

- terms that limit the Embassy Office Parks REIT's claim to cash flows from specified assets (e.g. non – recourse features).

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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



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

Financial liabilities

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

The Embassy Office Parks REIT also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit and loss.

iv) Offsetting

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

i) Compound financial instruments

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

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

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

j) Impairment of financial assets

Financial assets

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

Majority of the financial assets of the Embassy Office Parks REIT pertain to loans to subsidiaries and other receivables. Considering the nature of business, the Embassy Office Parks REIT does not foresee any credit risk on its loans and other receivables which may cause an impairment. Also, Embassy Office Parks REIT does not have any past history of significant impairment of other receivables.



k) Embedded derivatives

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

l) Financial guarantee contracts

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

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

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

m) Leases (applicable with effect from 1 April 2019)

Embassy Office Parks REIT as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Embassy Office Parks REIT recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets are subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Embassy Office Parks REIT. Generally, the Embassy Office Parks REIT uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Embassy Office Parks REIT, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The Embassy Office Parks REIT recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Embassy

Office Parks REIT recognises any remaining amount of the re-measurement in statement of profit and loss.

The Embassy Office Parks REIT has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Embassy Office Parks REIT recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Embassy Office Parks REIT as a lessor

i. Determining whether an arrangement contains a lease

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

ii. Assets held under leases

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

iii. Initial direct costs

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

Transition to Ind AS 116

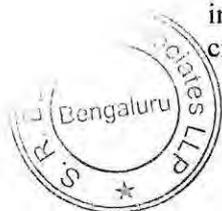
Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases. Ind AS 116 sets out the principles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

Effective 1 April 2019, the Trust has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on 1 April 2019. There has been no significant impact in view of adoption of Ind AS 116 for the year ended 31 March 2020. Further, the applicability of Ind AS 116 did not affect the revenue /reserves of the Trust reported during earlier year. Ind AS 116 requires extensive disclosures. However, considering that the application did not have impact on the REIT, no further disclosure have been made.

The Trust is not a lessor or lessee for any lease contracts as at 31 March 2020.

n) Revenue recognition

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



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

Recognition of dividend income, interest income

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

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

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

o) Investments in subsidiaries and joint ventures

The Trust accounts for its investments in subsidiaries and joint ventures at cost less accumulated impairment losses (if any) in its Standalone financial statements. Investments accounted for at cost are accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

p) Borrowing costs

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

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

q) Taxation

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

(i) Current tax:

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

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



(ii) Deferred tax:

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

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

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

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

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

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

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

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

r) Provisions and contingencies

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

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

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



s) Operating segments

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

The Board of Directors of the Investment Manager allocate the resources and assess the performance of the Trust, thus are the Chief Operating Decision Maker (CODM). In accordance with the requirements of Ind AS 108 - "Segment Reporting", the CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed. As Embassy Office Parks REIT operates only in India, no separate geographical segment is disclosed.

t) Errors and estimates

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

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

u) Cash and cash equivalents

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

v) Cash distributions to unitholders

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

w) Standalone Statement of Cash flows

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

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

x) Earnings per unit

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



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

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

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

z) Distribution Policy

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

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

- not less than 90% of the NDCF of the SPVs are required to be distributed to the Embassy Office Parks REIT, in proportion to its shareholding in the SPV, subject to applicable provisions of the Companies Act, 2013.
- 100% of the cash flows received by the Holding Company from the underlying SPVs are required to be distributed to the Embassy Office Parks REIT, and not less than 90% of the NDCF generated by the Holding Company on its own shall be distributed to the Embassy Office Parks REIT, subject to applicable provisions of the Companies Act, 2013.
- The aforesaid net distributable cash flows are made available to Embassy Office Parks REIT in the form of (i) interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the 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.



Non-current assets

3 Non-current investments

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Trade, unquoted, Investments in subsidiaries (at cost) (refer note below)			
- 405,940,204 (31 March 2019: 405,940,204) equity shares of Umbel Properties Private Limited of Rs.10 each, fully paid up	2,841.67	2,841.67	-
Less: Provision for impairment *	(587.46)	-	-
	2,254.21	2,841.67	-
- 8,703,248 (31 March 2019 : 8,703,248) equity shares of Embassy Office Parks Private Limited of Rs.10 each, fully paid up	62,768.25	62,768.25	-
- 727,538 (31 March 2019: 727,538) equity shares of Manyata Promoters Private Limited of Rs.10 each, fully paid up	48,790.52	48,790.52	-
- 271,611 (31 March 2019: 271,611) equity shares of Qubix Business Park Private Limited of Rs.10 each, fully paid up	5,595.08	5,595.08	-
- 1,884,747 (31 March 2019: 1,884,747) equity shares of Oxygen Business Park Private Limited of Rs.10 each, fully paid up	12,308.89	12,308.89	-
- 185,604,589 (31 March 2019: 185,604,589) equity shares of Earnest Towers Private Limited of Rs.10 each, fully paid up	12,138.78	12,138.78	-
- 6,134,015 (31 March 2019: 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of Rs.10 each, fully paid up	10,710.94	10,710.94	-
- 124,561 (31 March 2019: 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.10 each, fully paid up	6,463.79	6,463.79	-
- 130,022 (31 March 2019: 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.10 each, fully paid up	6,747.17	6,747.17	-
- 2,129,635 (31 March 2019: 2,129,635) equity shares of Quadron Business Park Private Limited of Rs.10 each, fully paid up	13,689.26	13,689.26	-
- 107,958 (31 March 2019: 107,958) equity shares of Galaxy Square Private Limited of Rs.100 each, fully paid up	4,662.50	4,662.50	-
- 1,999 (31 March 2019: 1,999) equity shares of Embassy Energy Private Limited of Rs.10 each, fully paid up	732.79	732.79	-
	184,607.97	184,607.97	-
	186,862.18	187,449.64	-
Aggregate amount of impairment recognised	587.46	-	-

Note : The Trust has issued Units as consideration to acquire these investments wherein the tradable REIT Units have been valued at Rs 300 each. Further the Trust has also paid a cash consideration of Rs. 3,450 million towards acquisition of interest in IENMPL.

