

2. Significant accounting policies (continued)

r) Revenue recognition

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

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

i) Rental income from investment properties

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

ii) Income from finance lease

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

iii) Revenue from Room Rentals

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

iv) Revenue from contract with customers

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

b) Revenue from Food, beverages and banquets

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

c) Other operating income

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

v) Recognition of dividend and interest income

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

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

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

s) Employee benefits

Defined contribution plan

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

Gratuity

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

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

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Embassy Office Parks Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

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

t) Borrowing costs

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

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



2. Significant accounting policies (continued)

u) Taxation

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

(i) Current tax:

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

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

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

(ii) Deferred tax:

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

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Embassy Office Parks Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

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

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

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Tax impact of timing difference which arise during the tax holiday period are recognised only to the extent of those differences which are reversed after the tax holiday period.

y) Provisions and contingencies

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

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

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

w) Operating segments

An operating segment is a component of the Embassy Office Parks Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by a representative of the Embassy Office Parks Group, the Embassy Office Parks Group's Chief Operating Decision Maker ("CODM"), to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

- Commercial Offices segment:

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

- Hospitality segment:

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

- Other segment:

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

Certain income (such as interest, dividend and other income) and certain expenses (such as Other expenses excluding Direct operating expenses, depreciation, 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.



2. Significant accounting policies (continued)

x) Errors and estimates

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

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

y) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Balance Sheet comprises of cash at banks and on hand, deposits held at call with bank or financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

z) Distribution Policy:

Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to the Unitholders not less than ninety percent of the net distributable cash flows ('NDCF') of Embassy Office Parks REIT and the current policy of the Manager is to comply with such requirement. The NDCF is calculated in accordance with the REIT Regulations and in the manner provided in the NDCF framework defined by the Manager.

In terms of the REIT Regulations and NDCF framework which prescribes for the minimum amount of NDCF to be distributed to Embassy Office Parks REIT:

- not less than 90% of the NDCF of the SPVs are required to be distributed to the Embassy Office Parks REIT, in proportion to its shareholding in the SPV, subject to applicable provisions of the Companies Act, 2013.
- 100% of the cash flows received by the Holding Company from the underlying SPVs are required to be distributed to the Embassy Office Parks REIT, and not less than 90% of the NDCF generated by the Holding Company on its own shall be distributed to the Embassy Office Parks REIT, subject to applicable provisions of the Companies Act, 2013.
- The aforesaid net distributable cash flows are made available to Embassy Office Parks REIT in the form of (i) interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the 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 has committed to quarterly distributions, any shortfall as regards minimum quarterly distribution by the SPVs and Holding Company to Embassy Office Parks REIT, post interest paid on Shareholder Debt, Interim Dividend payments and Principal repayment of Shareholder Debt, would be done by declaring additional dividend, to the extent permitted under the Companies Act, 2013. Repayment of short-term construction debt given to SPV's are not considered for the purpose of distributions.

aa) Cash distribution to Unitholders

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

ab) Consolidated Statement of Cash flows

Consolidated Cash flows are reported using the indirect method, whereby Profit/ (loss) before share of profit of equity accounted investees and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Embassy Office Parks Group are segregated.

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

ac) Earnings per unit

The basic earnings per unit is computed by dividing the net profit/ (loss) attributable to the Unitholders of the Trust by the weighted average number of units outstanding during the reporting period. The number of units used in computing diluted earnings/ (loss) per unit comprises the weighted average units considered for deriving basic earnings/ (loss) per unit and also the weighted average number of units which could have been issued on the conversion of all dilutive potential units.

Dilutive potential units are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per unit, only potential equity units that are dilutive and which either reduces earnings per share or increase loss per units are included.

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

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

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(all amounts in Rs. millions unless otherwise stated)

3 Property, plant and equipment

Reconciliation of carrying amounts for the year ended 31 March 2020

Particulars	Land-freehold (refer note ii)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Gross block (cost or deemed cost)										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Additions due to business combination*	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
Deletion	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
At 1 April 2019	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
Additions for the year	452.41	9.98	4.77	0.72	0.11	1.20	6.38	0.02	2.52	478.11
Deletion	-	-	-	(0.06)	-	-	-	(0.81)	-	(0.87)
At 31 March 2020	6,540.07	7,067.88	7,142.28	485.98	448.94	18.46	17.89	10.83	40.41	21,772.74
Accumulated depreciation										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	-	-	-	-	-	-	-
At 1 April 2019	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	129.88	403.48	79.09	57.38	11.08	10.96	10.83	4.98	707.68
Impairment loss (refer note iii)	84.00	235.36	27.34	5.38	12.35	0.25	0.01	-	1.44	366.13
At 31 March 2020	84.00	365.24	430.82	84.47	69.73	11.33	10.97	10.83	6.42	1,073.81
Carrying amount (net)										
As at 31 March 2019	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
As at 31 March 2020	6,456.07	6,702.64	6,711.46	401.51	379.21	7.13	6.92	-	33.99	20,698.93

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 50.

i. Post acquisition of the SPV's, the Embassy Office Parks Group has revisited the useful life of the property, plant and equipment and aligned the same across the Embassy Office Parks Group. The Embassy Office Parks Group has also aligned its method of depreciation to straight-line method across its SPV's.

ii. The solar plant has been constructed on 465.77 acres of land, the title for 254.47 acres is registered in name of the group and balance 211.30 acres is in process of registration and is scheduled for completion by 31 December 2020.

iii. During the current year, an impairment loss of Rs. 366.13 million has been recognised against the property, plant and equipment of the hospitality segment of Embassy Quadron. The impairment loss of Rs. 366.13 million as at 31 March 2020 is after reducing the carrying amount of goodwill of Rs. 922.71 million for certain hotel which is lowest cash generating unit (CGU) forming part of hospitality segment (31 March 2019: Nil) and is allocated to all other property, plant and equipment of respective CGU in proportion to their carrying value. The impairment loss has been computed based on the assets' recoverable amount as at reporting date which is its value in use as prescribed under Ind-AS 36. (Refer Note 6 for additional disclosure on impairment).

iv. Refer Note 24 for information on charge created by the group on its property, plant and equipment.

v. Refer Note 48 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4 Capital work-in-progress

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
MPPPL-Hilton Hotel (Front Parcel) *	2,334.07	1,220.52	-
	2,334.07	1,220.52	-

* forms part of MPPL CGU.

Note:

Borrowing cost capitalised

Hilton Hotel (Front Parcel) project by MPPL is currently under development. The project is expected to be completed in June 2022. The carrying amount of the asset is Rs.2,334.07 million as at 31 March 2020 (31 March 2019: Rs. 1,220.52 million). The amount of borrowing cost capitalised during the year ended 31 March 2020 is Rs. 44.31 million (31 March 2019: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.51%, which is the SPV specific "Weighted Average Borrowing Cost" (WABC).



5 Investment property
Reconciliation of carrying amounts for the year ended 31 March 2020

Particulars	Land-freehold	Land-leasehold (Refer notes)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Vehicle	Computer	Total
Gross block (cost or deemed cost)										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Additions due to business combination*	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
At 1 April 2019	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
Additions for the year	1,050.92	312.10	5,858.46	1,227.42	180.31	348.61	2.10	0.08	8.57	8,988.57
Disposals	-	-	-	(39.66)	(5.65)	-	(3.01)	-	(0.42)	(48.74)
Adjustments (refer note i and vi)	10,284.81	(10,446.41)	-	161.60	-	-	-	-	-	-
At 31 March 2020	75,183.43	28,227.18	81,683.17	9,574.22	1,490.56	2,270.67	43.42	5.31	10.84	198,488.80
Accumulated depreciation										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	483.74	2,106.20	947.20	360.10	487.10	22.82	3.48	1.68	4,412.32
At 31 March 2020	-	483.74	2,106.20	947.20	360.10	487.10	22.82	3.48	1.68	4,412.32
Carrying amount (net)										
As at 31 March 2019	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
As at 31 March 2020	75,183.43	27,743.44	79,576.97	8,627.02	1,130.46	1,783.57	20.60	1.83	9.16	194,076.48

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 50.

- i. **MPPL** - During the year ended 31 March 2020, cost of freehold land of Rs. 161.60 million has been transferred to Karnataka Power Transmission Corporation Limited (KPTCL) along with the 220 KVA substation constructed at Embassy Manyata. Since these are enabling assets to the overall Park, the cost of land has been transferred to plant and machinery and being depreciated over the useful life of the substation.
- ii. **EOPLL**: The leasehold land for Embassy Techzone is taken from Maharashtra Industrial Development Corporation (MIDC) on a lease for a period of 95 years. The lease expires in July 2100.
- iii. **OBPPL**: The leasehold land for Embassy Oxygen is taken from New Okhla Industrial Development Authority (NOIDA) on a lease for a period of 90 years. The lease expires in September 2097.
- iv. **ETPL**: The leasehold land for Embassy Galaxy is taken from Mumbai Mahanagar Regional Development Authority (MMRDA) on a lease for a period of 80 years. The lease expires in June 2088.
- v. **GSPL**: The leasehold land for Embassy Towers is taken from NOIDA on a lease for a period of 90 years. The lease expires in June 2095.
- vi. **ENMPL**: The leasehold land for Embassy Towers is taken from the Government of Maharashtra on a lease of 99 years (from 1963-64). The lease expires in August 2063. However, pursuant to recent Maharashtra State notification in March 2019, IENMPL made an application to the office of the Collector, Mumbai City, seeking conversion of the land on which the building known as "Express Towers" stands, from occupancy class II land that is leasehold land into occupancy class I land, that is, freehold land, by a letter dated April 1, 2019. Pursuant to various orders passed by the office of the Collector, IENMPL has made an aggregate payment of Rs 909.46 million towards regularization and conversion of the land. Subsequently, the Collector, Mumbai pursuant to its order dated August 23, 2019, after regularising the usage of the said Property, approved the conversion of such land from occupancy class II and leasehold land into occupancy class I land that is freehold land, under the Maharashtra Land Revenue (Conversion of Occupancy Class II and Leasehold Lands into Occupancy Class I Lands) Rules, 2019. Out of the aforementioned Rs 909.46 million, a sum of Rs. 756.41 million has been capitalized as a part of land and the balance has been capitalized towards building. Further, an amount of Rs. 10,446.41 million, being the carrying cost of such land, has been reclassified from leasehold to freehold land.
- vii. **QBPL**: The leasehold land for Embassy Quadron is taken from MIDC for a lease term of 95 years. As per the lease agreement the Company can renew the lease for a further period of 95 years. Further, the SPV acquired assets and liabilities of the Hotel Business and Commercial Business vide the duly registered Business Transfer Agreement (BTA) with Embassy One Developers Private Limited on 11 March 2019 for purchase of assets and liabilities of the Hotel Business and Commercial Business from Embassy One Developers Private Limited. Refer note 49.
- viii. Post acquisition of the SPV's, Embassy Office Parks Group has revisited the useful life of the investment properties and aligned the same across the Embassy Office Parks Group. The Embassy Office Parks Group has also aligned its method of depreciation to straight-line method across its SPV's.
- ix. Investment property comprises of commercial buildings and other assets forming part of the buildings, that is leased to third parties. The license agreement entered into with tenants may or may not contain an initial non-cancellable period. Subsequent renewals of these license agreements are negotiated with the tenants and historically the average renewal period ranges between three and five years.

The investment property have been leased out to lessees / held for lease on operating lease basis.



(all amounts in Rs. millions unless otherwise stated)

- 5 Investment property (continued)
- xi. The plant and machinery and furniture and fixtures are physically attached to the buildings and form an integral part thereof, hence they are considered as investment property.
- xii. Additions to investment property and investment property under development include borrowing cost amounting to Rs. 579.19 million (31 March 2019: Nil) at a capitalisation rate which is the SPV specific "Weighted Average Borrowing Cost" (WABC).

xiii. Amount recognised in statement of profit and loss for investment properties:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rental income	18,709.58	-
Less: Direct operating expenses arising from investment property that generated rental income during the period	(1,372.51)	-
Less: Direct operating expenses arising from investment property that did not generate rental income during the period	(709.46)	-
Less: Depreciation expense	(4,412.32)	-
Profit arising from investment properties before indirect expenses	12,215.29	-

xiv. Refer Note 24 for information on charge created by the group on its investment property.

xv. Refer Note 48 for disclosure of contractual commitments for purchase, construction or development of investment property or for repairs and maintenance of the same.

xvi. Refer Note 56 for disclosure of assets acquired under lease.

xvii. Fair value disclosures:

Particulars	As at 31 March 2020
Fair value as at 31 March 2019	263,780.04
Fair value as at 31 March 2020	278,469.60

The fair value of investment property as at 31 March 2020 has been determined by IVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

The fair value measurement for all of the investment property has been 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 and lease incentive costs. The expected net cash flows are discounted using the risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.



**6 Goodwill (refer note 2.1 b, note 49 and note 50)
As at 31 March 2020 and 31 March 2019**

SPV	Consideration transferred for business	Fair value of net assets	Goodwill on acquisition as at 31 March 2019	Impairment loss	Net carrying value as at 31 March 2020
MPPL	48,790.52	37,774.36	11,016.16	-	11,016.16
EOPPL	62,768.25	50,854.97	11,913.28	-	11,913.28
EEPL	732.79	464.95	267.84	-	267.84
UPPL	2,841.67	2,151.80	689.87	487.14	202.73
ETPL	12,138.78	9,239.55	2,899.23	-	2,899.23
GSPL	4,662.50	2,700.39	1,962.11	-	1,962.11
IENMPL	13,210.97	7,139.40	6,071.57	-	6,071.57
OBPPL	12,308.89	5,779.40	6,529.49	-	6,529.49
QBPPL	5,595.08	3,998.26	1,596.82	-	1,596.82
QBPL	13,689.26	9,201.53	4,487.73	922.71	3,565.02
VCPPPL	10,710.94	6,445.82	4,265.12	-	4,265.12
Total	187,449.65	135,750.43	51,699.22	1,409.85	50,289.37

Impairment testing for goodwill

Goodwill acquired through business combinations has been allocated to the Cash Generating Units ("CGU") as below for impairment testing: (Except for QBPL, each SPV is considered to be an independent CGU, as they are subject to different risk and return profiles on the basis of their customer base. Goodwill pertaining to QBPL has been further allocated to commercial CGU forming part of commercial segment and hotel CGU forming part of hospitality segment.)

CGU	Carrying amount prior to impairment *	Recoverable amount	Impairment Loss
MPPL	100,935.07	138,624.85	-
EOPPL	40,521.30	45,425.40	-
EEPL	9,210.13	10,335.64	-
UPPL	4,458.50	3,971.36	487.14
ETPL	12,962.48	13,783.25	-
GSPL	6,955.55	8,477.05	-
IENMPL	16,721.28	17,144.71	-
OBPPL	16,260.58	17,539.53	-
QBPPL	8,648.52	10,062.55	-
QBPL - Commercial Leasing Office	16,748.59	20,136.46	-
QBPL - Hotel	8,962.84	7,674.00	1,288.84
VCPPPL	15,533.12	16,119.13	-
Total	257,917.96	309,293.93	1,775.98

* The carrying amount also includes carrying value of intangibles with indefinite useful life amounting to Rs. 1,781.88 million as at March 31, 2020. Accordingly, the disclosures given in this note also covers the impairment testing relating to intangibles with indefinite useful lives.

During the year, management has estimated the recoverable amount of the CGUs based on a valuation determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE. The fair value measurement is a level 3 measurement on the fair value hierarchy. The valuation was done in accordance with discounted cash flow method.

As a result of the valuation, an impairment of Rs. 1,409.85 million is recognized in the Statement of Profit and Loss against Goodwill and an impairment of Rs. 366.13 million is recognized in the Statement of Profit and Loss against property, plant and equipment, totalling to Rs. 1,775.98 million as impairment loss. Impairment charge mainly relates to the hospitality segment and more specifically UPPL (Hilton Hotel), and hospitality segment of QBPL (Four Seasons). The Hotel CGU is composed mainly of property, plant and equipment. The impairment charge arose in the Hotel CGU due to slower ramp up of occupancy coupled with the current economic conditions due to Covid-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the "value in use" and the "fair value less cost to sell" in accordance with Ind AS 36.

The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, revisiting the key operating assumptions as well as growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis.



6 Goodwill (continued)

The recoverable amount was based on value in use calculation and was determined at the level of the CGUs. These calculations use cash flow projections over a defined period. Discount rate is based on the Weighted Average Cost of Capital (WACC) of the entity. In determining value in use for the CGUs, the key assumptions used are as follows:

Particulars	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate
Commercial			
MPPL	12.03%	13.00%	8.00%
EOPPL	12.03%	13.00%	8.25%
ETPL	12.03%	NA	7.75%
GSPL	12.03%	NA	8.25%
IENMPL	12.03%	NA	7.50%
OBPPL	12.03%	13.00%	8.25%
QBPL	12.03%	NA	8.25%
QBPL - Commercial Leasing Office	12.03%	NA	7.50% to 8.25%
VCPL	12.03%	NA	8.00%
Hospitality			
UPPL	12.63%	NA	14.0x of EBITDA
QBPL - Hotel	12.63%	NA	14.0x of EBITDA
MPPL - Hotel	NA	13.60%	14.0x of EBITDA
Others			
EEPL	13.50%	NA	NA

The recoverable amount of the CGUs exceeds the carrying amount of the CGUs by Rs. 53,151.95 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.

Particulars	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate
Commercial			
MPPL	16.88%	17.85%	18.00%
EOPPL	13.60%	14.58%	9.75%
ETPL	13.15%	NA	9.00%
GSPL	15.00%	NA	12.75%
IENMPL	12.45%	NA	7.90%
OBPPL	13.28%	14.25%	9.75%
QBPL	14.60%	NA	11.75%
QBPL - Commercial Leasing Office	13.60% to 16.10%	NA	9.25% to 15.75%
VCPL	12.70%	NA	8.70%
Hospitality			
UPPL **	NA	NA	NA
QBPL - Hotel **	NA	NA	NA
MPPL - Hotel	NA	18.45%	NA
Others			
EEPL	26.00%	NA	NA

** Sensitivity analysis is not disclosed since the carrying value and the recoverable amount are equal.



7 Intangible assets

Reconciliation of carrying amounts for the year ended 31 March 2020

Particulars	Power Purchase Agreement*	Right to use trade mark	Computer software	Total
Gross Block				
At 1 April 2018	-	-	-	-
Additions due to business combination *	3,348.00	1,647.91	22.87	5,018.78
At 31 March 2019	3,348.00	1,647.91	22.87	5,018.78
At 1 April 2019	3,348.00	1,647.91	22.87	5,018.78
Addition during the year	-	133.97	9.85	143.82
At 31 March 2020	3,348.00	1,781.88	32.72	5,162.60
Accumulated amortisation				
At 1 April 2018	-	-	-	-
Amortisation for the year	-	-	-	-
At 31 March 2019	-	-	-	-
At 1 April 2019	-	-	-	-
Amortisation for the year	145.56	-	15.68	161.24
At 31 March 2020	145.56	-	15.68	161.24
Carrying amount (net)				
As at 31 March 2019	3,348.00	1,647.91	22.87	5,018.78
As at 31 March 2020	3,202.44	1,781.88	17.04	5,001.36

* refer note 50

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8 Investment property under development (IPUD)

IPUD mainly comprises upcoming buildings and other infrastructure upgrades in various properties. The details are as follows:

SPV	Nature	As at	As at	As at
		31 March 2020	31 March 2019	1 April 2018
Base build				
MPPL	Front Parcel NXT block	-	1,680.97	-
MPPL	Other blocks	58.54	-	-
OBPL	Tower 2	-	1,099.28	-
OBPL	Tower 1	164.66	-	-
EOPPL	Hudson block	183.19	42.56	-
EOPPL	Ganges block	118.13	16.45	-
Infrastructure Upgrades				
MPPL	Flyover	629.48	71.53	-
MPPL	Master plan upgrade	335.14	593.14	-
EOPPL	Master plan upgrade	228.13	101.39	-
VCPPL	Façade work	-	175.92	-
Others	Others	56.12	16.01	-
		1,773.39	3,797.25	-

9 Equity accounted investee

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Investment in joint venture			
Golflinks Software Park Private Limited	24,091.36	23,574.23	-
	24,091.36	23,574.23	-
Goodwill on acquisition included as a part of carrying cost	10,449.36	10,449.36	-
	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Percentage ownership interest	50%	50%	-
Fair value of net assets on Purchase Price Allocation	26,247.74	26,247.74	-
Embassy Office Parks Group's share of net assets (50%)	13,123.87	13,123.87	-
Carrying amount of interest (including goodwill)	24,091.36	23,574.23	-



10 Non-current investments

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Trade, unquoted, at amortised cost			
Investment in preference shares			
Manyata Projects Private Limited *	-	156.98	-
15,698,440 (31 March 2019: 15,698,440) 0.01% optionally convertible redeemable preference shares of Rs 10 each, fully paid-up			
Less: Impairment	-	(156.98)	-
Non-trade investments measured at fair value through profit and loss			
Unquoted			
Investment in mutual funds **			
SBI Magnum Instacash Fund-Growth Option	-	313.96	-
IDFC Cash Fund - Growth Direct Plan	-	175.33	-
	-	489.29	-

* During the year ended 31 March 2020, these investments have been written off.

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

Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	-	489.29	-
Investments measured at amortised cost	-	-	-
Investments measured at fair value through profit or loss	-	489.29	-
Aggregate amount of impairment recognised	-	156.98	-

11 Current investments

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Trade, unquoted, at amortised cost			
Investment in debentures of joint venture (refer note 54) and (i) below 2,500 (31 March 2019: Nil) 8.5% debentures of Rs 1 million each [current portion]	724.38	-	-
Non-trade investments measured at fair value through profit and loss			
Unquoted, Investment in mutual funds			
HDFC Liquid Fund - Growth Option	1,950.71	285.05	-
IDFC Cash Fund - Growth Option	390.14	-	-
ICICI Prudential Liquid Fund - Growth Option	1,350.76	285.61	-
Axis Liquid Fund - Growth Option	1,914.03	-	-
SBI Liquid Fund - Growth Option	1,629.14	-	-
Tata Liquid Fund - Growth Option	1,233.24	-	-
HDFC Overnight Fund - Growth Option	255.01	-	-
IDFC Overnight Fund - Growth Option	1,810.13	-	-
Axis Liquid Fund Overnight Fund - Growth Option	165.94	-	-
ICICI Prudential Overnight Fund - Growth Option	850.11	-	-
SBI Magnum Instacash Fund - Growth Option	-	14.78	-
SBI Liquid Fund - Growth Option	-	722.39	-
SBI Magnum Insta Cash Fund - Growth Option	-	147.75	-
	12,273.59	1,455.58	-

- i) 2,500 (31 March 2019 : Nil) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of Rs.10,00,000 each. Outstanding as on 31 March 2020 Rs.724.38 million (31 March 2019:Nil).

Interest Rate : 8.50% p.a. on monthly outstanding balance.

Security : The debentures are secured by first ranking exclusive security interest over Torrey Pines building

Redemption : Debentures shall be redeemed in 16 monthly instalments (principal and interest) of Rs. 160.00 million each and 17th instalment of Rs. 98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	12,273.59	1,455.58	-
Investment measured at amortised cost	724.38	-	-
Investment measured at fair value through profit and loss	11,549.21	1,455.58	-



Non-current financial assets

12 Loans

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Security deposits			
- related party (refer note 54)	10.50	-	-
- others	658.21	583.63	-
	668.71	583.63	-

13 Other financial assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Fixed deposits with banks*	670.06	2,144.06	-
Unbilled revenue (refer note 54)	506.91	-	-
Interest accrued but not due			
- from fixed deposits	2.96	8.90	-
Receivable under finance lease	8.61	63.58	-
	1,188.54	2,216.54	-
* Includes fixed deposits held as lien against debt taken and margin money for bank guarantee	670.06	2,098.06	-

14 Non-current tax assets (net)

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Advance tax, net of provision for tax	1,554.70	1,418.90	-
	1,554.70	1,418.90	-

15 Other non-current assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Advance paid for co-development of property, incl development rights on land (refer note 54) *	13,998.26	8,774.00	-
Other capital advances			
- related party (refer note 54)	222.56	340.32	-
- others	1,333.74	1,073.62	-
Balances with government authorities	164.03	237.68	-
Paid under protest to government authorities (refer note 48)	676.26	674.51	-
Prepayments	80.79	90.56	-
	16,475.64	11,190.69	-

* Advance paid for co-development of property, includes borrowing cost amounting to Rs. 344.42 million (31 March 2019: Nil) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).

