receivable of ₹ 618.40 million from EPDPL towards receipt of interest for Block B which has been subsequently received post balance sheet date on 21 April 2022.

61. During the previous year ended 31 March 2021, the Board of Directors of the Manager in their meeting held on 19 May 2020 approved the composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL. The Scheme provides for:

a) The demerger, transfer and vesting of the Techzone business of EOPPL comprising Embassy TechZone Business Park (more specifically defined as the 'TechZone Undertaking' in the Scheme) into EPTPL on a going concern basis, in consideration for which the Embassy Office Parks REIT (as shareholder of EOPPL) will be issued shares in EPTPL; followed by

b) Amalgamation of EOPPL into MPPL, on a going concern basis.

The above scheme has been approved by National Company Law Tribunal (NCLT), Mumbai bench with an effective date of 10 March 2021. Further the scheme was approved by the Board of Approval of Special Economic Zones ("BoA") in its meeting held on 18 March 2021 and the company has filed the necessary form with Registrar of Companies ("ROC") on 25 March 2021, for all the three entities. Upon completion of the scheme, MPPL has become a 100% Holdco of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL, 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone, an existing asset of the Embassy Office Parks REIT.

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to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

The consideration paid by EPTPL and MPPL to give effect to the above consideration to Embassy REIT is as follows:-

- EPTPL has issued and allotted 1 fully paid equity share of face value of ₹ 10 each for every 1 equity share of face value of ₹ 10 each fully paid-up held in EOPPL by Embassy REIT.
- MPPL has issued and allotted 1 fully paid equity share of face value of ₹ 100 each for every 11.85 equity share of face value of ₹ 10 each fully paid-up held in EOPPL by Embassy REIT.

The Goodwill of EOPPL has been reallocated. There is no other impact to consolidated financial statements of the Group due to the above scheme of merger.

Further, for the purpose of all disclosures in the consolidated financial statements, all numbers for the year ended 31 March 2021 are shown under EOPPL instead of EPTPL to facilitate comparison and ease for users of the financial statements.

62. The Board of Directors of the Manager through a resolution by circulation dated 23 January 2021 approved the Scheme of Arrangement ("the Scheme") involving EOVPL and VTPL. The Scheme provides for the merger/amalgamation of EOVPL into VTPL (on a going concern basis). The Scheme has been approved by National Company Law Tribunal (NCLT), Bengaluru Bench on 17 February 2022. The Company has filed the necessary forms with Registrar of Companies (RoC). Upon the Scheme becoming effective, with effect from the Appointed Date, VTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy Tech Village.

The consideration paid by VTPL to give effect to the Scheme to Embassy REIT is as follows:

- VTPL has issued and allotted 1 fully paid-up ordinary share of face value of ₹ 10 each for every 3.72 class A equity shares of face value of ₹ 10 each, fully paid-up held in EOVPL.
- VTPL has issued and allotted 1 fully paid-up ordinary share of face value of ₹ 10 each for every 3.14 ordinary equity shares of face value of ₹ 10 each, fully paid-up held in EOVPL.

There is no impact to consolidated financial statements of the Group due to the above scheme of merger.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 April 2022

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: 28 April 2022

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 28 April 2022

FINAL VALUATION REPORT

Embassy Office Parks Management Services Private Limited in its capacity as manager of The Embassy Office Parks REIT

EMBASSY MANYATA, BENGALURU
EMBASSY TECHVILLAGE, 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 GOLFLINKS, BENGALURU
EMBASSY ENERGY, BELLARY DISTRICT, KARNATAKA

DATE OF VALUATION: MARCH 31, 2022

DATE OF REPORT: APRIL 26, 2022

Value Assessment Service

Valuer under SEBI (REIT) Regulations, 2014

1 Instruction

iVAS Partners, represented by Mr. Manish Gupta, 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 reward 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' (iVAS Partners, represented by Mr. Manish Gupta) 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. iVAS Partners (represented by Mr. Manish Gupta) 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
Embassy TechVillage	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 and advisors would be extended reliance by the 'Consultants' but would extend no liability to the auditors and advisors.

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: iVAS Partners, represented by Mr. Manish Gupta

iVAS Partners, represented by Mr. Manish Gupta (Valuer Registration Number: IBBI/RV-E/02/2020/112) delivers reliable and independent valuation (across categories viz. land & building and plant & machinery), advisory and technical due diligence services, that combine professional expertise with comprehensive databases, analytics and market intelligence across various asset classes and locations in India.

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, landowners, 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 100,000 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.

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 certified valuation professionals, master planners, Architects, 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 of the subject property in the last twelve months, other than such cases where the valuer was engaged by the Embassy REIT for such acquisition or disposal
- 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 authorized 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 valuer has valued the subject property based on the valuation standards as specified under sub-regulation 10 of regulation 21 of SEBI (REIT) Regulations 2014.
- The valuation undertaken by the Valuer abides by international valuation standards
- The Valuer is competent to undertake the valuation of the subject property. Further the Valuer has independently undertaken the valuation and the report is prepared on a fair and unbiased basis
- 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. However, please note that wherever we have relied on information from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context
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:	Various areas related to the properties considered for the purpose of this valuation exercise are 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 The actual market price achieved may be higher or lower than our estimate of value depending upon the circumstances of the transaction, nature of the business, etc. The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion may not necessarily be the price at which actual transaction takes place We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences

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
Material Valuation Uncertainty from Novel Coronavirus:	The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject property, there is a shortage of market evidence for comparison purposes, to inform opinions of value. Our valuation of the property is therefore reported as being subject to 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. 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. 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 and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation(s) contained within this report under frequent review
Additional:	In the current uncertain environment caused by the outbreak of the Novel Coronavirus (COVID-19), we have considered / relooked at various asset/ market specific parameters and have adopted heuristic/ careful interventions (including but not limited to the points mentioned below) to our projected cashflows based on our view as of the date of valuation. ▪ Limited/ no growth in rent and ARR has been considered over the next few quarters ▪ Considering challenges in the short term, timelines have been extended for new space take-up/ future leasing ▪ For the operational hotels, occupancy has been rationalized in the short term

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 2020 (Red Book Global Incorporating the IVSC International Valuation Standards issued in November 2019, effective from 31 January 2020) and is in compliance with the International Valuation Standards (IVS). 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).