* The recoverable amount of the investments in subsidiary has been computed based on value in use calculation of the underlying properties. The value in use calculation is based on discounted cash flow model. As at 31 March 2020, an amount of Rs. 587.46 million (31 March 2019: Rs. Nil) has been provided as impairment on investment in a subsidiary Company, Umbel Properties Private Limited, which is in the business of hospitality operations. The impairment charge arose in UPPL (Hilton @ Embassy Golflinks) mainly due to impact on occupancy given the current economic conditions due to Covid-19 pandemic. In determining value in use for investment in Umbel Properties Private Limited, the cash flows were discounted at the rate of 12.63%.

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

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

Name of Subsidiary	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Embassy Office Parks Private Limited	100.00%	100.00%	-
Manyata Promoters Private Limited*	64.23%	64.23%	-
Umbel Properties Private Limited	100.00%	100.00%	-
Embassy Energy Private Limited **	19.99%	19.99%	-
Earnest Towers Private Limited	100.00%	100.00%	-
Indian Express Newspapers (Mumbai) Private Limited	100.00%	100.00%	-
Vikhroli Corporate Park Private Limited	100.00%	100.00%	-
Qubix Business Park Private Limited	100.00%	100.00%	-
Quadron Business Park Private Limited	100.00%	100.00%	-
Oxygen Business Park Private Limited	100.00%	100.00%	-
Galaxy Square Private Limited	100.00%	100.00%	-

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

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



4 Loans

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Unsecured, considered good			
Loan to subsidiaries- refer Note 25	65,142.57	4,681.93	-
Security deposits			
- others	1.00	31.00	-
	65,143.57	4,712.93	-

Security: Unsecured

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

Repayment:

- (a) Bullet repayment on the date falling at the end of 15 (fifteen) years from the first drawdown date.
(b) Early repayment option (wholly or partially) is available to the borrower (SPV's).

5 Current investments

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Non-trade, Unquoted, Investment in mutual funds			
HDFC Liquid Fund-Growth	1,010.72	-	-
HDFC Overnight Fund-Growth	255.01	-	-
ICICI Prudential Liquid Fund-Growth	1,350.77	-	-
IDFC Cash Fund - Growth	390.15	-	-
Axis Liquid Fund - Growth	202.42	-	-
Trade, unquoted investments measured at amortised cost			
- Investment in Debentures of a joint venture entity - refer note 25	724.38	-	-
2,500 (31 March 2019: Nil) 8.5% debentures of Rs 1 million each (current portion)			
	3,933.45	-	-
Investment measured at amortised cost	724.38	-	-
Investment measured at fair value through profit or loss	3,209.07	-	-
Investments measured at fair value through other comprehensive income	-	-	-
Aggregate amount of impairment recognised	-	-	-

Terms attached to Investment in Debentures of a joint venture entity

- 2,500 (31 March 2019 Rs. Nil) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Park Private Limited with face value of Rs.1,000,000 each. Outstanding as on 31 March 2020 Rs.724.38 million (31 March 2019 Rs. 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 instalment (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.

6 Cash and cash equivalents

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Balances with banks			
- in current accounts *	2,845.19	0.50	-
- in escrow accounts			
- Balances with banks for unclaimed distributions	0.26	-	-
- Others **	-	42,818.03	-
	2,845.45	42,818.53	-

* Balance in current accounts includes cheques on hand received from SPV's in respect of interest/principal repayments of loans for the year ended 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.



7 Loans

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
<i>Unsecured, considered good</i>			
Loan to subsidiaries- refer Note 25	620.00	-	-
	620.00	-	-

Security: Unsecured

Interest : 12.50% per annum. The Lender may reset the rate of interest applicable to all or any tranche of the loan amount on: (i) any drawdown date; and (ii) any interest payment date prior to the repayment date, by giving a notice of not less than 5 (five) days to the borrower.

Repayment: Bullet repayment and to be payable within 364 days from the date of disbursement. Early repayment option (wholly or partially) is available to the borrower (SPV's).

8 Other financial assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Other receivables	3.15	-	-
	3.15	-	-

9 Other current assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
<i>Unsecured, considered good</i>			
Advance for supply of goods and rendering of services	0.44	-	-
Balances with government authorities	8.82	-	-
Prepayments	38.16	-	-
	47.42	-	-

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10 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)
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 ninety percent of the net distributable cash flows of Embassy Office Parks REIT for each financial year. Accordingly, a portion of the Unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders funds could have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December 2016 and No. CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the Unitholders funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 26 December 2016 dealing with the minimum disclosures for key financial statements. Consistent with Unitholders' funds being classified as equity, the distributions to Unitholders is presented in Statement of Changes in Unitholders' Equity and not as finance costs. In line with the above, the dividend payable to unitholders is recognised as liability when the same is approved by the Investment Manager.

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

(i) Embassy Office Parks REIT has acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of Rs. 300 each as per the table below and the Trust has also paid a cash consideration of Rs. 3,450 million towards acquisition of interest in IENMPL.

Name of the SPV	Number of Units allotted for acquiring all the equity interest held in the SPVs				Total
	Embassy Sponsor	Blackstone Sponsor	Blackstone Sponsor group (excluding Blackstone Sponsor)	Other shareholders in the SPVs	
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
VCPPPL	-	-	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
QBPPPL	-	-	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 share holder	As at 31 March 2020		As at 31 March 2019	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Limited	104,094,966	13.49%	104,094,966	13.49%
BRE Mauritius Investments	93,610,755	12.13%	93,610,755	12.13%
Veeranna Reddy	65,472,582	8.48%	65,472,582	8.48%
Bre/Mauritius Investments II	45,630,850	5.91%	45,630,850	5.91%
India Alternate Property Limited	39,446,986	5.11%	39,446,986	5.11%

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



11 Other equity

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Retained earnings *	(8,784.65)	(94.47)	-
	(8,784.65)	(94.47)	-

*Refer Standalone Statement of changes in Unitholder's Equity for detailed movement in other equity balances.