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

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Stock of consumables	12.82	5.42	-
	12.82	5.42	-

17 Trade receivables

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured</i>			
Considered good *	242.25	335.86	-
Credit impaired	16.02	42.58	-
Less: Allowances for impairment losses	(16.02)	(42.58)	-
	242.25	335.86	-

*Includes trade receivables from related parties amounting to Rs. 57.03 million (31 March 2019: 10.56 million) (Refer Note 54)

18 Loans

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Security deposits			
- related party (refer note 54)	50.00	953.64	-
- others	1.49	2.32	-
	51.49	955.96	-



19A Cash and cash equivalents

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Cash on hand	1.12	0.48	-
Balances with banks			
- in current accounts*	3,225.16	3,449.14	-
- in escrow accounts			
- Balances with banks for unclaimed distributions	0.26	-	-
- Others**	2.62	45,580.11	-
- in deposit accounts with original maturity of less than three months	20.00	583.02	-
	3,249.16	49,612.75	-

* Balance in current accounts includes cheques on hand as at 31 March 2020 amounting to Rs. 2,121.94 million (31 March 2019: Rs. Nil).

** Represents balance Nil (31 March 2019: Rs. 42,818.03 million) from proceeds of initial public offer of REIT Units (Total proceeds Rs. 47,499.96 million). As at 31 March 2019, this amount held in the Escrow account could be withdrawn for specific purposes.

19B Other bank balances

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Balances with banks			
- in fixed deposit accounts with original maturity greater than three months and maturity less than twelve months from the reporting date	169.79	1,455.99	-
	169.79	1,455.99	-
Deposit for availing letter of credit facilities	169.79	750.17	-
Deposit lien marked towards the performance guarantee of EEPL	-	1.00	-

20 Other financial assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Interest accrued but not due			
- on fixed deposits	7.53	21.63	-
- on statutory deposits	40.39	31.97	-
- on others	4.35	2.03	-
Unbilled revenue (refer note 54)	256.91	192.33	-
Unbilled maintenance charges	59.45	71.54	-
Receivable under finance lease	16.88	73.94	-
Other receivables			
- related parties (refer note 54)	7.94	225.22	-
- others	6.01	131.55	-
	399.46	750.21	-

21 Other current assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Advance for supply of goods and rendering of services			
- to related parties (refer note 54)	2.78	-	-
- to others	51.32	22.08	-
Balances with government authorities	149.93	212.65	-
Prepayments	134.21	85.66	-
Other advances	12.98	2.11	-
	351.22	322.50	-

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22 Unit Capital

Unit Capital	No in Million	Amount
As at 1 April 2018	-	-
Units issued during the year		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	158.33	47,499.96
- in exchange for equity interest in SPVs (refer note iii below)	613.34	183,999.64
Less: Issue expenses (refer note below)	-	(2,460.34)
Closing balance as at 31 March 2019	771.67	229,039.26
As at 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
Closing balance as at 31 March 2020	771.67	229,120.96

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital as at 31 March 2019 in accordance with Ind AS 32 - Financial Instruments: Presentation. Further, during the year ended 31 March 2020, excess provision no longer payable, has been reversed amounting to Rs. 81.70 million.

(a) Terms/ rights attached to Units

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

Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to Unitholders not less than 90% of the net distributable cash flows of Embassy Office Parks REIT for each financial year. Accordingly, a portion of the Unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December 2016 and No. CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the Unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 26 December 2016 dealing with the minimum disclosures for key financial statements. Consistent with Unitholders' funds being classified as equity, the distributions to Unitholders is presented in Statement of Changes in Unitholders' Equity and not as finance cost. In line with the above, the dividend payable to Unitholders is recognised as liability when the same is approved by the Investment Manager.

- (ii) Initial Public Offering of 158,333,200 Units for cash at price of Rs. 300 per Unit aggregating to Rs. 47,499.96 million.
- (iii) Embassy Office Parks REIT acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of Rs. 300 each as per the table below.

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

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

Name of the Unitholder	As at 31 March 2020		As at 31 March 2019	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Pvt Ltd.	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Ltd.	104,094,966	13.49%	104,094,966	13.49%
BRE Mauritius Investments	93,610,755	12.13%	93,610,755	12.13%
Veeranna Reddy	65,472,582	8.48%	65,472,582	8.48%
BRE/ Mauritius Investments II	45,630,850	5.91%	45,630,850	5.91%
India Alternate Property Limited	39,446,986	5.11%	39,446,986	5.11%

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



23 Other Equity*

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Reserves and Surplus			
Retained earnings	(5,943.12)	(94.47)	-
	(5,943.12)	(94.47)	-

*Refer Consolidated Statement of Changes in Unitholders' Equity for detailed movement in other equity balances.

Retained earnings

The cumulative gain or loss arising from the operations which is retained by the Embassy Office Parks REIT is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit/(loss) after tax is transferred from the Statement of Profit and Loss to the retained earnings account.

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24 Borrowings

Particulars	As at		As at	
	31 March 2020	31 March 2019 **	31 March 2019 **	1 April 2018
Secured				
Non-convertible debentures				
- Embassy REIT Series I NCD 2019 - Tranche I (refer note i)	32,351.16	-	-	-
- Embassy REIT Series I NCD 2019 - Tranche II (refer note i)	6,667.66	-	-	-
Terms loans				
- from banks (refer note iii)	10,978.43	41,269.59	-	-
- from financial institutions	-	16,850.86	-	-
- vehicle loans	30.60	42.02	-	-
Overdraft facility (Asset backed debt)	-	3,514.31	-	-
Deferred payment liability (refer note ii)	6,142.66	6,354.83	-	-
Obligation under finance lease	-	1.68	-	-
	56,170.51	68,033.29		

Notes:

- (i) In May 2019, the Trust issued 30,000 (31 March 2019: Nil) listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019 (Tranche I), debentures having face value of Rs. 1 million each amounting to Rs. 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 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 I) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park".
2. A sole and exclusive first ranking pledge created by the REIT and EOPPL over their total shareholding in the SPV's namely QBPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables of the Trust.
4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.
5. A negative pledge on all assets of each secured SPV except MPPL.

Redemption terms:

1. These debentures are redeemable by way of bullet payment on 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.

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 I NCD 2019	Secured	-	-	2 June 2022	2 June 2022

2. Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to Embassy REIT Series I NCD 2019.
3. Other requirements as per Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

Particulars	As at 31 March 2020
Asset cover ratio (refer a below)	17.32%
Debt -equity ratio (refer b below)	0.26
Debt-service coverage ratio (refer c below)	4.55
Interest-service coverage ratio (refer d below)	5.10
Net worth (refer e below)	223,177.84

Formulae for computation of ratios are as follows basis condensed consolidated financial statements:-

- a) Asset cover ratio = Total borrowings* / Gross asset value as computed by independent valuers
 - b) Debt equity ratio = Total borrowings* / Unitholders' Equity*
 - c) Debt Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax / [Finance cost (net of capitalisation and excluding interest on lease deposit and interest on lease liability) + Principal repayments made during the year]
 - d) Interest Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax / Finance cost (net of capitalisation and excluding interest on lease deposit and interest on lease liability)
 - e) Net worth = Unit capital + Other equity
- * Total borrowings = Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings
Unitholder's Equity = Unit Capital + Other equity



24 Borrowings (continued)

(ii) Deferred payment liability

EEPL SPV has entered into a deferred payment agreement with IL&FS Solar Power Limited for Rs. 6,853.90 million (as at 31 March 2020: Rs. 7,278.74 million, 31 March 2019: Rs. 6,994.93 million), for the purpose of financing the construction and development of a solar photovoltaic electricity generation facility with a minimum capacity of 100 MW AC. The debt carries interest at an IRR of 12.72% with a fixed EMI.

Security terms

1. Exclusive first charge by way of deposit of title deeds on the project land in accordance with the mortgage documentation.
2. Charge over the entire moveable properties (both present and future) of the Embassy Energy SPV, in relation to the project (including without limitation all tangible and intangible assets).
3. The above deferred payment liability is also secured by a guarantee given by EOPPL, SPV to Embassy Office Parks REIT.

Redemption terms:

The liability is repayable in 180 months equal instalments starting from April 2018 and to be settled by Feb 2033. Pursuant to mutual agreement with IL & FS Solar Power Limited, only 50% of EMI are payable to them till the registration of agreed 465.77 acres of land is completed in favor of Embassy Energy SPV. As at end of 31 March 2020, the land registered is 254.47 acres. The company has accordingly paid 50% of principal and interest and the balance is withheld.

In accordance with the deferred payment agreement, the Group issued a prepayment offer to IL&FS Solar Power Limited ('lender') in respect of outstanding debt amounting to Rs. 7,278.74 million as of March 31, 2020. While the offer has been in-principle accepted by the lender, the lender is awaiting final approval by National Company Law Tribunal, Mumbai as the lender and its group entities are under a resolution process, pending which it has been classified as non-current liability.

(iii) (a) HSBC Limited [balance as at 31 March 2020: Rs. 3,361.58 million (31 March 2019: Rs Nil)]

First ranking mortgage of undivided share of land and building thereon (L1) situated at Embassy Manyata, Bengaluru.
First charge over the entire lease rental receivables from tenant pertaining to building (L1) situated at Embassy Manyata, Bengaluru.
Reserve account to be maintained equal to three months repayment obligations with the lender.

Repayment and interest terms

	As at
	31 March 2020
Repayable in 36 monthly instalments. The debt carries interest of MCLR + 0.35%	3,361.58

(b) State Bank of India [balance as at 31 March 2020: Rs. 4,381.10 million (31 March 2019: Rs Nil)]

First ranking exclusive mortgage of undivided share of land admeasuring 8.26 acres (Front Parcel) situated at Embassy Manyata, Bengaluru.
First charge over entire cash flows, receivable, book debts, and revenues from the projects to be constructed at the land admeasuring 8.26 acres (Front Parcel) situated at Embassy Manyata, Bengaluru.
First charge on the Trust and Retention Account and other accounts established and maintained pursuant to Trust and Retention Account Agreement.

Repayment and interest terms

	As at
	31 March 2020
Repayable by way of single bullet repayment in 18 months from date of commercial operations but not later than September 30, 2023. The debt carries interest of MCLR + 1.25%	4,381.10

(c) HSBC Limited [balance as at 31 March 2020: Rs. 3,389.99 million (31 March 2019: Rs Nil)]

First charge over the entire cash flows of Tower 2 and Tower 3 of Embassy Oxygen, Noida, Uttar Pradesh till full liquidation of the borrowings / credit facilities along with interest and charges.
Extension of equitable mortgage over underlying Tower 2 & Tower 3 building of Embassy Oxygen situated at Plot No. 7, Sector 144, Noida Uttar Pradesh India.

Repayment and interest terms

	As at
	31 March 2020
Repayable in 120 monthly instalments, bullet repayment for remainder at the end of 10th year. The debt carries interest of MCLR + 0.15%	3,389.99

(iv) Changes in liabilities arising from financing activities:

	As at	As at
	31 March 2020	31 March 2019
Opening financial liability	79,110.54	-
Add: Acquired on business combination	-	79,110.54
Add: Proceeds from borrowings (net off issue expenses)	48,947.26	-
Less: Repayments of borrowings	(73,462.66)	-
Less: Interest paid	(1,562.48)	-
Add: Lease liability w.r.t. Right-to-use for land during the year	312.10	-
Less: Finance lease payments	(20.37)	-
Add: Finance cost (including capitalised interest)	4,459.37	-
Closing financial liability	57,783.76	79,110.54

** Balances as at 31 March 2019 includes certain borrowings secured by way of assignment/ charge/ hypothecation/ mortgage of certain project receivables, underlying land, building and movable property, plant and equipment and investment property for certain SPVs. These borrowings have been settled during the year ended 31 March 2020.



25 Other financial liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Lease deposits (refer note 54)	2,360.50	2,734.68	-
Lease liability (refer note 56)	302.58	-	-
Payable for purchase of fixed assets	455.57	46.36	-
	3,118.65	2,781.04	-

26 Deferred tax liabilities (net)

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Minimum Alternate Tax credit entitlement	(4,015.29)	(3,009.06)	-
Deferred tax liabilities (net) (refer note 57)	44,422.67	44,433.45	-
	40,407.38	41,424.39	-

27 Provisions

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Provision for employee benefits *			
- gratuity	5.25	3.01	-
- compensated absences	-	2.07	-
	5.25	5.08	-

* refer note 55.

28 Other non-current liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Deferred lease rental	378.21	611.63	-
Advances from customers	8.49	30.51	-
	386.70	642.14	-

29 Borrowings*

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Secured:</i>			
Loans repayable on demand			
- construction loan from financial institution	-	2,344.63	-
Other short-term borrowings			
- lease rental discounting loan from bank	-	826.46	-
	-	3,171.09	-

* Balances as at 31 March 2019 includes certain loans/ borrowings secured by way of assignment/ charge/ hypothecation/ mortgage of certain project receivables, underlying land, building and movable property, plant and equipment and investment property for certain SPVs. These loans have been settled during the year ended 31 March 2020.

30 Trade payables

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Trade payable			
- total outstanding dues to micro and small enterprises	2.48	-	-
- total outstanding dues other than micro and small enterprises	136.33	408.16	-
- to related parties (refer note 54)	115.94	13.71	-
	254.75	421.87	-



31 Other financial liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Current maturities of long-term debt			
- from banks	154.25	5,335.61	-
- from financial institutions	-	1,930.45	-
- deferred payment liability	1,136.08	640.10	-
Security deposits			
- related party (refer note 54)	185.00	185.00	-
Lease deposits	7,137.07	6,017.42	-
Book overdraft	137.41	-	-
Capital creditors for purchase of fixed assets			
- to related party (refer note 54)	14.73	50.94	-
- to others	975.66	451.15	-
- Lease liability (refer note 56)	20.35	-	-
Unclaimed dividend for 2019-20	0.26	-	-
Other liabilities			
- to related party (refer note 54)	172.62	186.87	-
- to others	629.36	5,981.13	-
	10,562.79	20,778.67	-

32 Provisions

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Provision for employee benefits *			
- gratuity	0.03	1.73	-
- compensated absences	2.34	1.28	-
	2.37	3.01	-

* refer note 55.

33 Other current liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Unearned income	44.09	43.68	-
Advances received from customers (refer note 54)	291.43	183.63	-
Statutory dues	193.92	212.86	-
Deferred lease rentals	252.14	268.67	-
	781.58	708.84	-

34 Current tax liabilities (net)

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Provision for income-tax, net of advance tax	34.51	33.58	-
	34.51	33.58	-

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35 Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Facility rentals	16,689.99	-
Income from finance lease	2.28	-
Room rentals	647.40	-
Revenue from contracts with customers		
Maintenance services	1,777.43	-
Sale of food and beverages	391.89	-
Income from generation of renewable energy	1,566.25	-
Other operating income		
- hospitality	103.40	-
- others	270.58	-
	21,449.22	-

Note:

Contract balances

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	242.25	335.86
Unbilled maintenance	59.45	71.54

36 Interest income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
- on debentures (Refer note 54)	73.72	-
- on fixed deposits with bank	139.80	-
- on security deposits	46.86	-
- on other statutory deposits	21.77	-
- on Income-tax refund	26.31	-
- others	168.89	-
	477.35	-

37 Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net changes in fair value of financial assets	18.45	-
Liabilities no longer required written back	13.29	-
Profit on sale of mutual funds	359.96	-
Miscellaneous	121.30	-
	513.00	-

38 Cost of materials consumed

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchases	126.34	-
Add: Increase/(decrease) in inventory	(7.40)	-
	118.94	-

39 Employee benefits expense *

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	295.88	-
Contribution to provident and other funds	17.62	-
Staff welfare	63.67	-
	377.17	-

* refers to employee benefits expense of the hospitality segment (also refer note 53)

40 Operating and maintenance expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel (net)	609.16	-
Operating consumables	18.30	-
	627.46	-



41 Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Property tax (net)	704.01	-
Rates and taxes	37.90	-
Marketing and advertising expenses	77.31	93.28
Assets and other balances written off	11.16	-
Allowances for credit loss	0.85	-
Reversal of impairment on investments	(156.98)	-
Investments written off	156.98	-
Bank charges	19.42	-
Brokerage and commission	24.10	-
Net changes in fair value of financial assets	25.16	-
Travel and conveyance	25.78	-
Corporate Social Responsibility (CSR)	85.91	-
Miscellaneous expenses	234.73	-
	1,246.33	93.28

42 Repairs and maintenance

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Repairs and maintenance		-
- common area maintenance	735.75	-
- buildings	76.19	-
- machinery	253.51	-
- others	149.93	-
	1,215.38	-

43 Finance costs (net of capitalisation) #

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense		
- on borrowings from banks and financial institutions	310.15	-
- on deferred payment liability	840.19	-
- on lease deposits	312.09	-
- on lease liabilities	31.20	-
- accrual of premium on redemption of debentures *	2,309.91	-
	3,803.54	-

* relates to accrual of premium on redemption of Tranche I and Tranche II of Embassy REIT Series I NCD 2019

Gross interest expense is Rs. 4,771.46 million and interest capitalised is Rs. 967.92 million for the year ended 31 March 2020.

44 Depreciation and amortisation

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment	707.68	-
Depreciation of investment property	4,412.32	-
Amortisation of intangible assets	161.24	-
	5,281.24	-

45 Tax expense*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax**	1,361.39	-
Deferred tax charge	(11.27)	-
Minimum Alternate Tax credit entitlement (MAT)***	(1,050.12)	-
	300.00	-

* refer note 57.

** includes dividend distribution tax of Rs. 22.83 million payable by SPVs on dividend distributed to Embassy Office Parks Group for the year ended 31 March 2020. Also includes current tax adjustments relating to earlier years of Rs. 42.32 million (31 March 2019: Nil)

*** including MAT credit entitlement relating to earlier years of Rs. 373.69 million (31 March 2019: Nil).



46 Earnings Per Unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the year attributable to Unitholders by the weighted average number of units outstanding during the year. Diluted EPU amounts are calculated by dividing the profit attributable to Unitholders by the weighted average number of units outstanding during the year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital. The Units of the Trust were allotted on 22 March 2019 and 27 March 2019.

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit after tax for calculating basic and diluted EPU	7,655.34	(94.47)
Weighted average number of Units (No. in millions)	771.67	18.10
Earnings Per Unit		
- Basic (Rupees/unit)	9.92	(5.22)
- Diluted (Rupees/unit)*	9.92	(5.22)

* The Trust does not have any outstanding dilutive units

47 Management Fees

Property Management Fee

Pursuant to the Investment Management Agreement dated 12 June 2017 as amended, Investment Manager is entitled to fees @ 3% of the collection of Facility Rentals per annum of the relevant property in respect to operations, maintenance, administration and management of the Holdco or the SPV, as applicable. The fees has been determined to meet the ongoing costs of the Investment Manager to undertake the services provided to the Embassy REIT and its SPVs. Property Management fees for the year ended 31 March 2020 amounts to Rs. 486.13 million (31 March 2019: Rs Nil). There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

REIT Management Fees

Pursuant to the Investment Management Agreement dated 12 June 2017, as amended, Investment Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the REIT and its investments. REIT Management fees accrued for the year ended 31 March 2020 amounts to Rs. 214.81 million (31 March 2019: Rs Nil). There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

Secondment fees

Pursuant to the Secondment Agreement dated 11 March 2019, Investment Manager is entitled to fees of Rupees One Lakh (Rs. 1,00,000) per month in respect certain employees of Investment Manager being deployed to the Embassy office Parks REIT in connection with the operation and management of the assets of the Embassy REIT. Secondment Fees for the year ended 31 March 2020 amounts to Rs. 1.42 million (31 March 2019: Rs Nil). There are no changes during the year in the methodology for computation of secondment fees paid to Investment Manager.

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48 Commitments and contingencies

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (Refer note i)	11,088.92	5,369.00	-
Contingent liabilities			
Claims not acknowledged as debt in respect of Income Tax matters (Refer note ii)	425.41	390.03	-
Claims not acknowledged as debt in respect of Service Tax matters (Refer note iii)	730.10	598.90	-
Claims not acknowledged as debt in respect of Property Tax matters (Refer note iv)	3,313.08	3,212.76	-
Others (Refer notes v and vi)			

Based on management's best estimate the Group has provided for any claims during the year. The Group will continue to monitor developments to identify significant uncertainties and change in estimates, if any, in future period.

Notes:

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

SPV	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
MPPL	9,519.23	3,859.26	-
OBPPL	51.78	893.77	-
EOPPL	1,423.43	424.23	-
Others	94.48	191.74	-
	11,088.92	5,369.00	-

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

SPV	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
MPPL	8.50	0.28	-
EOPPL	224.29	172.28	-
QBPL	77.60	145.57	-
QBPPL	3.76	3.76	-
OBPPL	72.82	-	-
IENMPL	38.44	68.14	-
	425.41	390.03	-

MPPL: (a) The SPV has received Section 153A assessment orders for AY 2009-10 to 2015-16 making additions under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing taxable income under the Income tax Act. The SPV has received demand orders to pay a sum of Rs. 8.22 million for the assessment period. Appeals were filed before CIT(A) challenging the assessment orders. As at 31 March 2020 the CIT(A) has dismissed the appeals for AY 2009-10, 2011-12 and 2012-13 upholding the assessment additions made. MPPL intends to challenge the same and file an appeal before Income-tax Appellate Tribunal [ITAT], within the stipulated time. Accordingly, the SPV has disclosed Rs.8.22 million (31 March 2019: Nil) as contingent liability.

(b) The SPV was originally assessed u/s. 143(3) for AY 2009-10 apart from the assessment u/s. 153A as disclosed above in (a) for disallowance under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing the taxable income under the Income tax Act. The SPV has received outstanding demand orders to pay a sum of Rs 0.28 million. As at 31 March 2020 the appeal against order of ITAT is pending for hearing before Hon'ble High Court of Karnataka. Accordingly, the SPV has disclosed Rs. 0.28 million (31 March 2019: Rs. 0.28 million) as contingent liability.

EOPPL: (a) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2016-17 and received assessment order dated 31.12.2018 with additions made u/s.14A of the Income Tax Act with demand order of Rs 172.28 million. The SPV has filed an appeal against the assessment order at the CIT(A) and has paid Rs. 14.06 million under protest with balance demand stayed. Accordingly, the SPV has disclosed Rs. 172.28 million (31 March 2019: Rs. 172.28 million) as contingent liability.

(b) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2017-18 and received assessment order dated 24.12.2019 with additions made u/s.14A of the Income Tax Act read with rule 8D of the Income-tax Rules and addition to the income based on reconciliation differences between Form 26AS and the books of accounts. Aggrieved by the assessment order, the SPV has filed an appeal with CIT(A). Accordingly, the SPV has disclosed Rs. 52.01 million (31 March 2019: Rs. 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 Rs 71.71 million for AY 2010-11, on account of disallowance of the deduction under section 80LAB for certain incomes as claimed by the SPV. The CIT(A) has passed necessary order upholding the stand of the Assessing Officer. The SPV thereafter filed an appeal with ITAT against the said order of CIT(A). The ITAT has disposed the appeal in favor of the SPV. Income tax Department has moved to Hon'ble High Court of Mumbai against the ITAT order. Accordingly, the SPV has disclosed the above demand of Rs.71.71 million (31 March 2019: Rs. 71.00 million) as a contingent liability.

(b) The SPV was assessed for AY 2014-15 u/s. 143(3) of the Income Tax Act and certain additions were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs 5.89 million was received. While the said demand has been paid, the SPV has contested this demand and filed an appeal with CIT(A) against the said order. Accordingly, the SPV has disclosed the above demand of Rs. 5.89 million (31 March 2019: Rs. 5.89 million) as a contingent liability.

(c) The SPV had received an assessment order u/s.143(3) of the Act for Assessment year 2012-13 wherein the assessing officer has raised a demand of Rs.68.68 million, which was mainly on account of income from leasing of immovable property which has been treated as 'income from house property', as against the head 'profits and gains from business or profession' as declared by the SPV in its tax returns. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal in favour of the SPV. Accordingly the SPV has disclosed Rs. Nil (31 March 2019 Rs.68.68 million) as a contingent liability.