Asset-specific Review:

1. As the first step to the valuation of the asset, the rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, 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

Micro-market Review:

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 tenant 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.

CBRE IVAS

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 vacant/ to be leased 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.

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: Senior 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[1]	100.0%	NA
Embassy TechVillage, Bengaluru	Freehold[2]	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%	66 Years
Embassy TechZone, Pune	Leasehold	100.0%	78 Years
Embassy Quadron, Pune	Leasehold	100.0%	78 Years
Embassy Qubix, Pune	Freehold	100.0%	NA
Embassy Oxygen, Noida	Leasehold	100.0%	75 Years
Embassy Galaxy, Noida	Leasehold	100.0%	73 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

[1] *Excluding the M3 block which is being developed on a leasehold land parcel (6.64 Acres)*

[2] *Total land area under the ownership of Vikas Telecom Private Limited ("VTPL") is 80.05 acres and under Sarla Infrastructure Private Limited ("SIPL"), is 4.00 acres. Further, it is understood that out of total land area of 80.05 acres under the ownership of VTPL, 4.00 acres is leased to SIPL. Additionally, approx. 1.93 acres out of the total land extent is leasehold*

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, 2022:

Property	Asset Type	Leasable Area	Market Value (INR Mn)		
			Completed	Under construction (UC) / Proposed	Total
Embassy Manyata, Bengaluru	Mixed-use (Office (IT/ ITeS SEZ[3]/ Non-SEZ), Hotel, Retail, Convention Centre)	Completed office – 11.8 msf Proposed/ UC[4] office - 3.1 msf Hotel (5 star) - 266 keys Hotel (3 star) - 353 keys	167,060	23,464	**190,524**
Embassy TechVillage, Bengaluru	Mixed-use (Office (IT/ ITeS SEZ/ Non-SEZ), Hotel, Retail, Convention Centre)	Completed office – 7.3 msf Proposed/ UC office – 1.9 msf UC Hotel (5 star) - 311 keys UC Hotel (3 star) - 207 keys	102,902	13,637	**116,539**
Express Towers, Mumbai	Office (Non-SEZ)	Completed office - 0.5 msf	17,987	-	**17,987**
Embassy 247, Mumbai	Office (Non-SEZ)	Completed office - 1.2 msf	17,939	-	**17,939**
First International Financial Centre, Mumbai	Office (Non-SEZ)	Completed office - 0.4 msf	14,045	-	**14,045**
Embassy TechZone, Pune	Office (IT/ ITeS SEZ)	Completed office - 2.2 msf Proposed/ UC office - 3.3 msf	15,784	6,657	**22,441**
Embassy Quadron, Pune	Office (IT/ ITeS SEZ)	Completed office - 1.9 msf	12,855	-	**12,855**
Embassy Qubix, Pune	Office (IT/ ITeS SEZ)	Completed office - 1.5 msf	9,999	-	**9,999**
Embassy Oxygen, Noida	Office (IT/ ITeS SEZ)	Completed office - 2.5 msf Proposed/ UC office - 0.7 msf	22,131	2,517	**24,648**
Embassy Galaxy, Noida	Office (Non-SEZ)	Completed office - 1.4 msf	9,276	-	**9,276**
Embassy One, Bengaluru	Mixed-use (Office (Non-SEZ), Hotel, Retail)	Office & Retail - 0.3 msf Hotel (5 star) - 230 Keys	12,616	-	**12,616**
Hilton at Embassy GolfLinks, Bengaluru	Hotel	Hotel (5 star) - 247 Keys	4,280	-	**4,280**
Embassy Energy, Bellary District, Karnataka	Solar park	Installed capacity of 130 MW DC (100 MW AC)	8,965	-	**8,965**
Total – 100% owned assets			**415,839**	**46,275**	**462,113**
Embassy GolfLinks, Bengaluru	Office (Non-SEZ)	Completed office - 2.9 msf	31,560	-	**31,560[5]**
Total			**447,399**	**46,275**	**493,674**

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: iVAS Partners, represented by Mr. Manish Gupta

Official Signatory:

Name: Mr. Manish Gupta
Designation: Partner, iVAS Partners
Valuer Registration Number: IBBI/RV-E/02/2020/112

[3] *SEZ – Special Economic Zone*
[4] *UC -under construction*
[5] *Indicative of Embassy REIT's economic interest in the asset, viz. 50%*