Retained earnings

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

12 Borrowings

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Secured			
36,500 (31 March 2019 : Nil) Embassy REIT Series I NCD 2019, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost)			
- Tranche I	32,351.18	-	-
- Tranche II	6,667.66	-	-
	39,018.84	-	-

Note:

- (i) In May 2019, the Trust issued 30,000 (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 favour of the Security Trustee (holding for the benefit of the Debenture Trustee and ranking pari passu inter se the Debenture Holders):

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase I) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar
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.
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
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

5. Details of non-convertible debentures are as follows:-

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019	Secured	-	-	02 June 2022	02 June 2022



12 Borrowings (continued)

6. Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to Embassy REIT Series I NCD 2019.

7. Other requirements as per Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts

Particulars	As at 31 March 2020
Asset cover ratio (refer a below)	11.76%
Debt -equity ratio (refer b below)	0.18
Debt-service coverage ratio (refer c below)	2.92
Interest-service coverage ratio (refer d below)	2.92
Net worth (refer e below)	220,336.31

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

a) Asset cover ratio = Total borrowings / Gross asset value of the Group as computed by independent valuers

b) Debt equity ratio* = Total borrowings/ Unitholders' Equity

c) Debt Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/ (Finance costs + Principal Repayments made

d) Interest Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/ Finance costs (net of capitalisation)

e) Net worth = Unit capital + Other equity

* Total borrowings = Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings and Unitholder's Equity = Unit Capital +

13 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Trade payable			
- Total outstanding dues to micro and small enterprises (refer note (ii) below)	-	-	-
- Total outstanding dues other than micro and small enterprises			
- to related party- refer Note 25	4.66	-	-
- to others	2.02	-	-
	6.68	-	-

Notes :

(i) All the trade payables are current in nature. The Trust's exposure to currency and liquidity risks related to trade payables is disclosed in Note :27.

(ii) The Trust does not have any dues of principal or interest to micro and small enterprises as at 31 March 2020 and 31 March 2019.

14 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Unclaimed distribution	0.26	-	-
Other liabilities			
- to related party - refer Note 25	55.46	462.98	-
- to others*	32.76	5,573.33	-
	88.48	6,036.31	-

* Includes liability of Rs. Nil (31 March 2019 Rs.3,450 million) towards acquisition of equity shares of Indian Express Newspapers (Mumbai) Private

15 Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Statutory dues	4.37	-	-
	4.37	-	-

16 Current tax liabilities (net)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Provision for income-tax, net of advance tax	0.54	-	-
	0.54	-	-

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17 Interest income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income		
- on fixed deposits	13.43	-
- on debentures (refer note 25)	144.38	-
- on loan to subsidiaries (refer note 25)	8,071.20	-
	8,229.01	-

18 Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Gain / (loss) on mutual funds *	154.08	-
Miscellaneous	1.26	-
	155.34	-

* Includes net changes in fair value of mutual funds for the year ended 31 March 2020 of Rs. 1.72 millions (31 March 2019 of Rs. Nil).

19 Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Bank charges	0.26	-
Rates and taxes	1.48	-
Travelling and conveyance	0.17	-
Marketing and advertisement expenses	15.56	93.28
Miscellaneous expenses	0.68	-
	18.15	93.28

20 Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense		
- Accrual of premium on redemption of debentures	2,850.33	-
	2,850.33	-

Note: The debentures will be redeemed on 02 June 2022. (Refer note 12)

21 Tax expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax	71.17	-
	71.17	-

Reconciliation of tax expense and the profit multiplied by tax rate

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	4,885.14	(94.47)
Domestic tax rate	42.74%	35.88%
Tax using the Trust's domestic tax rate	2,088.10	-
Effect of exempt incomes	(3,635.61)	-
Effect of non-deductible expenses	1,619.65	-
Others	(0.97)	-
Tax expense	71.17	-

22 Auditor's remuneration

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor		
- statutory audit	3.10	1.18
- limited review	4.10	-
Reimbursement of expenses	0.44	0.01
	7.64	1.19



23 Earnings Per Unit (EPU)

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

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

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
EPU	4,813.97	(94.47)
Weighted average number of Units (No. in million)	771.67	18.10
Earnings Per Unit		
- Basic (Rupees/unit)	6.24	(5.22)
- Diluted (Rupees/unit) *	6.24	(5.22)

* The Trust does not have any outstanding dilutive units.

24 Commitments and contingencies

a. Contingent liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Guarantee given to a Bank for loan obtained by a SPV	8,400.00	-	-

Note

Trust has given an irrevocable and unconditional Corporate guarantee dated 27 December 2019, in favour of Catalyst Trusteeship Limited (Trustee) towards the term loan facility of Rs.8,400 million by State Bank of India (Lender) to Manyata Promoters Private Limited (Borrower), an Embassy REIT SPV; to forthwith pay the Lender the outstanding amount of loan on demand by the Lender, upon the failure to make any payments/ repayments of the outstanding amounts (or any part thereof) on the respective due dates by Borrower.

b. Statement of capital and other commitments

i) There are no capital commitments as at 31 March 2020, 31 March 2019 and 1 April 2018.

ii) The Trust is committed to provide financial support to some of its subsidiaries to ensure that these entities operate on going concern basis and are able to meet their debts and liabilities as they fall due.