48 Commitments and contingencies (continued)

QBPL: The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2015-16 and certain addition were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs.3.76 million was received. While the said demand has been paid, the SPV has contested this demand and filed an appeal with CIT(A) against the said order. Accordingly, the SPV has disclosed the above demand of Rs. 3.76 million (31 March 2019: Rs. 3.76 million) as a contingent liability.

OBPPL: (a) The SPV had been assessed u/s. 143(3) of the Act and received a tax demand notice of Rs. 69.83 million for Assessment Year 2011-12 wherein the Assessing Officer had disallowed the profit earned by the SPV on transfer of the land at a value which was in excess of its fair value and claimed as deduction under Section 80IAB. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal in favour of the SPV. Income Tax Department filed an appeal with ITAT against the order of CIT(A). Accordingly, the SPV has disclosed the above demand of Rs. 69.83 million (31 March 2019: Nil) as a contingent liability.

(b) The SPV has received an assessment order for AY 2017-18 wherein TDS credit has not being given in respect of merged entities. Subsequently, the SPV has filed an appeal against the assessment order with CIT(A). Accordingly, the SPV has disclosed Rs. 2.99 million (31 March 2019: Rs. Nil) as contingent liability.

IENMPL: (a) The SPV had received an assessment order u/s 147 r/w. s. 143(3) of Income Tax Act 1961 for the AY 2009-10 for disallowance of unrealized rent claimed against income from House Property resulting in tax demand of Rs. 2.92 million. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal against the SPV. The SPV filed an appeal with ITAT against the order of CIT(A) which during the year was dismissed by ITAT. Accordingly, the SPV has disclosed Rs. Nil (31 March 2019: Rs. 4.05 million) as contingent liability.

(b) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2010-11 with disallowance of municipal tax paid, claimed against Income from House property, disallowance of management fees and section 14A additions made, resulting in tax demand of Rs. 12.12 million. The SPV filed an appeal before CIT(A) which was dismissed by the CIT(A). The SPV filed an appeal with ITAT against the order of CIT(A) which during the year was dismissed by ITAT. Accordingly, the SPV has disclosed Rs. Nil (31 March 2019: Rs.12.11 million) as contingent liability.

(c) The SPV was reassessed u/s 147 read with section 143(3) of Income-tax Act, 1961 for the AY 2010-11 and addition on account of unexplained cash deposits was made u/s.69A of the Act, resulting in tax demand of Rs. 2.98 million. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.2.98 million (31 March 2019: Rs. Nil) as contingent liability.

(d) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2011-12 and certain additions were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs.12.14 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.12.14 million (31 March 2019: Rs.13.43 million) as contingent liability.

(e) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2012-13 and certain additions were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs.14.07 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.14.07 million (31 March 2019: Rs.20.42 million) as contingent liability.

(f) The SPV received a tax demand notice of Rs.5.48 million for Assessment Year 2013-14 wherein the Assessing Officer had disallowed municipal tax paid claimed against Income from House property and additions made u/s. 14A of the Income tax Act read with Rule 8D of the Income Tax Rules. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal against the SPV. The SPV filed an appeal with ITAT against the order of CIT(A), however has recorded the liability. Accordingly, the SPV has disclosed Rs. Nil (31 March 2019: Rs.5.48 million) as contingent liability.

(g) The SPV received a tax demand notice of Rs.9.25 million for Assessment Year 2014-15 wherein the Assessing Officer had disallowed municipal tax paid claimed against Income from House property an additions made u/s. 14A of the Income tax Act read with Rule 8D of the Income Tax Rules. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. Accordingly, the SPV has disclosed Rs.9.25 million (31 March 2019: Rs.12.65 million) as contingent liability.

iii) Claims not acknowledged as debt in respect of Service Tax and Value Added Tax matters

SPV	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
MPPL	573.90	522.04	-
ETPL	64.73	12.30	-
GSPL	23.99	1.02	-
VCPPL	40.66	40.66	-
UPPL	26.82	22.88	-
	730.10	598.90	-

MPPL: (a) The SPV had received Order-in-original dated 23 December 2015 with a demand to pay a sum of Rs. 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. As at 31 March 2020 the appeal is still pending before CESTAT and the amount of Rs 522.04 million (31 March 2019: Rs.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 Rs. 51.86 million towards incorrectly availed VAT credit during the period 1 April 2009 to 31 March 2010. Appeal was filed before KAT which allowed the refund in part. The SPV approached Hon'ble High Court of Karnataka which quashed the order passed by KAT and granted full refund. The State of Karnataka has filed an appeal in the Supreme Court against the High Court order. Accordingly, a sum of Rs 51.86 million (31 March 2019: Rs. 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 Rs. 10.01 million, irregular availment of credit of Rs 6.87 million and non-payment of service tax Rs 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 Rs 1.33 million to stay the recovery of the balance amount. The same has been paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the aforementioned demand and penalty amount of Rs 35.68 million (31 March 2019: Rs. 10.00 million) has been disclosed as a contingent liability.

(b) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata demanding Rs 2.30 million in respect of denial of credit on construction of building and various other activities which has been utilized against output service of 'Renting of Immovable Property' service for the period 2013-14 (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 Rs 0.2 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the year ended 31 March 2019 the SPV has received favorable order and the said demand was annulled; however, the Assistant Commissioner (T&R) had filed an appeal against the Order to Central Excise and Service Tax Appellate Tribunal. The appeal has been dismissed by the CESTAT. Accordingly, the SPV has disclosed demand and penalty amount of Rs. Nil as at 31 March 2020 (31 March 2019: Rs. 2.30 million) as contingent liability.

(c) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata in January 2020, demanding Rs 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 Rs 1.09 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the year ended 31 March 2020, the SPV has disclosed the demand and penalty amount of Rs. 29.05 million (31 March 2019: Rs. Nil) as contingent liability.



48 Commitments and contingencies (continued)

GSPL: a) The SPV had received an Order-in-Original passed by the I.d. Commissioner, Customs, Central Excise and Service Tax Commissionerate, Noida demanding Rs 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 Rs 0.90 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the previous year FY 17-18, the Company had received a favorable order and the said demand was annulled; however, the Commissioner Excise has filed an appeal against the Order to Hon'ble High Court of Allahabad. Accordingly, the SPV has disclosed the demand and penalty amount of Rs. 23.99 million (31 March 2019: Rs. Nil) as contingent liability.

b) The SPV had received an Order-in-Original passed by the Deputy Commissioner, Service Tax, Division - III, Noida, demanding Rs 1.02 million in respect of denial of CENVAT credit utilised on the basis of photocopy of invoices for the AY 2014-15. Against the aforesaid Order, the SPV has filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of Rs 0.08 million to stay the recovery of the balance amount. The SPV paid full demand of Rs. 1.02 million under protest. During the year ended 31 March 2020, this matter has been settled under Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019. Accordingly an amount of Rs. Nil (31 March 2019: Rs. 1.02 million) is disclosed as contingent liability.

VCPPL: The SPV has received a show cause cum demand notice issued by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Bombay related to period from 1 April 2012 to 31 March 2015, demanding Rs 29.91 million along-with penalty of Rs. 10.75 million in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of Rs 2.01 million to stay the recovery of the balance amount. The same was paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the said demand of Rs. 40.66 million (31 March 2019: Rs. 40.66 million) has been disclosed as contingent liability.

UPPL: (a) The SPV had received show cause notices dated 3 July 2015 for demand on irregular cenvat credit availed for Rs 23.04 million relating to period from 1 April 2011 to 31 March 2016. Responses have been filed in August 2017 and is pending before the Commissioner of Service Tax. Accordingly, the aforementioned demand of Rs. 23.04 million (31 March 2019: Rs. 22.88 million) is disclosed as contingent liability.

(b) The SPV had received show cause notices dated 9 April 2019 for demand of Rs 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. Responses have been filed and is pending before the Deputy Commissioner of Service Tax. Accordingly, the aforementioned demand of Rs. 3.78 million (31 March 2019: Nil) is disclosed as contingent liability.

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

SPV	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
MPPL	3,313.08	3,212.76	-
	3,313.08	3,212.76	-

MPPL: (a) The SPV has received a demand order dated 5 October 2015 to pay a sum of Rs. 2,739.49 million (including interest and penalty) towards the difference in property tax payable by the SPV, which difference arose on account of classification of the property under different schedules for the purpose of computing property taxes, for the period 2008-09 to 2015-16. The SPV is contesting that the concerned property being an industrial estate that has been developed as special economic zone must be classified as category XIV as per the notification issued under Karnataka Municipal Corporation Act, 1976 ('the Act') and Bruhat Bengaluru Mahanagar Palike Property Tax Rules, 2009 ('Rules'). Whereas, the Assistant Revenue Officer has been considering the concerned property under category VIII as per the notification issued under the Act and Rules. The SPV filed a writ petition against the demand order which has been dismissed by the Hon'ble High Court of Karnataka. The said court upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of writ petition, MPPL has filed an appeal before the aforementioned court and the same has been admitted by the court on 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 and as of the date of these financial statements, no further developments have taken place. SPV has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability. The SPV paid Rs 646.69 million (31 March 2019: Rs. 646.69 million) under protest against the above demand.

(b) The SPV has also received a demand order dated 9 October 2017 to pay a sum of Rs. 760.07 million including penalty towards the differential property tax based on the total survey report for certain blocks for the period 2008-09 to 2017-18. An appeal has been filed before the Joint Commissioner, BBMP, Bytarayanapura, Bangalore objecting the total survey report and property tax assessment notice arising therefrom. A new demand notice dated 17 January 2019 was issued to pay a sum of Rs. 860.39 million towards the differential property tax for the period 2008-09 to 2017-18. The SPV, has submitted a letter to the Joint Commissioner dated 29 March 2019, referring to the appeals preferred by the SPV and had paid a sum of Rs. 286.80 million towards property tax demanded under protest. SPV has obtained external legal opinion on this matter which indicates that the SPV has a fair chance of success and the actual liability for payment is subject to final decision in the appeal pending before Joint Commissioner. Accordingly, net contingent liability of Rs 573.59 million (31 March 2019: Rs. 473.27 million) has been disclosed.

v) Others: tax matters pertaining to equity accounted investee company

(a) GLSP (50% equity accounted investee - joint venture) Income Tax matters:

(a) GLSP has received a Tribunal order for AY 2007-08 to 2013-14 upholding the taxability of interest income basis information in the Annual Information Return (for AY 2007-08 only), upholding the disallowance on interest paid towards loans allegedly used for on-lending to certain parties and remanding the issue of disallowance on interest paid towards such loans. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all years put together is Rs 907.40 million. GLSP has filed an appeal before the Hon'ble High Court of Karnataka on these matters. GLSP has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability.

(b) GLSP has received a Tribunal order for AY 2005-06 to 2007-08, remanding back the case to CIT(A) with respect to the issue of disallowance on interest paid towards loans allegedly used for on-lending to certain parties. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all relevant years put together is Rs 15.40 million and accordingly the same is disclosed as a contingent liability by GLSP.

(c) GLSP has received a CIT(A) order for AY 2014 -15, with respect to the issue of disallowance on interest paid towards loans allegedly used for on-lending to certain parties. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount is Rs 252.04 million. GLSP has filed an appeal before the ITAT on these matters and accordingly the same is disclosed as a contingent liability.

(d) During the year ended 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 Rs. 2.83 million (31 March 2019 : Rs. 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 Rs. 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 2020 the appeal is pending before CESTAT for hearing and accordingly the same is disclosed as a contingent liability by GLSP.

(b) GLSP has received an Order-in-Original dated 31 August 2010 to pay a sum of Rs. 90.49 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period June 2007 to March 2009. Appeal was filed before CESTAT and a favorable order was received by the entity. Commissioner of Service Tax has filed an appeal before Hon'ble High Court of Karnataka and their application is pending for acceptance and accordingly the same is disclosed as a contingent liability by GLSP.



48 Commitments and contingencies (continued)

vi) Other matters

- (a) **VCPL** (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 Rs. 40.32 million, which was withheld by the SPV on account of breach of agreed terms of the said letter of intent. The matter is currently under adjudication.
- (b) **EEPL** : SPV received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on 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 Rs. 1,008.10 million are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the subcontractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated 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 Rs. 997.59 million and interest thereon against EEPL. During the quarter, 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 December 16, 2019. The petitioner has filed a claim as an operational creditor of IEDCL for an amount of Rs. 1,008.10 million dues to the sub-contractor. The matter is in the preliminary hearing stage before the NCLT, Bengaluru and pending resolution. SPV intends to contest the claim before NCLT. SPV based on the external legal opinion obtained on this matter has disclosed the same as a contingent liability.

EEPL : The Karnataka Electricity Regulatory Commission, Bengaluru (KERC) has issued orders in 2005, 2008 and 2014 granting exemption to all solar power generators in Karnataka that achieved commercial operation date between April 1, 2013 and March 31, 2018 from paying certain charges such as payment of wheeling and banking charges, cross subsidy surcharges, transmission losses and wheeling losses for a period of ten years from the date of commissioning. KERC has issued an order dated 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'ble 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 the Caveat Petition for receiving notifications in case any suit / appeal is filed by any of the parties to the said petition. KERC has filed a common writ appeal against the order dated 13 March 2019. However, EEPL has not been made a party to the said appeal. In the event an adverse order is passed in the said appeal, EEPL may also be affected.

EEPL : The Karnataka Electricity Regulatory Commission has issued an order in 2018 pursuant to which banking facilities available to non-renewable energy certificate based renewable energy generators were reduced from a period of one year to six months, and restrictions were imposed on the extent of banked energy which could be withdrawn during the peak time of day. EEPL filed a writ petition against the Karnataka Electricity Regulatory Commission and others before the Hon'ble High Court of Karnataka. The Hon'ble High Court of Karnataka pursuant to an order dated August 9, 2018 granted an interim stay on the commission's order. Pursuant to an order dated July 24, 2019, the Hon'ble High Court of Karnataka has allowed the writ petition and quashed the order dated January 09, 2018 issued by the Karnataka Electricity Regulatory Commission with a direction to Karnataka Electricity Regulatory Commission to reconsider the matter. However, KERC has filed a common Writ Appeal against EEPL and others before the Division Bench of High Court and is currently pending disposal.

- (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 Rs. 127.9 million. In 2016, the Hon'ble High Court of Karnataka has granted an interim stay on the impugned circular and notice.

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49 Business Transfer Agreement (BTA) between QBPL and EODPL

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

QBPL borrowed Rs. 4,681.93 millions from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired and purchase consideration amounting to Rs. 1,402.19 millions has been recognised as goodwill as at 31 March 2019.

During the year ended 31 March 2020, goodwill amounting to Rs. 922.71 million pertaining to hospitality division of Embassy Quadron has been impaired. Refer note 6 for further details.

Particulars	Hotel Business	Commercial Business	Total
Tangible assets acquired	7,982.42	4,148.00	12,130.42
Other current assets			134.32
Total			12,264.74
Liabilities assumed			
Loan from banks			(8,961.78)
Other current liabilities			(23.22)
Total			(8,985.00)
Fair value of net assets taken over			3,279.74
Less: BTA consideration			(4,681.93)
Goodwill on acquisition			1,402.19

50 Business Combination

Embassy Office Parks REIT has acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of Rs. 300 each amounting to Rs 183,888.64 millions and by assuming liability towards purchase of equity interest in IENMPL amounting to Rs. 3,450 million (paid subsequently on 2 April 2019).

The accounting for the business combination has been done in accordance with Ind AS-103 "Business Combination". Refer Note 2.1 "Basis of Business Combination" for more details.

Entity	Fair value of assets acquired	Fair value of liabilities assumed	Deferred tax liability on fair valuation of assets acquired and liabilities assumed	Fair value of net assets taken over	Purchase consideration	Goodwill on consolidation
EOPPL(Refer note i below)	66,677.98	7,268.06	8,554.93	50,854.99	62,768.25	11,913.26
EEPL	2,149.42	1,488.28	196.19	464.95	732.79	267.84
MPPL	77,213.62	27,492.06	11,947.20	37,774.36	48,790.52	11,016.16
UPPL	5,208.49	2,571.62	485.07	2,151.79	2,841.67	689.88
QBPL (Refer note ii below)	27,074.33	14,476.40	1,994.19	10,603.74	13,689.26	3,085.52
QBPL	9,279.40	3,494.06	1,787.09	3,998.25	5,595.08	1,596.83
GSPL	6,233.07	2,875.44	657.25	2,700.38	4,662.50	1,962.12
OBPPL	13,652.04	6,382.50	1,490.14	5,779.40	12,308.89	6,529.49
ETPL	10,642.16	1,329.82	72.79	9,239.55	12,138.78	2,899.23
VCPL	13,114.17	5,468.05	1,200.31	6,445.81	10,710.94	4,265.13
IENMPL (Refer note iii below)	15,103.00	5,003.61	2,960.00	7,139.39	13,210.97	6,071.58
Total	246,347.68	77,849.90	31,345.16	137,152.61	187,449.65	50,297.03

Note:

- Purchase consideration amounting to Rs. 71,078.44 millions is towards issue of 209,227,490 units at Rs. 300 each. Further, an amount of Rs. 8,310.19 millions is paid by SPV before the date of acquisition by Embassy Office Parks REIT, towards equity investment in MPPL of Rs. 8,309.11 million, in EEPL of Rs. 1 million and in GLSP of Rs. 0.08 million.
- During the year ended 31 March 2019, QBPL had entered into Business Transfer Agreement (BTA) with EODPL on 11 March 2019 and completed the purchase of the assets and liabilities for Hospitality segment and Commercial offices segment from EODPL as per the BTA. QBPL borrowed Rs. 4,681.93 million from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired (Rs 3,279.74 million) and purchase consideration (Rs 4,681.93 million) amounting to Rs. 1,402.19 million has been recognised as goodwill as at 31 March 2019. This transaction is not a part of the goodwill on consolidation as shown in the table above.
- Purchase consideration includes assumption of liability of Rs. 3,450 million towards one of the erstwhile shareholders of the SPV. The liability has been settled in cash on 2 April 2019.
- During the year ended 31 March 2020, goodwill amounting to Rs. 487.14 million pertaining to UPPL has been impaired. Refer note 6 for further details.



(all amounts in Rs. millions unless otherwise stated)

50 Business Combination (continued)
Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired are as follows :

Particulars	Valuation methodology
Property, plant and equipment and Investment property	Fair values have been determined by independent external property valuers, having appropriately recognised professional qualification and recent experience in the location and category of the properties being valued. The valuers have followed "Direct comparison approach" for land except Umbel where the valuers have followed "Residual Approach", "Depreciated replacement cost approach" for the built up component, plant and machinery, capital work-in-progress and other assets and "Discounted cashflow method" for co-development. Direct comparison approach involves comparing to similar properties that have actually been sold in an arms length transaction or are offered for sale. The Residual Method is based on the assumption that the development is complete as on the date of valuation and value of the subject property is assessed by subtracting revenues from the development expenses as well as the developer margin. Depreciated replacement cost approach considers the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The Discounted Cash Flow Methodology is based upon an estimation of future results. The methodology begins with a set of assumptions as to the projected income and expenses of the property. This methodology use market derived assumptions, including discount rates, obtained from analysed transactions.
Right-to -use trademark	The fair value of the acquired right to use trademark was established using "Relief from royalty" method. It is a methodology that assumes that if a corporation owns a trademark, then it is relieved from paying a royalty, so a hypothetical royalty payment can be estimated.
Power purchase agreement	The fair value of the power purchase agreement was established using the "Multi-period excess earnings method (MEEM)". In MEEM method, value is estimated as the present value of the benefits anticipated from ownership of the asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits.
Other assets other than those mentioned above	Book values as on the date of acquisition have been considered as fair values.
Liabilities	Liabilities includes loans and borrowings, trade payables and provision for employee benefits. Book values as on the date of acquisition have been considered as fair values.

Goodwill is attributable due to the acquisition price being dependent on the overall property valuation assuming a discounted cash flow method computed using future 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. The acquisition was done on 22 March 2019 and thus goodwill was not assessed for impairment as at 31 March 2019. Goodwill has been tested for impairment as at 31 March 2020. Refer Note 6 for details on impairment testing.

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51 Financial instruments - Fair values

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	31 March 2020	31 March 2020	31 March 2019	31 March 2019
Financial assets				
Amortised cost				
Loans	720.20	-	1,539.59	-
Trade receivables	242.25	-	335.86	-
Cash and cash equivalents	3,249.16	-	49,612.75	-
Other bank balances	169.79	-	1,455.99	-
Other financial assets	1,588.00	-	2,966.75	-
Investments in debentures	724.38	-	-	-
Fair value through profit and loss				
Investments in mutual funds	11,549.21	11,549.21	1,944.87	1,944.87
Total assets	18,242.99	11,549.21	57,855.81	1,944.87
Financial liabilities				
Amortised cost				
Borrowings (including current maturities of long-term debt) - floating rates	11,163.28	-	72,115.61	-
Borrowings (including current maturities of long-term debt) - Fixed rates	46,297.56	46,243.74	6,994.93	6,994.93
Lease deposits	9,497.57	-	8,752.11	-
Trade payables	254.75	-	421.87	-
Other financial liabilities	2,893.54	-	6,901.45	-
Total liabilities	70,106.70	46,243.74	95,185.97	6,994.93

The fair value of cash and cash equivalents, fixed deposits, trade receivables, investment in debentures, borrowings at floating rates, lease deposits, trade payables, loans and other financial assets and liabilities approximate their carrying amounts and hence the same has not been disclosed in the table above.

B. Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value
- 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.

Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2020	11,549.21	11,549.21	-	-
Investment in mutual funds	31 March 2019	1,944.87	1,944.87	-	-

Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the years ended 31 March 2020 and 31 March 2019.

Determination of fair values

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

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

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51 Financial instruments - Fair values (continued)
C. Financial risk management

The Group has exposure to following risks arising from financial instruments:
 - market risk
 - credit risk
 - liquidity risk

Risk management framework

The Board of Directors of the Manager of Embassy Office Parks Group has overall responsibility for the establishment and oversight of the Embassy Office Parks Group's risk management framework. The Embassy Office Parks Group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The Board of Directors of the Managers of Embassy Office Parks Group oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

a. Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

i. Currency risk

The Group operates only in India. The management has assessed that its exposure to currency risk is insignificant.

ii. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates.

Exposure to interest rate risk:

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at	As at
	31 March 2020	31 March 2019
Variable-rate instruments:		
Financial liabilities		
Borrowings (Non-current and current)	11,163.28	72,115.61
Variable rate instruments exposed to interest rate risks	11,163.28	72,115.61

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 1% (100 basis points) in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	+ 1%	- 1%	+ 1%	- 1%
Borrowings	(37.21)	37.21	(721.16)	721.16

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

iii. Price risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices of investments. The Group has no material exposure to equity securities price risk and is not exposed to commodity risk. The Group's exposure to price risk arises from investments held by the Group in mutual funds and classified in the balance sheet as fair value through statement of profit and loss. The fair value of these investments is marked to an active market. The financial assets carried at fair value by the Group are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Mutual funds price risk sensitivity analysis

The Group's exposure to price risk arises from investments held by the group in mutual funds and classified in the balance sheet as fair value through statement of profit and loss.

Particulars	As at	As at
	31 March 2020	31 March 2019
Increase by 1% (100 basis points)	115.49	19.45
Decrease by 1% (100 basis points)	(115.49)	(19.45)

b. Credit risk

Credit risk is the potential financial loss resulting from the failure of tenants or counterparties of the Group to settle its financial and contractual obligations, as and when they fall due.

The Group has an established process to evaluate the creditworthiness of its tenants and prospective tenants to minimise potential credit risk. Credit evaluations are performed by the Group before lease agreements are entered into with prospective tenants. Security in the form of bankers' guarantees or cash security deposits are obtained upon the commencement of the lease.

The Group establishes an allowance account for impairment that represents its estimate of losses in respect of trade and other receivables. The main component of this allowance is estimated losses that relate to specific tenants or counterparties.

The allowance account is used to provide for impairment losses. Subsequently when the Group is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

Cash at bank and fixed deposits are placed with financial institutions which are regulated and have low or no risk.