5 Assets

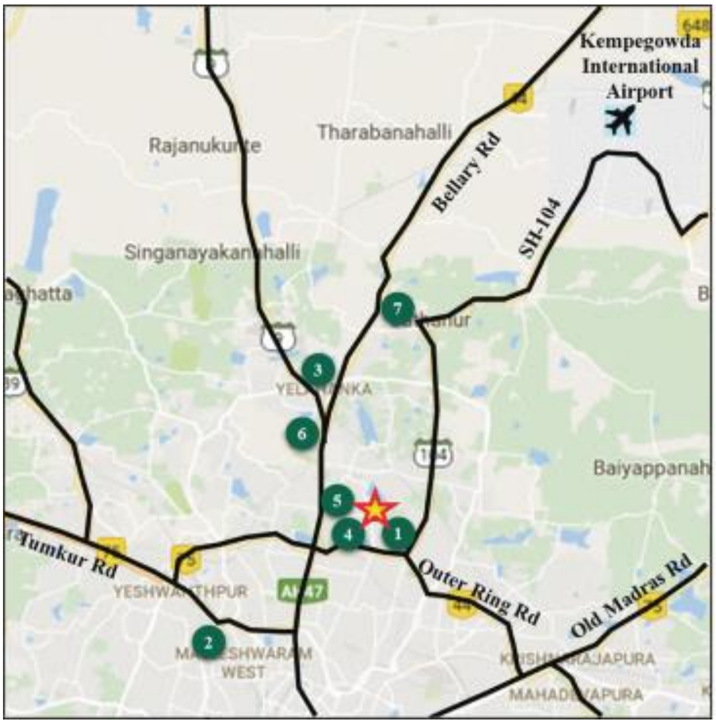
5.1 Embassy Manyata

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 11.8 msf of completed leasable area out of which occupancy is approximately 88.3% as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Particular	Area (sf)	Occupancy (%)
Completed Blocks	11,809,257	88.3%
Under Construction Blocks	1,594,846	NA
Proposed Blocks	1,415,550	NA
Total – Office/Retail	**14,819,653**	
Hotel (including convention center) ~ Completed	619 keys (Hotel - 722,678 Convention – 58,000)	NA

Source: Architect certificates, rent roll, lease deeds; Note – office & retail refers to leasable area while hotel & convention refers to developable area

Location Map



#	Key Office Developments
★	Embassy Manyata
1	MFAR Manyata Tech Park
2	Brigade Gateway (WTC)
3	RMZ Galleria
4	Karle Town Centre
5	Kirloskar Business Park
6	NCC Urban Windsor
7	Hinduja Ecopolis

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR Mn	10,740[6]
Proposed project completion timelines (all blocks)	Quarter, Year	FY 2031
Revenue assumptions (as on March 31, 2022)		
Lease completion	Year	FY 2031
In-place rent	INR psf/mth	65
Marginal rent – IT office component	INR psf/mth	93
Marginal rent – Non IT office component	INR psf/mth	106
Marginal rent – Retail component	INR psf/mth	95
Parking rent (Effective)	INR / bay/mth	3,750
ARR – 5 star hotel	INR / room / day	8,000
Stabilized Occupancy – 5 star hotel	%	72%
ARR – 3 star hotel	INR / room / day	5,500
Stabilized Occupancy – 3 star hotel	%	72%
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)	%	11.70%
WACC rate (under-construction/proposed)	%	13.00%
WACC rate (Completed hotel)	%	12.38%

Market Value: **INR 190,524 Mn**

[6] *Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works*

5.2 Embassy TechVillage

Property Name: 'Embassy TechVillage' is a commercial office development with ancillary retail and hospitality component located along Sarjapur Outer Ring Road, Devarabeesanahalli, Bengaluru, Karnataka

Property Address: Devarabeesanahalli Village & Kariammana Agrahara Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru, Karnataka

Land Area: Based on information provided by the Client (viz. title report), the Valuer understands that the total land area of the larger land parcel admeasures approx. 103.44 acres and the land area under the purview of this exercise admeasures approx. 84.05 acres. Total land area under the ownership of Vikas Telecom Private Limited ("VTPL") is 80.05 acres and under Sarla Infrastructure Private Limited ("SIPL"), is 4.00 acres. Further, it is understood that out of total land area of 80.05 acres under the ownership of VTPL, 4.00 acres is leased to SIPL and same is considered for the purpose of this valuation exercise.

Brief Description: The subject property "Embassy TechVillage" is an office park located in Bengaluru comprising of commercial development, consisting of approximately 7.3 million square feet (msf) of completed office area, approximately 1.9 msf of under-construction area and 518 proposed hotel keys along with the associated business of common area maintenance services.

The subject property is located along the Sarjapur Outer Ring Road (ORR), which is a prominent arterial road in the city. It is the south-eastern portion of the concentric outer ring road. Sarjapur Outer Ring road has emerged as one of the most prominent commercial office hubs of Bengaluru, on account of the premium quality of commercial office spaces and connectivity to other established micro-markets across the city. Some of the prominent commercial developments along Sarjapur-ORR include Embassy TechVillage (subject property), RMZ Ecospace, RMZ Ecoworld, Prestige Tech Park, Cessna Business Park, etc.

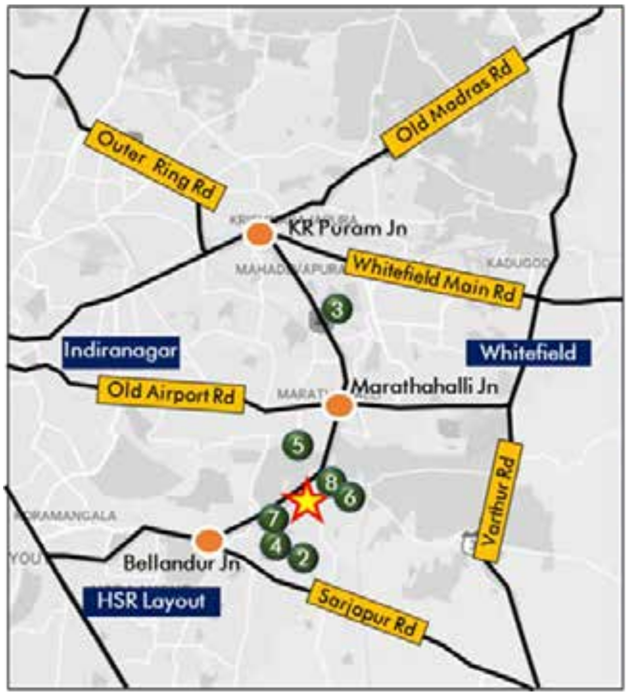
The subject property is located at a distance of 4-5 km from Marathahalli junction, 5-6 km from Sarjapur road-ORR interchange, 9-10 km from Koramangala & K R Puram Junction, 13-14 km from MG Road (CBD) and 43-44 km from Kempegowda International Airport.