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25 **Related party disclosures**

I **List of related parties as at 31 March 2020 (refer notes below)**

A. **Parties to Embassy Office Parks REIT**

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

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

BRE/ Mauritius Investments - Co-Sponsor

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

BREP VII SG Oxygen Holding (NQ) Pte Limited
BREP Asia SBS Oxygen Holding (NQ) Limited
BREP VII SBS Oxygen Holding (NQ) Limited
BREP Asia HCC Holding (NQ) Pte Limited
BREP VII HCC Holding (NQ) Pte Limited
BREP Asia SBS HCC Holding (NQ) Limited
BREP VII SBS HCC Holding (NQ) Limited
India Alternate Property Limited
BREP Asia SG Indian Holding (NQ) Co II Pte. Limited
BREP VII SG Indian Holding (NQ) Co II Pte. Limited
BREP Asia SBS Holding-NQ CO XI Limited
BREP VII SBS Holding-NQ CO XI Limited

Directors and Key managerial personnel's of the Investment Manager (Embassy Office Parks Management Services Private Limited)

Directors

Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri (w.e.f. 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)
Asheesh Molta - Director (w.e.f. 28 June 2019, alternate to Robert Christopher Heady)

Key management personnel

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

(i) **Subsidiary (SPV)**

Embassy Office Parks Private Limited
Manyata Promoters Private Limited
Umbel Properties Private Limited
Embassy Energy Private Limited
Earnest Towers Private Limited
Indian Express Newspapers (Mumbai) Private Limited
Vikhroli Corporate Park Private Limited
Qubix Business Park Private Limited
Quadron Business Park Private Limited
Oxygen Business Park Private Limited
Galaxy Square Private Limited
Embassy Pune Techzone Private Limited (w.e.f. 06 December 2019)

(ii) **Joint Venture**

Golflinks Software Park Private Limited

B **Other related parties with whom the transactions have taken place during the year**

Embassy One Developers Private Limited
Embassy Shelters Private Limited
Mac Charles (India) Limited
Lounge Hospitality LLP



25 Related party disclosures

C Transactions during the year

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Unsecured loans given to		
Quadron Business Park Private Limited	7,509.00	4,681.93
Embassy Office Parks Private Limited	5,858.30	-
Manyata Promoters Private Limited	28,423.10	-
Qubix Business Park Private Limited	3,179.90	-
Oxygen Business Park Private Limited	4,030.30	-
Earnest Towers Private Limited	1,029.30	-
Vikhroli Corporate Park Private Limited	4,766.70	-
Galaxy Square Private Limited	2,549.80	-
Umbel Properties Private Limited	1,795.20	-
Indian Express Newspapers (Mumbai) Private Limited	3,764.00	-
Embassy Energy Private Limited	6,400.00	-
Short term construction loan given		
Manyata Promoters Private Limited	3,050.00	-
Oxygen Business Park Private Limited	3,310.00	-
Embassy Office Parks Private Limited	620.00	-
Investment in debentures		
Golflinks Software Park Private Limited	2,500.00	-
Redemption of investment in debentures		
Golflinks Software Park Private Limited	1,775.62	-
Unsecured loans repaid by		
Embassy Office Parks Private Limited	1,674.34	-
Manyata Promoters Private Limited	4,843.37	-
Qubix Business Park Private Limited	299.91	-
Oxygen Business Park Private Limited	247.68	-
Earnest Towers Private Limited	739.62	-
Vikhroli Corporate Park Private Limited	268.88	-
Galaxy Square Private Limited	284.91	-
Umbel Properties Private Limited	69.40	-
Indian Express Newspapers (Mumbai) Private Limited	429.97	-
Embassy Energy Private Limited	378.53	-
Short term construction loan repaid by		
Manyata Promoters Private Limited	3,050.00	-
Oxygen Business Park Private Limited	3,310.00	-
Investment in equity shares of SPVs		
Embassy Office Parks Private Limited	-	62,768.25
Manyata Promoters Private Limited	-	48,790.52
Quadron Business Park Private Limited	-	13,689.26
Oxygen Business Park Private Limited	-	12,308.89
Earnest Towers Private Limited	-	12,138.78
Vikhroli Corporate Park Private Limited	-	10,710.94
Qubix Business Park Private Limited	-	5,595.08
Galaxy Square Private Limited	-	4,662.50
Umbel Properties Private Limited	-	2,841.67
Indian Express Newspapers (Mumbai) Private Limited	-	13,210.97
Embassy Energy Private Limited	-	732.79



25 Related party disclosures

C Transactions during the year

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Margin money kept on behalf of Trust		
Embassy Office Parks Management Services Private Limited	-	20.00
Secondment fees		
Embassy Office Parks Management Services Private Limited	1.42	-
Investment management fees		
Embassy Office Parks Management Services Private Limited	214.81	-
Trademark license fees		
Embassy Shelters Private Limited	1.42	-
Trustee fee expenses		
Axis Trustee Services Limited	2.96	-
Marketing and advertisement expenses		
Mac Charles (India) Limited	0.48	-
Lounge Hospitality LLP	0.06	-
Travelling and conveyance		
Quadron Business Park Private Limited	0.02	-
Initial receipt from Co-sponsor-received/(repaid)		
Embassy Property Development Private Limited	-	0.50
Interest income		
Quadron Business Park Private Limited	1,506.91	-
Embassy Office Parks Private Limited	698.56	-
Manyata Promoters Private Limited	3,098.72	-
Qubix Business Park Private Limited	383.45	-
Oxygen Business Park Private Limited	510.82	-
Earnest Towers Private Limited	66.13	-
Vikhroli Corporate Park Private Limited	582.18	-
Galaxy Square Private Limited	305.21	-
Umbel Properties Private Limited	220.77	-
Indian Express Newspapers (Mumbai) Private Limited	414.35	-
Embassy Energy Private Limited	284.10	-
Interest received on debentures		
Golflinks Software Park Private Limited	144.38	-
Dividend Received		
Embassy Energy Private Limited	6.00	-
Indian Express Newspapers (Mumbai) Private Limited	95.72	-
Oxygen Business Park Private Limited	188.25	-
Deposits paid on behalf of Trust / Repaid by Trust		
Embassy Office Parks Private Limited	-	31.00