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



51 Financial instruments - Fair values (continued)

i. Expected credit loss (ECL) assessment for customers/ tenants as at 31 March 2020 and 31 March 2019

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (including but not limited to past payment history, security by way of deposits, external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Gross carrying amount	Provision amount	Gross carrying amount	Provision amount
Up to 180 days	238.48	-	321.27	7.06
More than 180 days	19.79	16.02	57.17	35.52
	258.27	16.02	378.44	42.58

The movement in the allowance for impairment in respect of trade receivables is as follows:-

As at	
31 March 2020	
Amount as at 1 April 2019	42.58
Amount written off	(12.01)
Net measurement of loss allowance	(14.55)
Balance as at 31 March 2020	16.02

ii. Loans: Security deposits

Risk assessment		Year ended	Estimated gross carrying amount	Expected probability of default	ECL	Carrying amount, net of provision
Loss at 12 months ECL	Risk same since initial recognition	As at 31 March 2020	720.20	-	-	720.20
		As at 31 March 2019	1,539.59	-	-	1,539.59

iii. Cash and bank balances

The Group holds cash and cash equivalents of Rs. 3,249.16 million as at 31 March 2020 (31 March 2019: Rs. 49,612.75 million) and fixed deposits with bank of Rs. 839.85 million (31 March 2019: Rs. 3,600.05 million). The cash and cash equivalents and fixed deposits with bank are mainly held with scheduled banks which are highly regulated. The Group considers that its cash and cash equivalents and fixed deposits with bank have low credit risk based on the external credit ratings of counterparties.

iv. Other Financial Assets

The Group considers that its other financial assets which mainly represents unbilled revenue with its tenants and have low credit risk based on its nature and other security available.

c. Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that 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 2020	Contractual cash flows				Total
		Within 1 year	1-3 years	3-5 years	More than 5 yrs	
Borrowings	57,460.84	2,251.67	55,100.28	8,579.79	10,517.04	76,448.78
Trade payables	254.75	254.75	-	-	-	254.75
Lease deposits - Current and non-current	9,497.57	2,070.42	3,109.64	4,053.75	1,083.48	10,317.29
Lease Liability	322.93	20.36	40.72	40.72	10,618.82	10,720.62
Other financial liabilities - non current	455.57	-	455.57	-	-	455.57
Other financial liabilities - current	2,115.04	2,115.06	-	-	-	2,115.06
	70,106.70	6,712.26	58,706.21	12,674.26	22,219.34	100,312.07

Particulars	Carrying value as at 31 March 2019	Contractual cash flows				Total
		Within 1 year	1-3 years	3-5 years	More than 5 yrs	
Borrowings	79,110.55	8,506.71	19,261.22	18,074.92	45,788.82	91,631.67
Trade payables	421.87	421.87	-	-	-	421.87
Lease deposits - Current and non-current	8,752.11	6,017.42	1,541.84	1,003.43	480.95	9,043.64
Other financial liabilities - non current	46.36	-	46.36	-	-	46.36
Other financial liabilities - current	6,855.08	6,855.08	-	-	-	6,855.08
	95,185.97	21,801.08	20,849.42	19,078.35	46,269.77	107,998.62



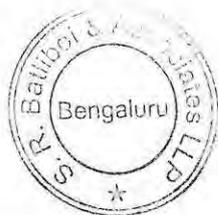
52 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital structure mainly constitutes equity in the form of unit capital and debt. The projects are initially funded through construction financing arrangements. On completion, these borrowings are restructured into lease-rental discounting arrangements or debentures. The Group's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Group monitors capital using a ratio of 'Net debt' to 'Gross asset value (GAV)' of all 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 + current maturities of long-term borrowings - Cash and other balances - investments in mutual funds (net of NDCF to be distributed for the recent quarter). The Group's adjusted Net debt to GAV ratio as at 31 March 2020 is as follows:

Particulars	31 March 2020	31 March 2019
Net debt	47,809.68	-
GAV	331,682.60	-
Net debt to GAV	14.41%	-

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53 Operating segments

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

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

Further, the information relating to segment assets and segment liabilities are not regularly provided to CODM for review and hence the same is not disclosed.

Particulars	Commercial Offices		Hospitality		Other Segments		Total	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	18,709.58	-	1,173.39	-	1,566.25	-	21,449.22	-
Identifiable operating expenses	(2,081.97)	-	(1,067.99)	-	(129.72)	-	(3,279.68)	-
Net Operating Income (segment results for the year)	16,627.61	-	105.40	-	1,436.53	-	18,169.54	-
Other operating expenses							(1,513.12)	(94.47)
Interest, dividend and other income							990.35	-
Earnings before finance costs, depreciation, amortisation, impairment loss and tax							17,646.77	(94.47)
Share of profit after tax of equity accounted investees							1,169.33	-
Depreciation and amortisation expenses							(5,281.24)	-
Impairment loss (Refer note 6)							(1,775.98)	-
Finance costs							(3,803.54)	-
Profit/(loss) before tax							7,955.34	(94.47)
Tax expense							(300.00)	-
Other Comprehensive Income							0.16	-
Total comprehensive income/(loss) for the year							7,655.50	(94.47)



53 Operating segments (continued)

An analysis of SPV wise Segment Revenues and Segment Results is given below
For the year ended 31 March 2020

Particulars	Trust	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	VCPPPL	IENMPL	EFTPL	Total
Segment Revenue:													
Commercial Office Segment	-	8,794.81	1,497.83	-	-	870.47	925.64	1,379.28	1,472.01	1,375.32	1,490.06	-	18,709.38
Hospitality Segment	-	-	-	825.62	-	-	-	-	347.77	-	-	-	1,173.39
Others	-	-	-	-	1,566.25	-	-	-	-	-	-	-	1,566.25
Total	-	8,794.81	1,497.83	825.62	1,566.25	870.47	925.64	1,379.28	1,819.78	1,375.32	1,490.06	-	21,449.22
Net Operating Income (segment results)													
Commercial Office Segment	-	8,225.28	1,411.28	-	-	661.53	841.45	1,054.29	1,177.72	1,176.47	1,327.38	-	16,627.61
Hospitality Segment	-	-	-	323.92	-	-	-	-	(218.52)	-	-	-	105.40
Others	-	-	-	-	1,436.53	-	-	-	-	-	-	-	1,436.53
Total	-	8,225.28	1,411.28	323.92	1,436.53	661.53	841.45	1,054.29	959.20	1,176.47	1,327.38	-	18,169.54

For the year ended 31 March 2019

Particulars	Trust	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	VCPPPL	IENMPL	EFTPL	Total
Segment Revenue:													
Commercial Office Segment	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospitality Segment	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Income (segment results)													
Commercial Office Segment	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospitality	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-

Information about major customers

Revenue from operations from customers amounting to 10% or more of the segment revenue is as follows (at SPV level):

Segment	Commercial Offices											
	MPPL	EOPPL	GSPL	ETPL	OBPL	QBPL	VCPPPL	IENMPL	EFTPL	UPPL	QBPL	Other Segments
Number of customers	2	2	3	3	4	1	2	2	3	0	0	3
Amount	3,032.51	613.51	836.89	726.71	1,107.79	228.02	301.90	537.44	1,400.62	-	-	1,414.07



54 Related party disclosures

I. List of related parties

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

- Embassy One Developers Private Limited
- D M Estates Private Limited
- Embassy Services Private Limited
- Golflinks Properties Private Limited

BRE/ Mauritius Investments - Co-Sponsor

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

Directors & KMPs of the Investment Manager (Embassy Office Parks Management Services Private Limited)

Directors

- Jitendra Virwani
- Tuhin Parikh
- Vivek Mehra
- Ranjana Ramdas Pai
- Anuj Puri (w.e.f 6 August 2018)
- Punita Kumar Sinha (w.e.f 6 August 2018)
- Robert Christopher Heady (w.e.f 6 August 2018)
- Aditya Virwani (w.e.f 6 August 2018)
- Ashesh Mohita - Director (w.e.f 28 June 2019, alternate to Robert Christopher Heady)

B. Joint Venture

- Golflink Software Parks Private Limited

C. Other related parties with whom the transactions have taken place during the year

- Vikas Telecom Private Limited
- Dynasty Properties Private Limited
- Snap Offices Private Limited
- (formerly known as Stylus Commercial Services Private Limited)
- Synergy Property Development Services Private Limited (Upto 5 November 2019) *
- Embassy Industrial Parks Private Limited
- Golflinks Embassy Management Services LLP
- Golflinks Park Management Services LLP
- Wework India Management Private Limited
- Embassy Shelters Private Limited
- Manya Builders Private Limited
- Manya Protects Private Limited
- FIFC Condominium

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

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

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

KMPs

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

- Reddy Veeranna Constructions Private Limited
- Embassy Construction Private Limited
- Mac Charles (India) Limited
- Lounge Hospitality LLP
- EPDPL Coliving Operation LLP
- EPDPL Coliving Private Limited
- Embassy Protects Private Limited



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

II. **Related party transactions**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Property Management fees		
Embassy Office Park Management Services Private Limited	486.13	-
REIT Management fees		
Embassy Office Park Management Services Private Limited	214.81	-
Purchase of intangible assets		
Embassy Office Park Management Services Private Limited	8.84	-
Purchase of Investment Property		
Reddy Veeranna Constructions Private Limited	4.51	-
Common area maintenance		
Embassy Services Private Limited	561.43	-
Golflinks Embassy Business Park Management Services LLP	24.11	-
FIFC Condominium	67.01	-
Repairs and maintenance - building		
FIFC Condominium	6.13	-
Business consultancy services (capitalised)		
Embassy Property Developments Private Limited	124.90	-
Income from generation of renewable energy from the tenants of		
Vikas Telecom Private Limited	377.32	-
Embassy Property Developments Private Limited	87.55	-
Dynasty Properties Private Limited	39.32	-
Golflinks Software Park Private Limited	224.87	-
Security Deposit given/(repaid) to/(by) related party		
Embassy Property Developments Private Limited	(991.50)	-
Capital advances paid		
Embassy Property Developments Private Limited (refer note below)	4,884.97	-
Reddy Veeranna Constructions Private Limited	4.02	-
FIFC Condominium	9.71	-
Rental and maintenance income		
Wework India Management Private Limited	108.85	-
Snap Offices Private Limited	36.85	-
Interest income		
Golflinks Software Park Private Limited	72.19	-
Embassy Services Private Limited	3.63	-
Embassy Property Development Private Limited	160.47	-
Reddy Veeranna Construction Private Limited	1.53	-



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

II. **Related party transactions**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Other operating income		
Embassy Property Developments Private Limited	215.88	-
Income from management fees		
Golflinks Software Park Private Limited	45.00	-
Project management consultancy fees (capitalised)		
Synergy Property Development Services Private limited	91.53	-
Amount paid for civil works (capitalised)		
Synergy Property Development Services Private limited	539.28	-
Power and fuel expenses		
Embassy Services Private Limited	117.51	-
Reversal of impairment on investments		
Manyata Projects Private Limited	(156.98)	-
Investments written off		
Manyata Projects Private Limited	156.98	-
Legal and professional charges		
Embassy Services Private Limited	48.44	-
Security charges		
Embassy Services Private Limited	12.94	-
Trademark and license fees		
Embassy Shelters Private Limited	1.42	-
Purchase of consumables		
Embassy One Developers Private Limited	16.81	-
Rates and taxes		
Embassy One Developers Private Limited	2.06	-
Revenue - Room rentals, sale of food and beverages		
Jitendra Virwani	2.34	-
Embassy Property Developments Private Limited	5.25	-
Embassy One Developers Private Limited	1.96	-
Vikas Telecom Private Limited	0.31	-
JV Holding Private Limited	0.04	-
Others	4.99	-
Investment in debentures		
Golflinks Software Parks Private Limited	2,500.00	-
Redemption of investment in debentures		
Golflinks Software Parks Private Limited	1,775.62	-
Secondment fees		
Embassy Office Parks Management Services Private Limited	1.42	-
Trustee fees		
Axis Trustee Services Limited	2.96	-



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

II. **Related party transactions**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Miscellaneous expenses		
Mac Charles (India) Limited	0.48	-
Business Promotion expenses		
Lounge Hospitality LLP	0.06	-
Reimbursement of expenses (received)/ paid		
Embassy Services Private Limited	29.77	-
Embassy One Developers Private Limited	(6.26)	9.54
Embassy Office Parks Management Services Private Limited	53.87	157.50
Initial refundable receipt from Co-sponsor - received / (repaid)		
Embassy Property Development Private Limited	(0.50)	0.50
Issue of Unit capital (in exchange of the Investment in equity shares of SPVs)		
Embassy Property Development Private Limited	-	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	135.39
BRE/ Mauritius Investments	-	28,083.23
India Alternate Property Limited	-	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	12.10
BRE/Mauritius Investments II	-	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	13.36
BREP GML Holding (NQ) Pte. Limited.	-	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	17.54
BREP VII SBS GML Holding (NQ) Limited	-	5.01
Margin money kept on behalf of Trust		
Embassy Office Parks Management Services Private Limited	-	20.00



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

III. Related party balances

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Security deposits			
Embassy Property Developments Private Limited	-	953.64	-
Embassy Services Private Limited	60.50	-	-
Advance from Customers			
Wework India Management Private Limited	1.92	-	-
Trade payables			
Embassy Services Private Limited	91.74	-	-
Embassy Office Parks Management Service Private Limited	4.66	13.71	-
Golflinks Embassy Business Park Management services LLP	2.01	-	-
FIFC Condominium	17.53	-	-
Unbilled revenue			
Vikas Telecom Private Limited	25.05	-	-
Embassy Property Developments Private Limited	8.92	-	-
Dynasty Properties Private Limited	3.73	-	-
Golflinks Software Parks Private Limited	24.12	-	-
Other current financial assets - other receivables from related party			
Embassy Property Developments Private Limited	-	225.22	-
Manyata Builders Private Limited	5.63	-	-
Embassy One Developers Private Limited	2.31	-	-
Other current financial liabilities			
Embassy Property Developments Private Limited	-	19.33	-
Embassy One Developers Private Limited	0.05	9.54	-
Embassy Services Private Limited	115.48	-	-
Embassy Office Parks Management Services Private Limited	56.14	158.00	-
FIFC Condominium	0.95	-	-
Current liabilities - payable for purchase of fixed assets			
Embassy Property Developments Private Limited	14.73	20.94	-
Reddy Veeranna Constructions Private Limited	-	30.00	-
Other non-current assets - capital advance			
Embassy Shelters Private Limited	206.34	340.32	-
Reddy Veeranna Constructions Private Limited	6.51	-	-
FIFC Condominium	9.71	-	-
Other current assets - Advance for supply of goods and rendering of services			
FIFC Condominium	2.78	-	-
Other non-current assets - advance paid for purchase of development rights on a land and purchase of land			
Embassy Property Developments Private Limited (refer note below)	13,998.26	8,774.00	-
Trade receivables			
Embassy Property Developments Private Limited	51.48	-	-
Embassy One Developers Private Limited	1.20	-	-
Golflinks Embassy Business Park Management Services LLP	1.86	-	-
Wework India Management Private Limited	0.17	-	-
Others	2.32	10.56	-
Lease deposits			
Wework India Management Private Limited	7.20	7.20	-
Snap Offices Private Limited	4.82	-	-



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

III. **Related party balances**

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Investment in Debentures			
Golflinks Software Parks Private Limited	724.38	-	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Private Limited	-	20.00	-
Corporate guarantee/ letter of undertaking received for loan taken			
Embassy Property Developments Private Limited	-	2,300.00	-
Initial refundable receipt from co-sponsor			
Embassy Property Developments Private Limited	-	0.50	-
Other current financial liabilities - Security deposit			
Vikas Telecom Private Limited	105.00	105.00	-
Golflinks Software Parks Private Limited	80.00	80.00	-

Notes:

Manyata Promoters Private Limited ('MPPL') and Embassy Property Developments Private Limited ('EPDPL') entered into a co-development agreement whereby EPDPL shall develop 1 msf M3 Block A bare shell building to be handed over to MPPL by agreed delivery date for a consideration of Rs. 6,550 million to EPDPL, of which Rs. 6,269.20 million has already been paid as of 31 March 2020. The carrying cost in the consolidated financial statements of the above advance is Rs. 9,403.11 million as at 31 March 2020 which includes one time fair valuation gain on purchase price allocation on acquisition by the REIT (Refer Note 50).

During the year ended March 31, 2020, to further consolidate/ expand the M3 land parcel within Embassy Manyata campus, MPPL and EPDPL entered into another co-development agreement whereby EPDPL shall develop 0.6 msf M3 Block B bare shell building to be handed over to MPPL by agreed delivery date of March 2023 for a consideration of Rs. 6,767 million to EPDPL, of which Rs. 4,255.85 million has already been paid as of March 31, 2020. As per terms of both of these co-development agreements, consideration is contingent on pre-defined leasing timelines and Net Operating Income. Further, EPDPL is liable to pay a compensation for any delay in delivery beyond agreed date of respective blocks. MPPL has also appointed EPDPL as the development manager, to convert the bare shell buildings to warm shell and obtain the occupancy certificate for the buildings by agreed timeline for an agreed consideration. Further, interest as agreed and approved by the Board of MPPL is payable by EPDPL to MPPL upto the date of completion of the M3 Block B. The Group has obtained two independent valuation reports as required by the REIT regulations for acquisition and the average of the two valuations amounts to Rs. 8,728.62 million (including conversion of bare shell to warm shell). No fees or commission is payable to any associate of the related party in relation to the transaction.



55 Employee benefits

I **Defined contribution plan**

The Group has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is as under:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Employer's contribution to Provident Fund	12.80	-
Employer's contribution to Employee State Insurance Corporation	2.00	-
Expense recognised during the year	14.80	-

II **Defined benefit plan**

A **Gratuity:**

In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the number of years of employment with the Group.

a. **Reconciliation of the net defined benefit obligations**

(i) **Change in projected benefit obligation:**

Particulars	As at 31 March 2020	As at 31 March 2019
Obligations at beginning of the year	4.80	-
Current service cost	2.04	-
Interest on defined benefit obligation	0.23	-
Past service cost	0.27	-
Benefits settled	(1.84)	-
Actuarial (gains)/ losses on obligations - due to experience variance	(0.57)	-
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	0.41	-
Actuarial (gains)/ losses on obligations - due to change in demographic assumptions	-	-
Projected benefit obligations acquired as part of business combination	-	4.80
Obligations at the end of year	5.34	4.80

(ii) **Change in plan assets:**

Particulars	As at 31 March 2020	As at 31 March 2019
Plan assets at year beginning, at fair value	0.06	-
Expected return on plan assets (estimated)	-	-
Actuarial gain / (loss)	-	-
Interest on plan assets	0.00	-
Contributions	-	-
Benefits settled	-	-
Plan assets acquired as part of business combination	-	0.06
Plan assets at end of the year, at fair value	0.06	0.06

(iii) **Net defined benefit obligations recognised in balance sheet:**

Closing obligations	5.34	4.80
Closing fair value of plan assets	(0.06)	(0.06)
	5.28	4.74

Liability recognized in the balance sheet

Net liability:	5.28	4.74
Non-current	5.25	3.01
Current	0.03	1.73

As at 31 March, 2020, discontinuance liability of the Group towards gratuity is Rs. 9.58 million.



55 Employee benefits (continued)

b. (i) Expense recognized in statement of profit and loss:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Service cost	2.04	-
Interest cost	0.23	-
Past service cost	0.27	-
Net gratuity cost	2.54	-

(ii) Remeasurements recognized in other comprehensive income:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	0.41	-
Actuarial (gains)/ losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/ losses on obligations - due to experience variance	(0.57)	-
	(0.16)	-

c. Other disclosures

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	5.30% to 6.85%	7.50%
Salary increase	5.00%	5.00%
Attrition rate	2% to 5%	2% to 5%
Retirement age	58 years to 60 years	60 years

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Rs in millions	
	For the year ended 31 March 2020	
	Increase	Decrease
Discount rate (50 basis points movement)	(0.27)	0.47
Employee attrition rate (50 basis points movement)	(0.39)	0.85
Future salary growth (50 basis points movement)	0.48	(0.28)

Particulars	Rs in millions	
	For the year ended 31 March 2019	
	Increase	Decrease
Discount rate (50 basis points movement)	(1.89)	(1.41)
Future salary growth (50 basis points movement)	(1.41)	(1.90)

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

(iii) The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

(iv) The expected future cash flows in respect of gratuity:

Projected benefits payable in future years from the reporting date	As at 31 March 2020	As at 31 March 2019
1st following year	0.10	-
2nd to 5th year	1.42	-
6th to 10th year	1.76	-
Beyond 10 years	14.56	-



55 Employee benefits (continued)

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 2020	As at 31 March 2019
Non-current	-	2.07
Current	2.34	1.28
Total	2.34	3.35

(ii) Expense recognized in statement of profit and loss:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Compensated absence expense	0.28	-
	0.28	-

Other disclosures

Other disclosures are not provided for compensated absences, since the amount of provision for compensated absences is immaterial for the Group.

C Risk exposure:

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

i. Liquidity Risk: The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

ii. Change in bond yields: Plan assets, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

iii. Inflation risks: Gratuity payments are based on last drawn salary of the employee. Increase in inflation will increase the future salary of employees, thus resulting in increase in projected benefit obligations.

iv. Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/ fall in interest rate.

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56 Transition to Ind AS 116

On transition, the Embassy Office Parks Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date. The Embassy Office Parks Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets.

On transition, the Embassy Office Parks Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability measured on the transition date. Accordingly, a right-of-use asset of Rs. 312.10 million and a corresponding lease liability of Rs. 312.10 million has been recognised. The principal portion of the lease payments have been disclosed under cash flows from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flows from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Impact of application of Ind AS 116 on consolidated balance sheet (increase/(decrease)):

	As at 31 March 2020
Assets	
Right-of-use assets	308.15
Total assets	308.15
Equity	
Retained earnings	(14.79)
Total equity	(14.79)
Liabilities	
Lease liabilities	322.93
Deferred tax liabilities	7.39
Total liabilities	330.32

Impact of application of Ind AS 116 on statement of profit and loss (increase/(decrease) in profit):

	Year ended 31 March 2020
Increase in Depreciation	(3.95)
Increase in Interest on lease liabilities	(31.20)
Decrease in Rental expenses	20.36
Impact on Profit before tax	(14.79)

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

A. Group as a lessor

The Embassy Office Parks Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease in a joint venture. The Embassy Office Parks Group accounted for its leases in accordance with Ind AS 116 from the date of transition. The Group does not have any significant impact on account of sub-lease on the application of this standard.

i. Operating leases

The Embassy Office Parks REIT Group is primarily engaged in the business of development and lease of office space and related interiors. The Group leases out its Investment property on operating leases basis.

Rental income from non-cancellable leases is 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 (q).

The table below provides details regarding the lease payments as at March 31, 2020 on an undiscounted basis:

Particulars	As at	As at
	31 March 2020	31 March 2019
Not later than one year	7,265.96	5,678.21
Later than one year but within five years	12,176.48	11,214.99
Later than five years	952.53	104.66
	20,394.97	16,997.86

The Embassy Office Parks REIT Group has entered into operating lease agreements with its lessees. The total lease rental income recognised in the Consolidated Statement of Profit and Loss for the year ended 31 March 2020 is Rs. 16,689.99 million (31 March 2019: Nil).



56 Transition to Ind AS 116 (continued)

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 2020 is Rs. 2.28 million (31 March 2019: Nil). The future minimum lease receipts in respect of non-cancellable lease for fit outs given on finance lease are as follows:

Particulars	As at 31 March 2020		
	Minimum lease payments	Unearned Finance Income	Present value of minimum lease payments
Not later than one year	27.01	10.13	16.88
Later than one year but within five years	14.10	5.49	8.61
Later than five years	-	-	-
	41.11	15.62	25.49

Particulars	As at 31 March 2019		
	Minimum lease payments	Unearned Finance Income	Present value of minimum lease payments
Not later than one year	86.73	12.79	73.94
Later than one year but within five years	68.69	5.11	63.58
Later than five years	-	-	-
	155.42	17.90	137.52

B. Group as a lessee

The details of the right-of-use assets (capitalised under leasehold land) held by the Group is as follows:

Particulars	Balance as on transition date (1 April 2019)	Depreciation for the year	Carrying amount as at 31 March 2020
Leasehold land	312.10	3.95	308.15
Total	312.10	3.95	308.15

Rental expense recorded for short-term leases was Nil for the year ended 31 March 2020.