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 7.3 msf of completed leasable area with an occupancy of approximately 99.0% as on the date of valuation. Table below highlights the leasable area break-up for the subject development commensurate to the interest valued in Embassy TechVillage:

Particular	Area (sf)	Occupancy (%)
Completed Blocks	7,276,202	99.0%
Under Construction Blocks	1,929,304	NA
Total – Office/Retail	**9,205,506**	
Hotel (including convention centre) ~ Under Construction	518 keys (Hotel and Convention Centre: 782,669 sft)	NA

Source: Architect certificates, rent roll, lease deeds; Note – office & retail refers to leasable area while hotel & convention refers to developable area

Location Map



#	Building Name
★	Embassy Tech Village
2	RMZ Ecoworld
3	Bagmane Constellation & WTC
4	Pritech Tech Park
5	Prestige Technology Park
6	Cessna Business Park
7	RMZ Ecospace
8	Embassy Tech Square

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR mn	16,608[7]
Proposed project completion timelines (all blocks)	Quarter, Year	FY 2026
Revenue assumptions (as on March 31, 2022)		
Lease completion	Year	FY 2026
In-place rent	INR psf/mth	74
Marginal rent – IT office component	INR psf/mth	94
Marginal rent – Retail component	INR psf/mth	95
Parking rent (Effective)	INR / bay/mth	4,500
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)	%	11.70%
WACC rate (under-construction/proposed)	%	13.00%
WACC rate (under-construction hotel)	%	13.60%

Market Value: **INR 116,539 Mn**

[7] *Indicative of pending cost towards base build works and does not includes the cost for refurbishments/ infrastructure upgrade works*

5.3 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

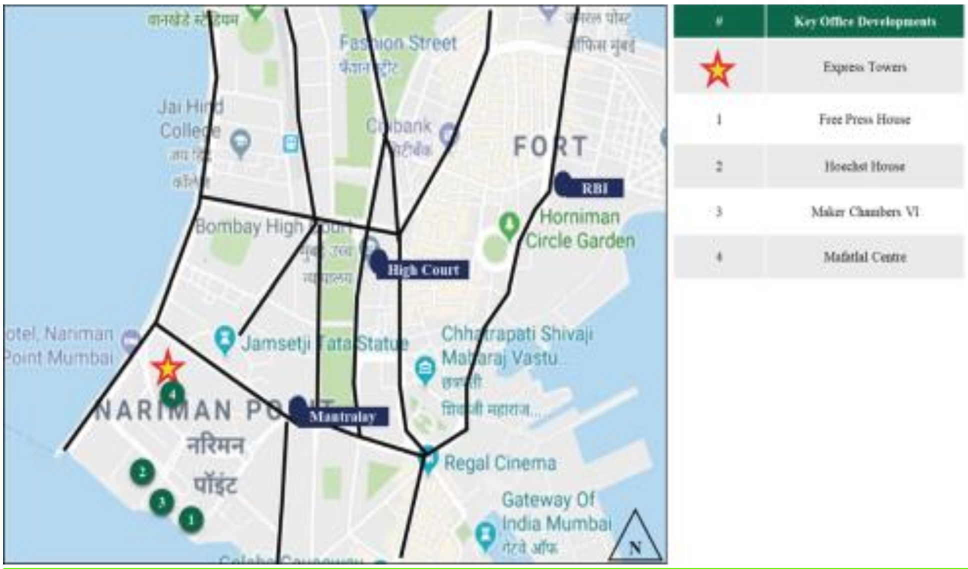
Brief Description: The subject property 'Express Towers' is an office asset situated in Nariman Point. The subject property is located opposite to the Oberoi Trident hotel. The G+25 floor storey structure was constructed in the late 1960s and has been refurbished in the past few years. Nariman Point 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 80.7% occupied as on the date of valuation. Also, the top 2 floors viz the 24th and 25th floor are not owned by the Client. Table below highlights the leasable area details for the subject development under the ownership of the Client.

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	472,377	80.7%
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, 2022)		
Lease completion	Year	FY 2024
In-place rent	INR psf/mth	277[8]
Marginal Rent – Commercial office component	INR psf/mth	270
Other financial assumptions		
Cap rate – commercial components	%	7.50%
WACC rate (operational)	%	11.70%

Market Value: **INR 17,987 Mn**

[8] denotes the weighted average rentals for leased office/restaurant spaces

5.4 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 1,186,149 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 1,186,149 sf. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	1,186,149	84.1%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	**1,186,149**	

Source: Architect certificate, Rent roll, lease deeds;

Location Map:

Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2022)		
Lease completion	Year	FY 2024
In-place rent	INR psf/mth	108[9]
Marginal rent – Commercial office component	INR psf/mth	112[10]
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)	%	11.70%

Market Value: **INR 17,939 Mn**

[9] *denotes the weighted average rentals for leased office/retail and food-court spaces*
[10] *Inclusive of car park rent*

5.5 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.

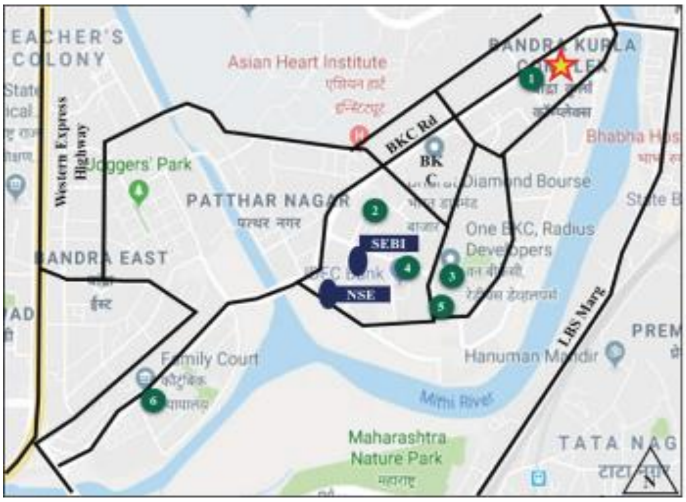
The subject property is located at a distance of approximately 20-22 km from the Central Business District of Mumbai (viz. Nariman Point), approximately 6-8 km from Domestic Airport, approximately 8-9 km from the Chhatrapati Shivaji International Airport Terminal, Mumbai etc.