25 Related party disclosures

C Transactions during the year

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Reimbursement of expenses		
Embassy Office Parks Private Limited	-	174.79
Manyata Promoters Private Limited	-	5.96
Qubix Business Park Private Limited	-	9.33
Oxygen Business Park Private Limited	-	9.11
Earnest Towers Private Limited	-	3.96
Vikhroli Corporate Park Private Limited	-	7.65
Quadron Business Park Private Limited	-	7.90
Galaxy Square Private Limited	-	9.10
Umbel Properties Private Limited	-	10.30
Embassy Energy Private Limited	-	6.15
Indian Express Newspapers (Mumbai) Private Limited	-	20.19
Embassy One Developers Private Limited	-	9.54
Embassy Office Parks Management Services Private Limited	56.26	157.50
Issue of Unit capital		
Embassy Property Development Private Limited	-	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	135.39
BRE/ Mauritius Investments	-	28,083.23
India Alternate Property Limited	-	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	12.10
BRE/Mauritius Investments II	-	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	13.36
BREP GML Holding (NQ) Pte. Limited.	-	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	17.54
BREP VII SBS GML Holding (NQ) Limited	-	5.01
Guarantee given to bank for loan obtained by SPV		
Manyata Promoters Private Limited	8,400.00	-



25 Related party disclosures

D Closing balances

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Unsecured loan receivable (non-current)			
Quadron Business Park Private Limited	12,582.58	4,681.93	-
Embassy Office Parks Private Limited	4,183.96	-	-
Manyata Promoters Private Limited	23,579.73	-	-
Qubix Business Park Private Limited	2,879.99	-	-
Oxygen Business Park Private Limited	3,782.62	-	-
Earnest Towers Private Limited	289.68	-	-
Vikhroli Corporate Park Private Limited	4,497.82	-	-
Galaxy Square Private Limited	2,264.89	-	-
Umbel Properties Private Limited	1,725.80	-	-
Indian Express Newspapers (Mumbai) Private Limited	3,334.03	-	-
Embassy Energy Private Limited	6,021.47	-	-
Short term construction loan			
Embassy Office Parks Private Limited	620.00	-	-
Investment in Debentures (current)			
Golflinks Software Park Private Limited	724.38	-	-
Investment in equity shares of subsidiary			
Embassy Office Parks Private Limited	62,768.25	62,768.25	-
Manyata Promoters Private Limited	48,790.52	48,790.52	-
Quadron Business Park Private Limited	13,689.26	13,689.26	-
Oxygen Business Park Private Limited	12,308.89	12,308.89	-
Earnest Towers Private Limited	12,138.78	12,138.78	-
Vikhroli Corporate Park Private Limited	10,710.94	10,710.94	-
Qubix Business Park Private Limited	5,595.08	5,595.08	-
Galaxy Square Private Limited	4,662.50	4,662.50	-
Umbel Properties Private Limited	2,254.21	2,841.67	-
Indian Express Newspapers (Mumbai) Private Limited	13,210.97	13,210.97	-
Embassy Energy Private Limited	732.79	732.79	-
Other Liabilities			
Embassy Office Parks Private Limited	-	205.79	-
Manyata Promoters Private Limited	-	5.96	-
Qubix Business Park Private Limited	-	9.33	-
Oxygen Business Park Private Limited	-	9.11	-
Earnest Towers Private Limited	-	3.96	-
Vikhroli Corporate Park Private Limited	-	7.65	-
Quadron Business Park Private Limited	-	7.90	-
Galaxy Square Private Limited	-	9.10	-
Umbel Properties Private Limited	-	10.30	-
Embassy Energy Private Limited	-	6.15	-
Indian Express Newspapers (Mumbai) Private Limited	-	20.19	-
Embassy One Developers Private Limited	-	9.54	-
Embassy Office Parks Management Services Private Limited	55.46	157.50	-
Trade Payables			
Embassy Office Parks Management Services Private Limited	4.66	-	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Private Limited	-	20.00	-
Initial refundable receipt from Co-sponsor			
Embassy Property Development Private Limited	-	0.50	-
Guarantee given to bank for loan obtained by SPV			
Manyata Promoters Private Limited	8,400.00	-	-



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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 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 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	-

27 Financial instruments

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	31 March 2020	31 March 2020	31 March 2019	31 March 2019
Financial assets				
Fair value through profit and loss				
Investments in mutual funds	3,209.07	3,209.07	-	-
Amortised cost				
Investments	724.38	-	-	-
Loans	65,763.57	-	4,712.93	-
Cash and cash equivalents	2,845.45	-	42,818.53	-
Other financial assets	3.15	-	-	-
Total assets	72,545.62	3,209.07	47,531.46	-
Financial liabilities				
Amortised cost				
Borrowings	39,018.84	38,984.00	-	-
Other financial liabilities	88.48	-	6,036.31	-
Trade payables	6.68	-	-	-
Total liabilities	39,114.00	38,984.00	6,036.31	-

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

b) Measurement of fair values

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

a) recognised and measured at fair value

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

To provide an indication about the reliability of the inputs used in determining fair value, the trust has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at end of reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

c) Financial instruments

Quantitative disclosures of fair value measurement hierarchy for assets as at :

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2020	3,209.07	3,209.07	-	-
Investment in mutual funds	31 March 2019	-	-	-	-

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

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

i) The fair value of mutual funds are based on price quotations at reporting date.

ii) The fair values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.

iii) The fair values of borrowings at fixed rates are considered to be equivalent to present value of the future contracted cashflows discounted at the current market rate.



e) Financial risk management

The Trust has exposure to following risks arising from financial instruments:

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

a. Risk management framework

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

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

b. Credit risk

Credit risk is the risk of financial loss to the Trust if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Trust's receivables from loans given to its SPV's and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

The Trust establishes an allowance account for impairment that represents its estimate of losses in respect of its financial assets. The main component of this allowance is estimated losses that relate to specific tenants or counterparties. The allowance account is used to provide for impairment losses. Subsequently when the Trust is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

Cash at bank and fixed deposits are placed with financial institutions which are regulated and have low risk.