Refer Statement of Cash Flow for total cash outflow on account of lease payments during the year ended 31 March 2020.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	As at 31 March 2020	As at 31 March 2019
Not later than one year	20.36	-
Later than one year but within three years	40.72	-
Later than three years but within five years	40.72	-
Later than five years	10,618.82	-

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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57 Deferred tax assets, deferred tax liabilities and tax expense

(a) Deferred tax balances

Particulars	As at	As at
Deferred tax liabilities on		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	(39,277.12)	(45,597.80)
Share of profit from equity accounted investee	(5,491.62)	-
Fair valuation of financial assets	-	(11.11)
Impact of financial assets and liabilities carried at amortised cost	(3.57)	-
Unbilled revenue	(179.58)	(82.54)
Fair valuation of security deposit (net of deferred income on security deposit)	(2.94)	(3.89)
Tax impact of difference in carrying amount and tax base of other assets	(737.32)	-
Others	1.38	(37.43)
Deferred tax assets on		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	0.80	33.74
Fair valuation of security deposit (net of deferred income on security deposit)	5.01	19.14
Deferred tax on acquisition	-	96.46
Unabsorbed depreciation and carry forward losses	1,163.12	1,114.92
Tax impact of other consolidation adjustments	71.89	-
Others	27.30	35.07
Minimum Alternate Tax credit entitlement	4,015.29	3,009.06
Net Deferred Tax Asset / (Liability)	(40,407.38)	(41,424.39)

(b) The unrecognised deferred tax assets amounts to Nil. (31 March 2019: Rs. 33.89 million).

(c) Reconciliation of Effective Tax Rate

Particulars	For the year ended	For the year ended
Profit Before Tax	7,955.34	(94.47)
Enacted tax rate	29.12%	35.88%
Income tax on accounting profits	2,316.60	(33.89)
Reconciliation items:		
Effect of Non-deductible expenses	2,341.42	-
Effect of exempt income and tax holidays	(4,422.48)	-
Adjustment for tax of prior years	(117.29)	-
Impact of difference in tax rate of SPV's	859.98	-
Deductions allowed under income tax laws but not debited to Statement of profit and loss	(339.78)	-
Expenses disallowed in prior years and allowed in current year in various SPV's under tax laws	34.80	-
Tax impact of share of profit from equity accounted investee	(340.51)	-
Tax impact of consolidation adjustments	(431.22)	-
Impact of deferred tax not recognised on goodwill impairment loss as per Ind AS requirement	410.55	-
Dividend distribution tax paid by SPV's presented as current tax expense in consolidated financial statements pursuant to Ind AS requirements	22.83	-
Unrecognised deferred tax asset	-	33.89
Other Adjustments	(34.89)	-
Tax expense at effective income tax rate	300.00	-

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2019	Unutilised amount as at 31 March 2019	Actual utilisation upto 31 March 2020	Unutilised amount as at 31 March 2020
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of the Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes including issue expenses	5,718.07	-	5,718.07	5,718.07	-
Total	47,500.00	4,681.93	42,818.07	47,500.00	-

59 Details of utilisation of proceeds of issue of Embassy REIT Series I NCD 2019 are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2020	Unutilised amount as at 31 March 2020
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs and granting of shareholder debt	35,550.00	35,550.00	-
General purposes including issue expenses	950.00	950.00	-
Total	36,500.00	36,500.00	-

60 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 19 May 2020, have declared distribution to Unitholders of Rs. 6.89 per unit which aggregates to Rs. 5,316.77 million for the quarter ended 31 March 2020. The distributions of Rs. 6.89 per unit comprises Rs. 2.49 per unit in the form of interest payment, Rs. 0.23 per unit in the form of dividend and the balance Rs. 4.17 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 13,504.15 million/ Rs. 17.50 per unit for the nine-months ended 31 December 2019, the cumulative distribution for the year ended 31 March 2020 aggregates to Rs. 18,820.92 million/ Rs. 24.39 per unit.

61 The REIT acquired the SPVs by issuing units to the erstwhile shareholders of the SPVs on 22 March 2019. The results of the SPVs have been consolidated accordingly from such date and hence the numbers for the previous year ended 31 March 2019 are not comparable.

The consolidated financial statements of the Embassy Office Parks Group for the year ended 31 March 2019 have been audited by a firm of chartered accountants other than S R Batliboi & Associates LLP.

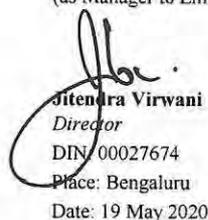
for **S R Batliboi & Associates LLP**
 Chartered Accountants
 ICAI Firms registration number: 101049W/E300004


Adarsh Ranka
 Partner

Membership number: 209567
 Place: Bengaluru
 Date: 19 May 2020



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


Jitendra Virwani
 Director
 DIN/ 00027674
 Place: Bengaluru
 Date: 19 May 2020


Tubin Parikh
 Director
 DIN: 00544890
 Place: Mumbai
 Date: 19 May 2020



SECTION V: LEGAL AND OTHER INFORMATION

UNITHOLDING STRUCTURE OF THE EMBASSY REIT

1. **Details of Units issued as on date*:**

- The Embassy REIT has issued 771,665,343 Units at an issue price of ₹300 per Unit.
- Further Embassy REIT had issued 111,335,400 by way of Institutional Placement of Units at an issue price of ₹331 per Unit.
- Further Embassy REIT had issued 64,893,000 by way of Preferential Allotment of Units at an issue price of ₹356.70 per Unit.

**The Issuer being a real estate investment trust does not have an authorized capital.*

2. **Unit Capital History of the Embassy REIT as on the date of this Information Memorandum*:**

Date of allotment	No. of Units	Issue Price per Unit (₹)	Consideration	Nature of Allotment	Cumulative number of Units
March 23, 2019	613,332,143	300	Other than Cash	Allotment pursuant to the Formation Transactions pursuant to swap of shares of the Portfolio for Units	613,332,143
March 28, 2019	158,333,200	300	Cash	Allotment in the initial public offer of the Issuer	771,665,343
December 22, 2020	111,335,400	331	Cash	Allotment by way of Institutional Placement of Units	883,000,743
December 24, 2020	64,893,000	356.70	Other than Cash	Allotment by way of Preferential Allotment of Units	947,893,743

**The securities being Units of a real estate investment trust do not have a face value and accordingly, details of face value and premium in respect of Units have not been disclosed.*

3. **Unit holding pattern of the Issuer as on December 31, 2020*:**

Category	Category of Unit Holder	No. of Units Held	As a percentage of total Unitholding
(A)	Sponsors / Manager and their associates/ related parties and Sponsor Group		
(1)	Indian		
(a)	Individuals/ HUF	0	0
(b)	Central/ State Government	0	0
(c)	Financial Institutions/ Banks	0	0
(d)	Other Indian unit holding	115,484,802	12.18
	Total Indian Unit Holding Sub- Total (A) (1)	115,484,802	12.18
(2)	Foreign		
(a)	Individuals (Non Resident Indians/ Foreign Individuals)	0	0
(b)	Foreign Government	0	0
(c)	Institutions	0	0
(d)	Foreign Portfolio Investors	0	0
(e)	Other foreign unit holding	359,649,988	37.94
	Total Foreign unit holding sub - Total (A) (2)	359,649,988	37.94
	Total Unitholding of Sponsor & Sponsor Group (A) = (A)(1) + (A)(2)	475,134,790	50.13
B	Public Holding		
(1)	Institutions		
(a)	Mutual Funds	1,92,21,000	2.03
(b)	Financial Institutions/ Banks	217,000	0.02
(c)	Central/ State Government	0	0

Category	Category of Unit Holder	No. of Units Held	As a percentage of total Unitholding
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	14,010,800	1.48
(f)	Provident/ Pension Funds	238,800	0.03
(g)	Foreign Portfolio Investors	287,972,200	30.38
(h)	Foreign Venture Capital Investors	0	0
i)	Other institutions unit holding		
	Alternative Investment Fund	3,667,000	0.39
	Total institutions unit holding Sub- Total (B) (1)	325,326,800	34.32
(2)	Non-Institutions		
(a)	Central Government/ State Government/ President of India	0	0
(b)	Individuals	125,263,610	13.21
(c)	NBFCs registered with RBI	1,917,400	0.20
(d)	Any other (Specify)		
	Trusts	19,800	0.00
	Non-Resident Indians	1,126,050	0.12
	Clearing Members	4,969,682	0.52
	Body Corporates	14,135,611	1.49
	Total non-Institutions Sub- Total (B) (2)	147,432,153	15.55
	Total Public Unit Holding (B) = (B)(1) + (B)(2)	472,758,953	49.87
	Total Units Outstanding (C) = (A) + (B)	947,893,743	100.00

*All Units are issued and held in dematerialized form

#Pursuant to Regulation 11(3)(a) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, the sponsors and sponsor group are required to collectively hold a minimum of 25% of the total units of the REIT after initial offer on a post-issue basis for a period of three years. 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.

4. Details of the Sponsors' and Sponsor Group's holding in the Issuer as on December 31, 2020*:

Sl. No.	Name of the Unitholder	Total no. of Units	Total Unit holding as % of total no. of Units	No. of Units pledged/ encumbered	% of Units pledged with respect to Units owned
1.	Embassy Sponsor	115,484,802	12.18	115,484,802	12.18
2.	Blackstone Sponsor	84,621,955	8.93	Nil	Nil
3.	BRE/Mauritius Investments II	39,700,450	4.19	39,700,450	100
4.	BREP Asia HCC Holding (NQ) Pte. Ltd.	22,664,630	2.39	22,664,630	100
5.	BREP Asia SBS GML Holding (NQ) Ltd	58,452	0.01	Nil	Nil
6.	BREP Asia SBS HCC Holding (NQ) Ltd	67,872	0.01	Nil	Nil
7.	BREP Asia SBS Holding-NQ CO XI Ltd	127,469	0.01	Nil	Nil
8.	BREP Asia SBS NTPL Holding (NQ) Ltd	70,442	0.01	Nil	Nil
9.	BREP Asia SBS Oxygen Holding (NQ) Ltd	160,836	0.02	Nil	Nil
10.	BREP Asia SG Indian Holding (NQ) Co II Pte. Ltd.	20,979,024	2.21	20,979,024	100

Sl. No.	Name of the Unitholder	Total no. of Units	Total Unit holding as % of total no. of Units	No. of Units pledged/ encumbered	% of Units pledged with respect to Units owned
11.	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.	25,742,082	2.72	25,742,082	100
12.	BREP GML Holding (NQ) Pte. Ltd.	10,052,995	1.06	10,052,995	100
13.	BREP NTPL Holding (NQ) Pte. Ltd.	12,301,984	1.30	12,301,984	100
14.	BREP VII GML Holding (NQ) Pte. Ltd.	2,511,115	0.26	2,511,115	100
15.	BREP VII HCC Holding (NQ) Pte. Ltd.	5,642,881	0.60	5,642,881	100
16.	BREP VII NTPL Holding (NQ) Pte. Ltd.	3,072,910	0.32	3,072,910	100
17.	BREP VII SBS GML Holding (NQ) Ltd	16,692	0.00	Nil	Nil
18.	BREP VII SBS HCC Holding (NQ) Ltd	40,345	0.00	Nil	Nil
19.	BREP VII SBS Holding-NQ CO XI Ltd	35,524	0.00	Nil	Nil
20.	BREP VII SBS NTPL Holding (NQ) Ltd	20,124	0.00	Nil	Nil
21.	BREP VII SBS Oxygen Holding (NQ) Ltd	44,517	0.00	Nil	Nil
22.	BREP VII SG Indian Holding (NQ) Co II Pte. Ltd.	5,241,345	0.55	5,241,345	100
23.	BREP VII SG Oxygen Holding (NQ) Pte. Ltd.	6,431,212	0.68	6,431,212	100
24.	India Alternate Property Limited	31,193,186	3.29	31,193,186	100
25.	SG Indian Holding (NQ) Co. I Pte. Ltd	88,333,166	9.32	88,333,166	100
26.	SG Indian Holding (NQ) Co. II Pte. Ltd	67,476	0.01	Nil	Nil
27.	SG Indian Holding (NQ) Co. III Pte. Ltd	451,304	0.05	Nil	Nil

**All Units are issued and held in dematerialized form*

5. **Changes in its capital structure as on last quarter end, for the last five years:** Embassy REIT had issued 111,335,400 by way of Institutional Placement of Units at an issue price of ₹331 per Unit. Further Embassy REIT had issued 64,893,000 by way of Preferential Allotment of Units at an issue price of ₹356.70 per Unit.

6. **List of top 10 holders of Units of the Issuer as of December 31, 2020*:**

Sl. No.	Name of Unitholder	No. of Units Held	As a percentage of total Unitholding
1.	Embassy Sponsor	115,484,802	12.18
2.	SG Indian Holding (NQ) Co. I Pte. Ltd	88,333,166	9.32
3.	Blackstone Sponsor	84,621,955	8.93
4.	BRE/Mauritius Investments II	39,700,450	4.19
5.	America Balanced Fund	36,351,600	3.83
6.	Reddy Veeranna	31,562,582	3.33
7.	India Alternate Property Limited	31,193,186	3.29
8.	Vasudev Garg	28,552,800	3.01
9.	Chaitanya Garg	28,552,600	3.01
10.	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.	25,742,082	2.72

**All Units are issued and held in dematerialized form*

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

I. Material litigation and regulatory action pertaining to the Portfolio

For the purpose of this section, details of all pending material litigation and regulatory action pertaining to the Portfolio have been disclosed. Other than as disclosed below, there are no pending material litigations or regulatory actions pertaining to the Portfolio:

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 in 2020 before the City Civil Court, Bengaluru seeking *inter-alia*: (i) 1/8th share of several land parcels by way of partition out of which Embassy Manyata is only concerned with one land parcel; and (ii) a declaration that certain sale deeds executed including lease deed executed by MPPL are null and void. The matter is currently pending.
- c. An original suit was filed by a third party in 2003 against MPPL and other defendants before the Additional City Civil and Sessions Judge, Bengaluru for *inter-alia* partition of property including in respect of a land parcel admeasuring approximately 3 acres and 32 guntas located in Embassy Manyata. The court pursuant to its judgement and decree dated October 16, 2019 *inter-alia*, decreed that the plaintiff could not claim for possession of the relevant land parcel but could only seek compensation as regards the land concerning MPPL. A regular first appeal has been filed by a third party against MPPL and other defendants before the High Court of Karnataka challenging the judgement and decree dated October 16, 2019. The matter is currently pending.

A co-defendant in the original suit has filed a miscellaneous petition dated September 8, 2020 before the Additional Judge, City Civil Court, Bengaluru to set aside the judgement and decree dated October 16, 2019 and the matter is currently pending.

- d. A third-party suit has been filed against MPPL and other defendants on September 23, 2020 before the Principal City and Sessions Judge, Bengaluru seeking possession of a land parcel admeasuring 1 acre and 12 guntas forming part of Embassy Manyata. The plaintiff claims that the land parcel was mortgaged by his ancestors in 1905 and they were unable to redeem the mortgage. The plaintiff has filed the suit to redeem the mortgaged premises and seek possession of the land parcel. The matter is currently pending.
- e. Certain third parties have filed a writ petition against State of Karnataka, MPPL and others before the High Court of Karnataka challenging the acquisition proceedings initiated by the state government with respect to *inter-alia* land parcels admeasuring 1 acre and 3 acres and 32 guntas at Nagavara Village which currently forms part of Embassy Manyata. The third parties were party to the proceedings in which the acquisition of the above lands had been challenged and the matter attained finality with the Supreme Court uploading the acquisition. The third parties have alleged that their representations for determination of compensation have not been addressed by KIADB and

on this ground they have sought: (i) quashing of an award passed determining the compensation; or (ii) alternatively, quash the acquisition proceedings itself. 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.

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, UPPL and Mac Charles (India) Limited indicating that no encumbrance would be created on the suit property of 94,000 square feet.

C. *Express Towers*

- a. IENMPL has filed a writ petition against the Government of Maharashtra and the Collector, Mumbai in 2003 before the Bombay High Court, challenging the demand against IENMPL for payment of increased transfer charges in relation to a sub-lease. While transfer charges amounting to ₹0.12 million annually for 61 years as per GoI's letter were levied in 2001, the transfer charges were revised to ₹2.34 million in the same year by the Collector, Bombay. In 2004, the Bombay High Court passed an order staying the operation of demand for increased transfer charges, subject to IENMPL continuing to pay the original transfer charges. IENMPL has also undertaken that in the event of dismissal of petition they shall pay the demanded increased transfer charges.
- b. IENMPL had initiated legal proceedings against a occupier before the Court of Small Causes, Mumbai in 2007 for eviction and recovery of possession of 2,150 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.
- c. A criminal public interest litigation has been instituted by a third party against the state of Maharashtra and others in 2017 which has alleged irregularities in the manner in which Express Towers was being used, and the manner in which the shareholders of IENMPL have acquired the asset. IENMPL impleaded itself as party to this public interest litigation. The Bombay High Court had directed the third party to file an amended petition to, *inter alia*, include IENMPL as a party, which has been filed by the third party on February 27, 2019. The last date of hearing in the said matter was August 5, 2019 when the matter was adjourned.

D. *Embassy Golflinks*

- a. Certain third parties have filed a suit for partition in 2005 against their family members and GLSP before the City Civil Court, Bengaluru, in respect of a property admeasuring 4 acres and 1 guntas, where GLSP is entitled to two acres and 21 guntas, forming part of Embassy Golflinks wherein the court passed a preliminary decree for partition. GLSP has filed an appeal in 2013 before the High Court of Karnataka challenging the decree. The High Court has passed interim orders in 2015 and stayed the decree. The matter came up for hearing on September 23, 2019 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. 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 non 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 matter is currently pending.
- d. Certain third parties have filed an application in 2007, before the Court of City Civil Judge, Bengaluru against GLSP and another third party seeking an injunction restraining them from alienating or creating any third party interest in a property admeasuring 2 acres and 14 guntas, forming part of Embassy Golflinks. The court passed an interim order in 2007 which has been subsequently vacated by the court and the matter is currently pending. The third party claimants have also filed a claim in 2009 against GLSP and others, before the High Court of Karnataka seeking appointment of an arbitrator and an arbitrator was appointed by an order in 2015. The claimants sought (i) performance of joint development agreements executed in 2004 and 2005, against GLSP and another individual, pertaining to the property before the arbitrator, and (ii) an injunction to restrain the respondents from alienating or creating any third-party interests in the building constructed on the property, before the arbitrator. The matter is currently pending.
- e. 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 cannot be evicted without the leave of court. The High Court of Karnataka in 2019 has allowed the appeals.
- f. 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 in 2017 seeking to restore the case and the summons are yet to be served on some of the respondents.
- g. 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 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 Additional City Civil and Sessions Judge and to remand the suit to the trial court by impleading GLSP as a defendant. The matter is currently pending.

E. *VTPL*

- 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 the land parcel. 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 matters are currently pending.
- b. 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.

- c. 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.
- d. 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.
- e. 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.
- f. VTPL has received a demand note dated August 14, 2020 from the Bangalore Water Supply and Sewerage Board 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. The matter is currently pending.
- g. 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 the 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 September 29, 2020; and (ii) issue of no-objection certificate to VTPL. Pursuant to an order dated November 30, 2020, the High Court of Karnataka granted an ad-interim 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. The matter is currently pending.
- h. 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.

In addition to the above, our title, development rights and other interests in relation to our Portfolio may be subject to the following uncertainties or defects:

- a. Flagship Infrastructure Private Limited has granted a right of way in favour of QBPPL and Flagship Developers Private Limited to the access road leading to the Embassy Qubix. While the agreement is registered, any termination of this agreement by Flagship Infrastructure Developers Private Limited would result in QBPPL incurring additional expenses in order to obtain an alternative entry route for Embassy Qubix.

- b. QBPPL has transferred rights to all future FSI in respect of the land on which Embassy Qubix is built to Flagship Developers Private Limited pursuant to a contractual arrangement. Any future FSI in respect of such land will be utilised by Flagship Developers Private Limited on a separate parcel of land owned by it adjacent to Embassy Qubix.
- c. ETPL has not paid property tax for the year 2017-18 on account of ETPL being entitled to refund of excess property tax paid for the year 2016-17. ETPL is yet to obtain a no dues certificate from MCGM for 2017-18.
- d. For Express Towers, subsisting rights of a third party for revival of possession of premises admeasuring 3,628 sq.ft. were not fully surrendered by them and IENMPL's authority to grant licenses to tenants for such premises could be challenged by the third party. Further, assignment of certain premises to the Indian Express Limited in 2008 and back to IENMPL by Indian Express Limited in 2014 has not been intimated to the Collector, Mumbai, which may be in violation of the terms of the lease deed.
- e. Since the 1970s, many correspondences have been exchanged by IENMPL, MCGM, and the Government of Maharashtra, in relation to unauthorized 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 unauthorized construction and unauthorized use) IENMPL last applied to the MCGM in 1990 for such permission which was rejected. IENMPL thereafter wrote to the Government of Maharashtra requesting that they direct the MCGM to regularize 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.
- f. IENMPL has received a notice from the Collector, Mumbai in 2008 alleging violations of the terms of the lease deed such as use of premises for purposes other than the permitted use; carrying out construction/ repair work without the approval of the state architect; and granting licenses to use to third parties without payment of transfer charges. IENMPL has responded to this notice in 2008 confirming compliance with the terms of the lease deed and there has been no further correspondence in this regard since 2008. For details of the writ petition filed by IENMPL in relation to payment of increased transfer charges.
- g. An order bearing number CSLR/REV-1/LND2540(236)/BBR-III order/5th floor 2019/3563 has been received on March 6, 2019 by IENMPL requiring payment, within 21 days, of ₹16.27 million towards regularization of a prior sub-lease of an erstwhile tenant; and submission by IENMPL, within one month, of details of other transfers and lease and licenses for regularization. The order also states that due to alleged breaches of terms and conditions, further investigation and necessary action may be taken under section 53 of Maharashtra Land Revenue Act 1966 (which authorizes the Collector to pass an order for eviction, provided that the company is found to be in breach of the terms of the lease); and that IENMPL has the right to prefer an appeal before the Maharashtra Revenue Tribunal. IENMPL has paid the aforesaid amount.
- h. Subsequently, IENMPL made an application to the office of the Collector, Mumbai City, seeking conversion of land admeasuring approximately 5,918.11 square meters, on which the building known as "Express Towers" stands, from occupancy class II land that is leasehold land into occupancy class I land, that is, freehold land, by a letter dated May 13, 2019. Pursuant to various orders passed by the office of the Collector, IENMPL has made an aggregate payment of approximately ₹909.46 million towards regularization and conversion of the land. Subsequently, the Collector, Mumbai pursuant to its order dated August 23, 2019, after regularizing the usage of the said Property, approved the conversion of such land from occupancy class II that is leasehold land into occupancy class I land that is freehold land, under the Maharashtra Land Revenue (Conversion of Occupancy Class II and Leasehold Lands into Occupancy Class I Lands) Rules, 2019.
- i. Formal communication acknowledging receipt of IENMPL's letter dated January 31, 1989 confirming compliance with conditions for regularisation of mezzanine floor on the 1st floor of Express Towers admeasuring 5,600 sq.ft. has not been received by IENMPL.
- j. In relation to Express Towers, the following approvals have not been applied for or not obtained: (i) Completion and commencement certificates from the MCGM and approvals from the Chief Architect to the Government of Maharashtra for alterations and construction on certain floors and alteration of usage on the certain floors and (ii) approvals from the Collector, Mumbai City, for change of use of one floor and for installation of antennas on service floors.
- k. While agreements to sale and powers of attorney have been executed with landowners in respect of 465.77 acres of land required for operating Embassy Energy, these documents do not expressly permit the commencement operations of Embassy Energy on such land prior to execution of the sale deeds.