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 77.5% is leased as on the date of valuation. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	360,947	77.5%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	**360,947**	

Source: Architect certificate, rent roll, lease deeds.

Location Map



#	Key Office Developments
★	First International Financial Centre (FIFC)
1	TCG Financial Centre
2	The Capital
3	One BKC
4	Raheja Tower
5	Godrej BKC
6	Maker Maxity

CBRE IVAS

Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2022)		
Lease completion	Year	FY 2023
In-place rent	INR psf/mth	300[11]
Marginal rent – Office Component	INR psf/mth	275
Marginal rent – Retail	INR psf/mth	297
Parking rent (Effective)	INR / bay/mth	-
Other financial assumptions		
Cap rate – commercial components	%	7.75%
WACC rate (operational)	%	11.70%

Market Value: **INR 14,045 Mn**

[11] *denotes the weighted average rentals for leased office/retail spaces*

5.6 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. '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 occupancy is approximately 86.0% as on the date of valuation. Further, approximately 3.3 msf is currently under construction/ planning stage. Table below highlights the leasable area for individual blocks that form part of the subject development:

Particular	Leasable area (sf)	Occupancy (%)
Completed Blocks	2,160,055	86.0%
Under Construction/ Proposed Blocks	3,312,891	NA
Total	**5,472,946**	

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	11,734[12]
Proposed project completion timelines	Year	FY 2028
Revenue assumptions (as on March 31, 2022)		
Lease completion	Year	FY 2030
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)	%	11.70%
WACC rate (under-construction/proposed)	%	13.00%

Market Value: **INR 22,441 Mn**

[12] Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works

5.7 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 occupancy is approximately 50.1% 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)	Occupancy (%)
Completed Blocks	1,894,774	50.1%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	**1,894,774**	

Source: Rent roll, lease deeds, architect certificate provided by the Client;

CBRE IVAS

Location Map

Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2022)		
Lease completion	Year	FY 2026
In-place rent	INR psf/mth	49[13]
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)	%	11.70%

Market Value: **INR 12,855 Mn**

[13] *denotes the weighted average rental for leased office/retail spaces*

5.8 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 89.3% 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)	Occupancy (%)
Completed Blocks	1,450,494	89.3%
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, 2022)		
Lease completion	Year	FY 2023
In-place rent	INR psf/mth	42[14]
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)	%	11.70%

Market Value: **INR 9,999 Mn**

[14] *denotes the weighted average rental for leased office/retail spaces*

5.9 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 occupancy is approximately 75.8% 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)	Occupancy (%)
Completed Blocks	2,517,307	75.8%
Under Construction Blocks	737,000	NA
Proposed Development	NA	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	1,908[15]
Proposed project completion timelines (overall)	Quarter, Year	FY 2025
Revenue assumptions (as on March 31, 2022)		
Lease completion	Year	FY 2025
In-place rent	INR psf/mth	50
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)	%	11.70%
WACC rate (under-construction/proposed)	%	13.00%

Market Value: **INR 24,648 Mn**

[15] *Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works*

5.10 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.

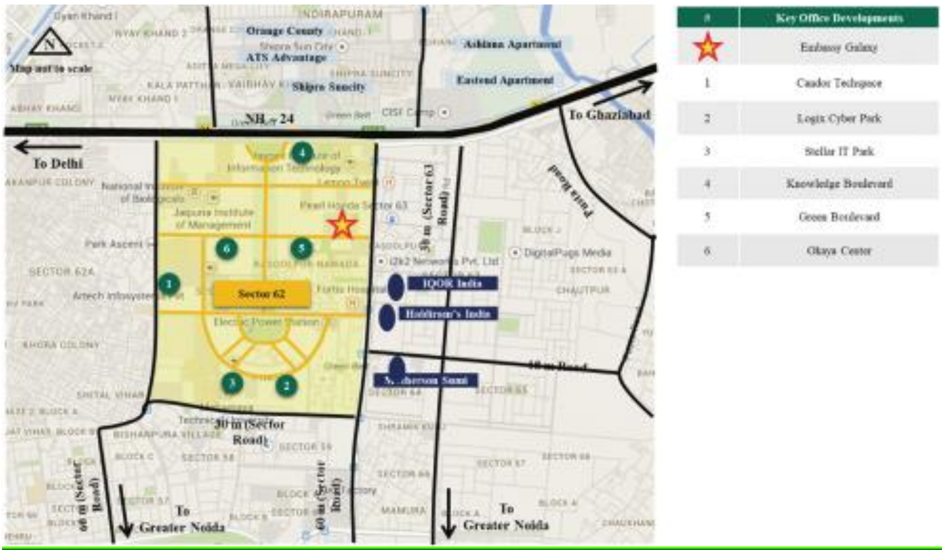
The subject property is located in close proximity to National Highway (NH) – 24, which makes it easily accessible from other regions of NCR (National Capital Region) such as Delhi, Ghaziabad, etc. Further, it is located at a distance of approximately 9 – 10 km from the established commercial hub of 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 85.1% leased as on the date of valuation. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	1,357,029	85.1%
Under Construction Blocks	-	NA
Proposed Development	-	NA
Total	**1,357,029**	

Source: Architect certificate, Rent roll, lease deeds provided by the Client;

Location Map:



Key Assumptions:

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2022)		
Lease completion	Year	FY 2023
In-place rent	INR psf/mth	35
Marginal rent – IT office component	INR psf/mth	45
Other financial assumptions		
Cap rate	%	8.25%
WACC rate (operational)	%	11.70%

Market Value: **INR 9,276 Mn**

5.11 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 2.9 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.