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

c. Liquidity Risk

Liquidity risk is the risk that the trust will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The trust's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the trust's reputation.

Management monitors rolling forecasts of the trust's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Management of the trust in accordance with practice and limits set by the trust. In addition, the trust's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet those, monitoring balance sheet liquidity ratios and maintaining debt refinancing plans.

Maturities of financial liabilities

The following are the Trust's remaining contractual maturities of financial liabilities as the reporting date. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Trust may be required to pay and includes contractual interest payments and excludes the impact of netting agreements. The Trust believes that the working capital is sufficient to meet its current requirements, accordingly no liquidity risk is perceived.

Particulars	Carrying value	Contractual cash flows				Total
		0 - 12 months	1-2 years	3-5 years	More than 5 years	
31 March 2020						
Borrowings	39,018.84	-	47,697.70	-	-	47,697.70
Trade payables	6.68	6.68	-	-	-	6.68
Other financial liabilities - current	88.48	88.48	-	-	-	88.48
Total	39,114.00	95.16	47,697.70	-	-	47,792.86
31 March 2019						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities - current	6,036.31	6,036.31	-	-	-	6,036.31
Total	6,036.31	6,036.31	-	-	-	6,036.31



Embassy Office Parks REIT

RN: IN/REIT/17-18/0001

Notes to the Standalone financial statements

(all amounts in Rs. million unless otherwise stated)

**d. Market risk**

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

i. Currency risk

Majority of transitions entered into by the Trust are denominated in Indian Rupees. Accordingly the Trust does not have any currency risk.

ii. Interest rate risk

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

iii. Price risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices of investments. The Trust has no material exposure to equity securities price risk and is not exposed to commodity risk. The Trust's exposure to price risk arises from investments held by the Trust in mutual funds and classified in the balance sheet as fair value through statement of profit or loss. The fair value of these investments is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Trust are mainly investments in liquid and overnight debt mutual funds and accordingly no material volatility is expected.

Mutual funds price risk sensitivity analysis

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

Particulars	31 March 2020	31 March 2019
Increase by 1% (100 basis points)	32.09	-
Decrease by 1% (100 basis points)	(32.09)	-

28 Capital management

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

The Trust monitors Capital using ratio of 'Net debt' to 'Gross asset value (GAV)' of all SPVs. For this purpose, Net debt is defined as Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings. The Trust's adjusted Net debt to GAV ratio as at 31 March 2020 is as follows:

Particulars	31 March 2020	31 March 2019
Net debt	39,018.84	-
GAV	331,685.00	-
Net debt to GAV	11.76%	-

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 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 to SPVs'	35,550.00	35,550.00	-
General purposes including issue expenses	950.00	950.00	-
Total	36,500.00	36,500.00	-



30 Reconciliation of movements of financial liabilities to cash flows arising from financing activities

Particulars	For year ended 31 March 2020	For year ended 31 March 2019
Opening balance	-	-
Changes from financing cash flows		
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)	36,168.51	-
Other changes		
Accrual of premium on redemption of debentures	2,850.33	-
Closing balance	39,018.84	-

31 Segment Reporting

The Trust does not have any Operating segments as at 31 March 2020 and hence, disclosure under Ind AS 108, Operating segments has not been provided in the Standalone financial statements.

32 In preparing these Standalone financial statements, the Trust's opening balance sheet was prepared as at 01 April 2018, which is the date of transition to Ind AS.

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

34 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, Re. 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.

35 The Standalone financial statements of the Embassy Office Parks REIT for the year ended 31 March 2019 have been audited by a firm of Chartered Accountants other than S R Batliboi & Associates LLP.

The accompanying notes referred to above are an integral part of Standalone financial statements.

As per our report of even date attached

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

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



per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020




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



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



B S R & Associates LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1, B Block, 2nd Floor
Inner Ring Road, Koramangala
Bangalore 560 071 India

Telephone +91 80 7134 7000
Fax +91 80 7134 7999

Independent Auditors' Report

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

Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Accounting Standards issued by the Institute of Chartered Accountants of India in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India, of the state of affairs of the Trust as at 31 March 2019 and loss and its cash flows for the for the year ended on that date.

Basis for Opinion

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

Manager's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control with reference to financial statements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

for **B S R & Associates LLP**

Chartered Accountants

Firm Registration Number: 116231 W/W-100024



Rushank Mathreja

Partner

Membership No: 211386

Place: Bengaluru

Date: 28 May 2019

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



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

Significant accounting policies

2

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

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm's registration number: 116231W / W-100024

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

Rushank Muthreja
Partner
Membership number: 211386
Place: Bengaluru
Date: 28 May 2019

Jijendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 28 May 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Bengaluru
Date: 28 May 2019



Embassy Office Parks REIT (As defined in note 1)
RN: IN/REIT/17-18/0001
Standalone Statement of Profit and Loss
(all amounts in Rs. millions unless otherwise stated)



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

Earnings Per Unit

10

Significant accounting policies

2

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

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

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

Rushank Muthreja

Partner

Membership number: 211386

Place: Bengaluru

Date: 28 May 2019

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 28 May 2019

Tuhin Parikh

Director

DIN: 00544890

Place: Bengaluru

Date: 28 May 2019



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



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

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

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

Significant accounting policies

2

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

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

Rushank Muthreja
Partner
Membership number: 211386
Place: Bengaluru
Date: 28 May 2019

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 28 May 2019

Fuhin Parikh
Director
DIN: 00544890
Place: Bengaluru
Date: 28 May 2019



1 Trust Information

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

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

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

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

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

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

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

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1 Trust Information (continued)

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



1 Trust Information (continued)

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

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



2 Significant accounting policies

a. Basis of preparation

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

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

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

b. Use of estimates

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

c. Investment properties

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

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

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

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

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

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

Freehold land is not depreciated.