- l. In relation to Embassy Energy, 465.77 acres of land for Embassy Energy were identified. 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 approvals 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 fine is pending.
- m. In relation to Embassy Energy, title diligence undertaken by us notes certain deficiencies In relation to Embassy Energy, title diligence undertaken by us notes certain deficiencies in title documentation including non-availability of RTC records for certain periods, missing encumbrance certificates for certain periods for certain survey numbers, non-availability of detailed family trees for specific survey numbers, subsisting encumbrances created by original landowners with respect to certain survey numbers (in respect of which land aggregators responsible for acquisition of the land have provided indemnity bonds to EEPL); and non-availability of original title documents for review by the title lawyer on account of these documents being in the possession of ISPL or the land aggregator appointed by such service provider.
- n. In relation to Embassy 247, use of land admeasuring 4,701.6 sq. m. was converted from agricultural to industrial pending receipt of approval from the Collector, Suburban Mumbai. Unauthorized change in land use may attract penal consequences under the Maharashtra Land Revenue Code, 1966.
- o. In relation to Embassy 247, VCPPL has initiated the process of updating the revenue records and made an application dated August 28, 2018, to have its name mutated in the revenue records.
- p. Embassy One Assets is to yet to undergo khata bifurcation and get a separate municipal sub-number from BBMP in the name of QBPL. Upon completion of the above, latest khata certificate and khata extract in the name of QBPL will be obtained along with the special notice under which khata was bifurcated and sub-number assigned. A mortgage created over Embassy One Assets in relation to certain outstanding non-fund borrowing availed by Embassy One Developers Private Limited is still subsisting.

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 ₹224.40 million (being 1% of the consolidated income as of March 31, 2020) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of 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, 2020. Further, there is no litigation against Embassy REIT as on date.

A. MPPL

(a) Regulatory Proceedings

- i. The Director, SEZ Section, GoI issued guidelines in 2009 which laid down that captive power plants in IT/ ITES SEZs were to be classified as separate units and were entitled to avail fiscal benefits under the SEZ Act including the benefit of exemption from the levy of excise duty under the Central Excise Act, 1994, on the goods supplied to them. However, in 2015, a new circular was issued which withdrew all such benefits and incentives extended to the captive power plants set up in a SEZ with effect from April 1, 2015. In 2016, new guidelines were issued which restored the benefits and exemptions given under the 2009 circular. However, the exemptions and benefits were prospective in nature and did not apply to SEZ developers, such as MPPL, for the period between the 2015 circular and the 2016 guidelines. By way of their letters in 2016, two diesel providers who were providing high

speed diesel to MPPL, informed MPPL that amount payable due to excise duty on supply of diesel to MPPL was ₹31.60 million and ₹8.49 million, respectively, due to the changed guidelines. MPPL filed an application before the Development Commissioner, Manyata Embassy Business Park SEZ in 2016 seeking approval of its DG set unit as a SEZ unit with retrospective effect, which was not granted. Subsequently, MPPL filed an appeal before the Development Commissioner, Manyata Embassy Business Park SEZ seeking modification of the letter of approval granted by the Board of Approval, SEZ Section to classify MPPL's captive power plant as a SEZ unit, as it was not granted with retrospective effect, which was rejected. MPPL has filed a writ petition in 2017 before the High Court of Karnataka to set aside the said order and a stay order has been granted.

(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. Subsequently, an appeal has been filed before the City Civil Court in 2019 to *inter-alia*, (i) set aside the arbitration award; and (ii) dismiss the claim petition filed by the claimants. Additionally, an execution petition was filed before the City Civil and Sessions Judge in 2019 by the award holder. This matter has been shifted to the Commercial Court, Bengaluru pursuant to a notification dated August 17, 2020 issued by the City Civil Court, Bengaluru. The matter is currently pending.

B. EEPL

Regulatory Proceedings

- a. The Karnataka Electricity Regulatory Commission has issued orders in 2005, 2008 and 2014 granting exemption to all solar power generators in Karnataka that achieved commercial operation date between April 1, 2013 and March 31, 2018 from paying certain charges such as, inter alia, payment of wheeling and banking charges, cross subsidy surcharges, transmission losses and wheeling losses for a period of ten years from the date of commissioning. The Commission issued an order in 2018 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 Learned Single Judge of the High Court of Karnataka, and Karnataka Electricity Regulatory Commission has filed common preliminary objections on September 27, 2018 and requested the High Court of Karnataka to dismiss the writ petition filed by EEPL and others. The High Court of Karnataka, by way of an order dated March 13, 2019, allowed the writ petitions filed by EEPL and others, and quashed the order dated May 14, 2018 issued by the Karnataka Electricity Regulatory Commission. EEPL has filed 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 and Others. Karnataka Electricity Regulatory Commission has also filed writ appeals against some of the petitioners, but no appeal has been filed against EEPL.
- b. The Karnataka Electricity Regulatory Commission has issued an order in 2018 pursuant to which banking facilities available to non-renewable energy certificate based renewable energy generators were reduced from a period of one year to six months, and restrictions were imposed on the extent of banked energy which could be withdrawn during the peak time of day. EEPL filed a writ petition against the Karnataka Electricity Regulatory Commission and others before the High Court of Karnataka. The High Court of Karnataka pursuant to an order dated August 9, 2018 granted an interim stay on the commission's order. Pursuant to an order dated July 24, 2019, the High Court of Karnataka has allowed the writ petition and quashed the order dated January 09, 2018 issued by the Karnataka Electricity Regulatory Commission with a direction to Karnataka Electricity Regulatory Commission to reconsider

the matter. No appeal has been filed challenging the said order dated July 24, 2019 by virtue of which the writ petition of EEPL was allowed and the order dated January 9, 2018 of KERC was quashed.

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. Pursuant to a letter dated January 2, 2020, the third party sub-contractor served notice of hearing in this matter for initiation of insolvency proceedings under Section 9 of the IBC before the NCLT, Bengaluru. The matter is currently pending. Subsequently, the Service Provider and EEPL agreed to a revised prepayment mechanism pursuant to a letter dated November 18, 2020. It was agreed that upon payment of ₹7.77 billion, all the definitive agreements executed between parties, except the operations and management agreement, shall be terminated and result in the release of the security interest over the EEPL assets. Pursuant to a letter dated December 11, 2020, the entire prepayment amount of ₹7.77 billion has been paid by EEPL towards full and final settlement and the Service Provider has confirmed that there are no dues payable under the deferment payment agreement.
- b. In relation to Embassy Energy, ISPL has identified 465.77 acres of land for Embassy Energy. The approval obtained by EEPL from the Government of Karnataka for the establishment of Embassy Energy requires that the land is purchased and the solar project is established only after obtaining conversion of the use of the land for non-agricultural purposes. EEPL is required to obtain approval from the local authorities to purchase the land for the solar project under Section 109 of the Karnataka Land Reforms Act, 1961 which is deemed conversion of agricultural land and no further approvals are necessary. EEPL directly or through land aggregators has executed agreements for sale and powers of attorney with various land owners for 465.77 acres of land. Applications for approval under Section 109 have been made for 464.51 acres of land and such approvals have been received for 442.20 acres. EEPL has executed sale deeds in respect of 254.47 acres of land. Of the 254.47 acres of land for which sale deeds have been executed, payment of conversion fine is pending.

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. Further, we have informed KSPCB of the completion of four sewage treatment plant modification works in GLSP.

D. IENMPL

Certain other matters

- a. IENMPL has received a notice from the Collector, Mumbai in 2008 alleging violations of the terms of the lease deed such as use of premises for purposes other than the permitted use; carrying out construction/ repair work without the approval of the state architect; and granting licenses to use to third parties without payment of transfer charges. IENMPL has responded to this notice in 2008 confirming compliance with the terms of the lease deed. There has been no further correspondence in this regard since 2008. For details of the writ petition filed by IENMPL in relation to payment of increased transfer charges, see “Material litigation and regulatory action pertaining to the Portfolio” above. An order bearing number CSLR/REV-1/LND2540(236)/BBR-III order/5th floor 2019/3563 has been received on March 6, 2019 by IENMPL requiring payment, within 21 days, of ₹16.27 million towards regularization of a prior sub-lease of an erstwhile tenant; and submission by IENMPL, within one month, of details of other transfers and leave and licenses for regularization. The order also states that due to alleged breaches of terms and conditions, further investigation and necessary action may be taken under section 53 of Maharashtra Land Revenue Act 1966 (which authorizes the Collector to pass an order for eviction, provided that the company is found to be in breach of the terms of the lease); and that IENMPL has the right to prefer an appeal before the Maharashtra Revenue Tribunal. IENMPL has paid the aforesaid amount.

Subsequently, IENMPL made an application to the office of the Collector, Mumbai City, seeking conversion of land admeasuring approximately 5,918.11 square meters, on which the building known as “Express Towers” stands, from occupancy class II land that is leasehold land into occupancy class I land, that is, freehold land, by a letter dated April 1, 2019. Pursuant to various orders passed by the office of the Collector, IENMPL has made an aggregate payment of approximately ₹909.46 million towards regularisation and conversion of the land. Subsequently, the Collector, Mumbai pursuant to its order dated August 23, 2019, after regularising the usage of the said Property, approved the conversion of such land from occupancy class II that is leasehold land into occupancy class I land that is freehold land, under the Maharashtra Land Revenue (Conversion of Occupancy Class II and Leasehold Lands into Occupancy Class I Lands) Rules, 2019.

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

E. EOPPL

A third party has filed an original application before the National Green Tribunal, Western Zone Bench, Pune against the Embassy Sponsor, the State Environmental Impact Assessment Authority, the Maharashtra Pollution Control Board and others, alleging, *inter-alia*, that construction of certain buildings at Embassy TechZone, Pune was carried out illegally from September 2006 to July 2011 since the Embassy Sponsor did not obtain the relevant environmental clearances from the Environment Department, Ministry of Environmental and Forest and Climate Change, Government of India prior to such period. The Embassy Sponsor has received a notice dated August 18, 2020 from the National Green Tribunal, Western Zone Bench, Pune. Embassy Sponsor has filed a reply with the National Green Tribunal. 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 ₹899.46 million (being 5% of the total consolidated revenue for the Financial Year 2020) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the

perspective of 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.

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.

Other material litigation

A third party has filed an original application before the National Green Tribunal, Western Zone Bench, Pune against the Embassy Sponsor, the State Environmental Impact Assessment Authority, the Maharashtra Pollution Control Board and others, alleging, *inter-alia*, that construction of certain buildings at Embassy TechZone, Pune was carried out illegally from September 2006 to July 2011 since the Embassy Sponsor did not obtain the relevant environmental clearances from the Environment Department, Ministry of Environmental and Forest and Climate Change, Government of India prior to such

period. The Embassy Sponsor has received a notice dated August 18, 2020 from the National Green Tribunal, Western Zone Bench, Pune. Embassy Sponsor has filed a reply with the National Green Tribunal. The matter is currently pending.

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 ₹899.46 million (being 5% of the consolidated total revenues (income) of Embassy Sponsor for the Financial Year 2020) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of 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.

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 we have not received any further communication in this regard from RBI.
- (d) Udhyan Investments Private Limited has received a notice in 2015 from the RBI to provide clarifications to determine whether it is an NBFC. The company clarified that it does not qualify as an NBFC and post which we have not received any further communication in this regard from RBI.

Other Material Litigation

- a. 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

The Blackstone Sponsor, its Associate 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 consolidated total revenues (income) of the Blackstone Sponsor for the calendar year ended December 31, 2019) or any proceedings where the amount is not determinable but the proceeding is considered material by the relevant entity from the perspective of the Embassy REIT pending against them.

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

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 exceeding ₹35.62 million (being 5% of the standalone total revenues (income) of the Manager for the Financial Year 2020) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of the Embassy REIT have been considered material.

VII. Material litigation and regulatory action pending against the Trustee

The Trustee does not have any regulatory actions/proceedings, criminal matters, or material civil/commercial litigation, i.e., in excess of ₹9.11 million (being 5% of the profit after tax of the Trustee for the Financial Year 2020) pending against it and the Trustee does not have proceedings where the amount is not determinable but the proceeding is considered material by Trustee from the perspective of the Embassy REIT.

VIII. Taxation Proceedings

Details of outstanding direct tax, indirect tax and property tax matters against the Relevant Parties are as follows:

Nature of the Case	Number of Cases	Amount involved (in ₹ million)
Asset SPVs and Investment Entity		
Direct tax	42	449
Indirect tax	16	948.88
Property tax	3	3,313.08
Total	61	4,710.98
Embassy Sponsor		
Direct tax	5	172.97
Indirect tax	3	309.63
Property tax	Nil	Nil
Total	8	482.60
Associates of Embassy Sponsor		
Direct tax	68	215
Indirect tax	33	1,174.11
Property tax	Nil	Nil
Total	101	1,389.11
Blackstone Sponsor		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Property tax	Nil	Nil
Total	Nil	Nil
Blackstone Sponsor Group		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Property tax	Nil	Nil
Total	Nil	Nil
Manager		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Property tax	Nil	Nil
Total	Nil	Nil

Associates of the Manager*			
Direct tax		Nil	Nil
Indirect tax		Nil	Nil
Property tax		Nil	Nil
Total		Nil	Nil
Trustee			
Direct tax		Nil	Nil
Indirect tax		Nil	Nil
Property tax		Nil	Nil
Total		Nil	Nil

* Excludes Associates of the Sponsors

OTHER REGULATORY DISCLOSURES

1. The following documents have been / shall be submitted to the BSE along with the listing application:
 - (i) Trust Deed of the Issuer and necessary resolution(s) for the Allotment of the Debentures
 - (ii) Copy of the Financial Statements and annual report for FY 2020. Please note that annual reports for FY 2019 and FY 2018 are not available.
 - (iii) Statement containing particulars of, dates of, and parties to all material contracts and agreements
 - (iv) Copy of the resolution of the board of directors of the Manager authorizing the borrowing and list of authorized signatories
 - (v) An undertaking from the Manager stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc., and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (five) Working Days of execution of the same
 - (vi) Any other particulars or documents that the recognized stock exchange may call for as it deems fit
 - (vii) An undertaking that permission/ consent from the prior creditor for second or *pari passu* charge being created, where applicable, in favour of the trustees to the proposed issue has been obtained.

2. The following documents have been/shall be submitted to the Debenture Trustee in electronic form (soft copy) at the time of the allotment of the Debentures:
 - (i) Trust Deed of the Issuer and necessary resolution(s) for the allotment of the Debentures
 - (ii) Copy of the Financial Statements and annual report for FY 2020. Please note that the annual reports for FY 2019 and 2018 are not available
 - (iii) Statement containing particulars of, dates of, and parties to all material contracts and agreements
 - (iv) An undertaking to the effect that the Issuer would, until the redemption of the Debentures, submit the annual/ half-yearly audited financial statements to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (one hundred and eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all ‘Qualified Institutional Buyers’ and other existing debenture-holders within 2 (two) Business Days of their specific request.
 - i. Details of any Acquisition or Amalgamation in the last 1 (one) year: Please see. “*Structure of the Issuer – Holding Structure of the Portfolio*” on page 22.
 - ii. Details of any Reorganization or Reconstruction in the last 1 (one) year: NA. However, for details of the ongoing internal restructuring involving the Asset SPVs, please see “*Structure of the Issuer – Holding Structure of the Portfolio*” on page 22.
 - iii. The Issuer undertakes that the assets on which charge is created for the purposes of the Issue are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or *pari-passu* charge on the assets of the Issuer has been obtained from the earlier creditor.
 - iv. The Debenture Trustee confirms that it has undertaken the necessary due diligence in accordance with applicable law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circular titled “Monitoring and Disclosures by Debenture Trustee(s)” dated November 12, 2020.
 - v. Details of auditors and change in auditors since last three years:

Name	Address	Date of Appointment/ Resignation	Auditor of the Embassy REIT since (in case of resignation)	Remarks

S.R. Batliboi & Associates LLP, Chartered Accountants	12 th Floor, "UB City" Canberra Block No. 24 Vittal Mallya Road, Bengaluru 560001 Karnataka, India	July 25, 2019	-	-
BSR & Associates LLP, Chartered Accountants	Maruthi Infotech Centre, 11-12/1 Inner Ring Road, Koramangala, Bengaluru 560 071, Karnataka, India	Resignation with effect from June 28, 2019	June 12, 2018	-

SECTION VI: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Security Name	Listed, Rated, Secured, Redeemable, Transferable, Rupee Non-Convertible Bonds (“ Debentures ”)
Issuer	Embassy Office Parks REIT
Type of Instrument	Secured, rated, listed, redeemable, transferable, rupee denominated non-convertible debentures
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	Non-Banking Financial Institutions, mutual funds and any other entities eligible as per extant regulations
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	BSE In case of delay in listing of Debentures beyond: (i) 5 (Five) trading Days from the Deemed Date of Allotment if the Deemed Date of Allotment and the date of closure of the Issue are the same, or (ii) 4 (Four) trading days from the Deemed Date of Allotment, if the Deemed Date of Allotment is a day succeeding the date of closure of the Issue, the REIT will: (A) pay penal interest of 1% p.a. over the Coupon rate for the period of delay from the Deemed Date of Allotment and till the listing of the Debentures, to the Debenture Holders; and (B) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from the stock exchange.
Rating of Instrument	‘CRISIL AAA/Stable’
Issue Size	Up to ₹2,600 crores
Option to retain oversubscription (Amount)	Nil
Objects of the Issue	Proceeds of the Issue will be used for: A. Refinancing of the REIT and/ or SPV financial indebtedness; B. Construction and development, construction financing, refurbishment expenses, acquisition of assets and/ or SPVs by the REIT, acquisition of assets by the SPV’s and/or working capital requirements at underlying SPVs; C. Providing shareholder debt to SPVs by the REIT; D. Interim investments in Cash Equivalent Investments (Obligors) (as defined under the Debenture Trust Deed) until A,B or C can be undertaken. Proceeds can also be used for other general corporate purposes including payment of fees and expenses on the issue.
Details of the utilization of the Proceeds	Same as above
Coupon Rate	6.40% per annum payable quarterly
Step Up/ Step Down Coupon Rate	Step Up – The coupon rate shall stand increased by 0.25% (zero point two five per cent) over and above the immediately preceding coupon rate for each downgrade (of a notch) by the Rating Agency in the credit rating of the Instrument. Step Down – The coupon rate shall stand decreased by 0.25% (zero point two five per cent) over and above the immediately preceding coupon rate for each upgrade (of a notch) by the Rating Agency in the credit rating of the Instrument, provided the coupon rate shall not, at any time, be less than the coupon rate on the Deemed Date of Allotment. However, if rating is downgraded to A+ (“Critical Rating Downgrade”), the coupon rate shall be increased by 100 bps. In case rating is upgraded back to AA-, the coupon rate shall be decreased by 100 bps. The change in Coupon Rate shall be applicable from the date of such rating action up to earlier of (A) the applicable redemption date; or (B) any subsequent rating upgrade/ downgrade event or (C) an immediately subsequent rating downgrade/ upgrade event. For avoidance of doubt, any further downgrade below A+ shall continue to have 25 bps step-up in coupon rate (and 25 bps step-down in case of an upgrade). In the event of a Critical Rating Downgrade, the Issuer shall have the right to redeem all of the debentures at par together with accrued redemption premium within 90 days of the Critical Rating Downgrade by giving 5 Business Days’ prior written notice
Coupon Payment Frequency	Quarterly

Coupon Payment Dates	Last date of each financial quarter
Coupon Type	Fixed coupon rate and as adjusted in accordance with Step Up / Step Down Coupon Rate Clause
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	N/A
Day Count Basis	Actual/ Actual
Interest on Application Money	N/A
Default Interest Rate	Subject to agreed cure periods (being the time period within which a default or breach may be remedied or rectified, without any further consequences), in case of default in payment of any monies accruing due on the respective due dates, the defaulted amount thereof shall carry Default Interest for so long as such default continues, which shall be a rate of 2% per annum over and above the coupon rate in respect of any amounts which have not been paid on maturity. For any other event of default (other than a default in payment of amounts due), Default Interest of 2% per annum shall accrue on the outstanding amount of the Debentures over and above the applicable Coupon Rate from the date of occurrence of such event of default until the event of default is continuing.
Tenor	37 months 30 days prior to the final redemption date, Issuer shall fund the account of the REIT which is charged to the lenders with an amount equal to the total redemption amount as at that date i.e. the principal amount together with accrued and unpaid coupon till the date of repayment of the Debentures
Redemption Date	37 months from the Deemed Date of Allotment
Redemption Amount	At par
Redemption Premium/ Discount	N/A
Debenture Redemption Reserve	N/A
Issue Price	₹1,000,000 (Rupees One Million Only) per debenture
Discount at which security is issued and the effective yield as a result of such discount	N/A
Put Date	N/A
Put Price	N/A
Call Date	a) First Call Option Date: At the expiry of the 30 th month from the Deemed Date of Allotment b) Second Call Option Date: At the expiry of the 33 rd month from the Deemed Date of Allotment c) Third Call Option Date: At the expiry of the 36 th month from the Deemed Date of Allotment
Call Price	At par
Put Notification Time	N/A
Call Notification Time	a) at least 20 (twenty) days prior to the First Call Option Date b) at least 20 (twenty) days prior to the Second Call Option Date c) at least 1 (one) day prior to the Third Call Option Date
Face Value	₹1,000,000 per debenture
Minimum Application size and in multiples of 1 debt securities thereafter	1 Debenture
Issue Timing 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date 4. Deemed Date of Allotment	Issue Opening Date – January 14, 2021 Issue Closing Date – January 14, 2021 Pay In Date – January 15, 2021 Deemed Allotment Date – January 15, 2021 Record Date – 7 (seven) calendar days before any Due Date
Manner of Bidding	Fixed Rate Closed Bidding
Manner of Allotment	Uniform Yield of Allotment
Manner of Settlement	HDFC Bank Beneficiary Name: INDIAN CLEARING CORPORATION LTD Account Number: ICCLEB IFSC Code: HDFC0000060

	Mode: NEFT/RTGS
Settlement Cycle	T+1
Issuance mode of the Instrument	Dematerialised form only
Trading mode of the Instrument	Dematerialised form only
Settlement mode of the Instrument	Dematerialised
Depositories	National Securities Depository Limited, Central Depository Services Limited
Business Day Convention	<p>In case any Redemption Date falls on a day which is not a Business Day, the payments to be made on such Redemption Date shall be made on the immediately preceding Business Day</p> <p>For this purpose, "Business Day" means a day (other than a Saturday or a Sunday or a day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881) on which banks are open for general business in Mumbai and Bengaluru.</p>
Record Date	7 (seven) calendar days before any Due Date
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	<p>Information covenants, positive and negative covenants customary for a financing of this nature (with suitable carve outs and thresholds as set out under the Transaction Documents) including but not limited to:</p> <ol style="list-style-type: none"> 1. Information Undertakings, including submission of financial statements of the Issuer and the Secured SPVs 2. Authorizations necessary under law for the Issuer and Secured SPVs to perform their respective obligations under the Transaction Documents to which they are a party 3. Compliance with laws 4. Compliance with anti-bribery and corruption laws 5. No person identified as a willful defaulter by the RBI shall be inducted by the Issuer or inducted on the board of directors of any Secured SPV 6. Restrictions on mergers, acquisitions, investments and disposal (with exceptions as set out under the Debenture Trust Deed) 7. Proceeds of the Issue to be utilized as per the Transaction Documents 8. Conduct of business of the Obligors with due diligence and in accordance with industry standards 9. The Issuer shall directly or indirectly hold 100% of the share capital of each of the Secured SPVs 10. Maintain listing of the REIT Units and the Debentures on the relevant stock exchange(s) 11. Neither the Issuer nor any Secured SPV shall take any steps for its dissolution/ insolvency 12. The Issuer and Secured SPVs shall not change their accounting policies and the financial year shall end on March 31 of each year, unless otherwise required under applicable law 13. The Obligors shall not enter into any arrangement, agreement or commitment with any person except on arm's length terms, other than as set out under the Debenture Trust Deed 14. The Issuer and Secured SPVs shall pay and discharge all taxes applicable in respect of the secured assets 15. Compliance with sanctions related provisions 16. Compliance with environmental laws and information covenants regarding environmental claims 17. The Issuer and Secured SPVs shall not incur any indebtedness other than the Permitted Indebtedness (as set out under the Debenture Trust Deed) 18. The Issuer and Secured SPVs shall not create any security over the secured assets, other than as permitted under the Debenture Trust Deed 19. Restrictions on granting loans by the Issuer and the Secured SPVs other than as set out under the Debenture Trust Deed 20. Following financial Covenants: <ul style="list-style-type: none"> • Net Total Debt / EBITDA \leq 5.00x • Loan to Value (Issuer level) \leq 40% • LTV of Mortgaged Property and Portfolio Assets of EEPL \leq 49% • EBITDA from mortgaged assets + Portfolio Assets of EEPL property \geq Rs 400 Crores <p><i>Accelerated Payment Clauses:</i></p> <p>The Debentures shall be required to be redeemed prior to the scheduled redemption date (as referred to above), pursuant to the occurrence of the following events:</p> <ul style="list-style-type: none"> • Exercise of a call option • A delisting of the REIT Units • Exercise of an early redemption or buy back option, in each case subject to terms as more particularly set out under the Debenture Trust Deed