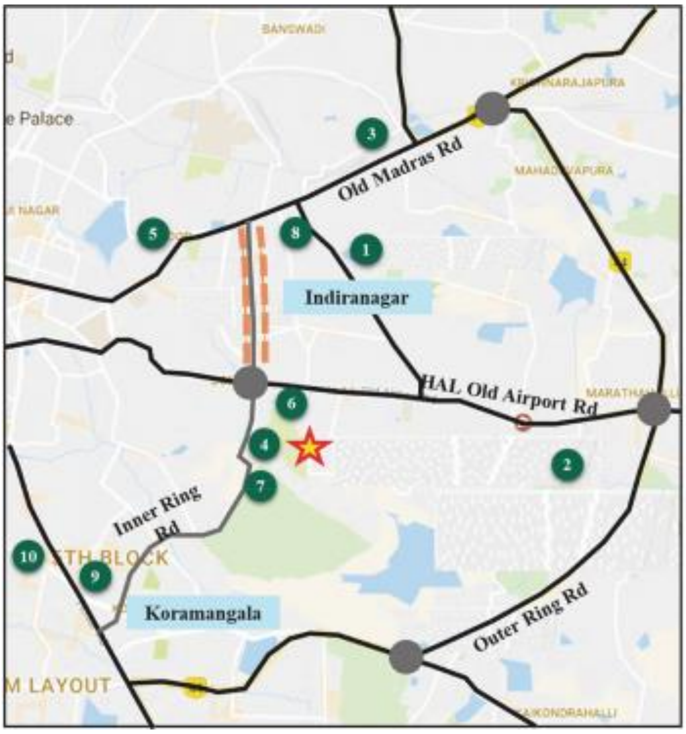
The subject property is located at a distance of approximately <1 km from the Domlur flyover, 1 – 2 km from Indiranagar, 2-3 km from Koramangala, 7-8 km from MG Road and approximately 43 - 45 km from Bengaluru International Airport.

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 2.9 msf of completed leasable area and is 96.8% occupied as on the date of valuation. Table below highlights the leasable area for subject property that form part of the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	2,908,372	96.8%
Under Construction Blocks	-	NA
Proposed Development	-	NA
Total	**2,908,372**	

Source: Source: Rent roll, lease deeds, architect certificate provided by the Client

Location Map



#	Key Office Developments
★	Embassy Golflinks
1	Bagmane Tech Park
2	Divyasree Technopolis
3	RMZ Infinity
4	Divyasree Greens
5	RMZ Millenia
6	Diamond District
7	Maruthi Infotech
8	Mantri Cornerstone
9	Mantri Jupiter
10	Bren Optimus

Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2022)		
Lease completion	Year	FY 2023
In-place rent	INR psf pm	127
Marginal rent – office component	INR psf pm	150
Parking rent (Effective)	INR / bay/ mth	4,500
Other financial assumptions		
Cap rate – commercial components	%	8.00%
WACC rate	%	11.70%

Market Value: **INR 63,121 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 31,560 Mn)

2. The above valuation excludes valuation of Hilton at Embassy GolfLinks. The valuation of Hilton at Embassy GolfLinks is presented in section 5.13

5.12 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 33.0% of total area is leased as of date of valuation.

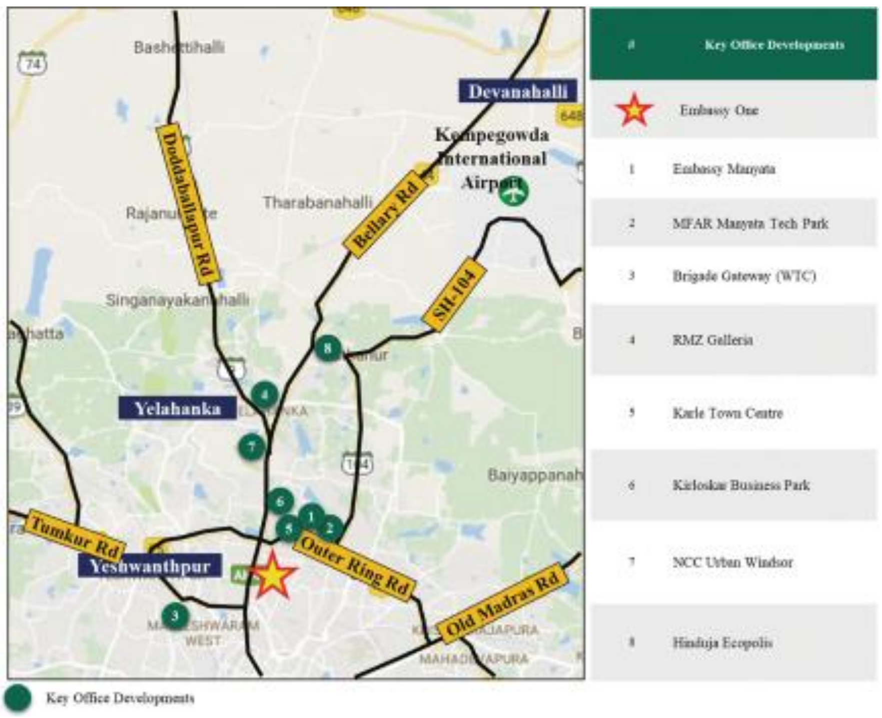
The subject property’s location along the initial stretch of Bellary Road further adds to the attractiveness of the development. Bellary Road connects the city center to the airport and also provides connectivity to all major hubs within Bengaluru City. Further, the subject property’s proximity to the 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	250,096
Hotel (Four Seasons at Embassy One)	230 keys
Total	**230 keys / 250,096**

Source: Architect certificate provided by the Client

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2022)		
Lease completion	Year	FY 2025
In-place rent	INR psf/mth	150
Marginal rent – Non-IT office component	INR psf/mth	147[16]
Parking rent (Effective)	INR / bay/mth	-
ARR – Four Seasons at Embassy One	INR / room / day	Year 1: 8,000 Year 2: 9,000 On Stabilization: 11,500
Stabilized Occupancy – Four Seasons at Embassy One	%	72%
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)	%	11.70%
WACC rate (hotel)	%	12.38%

Market Value: **INR 12,616 Mn**

[16] *Inclusive of car park rent*

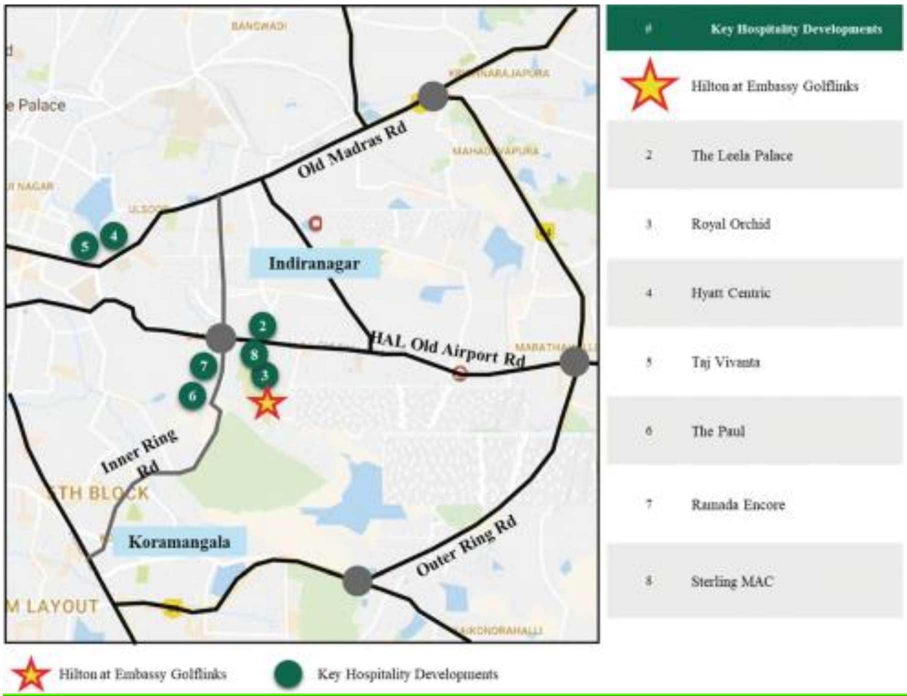
5.13 Hilton at Embassy GolfLinks

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, 2022)		
ARR – Hilton at Embassy GolfLinks	INR / room / day	Year 1: 5,000; Year 2: 6,500 On Stabilization: 9,200
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	%	12.38%

Market Value: **INR 4,280 Mn**

5.14 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 424.44 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	465.51
Extent of land approved/recommended by DC u/s 109	464.17
Final approval received u/s 109	464.17
Sale Deed executed favouring EEPL	424.44

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 supplies electricity to the existing office parks / hotels of Embassy in Bengaluru. In lieu of the same, EEPL has already signed power purchase agreements (PPAs) for 25 years with various entities for commercial and industrial category.

Statement of Assets: Based on review of various documents (such as 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)[17] in kWH in Year 1

Source: Various documents/ inputs provided by the Client

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.

[17] *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*

Key Assumptions:

Particulars	Unit	Details
Development Timelines		
COD	Date	28th February 2018[18]
Revenue assumptions (as on March 31, 2022)		
BESCOM Tariff – Commercial	INR per kWH	9.25
BESCOM Tariff – Industrial	INR per kWH	7.65
Blended Tariff	**INR per kWH**	**9.01**[19]
Adopted Tariff	**INR per kWH**	**8.50**
Other financial assumptions		
Useful Life	Years	25 years
Cost of Equity	%	11.70%

INR 8,965 Mn

[18] *40% commenced operations on 23rd January 2018 and balance 60% on 28th February 2018*

[19] *In proportion of the distribution between commercial and industrial category consumers*