	<p>The Debentures may be required to be redeemed prior to the scheduled redemption date (as referred to above), pursuant to the occurrence of the following events:</p> <ul style="list-style-type: none"> • Critical rating downgrade event • Occurrence of an Event of Default • A change of Sponsor of the Issuer or change of the ownership of the Investment Manager of the Issuer • Occurrence of an Expropriation Event, <p>in each case subject to terms as more particularly set out under the Debenture Trust Deed.</p>
<p>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.</p>	<p>The obligations of the Issuer under the Issue, all interest and other monies in respect of this Instrument shall be secured/supported by:</p> <ol style="list-style-type: none"> a) first ranking pari passu mortgage over Primrose (Block 7B), Camation (Block 1A), Aster /East Wing and West Wing (Block 2A), Hibiscus (Block 2B), Lilac (Block 2C), Gardenia (Block 2D) and related parcels of immovable properties of VTPL, in each case as more particularly set out in the Transaction Documents, to be created in favor of the security trustee by way of an equitable mortgage (“Mortgaged Property”), b) Corporate Guarantee from Embassy-Energy Private Limited (“EEPL”). c) Corporate Guarantee from Vikas Telecom Private Limited (“VTPL”); d) First ranking pari passu pledge over 100% total share capital of VTPL in favour of security trustee e) First ranking pari passu pledge over 100% total share capital of EEPL in favour of security trustee f) a first ranking pari passu charge by way of hypothecation to be created by the Issuer over identified bank accounts of the Issuer into which the relevant cash-flows of the Issuer from the Secured SPVs will flow and the cash equity account as more particularly set out under the relevant Transaction Documents, in favour of security trustee; g) a first ranking pari passu charge by way of hypothecation to be created by VTPL over the Mortgage Property and cash flows arising from the common area maintenance services to the occupiers of the Mortgage Properties, in favour of security trustee; <p>The above SPV on whose assets encumbrance is created to be called the “Secured SPV” for the purpose of the Terms of the Issue. The Issuer and the Secured SPV to be collectively called as “Obligors”, and “Obligor” means any of them.</p> <p>All security may be shared on a pari passu basis with refinancing creditors for refinancing of the NCDs (whether in part or in full) from time to time. The pledge over the shares of VTPL and security over Issuer’s receivables from VTPL may be shared with other permitted creditors, in each case as set out in the Transaction Documents (in addition to being shared with refinancing creditors for refinancing of the NCDs (whether in part or in full) from time to time), on pari passu basis.</p> <p>For the avoidance of doubt it is clarified that a separate tri-partite agreement will be entered into by the REIT, the security trustee and the bank at which the REIT and VTPL have opened bank accounts into which the receivables forming part of the security have to be deposited. This agreement will stipulate that there will be no restrictions on the operations of the bank accounts on an ongoing basis. In case of declaration of an Event of Default in accordance with the Debenture Trust Deed, the debenture trustee would take complete control of these accounts and control all transfers of cash outside of these accounts other than as expressly set out in the definitive documentation.</p> <p>Mortgage over other unencumbered under construction assets can only be provided to the lenders of REIT/ VTPL who finance Construction finance and/ or conversion of such construction finance facilities to lease rental discounting facilities or any other form of refinancing and/or other permitted debt (including non-fund, term loan etc.) and permitted security as set out under the Debenture Trust Deed.</p> <p>VTPL can incur indebtedness (VTPL Permitted Indebtedness) subject to, inter alia, following conditions:</p> <ol style="list-style-type: none"> (i) Upto 7.0x multiple of annualized EBITDA from Block 5 against security of Block 5 which will only apply in case of a refinancing of the including existing indebtedness from HSBC and DB (ii) Up to Rs. 2,000 crs for construction capex including non fund based working capital limit <p>VTPL may incur additional Financial Indebtedness over and above VTPL Permitted Indebtedness (“Additional VTPL Permitted Indebtedness”) provided that the outstanding principal amount of such Additional VTPL Permitted Indebtedness does not exceed INR 3000,00,00,000 (Indian Rupees three thousand crores only) provided further that: (w) such Additional VTPL Permitted Indebtedness</p>

	<p>is incurred for the purposes of permitted acquisition by VTPL (including any Financial Indebtedness incurred for the purpose of refinancing any such Financial Indebtedness); (x) where such permitted acquisition is by way of acquisition of the share capital of a company or ownership interest in a limited liability partnership, the acquisition must be for at least a 51% (fifty one per cent) shareholding in the share capital of the company or majority ownership interest in the LLP (in a series of one or more transactions) (y) such Additional VTPL Permitted Indebtedness shall not exceed 50% of the value of the asset acquired; and (z) such Additional VTPL Permitted Indebtedness shall not exceed 7x of the proportionate EBITDA of the asset acquired.</p> <p>VTPL Permitted Indebtedness (including Additional VTPL Permitted Indebtedness) may be raised in any form (such as bonds or loans) whether by VTPL or at the REIT level, in which case VTPL is permitted to provide a corporate guarantee and/or charge or mortgage its assets (other than the secured assets as defined under the Debenture Trust Deed, however such secured assets may be charged for any refinancing of these Debentures) in respect of any such financings (including any refinancing thereof) availed or to be availed by the REIT. VTPL shall be permitted to guarantee VTPL Permitted Indebtedness at REIT level only where such financing is availed for: (a) refinancing existing debt secured by Block 5, (b) acquisition financing, (c) construction financing, (d) refinancing the Debentures, (e) refinancing any of the financings set out in (a)-(d) above.</p> <p>All accounts pertaining to construction financing & Block 5 at VTPL to be carved out from the above charge.</p> <p>Guaranteed obligations of VTPL to also be secured by the Security created by VTPL in terms of the Transaction Documents.</p>
<p>Additional Scheduled Amount</p>	<p>Debentures Redemption</p> <p>INR 2,600 crores</p>
<p>Financial Covenants</p>	<p><u>REIT level</u></p> <ul style="list-style-type: none"> • Net Total Debt / EBITDA <= 5.00x • Loan To Value <= 40% <p><u>Asset Level</u></p> <ul style="list-style-type: none"> • LTV of Mortgaged Property and Portfolio Assets of EEPL <= 49% • EBITDA from Mortgaged Properties and Portfolio Assets of EEPL >= Rs 400 Crores <ul style="list-style-type: none"> ○ EBITDA shall mean Earnings before finance costs, depreciation, amortization and income tax, excluding such income and/ or expenses which are non-recurring and non-operational in nature and also excluding share of profit of equity accounted investees. In case of acquisition of by the REIT of a new asset, EBITDA of the incoming asset for the corresponding period, as per available financials for the corresponding calculation period, shall be added, without double counting, for the purpose of calculation of the financial covenants, as more particularly detailed in the Debenture Trust Deed. For the avoidance of doubt, it is clarified that any profit / loss on sale of assets, any profit/loss on fair value movement of financial assets, and any foreign exchange profit / loss shall be excluded from the definition of EBITDA, while interest income from deposits / loans, realized gain / loss on sale of financial assets etc. shall be included in the definition of EBITDA. Provided that, in case of fit out or other rentals or Rental Support Agreements, if any, that are not one time (i.e. more than 6 (six) months), entire contracted cash flows from those agreements will be considered for the relevant period for the purpose of calculation of EBITDA. Provided further that save and except the contracted cash flows from the Rental Support Agreement executed by SIPL that is existing as on the date of execution of the Debenture Trust Deed, the contribution of any contracted cash flows from a Rental Support Agreement executed after the date of execution of the Debenture Trust Deed (that is not one time (i.e. more than 6 (six) months)) to the EBITDA shall be capped at 5% (five per cent) of the EBITDA for the relevant period. An indicative list of line items to be included and / or excluded from the definition of EBITDA shall be provided in Debenture Trust Deed. “Rental Support Agreement” means any agreement entered into by the Issuer and/or any of the SPVs with a third party (including Sponsors) for receiving rentals for under-construction, non-revenue generating leasable area. ○ Net Total Debt means the aggregate amount of all outstanding Financial Indebtedness of the REIT Group, including without limitation, accrued but unpaid coupon, interest, redemption premium (if applicable), and Coupon excluding: any Financial Indebtedness extended by one member of the REIT Group to another member of the REIT Group, less (b) Consolidated Cash cash and cash equivalent. ○ LTV shall be calculated as Net Total Debt divided by the aggregate value of the assets of the REIT Group as determined by the valuer providing the valuation as required under REIT regulations. LTV of secured asset will be calculated as NCDs outstanding under

	<p>this issuance divided by the value of Mortgage Properties and the Portfolio Assets of EEPL which is charged to Debenture Holders under this NCD.</p> <p>The above financial covenants to be tested on March 31 and September 30 of each year Definitions and other terms to be as set out in the Debenture Trust Deed. However, the first financial covenant testing date shall be September 30, 2021.</p> <p>Any breach of the financial covenant may be cured by the injection of cash equity within a period no longer than 20 Business Days after the delivery of a compliance certificate relating to the financial covenants showing a breach of the relevant covenant, which cash equity shall be deemed to have decreased Net Total Debt on the relevant testing date by the amount of cash so injected. Such cash would be kept in an identified bank account at the REIT level charged to investors or may be utilized to repay a portion of the Net Total Debt equivalent to the amount of the cash equity and can fully or partially be released once on a subsequent testing date a compliance certificate is delivered showing compliance with financial covenants excluding cash to be released, unless such cash is used to prepay debt to a level that would have complied with such financial covenant, which prepayment shall in the case of the Bonds, be permitted at par.</p> <p>Valuation of the assets will be determined by the Valuation Report (which means the valuation report prepared in accordance with Regulation 21 (Valuation of Assets) of the REIT Regulations.). Provided that in case Majority Debenture Holder wants any valuation to be done by any other party, they can do by appointing valuation agency as per the below mentioned clause. In such case, the LTV Covenant will be tested basis average of the REIT valuations and any such appointed valuer for the period.</p>
Transaction Documents	<p>As set out in the Debenture Trust Deed including but not limited to the following:-</p> <ul style="list-style-type: none"> • Information Memorandum; • Debenture Trustee Agreement; • Debenture Trust Deed • Deed of Hypothecation and the Power of Attorney, to be executed by the Issuer; • Deed of Hypothecation and the Power of Attorney, to be executed by VTPL; • Mortgage documents; • Pledge Agreements; • Security Trustee Agreements; • Tripartite agreements with account banks
Conditions Precedent to Disbursement	<p>The Issuer shall deliver or cause to be delivered to the Debenture Trustee, including but not limited to, the following:</p> <ol style="list-style-type: none"> 1. copy of the resolution of the board of directors (or a committee thereof) of the Manager approving the terms and execution of the Transaction Documents; 2. copy of the letter issued by the Trustee taking note of the resolutions passed by the Board of Directors; 3. copy of the resolution of the unit holders approving authority of the REIT or any of its SPVs to borrow up to 35% (thirty five per cent) of the gross asset value of REIT through such modes as permitted under Applicable Law ; 4. copy of consent letter issued by the Debenture Trustee; 5. copy of provisional rating letter of “AAA” from the Rating Agency; 6. a certificate from the Investment Manager (signed by an authorised officer of the Investment Manager), certifying, inter alia, that on the date of issuance: <ol style="list-style-type: none"> a. no Event of Default; b. no Material Adverse Effect; and c. all information in connection with this Issue is true and accurate as at the date of the certificate in all material respects. 7. Such other conditions as set out in the debenture trust deed
Conditions Subsequent to Disbursement	<p>The Issuer shall deliver or cause to be delivered to the Debenture Trustee, including but not limited to, evidence of credit of the Debentures in the specified dematerialized account(s) of the Debenture Holders, within 2 (two) Business Days from the Deemed Date of Allotment for this Issue.</p>
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>Events of Default procured by the Issuer and Secured SPV, customary for a financing of this nature (with suitable cure periods and thresholds captured in transaction documents) and including but not limited to (save for any moratorium as per the process laid out in per any directions or circular issued by any Governmental Authority pursuant to the occurrence of a pandemic or any other event, as detailed in the Debenture Trust Deed):</p> <ol style="list-style-type: none"> 1. Payment Default 2. Cross acceleration with a threshold of ₹50 crores for REIT, and a threshold of ₹25 crores for Secured SPV 3. Insolvency and Insolvency Proceedings with a cure period of 5 business days from application under Insolvency and Bankruptcy Code (IBC) for financial creditors and 7 business days from first hearing under IBC for operational creditors. 4. Misrepresentation

	<ol style="list-style-type: none"> 5. Failure to list the Debentures 6. Judgments, Creditors' Process 7. Unlawfulness or unenforceability for an obligor to perform its obligations under any transaction document to which it is a party 8. Security not being in full force and effect 9. Failure to comply with any other obligations subject to the equity cure for default in financial covenants and other cure periods and thresholds as set out under the debenture trust deed. 10. Such other events as detailed in the Debenture Trust Deed.
Creation of recovery expense fund	<p>The Issuer shall set up a recovery expense fund for an amount equal to 0.01% of the Issue with the Stock Exchange, in accordance with the provisions of the Applicable Law, including but not limited to the SEBI circular dated October 22, 2020.</p> <p>The recovery expense fund shall be utilised for meeting the expenses incurred by the Debenture Trustee with respect to enforcement of security and recovery of all outstanding amounts with respect to the Debentures</p>
Conditions for breach of covenants (as specified in Debenture Trust Deed)	<p>Breach of covenants as specified under the Debenture Trust Deed, after expiry of cure periods as set out under the Transaction Documents, shall be an Event of Default.</p>
Provisions related to Cross Default Clause	<p>Any financial indebtedness of the Issuer: (i) is not paid when due nor within any originally applicable grace period; or (ii) is validly declared to be or otherwise becomes due and payable prior to its specified maturity as a result of any actual event of default, or any similar event (however described).</p> <p><i>Provided that</i> no Event of Default shall occur if the aggregate amount of Financial Indebtedness referred to above is less than INR 50 Crores.</p> <p>Any financial indebtedness of any Obligor (other than the Issuer): (i) is not paid when due nor within any originally applicable grace period and such failure to pay that financial indebtedness is not waived by the creditor to whom it is owed, or repaid in full, within 2 Business Days of the expiry of the above-mentioned originally applicable grace period; (ii) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of any actual event of default, or any similar event (however described) and such acceleration of financial indebtedness is not waived by the creditors to whom it is owed, or repaid in full, within 2 Business Days of acceleration by such creditors.</p> <p><i>Provided that</i> no Event of Default shall occur if the aggregate amount of Financial Indebtedness referred to above is less than INR 25 Crores and is cured within 15 Business Days.</p> <p><i>Provided further that</i> no Event of Default will occur if: (i) any moratorium is granted to an Obligor pursuant to any directions or circular of or issued by any Governmental Authority pursuant to the occurrence of a pandemic or any other similar event (including the RBI Circular titled 'Covid-19-Regulatory Package' dated March 27, 2020 and 'COVID19 Regulatory Package – Asset Classification and Provisioning' dated April 17, 2020, and as may be amended or supplemented from time to time); and/or (ii) a moratorium is granted to an Obligor in respect of any non-convertible debentures issued by it, pursuant to any circulars, notifications, rules, regulations or guidelines issued by SEBI on account of Covid-19 or any other similar event, and as may be amended or supplemented from time to time.</p>
Remedies	<p>Issuer may request the Debenture Holders for permission to replace an obligor on the occurrence of a potential event of default.</p> <p>If an Event of Default has occurred which has not been cured within the cure period stipulated under the Debenture Documents (being the time period within which a default or breach may be remedied or rectified, without any further consequences, as may be mutually agreed for individual events of default), then the Debenture Trustee (acting on instructions of the EOD Majority Debenture Holders or Majority Debenture Holders (in each case, as specified in the debenture trust deed) shall, without prejudice to its rights under Law and the Debenture Documents, declare by notice in writing that the Debentures shall without any further action, become due for redemption and all the Outstanding Dues shall be due and payable after such number of days (if any) as stipulated in such acceleration notice. During this period, the Issuer shall have the right to procure refinancing in order to repay the NCDs in full.</p> <p>The consequences of an Event of Default, including the cure period for the events of default shall be appropriately captured in the Debenture Documents.</p> <p>Remedies for an event of default include enforcement of security upon issuance of an acceleration notice by the debenture trustee, initiating enforcement action, requiring repayment of shareholder Debt granted to Secured SPV, restricting debits from the Designated Bank Account or the SPV Bank Accounts (as per the transaction documents) and taking any other action or exercise of any other right available under the</p>

	Transaction Documents and Applicable Law.
Role and Responsibilities of Debenture Trustee	As set out in the Debenture Trust Deed
Risk factors pertaining to the issue	As set out under Section III (<i>Risk Factors</i>) above
Governing Law & Jurisdiction	The Debenture Documents shall be governed by Indian law and shall be subject to the jurisdictions and courts of Mumbai

Additional Covenants, as per agreement between the Issuer and Investor:

A. *Default in Payment*

In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the coupon rate will be payable by the issuer for the defaulting period.

B. *Delay in listing*

In case of delay in listing of the debt securities beyond four trading days from the closure of the Issue, the Issuer will pay penal interest of at least 1 % p.a. over the coupon rate for the period of delay from the deemed date of allotment till the listing of such debt securities to the investor.

Note: The interest rates mentioned in above three cases are the minimum interest rates payable by the Issuer and are independent of each other.

DISCLOSURE OF CASH FLOWS

ILLUSTRATION OF BOND CASH FLOWS

As per the SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013, the cash flows emanating from the Debentures is set out below:

Illustration of Bond Cash Flows	
Issuer	Embassy REIT
Face Value (per security)	₹1,000,000 (Rupees One Million only)
Issue Date	January 14, 2021
Deemed Allotment Date	January 15, 2021
Redemption	February 15, 2024
Coupon Rate	6.40% p.a.
Frequency of the Interest Payment with specified dates	Quarterly
Day Count Convention	Actual/Actual

Date	Cash Flows (in ₹)
January 15, 2021	-10,00,000.00
March 31, 2021	13,150.68
June 30, 2021	15,956.16
September 30, 2021	16,131.51
December 31, 2021	16,131.51
March 31, 2022	15,780.82
June 30, 2022	15,956.16
September 30, 2022	16,131.51
December 31, 2022	16,131.51
March 31, 2023	15,780.82
June 30, 2023	15,956.16
September 30, 2023	16,131.51
December 31, 2023	16,131.51
February 15, 2024	10,08,065.75

OTHER INFORMATION AND APPLICATION PROCESS

- Who can apply?

This Information Memorandum and the contents hereof are restricted to only the intended recipient(s) who have been addressed directly through a communication by or on behalf of the Issuer, and only such recipients are eligible to apply for the Debentures.

Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the issue. Prior to making any investment in these Debentures, each investor should satisfy and assure herself/himself/itself that it is authorized and eligible to invest in these Debentures. The Manager shall be under no obligation to verify the eligibility/authority of the investor to invest in these Debentures.

- How to apply?

Since the issue size is more than ₹200 crores, the Issuer shall abide by SEBI Circular SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018, read with SEBI Circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 providing guidelines for 'Electronic book mechanism for issuance of securities on private placement basis' along with operational guidelines issued by BSE providing Operational Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism. We have enumerated below the bidding process in brief for your ready reference:

Issuer to register themselves with BSE from the below URL: https://bond.bseindia.com/Issuer_Registration.aspx

Investor(s) can register themselves with BSE from the below URL:
https://bond.bseindia.com/Investor_Registration.aspx

Time line for issue setup and bidding window:

Activity	Timeline
Uploading Information Memorandum and Term Sheet	At least two Working Days prior to the start of issue opening date
Bidding announcement on BSE along with details of bid opening and closing time	At least one Working Day before initiating the bidding process
Minimum time frame for Bidding window	The issue shall be open for at least one hour

The bidding window shall be open for the period between 10:00 am to 11:00 am on Thursday, January 14, 2021.

Bid shall be made by way of entering bid amount in Rupees (INR) and coupon/ yield in basis points i.e. up to four decimal points.

Multiple bids by a bidder are permitted.

Multiple bids by Arrangers and Joint Structuring Advisors are allowed where each bid is on behalf of different investor(s).

Investors may note that modification of bid is allowed during the bidding period. However, in the last 10 minutes of the bidding period, revision of bid is only allowed for improvement of yield and upward revision of the bid size.

Investors may note that cancellation of bid is allowed during the bidding period. However, in the last 10 minutes of the bidding period / window, no cancellation of bids is permitted.

Only Arrangers and Joint Structuring Advisors mapped to an Issue will be allowed to enter bids on behalf of their investors (QIB and Non-QIB), subject to prior registration of such investor with BSE BOND-EBP platform.

Arrangers and Joint Structuring Advisors mapped to an Issue are also allowed to bid on propriety, client and consolidated basis.

All QIBs and Non-QIBs registered with the BSE BOND-EBP platform will be allowed to bid on propriety basis

The Registered Custodial Clearing Members will be allowed to bid on “Client” basis only for FPI clients.

Settlement:

- Pay-in towards the allotment of securities shall be done from the account of the bidder, to whom allocation is to be made
- Provided that for the bids made by the Arrangers and Joint Structuring Advisors on behalf of eligible participants, funds pay-in towards allotment of securities shall be made from the bank account of such eligible participants
- In case of non-fulfilment of bidding obligations by bidders, such bidders shall be debarred from accessing the bidding platform across all EBPs for a period of thirty days from the date of such default
- Pay in shall be done through clearing corporation of BSE , i.e. Indian Clearing Corporation Limited “ICCL”

Settlement Summary

Timelines	Activity for Clearing Corporation
T Day	Bidding Session
T+1 Day	Successful Bidders to transfer funds from bank account(s) registered with BSE BOND to the bank account of ICCL to the extent of funds pay-in obligation on or before 10:30 hours. Issuer to inform BSE BOND about the final decision of the Issuer to go-ahead with allotment for the issue by 12:00 hours Issuer to give instruction to RTA for crediting securities to successful bidders. RTA to provide corporate action file along with all requisite documents to Depositories by 12:00 hours Clearing Corporation to initiate transfer of funds to the bank accounts designated by the Issuer
Activity for Depositories Depositories on the instruction of issuer or through its RTA, will be crediting the securities to the demat account of the investors	

Issue withdrawal

Withdrawal of issue:	An Issuer, at its discretion, may withdraw from the issue process as per the following conditions: I. Issuer is unable to receive the bids up to base issue size. II. Bidder has defaulted on payment towards the allotment, within stipulated timeframe, due to which the issuer is unable to fulfil the base issue size III. Cut off yield in the issue is higher than the estimated cut off yield disclosed to BSE BOND, where the base issue size is fully subscribed Provided that the Issuer shall accept or withdraw the Issue on the EBP within 1 (one) hour of the closing of the bidding window, and not later than 6 pm on the Issue Closing Date. However, investors should also refer to the SEBI circulars bearing number SEBI/HO/DDHS/CIR/P/2018/22 dated August 16, 2018 and SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018, read with the updated operational guidelines for issuance of securities on private placement basis through an electronic book mechanism, as prevailing on the date of the bid.
Restriction on usage of ANY EBP:	If the Issuer has withdrawn the issue apart from any of the above conditions, the issuer will not be able to use any of the platforms provided by any EBP for the period of 7 days from the date of such withdrawal

The Issuer reserves it’s full, unqualified and absolute right to accept or reject any bid(s), in part or in full, without assigning any reason thereof and to make provisional / final allocations at its absolute discretion.

Allocation shall be made on a yield-time priority basis. Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE-BOND EBP Platform. Once the allocation is done then the successful bidders can see their respective allocations on the allocation report generated by the BSE- BOND EBP Platform.

- Splitting and Consolidation

Splitting and consolidation of the Debentures is not applicable in the demat mode form since the saleable lot is one Debenture.

- Mode of Transfer

The Debentures shall be freely transferable subject to compliance with Applicable Laws.

- Rights of Debenture Holders

The Debentures Holder(s) shall not be entitled to any right and privileges of Unitholders other than those available to them under any Applicable Law and the Transaction Documents. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the Unitholders of the Issuer.

- Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, (the “IT Act”) or any other statutory modification or re-enactment thereof will be deducted at source on the interest payable on the Debentures. In case of resident Indian investors, there will not be any tax deduction at source in accordance with the provisions section 193 of the IT Act. Tax exemption certificate/document/form, under Section 193 of the IT Act if any, must be lodged at the Registered Office of the Issuer, at least 15 days before the relevant interest payment becoming due.

- Trading of Debentures over the counter

In the event the Debentures are traded over the counter, such trading shall be reported on the BSE.

- Call Option of the Issuer

Call Date

Shall refer to the following call dates:

- a) First Call Option Date: At the expiry of the 30th month from the Deemed Date of Allotment
- b) Second Call Option Date: At the expiry of the 33rd month from the Deemed Date of Allotment
- c) Third Call Option Date: At the expiry of the 36th month from the Deemed Date of Allotment

as more particularly described in the Debenture Trust Deed.

Call Price

At par

Call Notification Time

A Notice, as substantially in the form set out in Schedule 8 (Form of Call Option Notice) in the Debenture Trust Deed, and to be issued at:

- a. at least 20 (twenty) days prior to the First Call Option Date
- b. at least 20 (twenty) days prior to the Second Call Option Date
- c. at least 1 (one) day prior to the Third Call Option Date

- Put Option of the Investor

Not applicable.

DECLARATION

The Manager declares and certifies that all relevant provisions of the SEBI Debt Listing Regulations, SEBI Debt Listing Guidelines and other applicable law have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the SEBI Debt Listing Regulations, SEBI Debt Listing Guidelines and other applicable laws. The Manager further certifies that all statements and disclosures in this Information Memorandum are true, fair and adequate in order to enable the Investors to make a well-informed decision as to their investment in the Issue.

For **Embassy Office Parks Management Services Private Limited**



Authorised Signatory

Name: Deepika Srivastava

Designation: Company Secretary

Membership No: A23654

Date: 12 January 2021



Embassy Office Parks Management Services Pvt. Ltd.
Embassy GolfLinks Business Park, Pebble Beach, Off Intermediate Ring Road, Bangalore – 560 071, India.
T: +91 80 4903 0000 F: +91 80 4903 0046.
www.embassyofficeparks.com | CIN: U70100KA2014PTC073362

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

ANNEXURE I: RATING LETTER & RATING RATIONALE

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CONFIDENTIAL

ESOFPR/262995/NCD/082000269

January 11, 2021

Mr. Ray Vargis Kallimel

Head - Corporate Finance

Embassy Office Parks Reit

Royal Oaks, Embassy GolfLinks Business Park

Off Intermediate Ring Road

Bengaluru - 560071

Dear Mr. Ray Vargis Kallimel,

Re: CRISIL Rating on the Rs.2600.0 Crore Non-Convertible Debentures of Embassy Office Parks Reit (EOPR)

We refer to your request for a rating for the Non-Convertible Debentures.

CRISIL has, after due consideration, assigned a rating of "Provisional CRISIL AAA/Stable^" (pronounced as Provisional CRISIL triple A rating with stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Kindly note that the provisional rating will be converted to final rating after CRISIL receives following transaction documents duly executed and/or confirmations on completion of milestones within 180 days from the date of assignment of the provisional rating, to the satisfaction of CRISIL.

- Receipt of executed debenture trust deed
- Prepayment or refinancing of debt at SPV level

Additional documents, if any, executed for the transaction will also have to be provided. CRISIL will issue a final rating letter on receipt of documents mentioned above.

Please note that, in arriving at the ratings, CRISIL has assumed that the representations made by EOPR are true and that the structure, shall work and operate as represented by EOPR. CRISIL does not guarantee the accuracy, adequacy, or completeness of the representations made by you to CRISIL and/or the representations made in the transaction documents. CRISIL is not responsible for any acts of commission or omission of the EOPR and/or the Trustee.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Nitesh Jain
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisil.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301.

CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67100MH2019PLC326247

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Rating Rationale

January 11, 2021 | Mumbai

Embassy Office Parks Reit

Rating reaffirmed at 'CRISIL AAA / Stable'; 'Provisional CRISIL AAA / Stable' assigned to Non Convertible Debentures

Rating Action

Rs.2600 Crore Non Convertible Debentures^{&}	Provisional CRISIL AAA/Stable (Assigned)
Non Convertible Debentures Aggregating Rs.5500.0 Crore	CRISIL AAA/Stable (Reaffirmed)

& A prefix of 'Provisional' indicates that the rating centrally factors in the strength of specific structures, and will be supported by certain critical documentation by the issuer, without which the rating would either have been different or not assigned ab initio. This is in compliance with directive issued by the Securities and Exchange Board of India (SEBI) on May 6, 2015, on 'Standardising the term, rating symbol, and manner of disclosure with regard to conditional/provisional/in-principle ratings assigned by credit rating agencies (CRAs)'.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its '**Provisional CRISIL AAA/Stable**' rating to the proposed non-convertible debentures (NCDs) worth Rs 2,600 crore of Embassy Office Parks Reit (Embassy REIT), while reaffirming its '**CRISIL AAA/Stable**' rating on the NCDs of Rs 5,500 crore.

Embassy REIT proposes to raise incremental NCDs, proceeds from which are expected to be utilised for - a) refinancing of external debt in the newly acquired special purpose vehicles (SPVs) b) construction finance for ongoing and future development, c) refurbishment expenses, d) working capital or e) other general corporate purposes. The NCDs are expected to be non-amortising with bullet repayment (at par) at the end of 37 months; coupon payments will be made quarterly. Additionally, these NCDs will continue to have similar financial covenants as the existing NCDs, that is, loan-to-value (LTV) and net debt-to-earnings before interest, taxes, depreciation and amortisation (EBITDA) ratios of 40% and 5.0 times, respectively.

On November 17, 2020, Embassy REIT announced in-principle approval by its board for the acquisition of Embassy Tech Village (ETV) at an enterprise value of Rs 9,782.4 crores. The acquisition is now complete and ETV asset is now part of Embassy REIT portfolio. The asset consists of 6.1 million square feet (mn sq ft) of completed office premises; 3.1 mn sq ft of under-construction office space (of which 36% has been pre-leased to JP Morgan) and a proposed hotel of 518 keys. The transaction will help entry in the leading ORR sub-market of Bengaluru and further consolidate Embassy REIT's position in the Bengaluru market.

REIT has successfully raised Rs 3,685 crore through institutional placement as well as allotted 64.89 million REIT units translating to Rs 2,315 crore worth of preferential shares to ETV's third-party owner. Additionally, the acquisition is expected to increase gross debt of REIT by Rs 4,100 crores.

The ratings continue to reflect Embassy REIT's comfortable LTV ratio-driven by low debt and strong debt protection metrics, supported by a cap on incremental borrowings-and stable revenue and rent collection from the underlying assets, given the high-quality commercial assets, high occupancy, contracted rent escalations and geographical diversification. These strengths are partially offset by susceptibility to volatility in the real estate sector, resulting in fluctuations in rental rates and occupancy levels.

CRISIL has considered measures taken by the central and state governments to contain the spread of the Covid-19 pandemic. Subdued economic activity or extended periods of work-from-home adopted by certain corporates may lead to build up of vacancy in the near term. Furthermore, construction activity was impacted during the lockdown, which may lead to delay in project completion. CRISIL will continue to monitor events around the pandemic.

Analytical Approach

SPVs. This is because Embassy REIT has direct control over the SPVs and will support them in case of exigencies. Additionally, there is minimal structural subordination of cash flow, wherein the SPVs have to mandatorily distribute 90% of their net distributable cash flow (following servicing of debt) to Embassy REIT, leading to highly fungible cash flow. Also, as per the Real Estate Investment Trust Regulations, 2014, of Securities and Exchange Board of India (SEBI), the cap on borrowings by the real estate investment trust (REIT) has been defined at a consolidated level (equivalent to 49% of the value of Embassy REIT's assets).

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Comfortable LTV ratio protects the ability to refinance:** Consolidated gross debt was low at Rs 6,083 crore (including redemption premium) as on September 30, 2020. However, consequent to in-place debt assumed at acquisition as well as debt for other purposes as mentioned above, consolidated gross debt is expected to increase to around Rs 10,500 crore by March 31, 2021. Embassy REIT's LTV ratio is still expected to remain comfortably well within the threshold of 40%. A low LTV ratio protects investors from the risk of decline in property prices and the consequent impact on refinancing.

The earlier NCDs-2019 (Rs 3,650 crore) are zero coupon and have bullet repayment (including premium on redemption) at the end of the tenure which is 37 months, i.e. June 2022. The issuer has call options at the end of the 24th, 27th, 30th, 32nd, 34th and 36th

month.

The recent NCDs-2020 (Rs 1,500 crore) are coupon-bearing (payable quarterly) and have a bullet repayment (at par) at the end of the tenure which is 37 months, that is, October 2023. The issuer has call options at the end of the 30th, 33rd and 36th month.

The proposed NCDs-2021 (Rs 2600 crores) are expected to be coupon-bearing (payable quarterly) and have a bullet repayment (at par) at the end of the tenure. The issuer is likely to have call options similar to the existing NCDs.

These terms provide the trust with sufficient time to arrange for funds or refinance the NCDs prior to the due date.

- **Strong debt protection metrics:** Average consolidated debt service coverage ratio (DSCR) should be comfortable at above 2.0 times throughout the tenure of the debt, including additional financing for construction and working capital requirement in the underlying SPVs. The LTV and debt-to-EBITDA ratios will also remain comfortable at less than 40% and 5.0 times.
- **Stable revenue of SPVs part of REIT:** More than 90% of the revenue comes from 11 established and high-quality commercial assets and one solar park, with stable operations and track record of at least five years of rental collection. The acquisition of ETV will further improve the stability of cash flow. Consolidated revenue was Rs 2,340 crore for fiscal 2020. The commercial assets have robust occupancy, averaging 92% as on September 30, 2020, with a multinational occupier base, of which Fortune 500 companies account for 48%. The top 10 tenants contribute around 37% of rentals, post-acquisition. Rentals have upside potential given the superior asset and service quality; favourable locations in prime areas of Bengaluru, Mumbai, Pune, and the National Capital Region; healthy demand in the respective markets; and competitive rental rates.

Weakness:

- **Susceptibility to volatility in the real estate sector:** Rental collection (key source of revenue) is susceptible to economic downturns, which constrains the tenant's business risk profile and, therefore, occupancy and rental rates. Emergence of competing facilities in the vicinity could also have the potential to cannibalise tenants or rental rates. However, we note Embassy REIT's office rental collections as of September 30, 2020 remained robust at 99.5%.

Liquidity: Superior

Liquidity is likely to remain supported by healthy average consolidated DSCR of above 2.0 times throughout the tenure of the NCDs, including for permitted additional financing. The NCDs are non-amortising, exposing the debenture-holders to refinancing risk. However, the conditions around redemption provide the REIT with sufficient time to arrange for refinancing. Furthermore, consolidated debt at the REIT level is not expected to exceed LTV ratio of 40%, protecting investors from the risk of decline in property prices and the consequent impact on refinancing.

Outlook: Stable

CRISIL believes Embassy REIT will continue to benefit from the quality of its underlying assets over the medium term.

Rating Sensitivity factors

Downward factors:

- Depreciation in the value of the underlying assets, resulting in LTV ratio of over 40%
- Higher-than-expected incremental borrowings
- Increase in overall vacancy for already operational assets by more than 5% from the current level
- Significant delay in the completion and leasing of under-construction assets
- Any non-adherence to the structural features of the transaction

The provisional rating on the proposed NCDs of Rs 2,600 crore, will be converted into a final rating on:

- Receipt of executed debenture trust deed
- Prepayment or refinancing of debt at SPV level

Additional documents, if any, executed for the transaction will also have to be provided. A rating rationale or report indicating conversion of the provisional rating into a final rating will be published on the CRISIL website on receipt of these documents.

About the Company

Embassy REIT is registered as an irrevocable trust under the Indian Trust Act, 1882, and as a REIT with SEBI's Real Estate Investment Trust Regulations, 2014, as amended. Embassy REIT is sponsored by BRE Mauritius Investments (part of the Blackstone group) and Embassy Property Development Pvt Ltd (part of the Embassy group). It has 12 commercial assets (office parks and city-centric offices), six hotels (of which four are under construction) and a solar plant. Embassy REIT's portfolio of assets are held through the following SPVs:

Indian Express Newspapers (Mumbai) Pvt Ltd (IENMPL) owns and operates a commercial property, Express Towers, in Nariman Point, Mumbai. The property has been operational for over four decades and has a total leasable area of 4.7 lakh square feet (sq ft), of which 90.2% was occupied as on September 30, 2020.

Quadron Business Park Pvt Ltd (QBPL) owns and operates a commercial information technology (IT) park, Embassy Quadron, in Hinjewadi, Pune. The property has been operational since 2010 and has a total leasable area of 18.9 lakh sq ft, of which 77.0% was occupied as on September 30, 2020. It also owns and operates mixed-use development, consisting of office and retail space and a hotel in North Bengaluru. The property has a total leasable area of 2.5 lakh sq ft, of which majority is yet to be leased. The hotel, consisting of 230 rooms, is run under the Four Seasons brand.

Qubix Business Park Pvt Ltd (QBPL) owns and operates a commercial IT park, Embassy Qubix, in Hinjewadi. The company has a track record of seven years in lease rental collection. Of the total leasable area of 14.5 lakh sq ft, 97.6% was leased as on September

30, 2020.

Earnest Towers Pvt Ltd (ETPL) owns and operates 3.6 lakh sq ft of First International Finance Centre (FIFC) in Bandra Kurla Complex, Mumbai, of which 77.5% was occupied as on September 30, 2020.

Vikhroli Corporate Park Pvt Ltd (VCPPL) owns a commercial property, Embassy 247, in Vikhroli, Mumbai. It has been operational for eight years and has total leasable area of 11.9 lakh sq ft, of which 85.6% was leased as on September 30, 2020.

Galaxy Square Pvt Ltd (GSPL) owns and operates an IT park, Embassy Galaxy, in Sector 62, Noida. The company has a track record of seven years in lease rental collection, and 98.9% of the entire leasable area of 13.6 lakh sq ft was leased as on September 30, 2020.

Oxygen Business Park Pvt Ltd (OBPPL) owns and operates a commercial IT park, Embassy Oxygen, in Sector 144, Greater Noida. The property is part of the Oxygen Boulevard IT Special Economic Zone and has been operational for six years. The property has total leasable area of 25.2 lakh sq ft, of which 77.7% was leased as on September 30, 2020, while around 7.0 lakh sq ft is under development.

Manyata Promoters Pvt Ltd (MPPL) owns and operates Embassy Manyata Business Park, Bengaluru. The commercial complex is spread over 120 acres. The company has developed around 117.5 lakh sq ft, of which 97.0% was leased as on September 30, 2020, while around 17.0 lakh sq ft is under development and 14.0 lakh sq ft is proposed to be developed. The company is also developing a five-star and a three-star hotel with 266 rooms and 353 rooms, respectively, to be operated under the Hilton brand.

Embassy Energy Pvt Ltd (EEPL) owns and operates a solar project, with installed capacity of 100 megawatt (MW). The park is spread over 465 acres across multiple villages in Karnataka. It has executed power purchase agreements for over 85% of the total capacity for supplying electricity to office parks and hotels of the Embassy group in Bengaluru.

Umbel Properties Pvt Ltd (UPPL) owns and operates the Hilton hotel at Embassy Golflinks, along Intermediate Ring Road (IRR), Bengaluru. The hotel, consisting of 247 rooms, has been operational since 2014 and had an occupancy rate of 9.3% for the quarter ended September 30, 2020. The hotel was temporarily closed in accordance with state government guidelines following the lockdown and subsequently reopened by mid-June 2020.

Embassy Office Parks Pvt Ltd (EOPPL), on a standalone basis, owns an office space, Embassy Techzone, in Hinjewadi. Of the total area of 21.6 lakh sq ft, 90.6% was leased as on September 30, 2020, while 9.0 lakh sq ft is under development and 24.0 lakh sq ft is proposed to be developed.

Golflinks Software Park Pvt Ltd (GLSP) was incorporated in 2000 for developing a software technology park, Embassy Golflinks, on Intermediate Ring Road. The company has developed around 27.4 lakh sq ft, of which 98.6% was leased as on September 30, 2020.

Vikas Telecom Pvt Ltd (VTPL) and Sarla Infrastructure Pvt Ltd (SIPL) own and operate Embassy Tech Village, Bengaluru. The commercial complex is spread over 84.05 acres consisting of 61 lakh sq ft of completed office premises; 31 lakh sq ft of under-construction office space (of which 36% has been pre-leased to JP Morgan) and a proposed hotel of 518 keys. Of the total operational area of 61 lakh sq ft, 97.3% was leased out as of September 30, 2020.

Embassy Office Ventures Pvt Ltd (EOVPL) is the holding company of VTPL.

As on September 30, 2020, Embassy REIT's profit after tax (PAT) was Rs 437 crore on revenue of Rs 1,113 crore.

Key Financial Indicators

For fiscal	Unit	2020 [^]	2019
Revenue	Rs crore	2,340	NA
PAT	Rs crore	896	NA
PAT margin	%	38.3	NA
Adjusted gearing	Times	0.25	NA
Interest coverage	Times	4.78	NA

^{*}REIT was listed on April 1, 2019, and asset acquisition took place simultaneously. Hence, previous financials are not relevant.

[^] Does not include VTPL, SIPL and EOVPL as they were acquired in Dec, 2020.

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity level	Rating assigned with outlook
INE041007019	Non-convertible debentures	03-May-19	0%	03-Jun-22	3,000	Complex	CRISIL AAA/Stable
INE041007027	Non-convertible debentures	22-Nov-19	0%	03-Jun-22	650	Complex	CRISIL AAA/Stable
NA	Non-convertible debentures*	NA	NA	NA	350	NA	CRISIL AAA/Stable

INE041007035	Non-convertible debentures	09-Sep-20	7.25%	09-Oct-23	750	Complex	CRISIL AAA/Stable
INE041007043	Non-convertible debentures	27-Oct-20	6.7%	09-Oct-23	750	Complex	CRISIL AAA/Stable
NA	Non-convertible debentures*	NA	NA	NA	2600	NA	Provisional CRISIL AAA/Stable

*Not yet placed

Annexure – List of entities consolidated

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
IENMPL	Full	100% subsidiary
QBPL	Full	100% subsidiary
QBPL	Full	100% subsidiary
ETPL	Full	100% subsidiary
VCPPL	Full	100% subsidiary
GSPL	Full	100% subsidiary
OBPPL	Full	100% subsidiary
MPPL	Full	100% subsidiary
EEPL	Full	100% subsidiary
UPPL	Full	100% subsidiary
EOPPL	Full	100% subsidiary
VTPL	Full	100% subsidiary
EOVPL	Full	100% subsidiary
SIPL	Full	100% subsidiary
GLSP	Partial	Investment entity consolidated to the extent of 50%

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2021 (History)		2020		2019		2018		Start of 2018
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Non Convertible Debentures	LT	8100.0	Provisional CRISIL AAA/Stable, CRISIL AAA/Stable	08-01-21	CRISIL AAA/Stable	25-11-20	CRISIL AAA/Stable	09-05-19	CRISIL AAA/Stable	24-09-18	Provisional CRISIL AAA/Stable	--
			--		--	21-09-20	CRISIL AAA/Stable	22-04-19	Provisional CRISIL AAA/Stable		--	--
			--		--	26-08-20	Provisional CRISIL AAA/Stable, CRISIL AAA/Stable	06-03-19	Provisional CRISIL AAA/Stable		--	--
			--		--	05-08-20	CRISIL AAA/Stable	18-01-19	Provisional CRISIL AAA/Stable		--	--
			--		--	16-05-20	CRISIL AAA/Stable		--		--	--

All amounts are in Rs.Cr.

Links to related criteria[CRISILs rating criteria for REITs and InvITs](#)[CRISILs criteria for rating debt backed by lease rentals of commercial real estate properties](#)[CRISILs Criteria for Consolidation](#)

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Note for Media:

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Last updated: April 2016

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change in the rating of the subject instrument. For details on CRISIL's use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: www.crisil.com/ratings/credit-rating-scale.html

ANNEXURE II: CONSENT LETTER OF THE DEBENTURE TRUSTEE

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

No. 22353-B / ITSL/OPR/CL/20 21/DEB/1123

Date: 29th December 2020

Embassy Office Parks REIT

Royal Oaks, Embassy GolfLinks Business Park, Off Intermediate Ring Road,
Bangalore, Karnataka-560071

Dear Sir,,

Consent to act as Trustee for Rated, Secured, Listed, Private, Non- Convertible debentures aggregating up to Rs 2600 Crores Only.

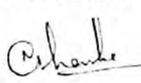
This has reference to our discussion regarding the appointment of IDBI Trusteeship Services Ltd. (ITSL) as Trustee for the Company's proposed issue for Rated, Secured, Listed, Private, Non- Convertible debentures aggregating up to shelf of Rs 2600 Crores Only. In this connection, we confirm our acceptance to act as Trustee for the same, subject to the Company agreeing the conditions set out below:

1. The Company agrees and undertakes to execute the Debenture Trust Deed and other necessary documents for each series of debentures as approved by the Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document in any case not exceeding 3 months from the date of allotment.
2. The Company agrees & undertakes to pay to the Trustees so long as they hold the office of the Trustee, remuneration as per the mutually agreed terms for their services as Trustee in addition to all legal, traveling and other costs, charges and expenses which the Trustee or their officers, employees or agents may incur in relation to execution of the Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
3. The Company agrees & undertakes to comply with, **wherever applicable**, the provisions of SEBI (Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/IMD/DOF-1/Bond/2009/11/05 dated 11/05/2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated the 26th November, 2009, the Companies Act, 1956 and other applicable provisions as amended from time to time and agrees to furnish to Trustees such information in terms of the same on regular basis.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

For IDBI Trusteeship Services Limited



Authorised Signatory

Embassy Office Parks REIT



Authorised Signatory

ANNEXURE III: APPLICATION FORM

EMBASSY OFFICE PARKS REIT

Registered in the Republic of India as an irrevocable trust under the Indian Trusts Act, 1882 and as a real estate investment trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, on August 3, 2017 at Bengaluru having registration number IN/REIT/17-18/0001

Principal Place of Business: Royal Oaks, Embassy Golflinks Business Park, Off Intermediate Ring Road, Bengaluru 560 071, Karnataka, India

Telephone No.: +91 80 3322 0000/ 2222

Fax No.: +91 80 4903 0046

E-mail: compliance@embassyofficeparks.com

Website: www.embassyofficeparks.com

DEBENTURE SERIES APPLICATION FORM SERIAL NO.									
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ISSUE OF 26,000 (TWENTY SIX THOUSAND) SECURED, RATED, LISTED, REDEEMABLE, TRANSFERABLE, RUPEE DENOMINATED NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000,000 (RUPEES ONE MILLION ONLY) EACH, AGGREGATING UP TO ₹2,600 CRORES (THE “DEBENTURES”) ON A PRIVATE PLACEMENT BASIS

DEBENTURE SERIES APPLIED FOR:

Number of Debentures _____ In words _____

Amount ₹ _____ in words Rupees _____ Crores Only

DETAILS OF PAYMENT:

RTGS

No. _____ Drawn on _____

Funds transferred to
Dated _____

Total Amount Enclosed
(In Figures) _____ (In words) _____

APPLICANT’S NAME IN FULL (CAPITALS)

--	--

APPLICANT’S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		PHONE		FAX	
E-MAIL ID					

APPLICANT’S PAN/GIR NO. [●] CIRCLE/WARD/DISTRICT _____

WE ARE () OTHERS () SPECIFY _____

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in this Information Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's
Signature

We the undersigned are agreeable to holding the Debentures of the Issuer in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	NSDL () CDSL ()
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account : (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	
--	--

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in this Information Memorandum is provided by the Manager and the same has not been verified by any legal advisors to the Issuer/ Manager, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Issuer shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer (and all such persons acting on its or their behalf) and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

By agreeing to subscribe to the Debentures, we agree to be bound by Clause 26 (*Governing law*) and Clause 20 (*Enforcement*) of the Debenture Trust Deed.

Applicant's
Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

----- (TEAR HERE) -----

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant)

SERIAL NO.									
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Received from _____

Address _____

Cheque/Draft/UTR # _____ Drawn on _____ for ₹ _____ on account
of application of _____ Debenture