Key Terms & Definitions

1. 4Q/Q4/Three Months ended – Quarter ending March 31
2. ADR – Average Daily Rate (ADR) is a measure of the average rate charged for rooms sold and is calculated by dividing total rooms revenue for a period by the number of rooms sold during that period
3. Annualised Rental Obligations – Defined as Gross Rentals multiplied by twelve (12)
4. Average Occupancy – Commercial Offices - Occupied Area / Completed Area. Hotels - Occupied Rooms / Completed Rooms or Keys
5. Base Rentals – Rental income contracted from the leasing of Completed Area; does not include fit-out & car parking income
6. bn – Billions
7. bps – Basis points
8. BSE – BSE Limited
9. CAM – Common Area Maintenance
10. C&W – Cushman & Wakefield
11. CAGR – Compounded Annual Growth Rate
12. CBRE – CBRE South Asia Private Limited
13. Completed Area – the Leasable Area of a property for which occupancy certificate has been received
14. CRE – Corporate real estate
15. DPU – Distribution per unit
16. EBITDA – Earnings/ (loss) before finance costs, depreciation, amortisation, impairment loss and income tax excluding share of profit of equity accounted investee
17. EHS – Environment, Health, and Safety
18. EPTPL - Embassy Pune Techzone Private Limited
19. Embassy TechVillage / ETV – Comprises of the legal entities Vikas Telecom Private Limited (VTPL), Embassy Office Ventures Private Limited (EOVPL) and Sarla Infrastructure Private Limited (SIPL)
20. Embassy Group – refers to the Embassy Sponsor or its subsidiaries or limited liability partnerships
21. Embassy REIT refers to Embassy Office Parks REIT
22. EOPMSPL – Embassy Office Parks Management Services Private Limited
23. EOPPL – Embassy Office Parks Private Limited, a former holding company of Embassy REIT which has been dissolved pursuant to restructuring involving MPPL, EOPPL and EPTPL through NCLT scheme
24. EOVPL - Embassy Office Ventures Private Limited
25. FY – Period of 12 months ended March 31 of that particular year, unless otherwise stated
26. GAV – Gross Asset Value
27. GCC – Global Capability Centre
28. GLSP – GolfLinks Software Park Private Limited
29. Grant Thornton – Grant Thornton Bharat LLP
30. Holdco – Refers to EOVPL and MPPL
31. IGBC - Indian Green Building Council
32. INFHRA – The Infrastructure, Facility, Human Resource & Realty Association
33. Investment Entity – Refers to GolfLinks Software Park Private Limited
34. IPO – Initial Public Offering of units of Embassy Office Parks REIT
35. Leasable Area – Total square footage that can be occupied by a occupier for the purpose of determining a occupier's rental obligations. Leasable Area is the sum of Completed Area, Under Construction Area and Proposed Development Area
36. LTM – Last twelve months
37. Manager – Embassy Office Parks Management Services Private Limited
38. MEP – Mechanical, Electrical & Plumbing
39. mn – Millions
40. MNC – Multinational Corporation
41. MPPL - Manyata Promoters Private Limited
42. msf – Million square feet
43. MTM – Mark to Market
44. Mumbai – Mumbai Metropolitan Region (MMR)
45. MW – Mega-Watt
46. NAV – Net Asset Value
47. NCD – Non-Convertible Debentures
48. NCR - National Capital Region
49. NCLT - National Company Law Tribunal
50. NDCF refers to Net Distributable Cash Flows
51. NGO - Non-governmental Organisation
52. Net Debt – Gross Debt minus short term treasury investment and cash and cash equivalents
53. NM – Not material
54. NOI – Net Operating Income
55. NR – Not Relevant
56. NSE – The National Stock Exchange of India Limited
57. NTM – Next twelve months
58. NXT – Manyata front parcel office towers
59. OC – Occupancy certificate
60. Occupancy / % Occupied / % Leased – Occupancy is defined as the ratio of the Occupied Area and the Completed Area
61. Occupied Area – Completed area of property which has been leased or rented out in accordance with an agreement entered into for the purpose
62. Proforma DPU – DPU for FY2021 computed excluding impact of 176.23 million new units issued in 3Q FY2021 pursuant to the preferential allotment and the institutional placement of units in connection with ETV acquisition
63. Proforma Debt Headroom – Proforma Debt Capacity (Maximum debt as per REIT Regulations) - Current Net Debt
64. Portfolio – Together, the Portfolio Assets and the Portfolio Investment
65. Proposed Development Area – The Leasable Area of a property for which the master plan for development has been obtained, internal development plans are yet to be finalised and applications for requisite approvals required under the law for commencement of construction are yet to be received
66. QoQ – Quarter on quarter
67. REIT Regulations – Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
68. Rents – Refers to Gross Rentals unless specified otherwise. Gross Rentals are defined as the sum of Base Rentals, fit-out and car parking income from Occupied Area for the month of March 2021
69. RevPAR – Revenue Per Available Room (RevPAR) is a hotel industry financial metric calculated by multiplying the Average Daily Rate by the percentage occupancy
70. Re-leasing spread – Refers to the change in rent psf between new & expiring leases, expressed as a percentage
71. Restructuring – Pursuant to a composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL which was approved by National Company Law Tribunal (NCLT), Mumbai bench via order dated 10 March 2021, MPPL has become a 100% Holdco of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL and 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone
72. ROFO – Right of First Offer
73. Same-Store KPIs – Same-Store KPIs represents KPIs (Occupancy/ Revenue/ NOI) from properties which are in service in both the current and prior year reporting periods adjusted to exclude straight-line & other non-cash IndAS income, as applicable, to make comparisons between periods more meaningful. For example, for 4QFY2021 and FY2021, Same-Store occupancy is computed for the portfolio excluding ETV's 6.1 msf completed area
74. SEBI - The Securities and Exchange Board of India
75. sf / psf – Square feet / per square feet
76. Sponsor(s) – Embassy Property Developments Private Limited and BRE / Mauritius Investments
77. SPV – Special purpose vehicles, as defined in Regulation 2(l)(zs) of the REIT Regulations, in this case being UPPL, EEPL, IENMPL, VCPPL, ETPL, QBPL, QBPPL, OBPPL, VTPL, SIPL, EPTPL and GSPL
78. Target – Includes SIPL, EOVPL & VTPL
79. TEV – Total Enterprise Value
80. TI / TIs – Tenant Improvement / (s)
81. tn – Trillions
82. Under Construction / U/C Area – Leasable Area for which internal development plans have been finalised and requisite approvals as required under law for the commencement of construction have been applied for, construction has commenced and the occupancy certificate is yet to be received
83. Units – An undivided beneficial interest in the Embassy REIT, and such units together represent the entire beneficial interest in the Embassy REIT
84. VTPL - Vikas Telecom Private Limited
85. WALE – Weighted Average Lease Expiry (weighted according to facility rentals excluding impact of Ind-AS adjustments) assuming that each occupier exercises the right to renew for future terms after expiry of initial commitment period
86. WFH – Work from home
87. WIP – Work-in-progress
88. Years – Refers to fiscal years unless specified otherwise
89. YoY – Year on year
90. YTD – Year to date
91. YTM – Yield to Maturity

Disclaimer

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