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

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



c. Investment properties (continued)

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

d. Impairment of assets

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

e. Investments

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

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

f. Foreign exchange transactions

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

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

g. Taxation

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

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



h. Current versus non-current classification

The Trust presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

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

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

i. Borrowing costs

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

j. Revenue recognition

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

Interest income

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

Dividends

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

k. Segment reporting

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

l. Earning per Unit

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

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

m. Provisions

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



n. Cash and cash equivalents

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

o. Contingent liabilities

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

p. Cash flow statement

Cash flow statement is reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows arising from operating, investing and financing activities are segregated.



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3 Unit Capital

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

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

Terms/rights attached to Units

The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Units is entitled to one vote per Unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Investment Manager approves dividend distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust will declares and pay dividends in Indian Rupees. Initial Public Offering was for 158,333,200 Units for cash at price of Rs. 300 per Unit aggregating to Rs. 47,499.96 million.

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

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

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



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4 Reserves

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

5 Other current Liabilities

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

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

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



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6 Non-current investments

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

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

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

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

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

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



7 Long-term loans and advances

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

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

Purpose of loan:

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

Security: Unsecured

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

Repayment:

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

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8 Cash and bank balances

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

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

9 Other expenses

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

10 Earning per Unit (EPU)

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

11 Contingent liabilities and Capital commitments

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

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

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

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



Embassy Office Parks REIT (As defined in note 1)

RN: INV/REIT/17-18/0001

Notes to the Standalone Financial Statements

(all amounts in Rs. millions unless otherwise stated)

13 Related party disclosures

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

A. Parties to

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Pvt Ltd - Co-Sponsor

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

BRE/ Mauritius Investments - Co-Sponsor

- SG Indian Holding (NQ) Co. I Pte. Ltd
- SG Indian Holding (NQ) Co. II Pte. Ltd
- SG Indian Holding (NQ) Co. III Pte. Ltd
- BRE/Mauritius Investments II;
- BREP NTPL Holding (NQ) Pte Ltd
- BREP VII NTPL Holding (NQ) Pte Ltd
- BREP Asia SBS NTPL Holding (NQ) Ltd
- BREP VII SBS NTPL Holding (NQ) Ltd
- BREP GML Holding (NQ) Pte Ltd
- BREP VII GML Holding (NQ) Pte Ltd
- BREP Asia SBS GML Holding (NQ) Ltd
- BREP VII SBS GML Holding (NQ) Ltd
- BREP Asia SG Oxygen Holding (NQ) Pte Ltd
- BREP VII SG Oxygen Holding (NQ) Pte Ltd
- BREP Asia SBS Oxygen Holding (NQ) Ltd
- BREP VII SBS Oxygen Holding (NQ) Ltd
- BREP Asia HCC Holding (NQ) Pte Ltd
- BREP VII HCC Holding (NQ) Pte Ltd
- BREP Asia SBS HCC Holding (NQ) Ltd
- BREP VII SBS HCC Holding (NQ) Ltd
- India Alternate Property Limited
- BREP Asia SG Indian Holding (NQ) Co II Pte. Ltd
- BREP VII SG Indian Holding (NQ) Co II Pte. Ltd
- BREP Asia SBS Holding-NQ CO XI Ltd
- BREP VII SBS Holding-NQ CO XI Ltd

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

Directors

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

KMPs

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

Sponsors, directors and partners of the persons in clause A



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13 Related party disclosures (contd.)

(i) Names of related parties and description of relationship

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

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



Related party disclosures (contd.)

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

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

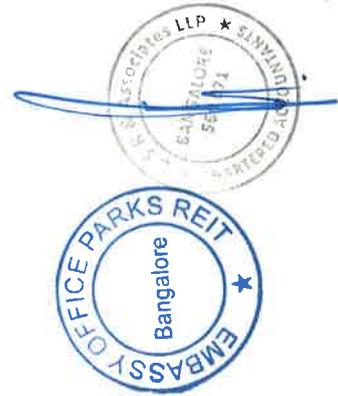
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Related party disclosures (contd.)Names of related parties and description of relationship

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

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13 Related party disclosures

(ii) Transactions during the year

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

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(ii) **Transactions during the year**

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

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(iii) Year end balances

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



Embassy Office Parks REIT (As defined in note 1)

RN: IN/REIT/17-18/0001

Notes to the Standalone Financial Statements

(all amounts in Rs. millions, unless otherwise stated)

**14 Segment Reporting**

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

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

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

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

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

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

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

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

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

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

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

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

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

Rushank Muthreja

Partner

Membership number: 211386

Place: Bengaluru

Date: 28 May 2019

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Pvt Ltd

(As Manager to the Embassy Offices Parks REIT)

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 28 May 2019

Tuhin Parikh

Director

DIN: 00544890

Place: Bengaluru

Date: 28 May 2019



Review Report

**The Board of Directors
Embassy Office Parks Management Services Private Limited (" the Manager")
(Acting in its capacity as the Manager of Embassy Office Parks REIT)
1st Floor, Embassy Point
150, Infantry Road
Bengaluru -560001**

Introduction

1. We have reviewed the accompanying unaudited condensed consolidated interim Ind AS financial statements of Embassy Office Parks REIT (the "REIT"), its subsidiaries and a Joint venture (together referred as "the Group"), which comprise the unaudited condensed consolidated balance sheet as at September 30, 2020, the unaudited condensed consolidated statement of profit and loss, including other comprehensive income and unaudited condensed consolidated statement of Cash Flows for the quarter and half year ended September 30, 2020, the unaudited condensed consolidated statement of changes in Unitholder's equity for the half year ended September 30, 2020 and the consolidated Statement of Net Assets at fair value as at September 30, 2020 and the consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows of the REIT and each of its subsidiaries for the half year ended September 30, 2020 and a summary of the significant accounting policies and select explanatory information (together hereinafter referred to as the "Condensed Consolidated Interim Ind AS Financial Statements") being submitted by the REIT pursuant to the requirements of Regulation 23 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder ("REIT Regulations").
2. The Condensed Consolidated Interim Ind AS Financial Statements are the responsibility of the Manager and has been approved by the Board of Directors of the Manager. The Condensed Consolidated Interim Ind AS Financial Statements are prepared in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the REIT Regulations. Our responsibility is to issue a conclusion on the Condensed Consolidated Interim Ind AS Financial Statements based on our review.



Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Condensed Consolidated Interim Ind AS Financial Statements is free of material misstatement. A review consists of making inquiries, primarily of Manager personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Condensed Consolidated Interim Ind AS Financial Statements includes the financial information of the following entities:

Sl. No	Name of the entities
A	Parent Entity
1	Embassy Office Parks REIT
B	Subsidiaries
1	Embassy Office Parks Private Limited
2	Manyata Promoters Private Limited ('MPPL')
3	Umbel Properties Private Limited
4	Embassy-Energy Private Limited
5	Galaxy Square Private Limited
6	Quadron Business Park Private Limited
7	Qubix Business Park Private Limited
8	Oxygen Business Park Private Limited
9	Earnest Towers Private Limited
10	Vikhroli Corporate Park Private Limited
11	Indian Express Newspapers (Mumbai) Private Limited
12	Embassy Pune Techzone Private Limited
C	Jointly Controlled entity
1	Golflinks Software Park Private Limited

Conclusion

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Ind AS Financial Statements have not been prepared in all material respects in accordance with the requirements of Ind AS 34, as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India.



Emphasis of Matter

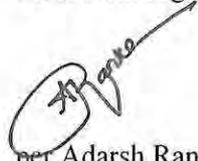
6. We draw attention to note 46(iv) to the Condensed Consolidated Interim Ind AS Financial Statements which refers to the uncertainty in relation to two pending cases, as regards Property tax dues aggregating to Rs.3,313.08 million as at September 30, 2020 payable by MPPL, before judicial forums basis, previously raised demand notices by the local regulatory authority. Based on legal opinions obtained and pending outcome of such legal matter no provision has been made in these Condensed Consolidated Interim Ind AS Financial Statements.

Our conclusion is not modified in respect to the above matter.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Adarsh Ranka

Partner

Membership No.: 209567



UDIN: 20209567AAAAGM5740

Place: Bengaluru, India

Date: November 2, 2020

Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Consolidated Balance Sheet
(all amounts in Rs. million unless otherwise stated)



	Note	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	20,364.54	20,698.93
Capital work-in-progress	4	2,912.74	2,334.07
Investment property	5	192,501.12	194,076.48
Investment property under development	8	2,504.04	1,773.39
Goodwill	6	50,289.37	50,289.37
Intangible assets	7	4,923.13	5,001.36
Equity accounted investee	9	24,287.47	24,091.36
Financial assets			
- Loans	11	668.75	668.71
- Other financial assets	12	1,407.16	1,188.54
Non-current tax assets (net)	13	1,252.13	1,554.70
Other non-current assets	14	16,814.33	16,475.64
Total non-current assets		317,924.78	318,152.55
Current assets			
Inventories	15	11.17	12.82
Financial assets			
- Investments	10	-	12,273.59
- Trade receivables	16	237.12	242.25
- Loans	17	51.30	51.49
- Cash and cash equivalents	18A	13,174.15	3,249.16
- Other bank balances	18B	108.79	169.79
- Other financial assets	19	467.52	399.46
Other current assets	20	329.93	351.22
Total current assets		14,379.98	16,749.78
Total assets		332,304.76	334,902.33
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	21	229,120.96	229,120.96
Other equity	22	(11,390.66)	(5,943.12)
Total equity		217,730.30	223,177.84
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	23	59,399.35	56,170.51
- Other financial liabilities	24	2,845.34	3,118.65
Provisions	25	6.23	5.25
Deferred tax liabilities (net)	26	39,842.16	40,407.38
Other non-current liabilities	27	425.52	386.70
Total non-current liabilities		102,518.60	100,088.49
Current liabilities			
Financial liabilities			
- Trade payables	28		
- total outstanding dues of micro and small enterprises		4.15	2.48
- total outstanding dues of creditors other than micro and small enterprises		184.47	252.27
- Other financial liabilities	29	10,912.48	10,562.79
Provisions	30	-	2.37
Other current liabilities	31	864.98	781.58
Current tax liabilities (net)	32	89.78	34.51
Total current liabilities		12,055.86	11,636.00
Total equity and liabilities		332,304.76	334,902.33

Significant accounting policies

The accompanying notes referred to above are an integral part of these Condensed Consolidated Financial Statements.

As per our report of even date attached

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

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 2 November 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)

Jigendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 2 November 2020

Tuhla Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 2 November 2020



Embassy Office Parks REIT
 Condensed Consolidated Financial Statements
 Consolidated Statement of Changes In Unitholders' Equity
 (all amounts in Rs. million unless otherwise stated)



A. Unit Capital	No in Million	Amount
Balance as on 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable	-	81.70
Balance as at 31 March 2020	771.67	229,120.96
Balance as on 1 April 2020	771.67	229,120.96
Balance as at 30 September 2020	771.67	229,120.96

B. Other equity

Particulars	Retained Earnings
Balance as on 1 April 2019	(94.47)
Add: Profit for the year ended 31 March 2020	7,655.34
Add: Other Comprehensive Income for the year ended 31 March 2020	0.16
Less: Distribution to Unitholders for the quarter ended 30 June 2019*	(4,166.99)
Less: Distribution to Unitholders for the quarter ended 30 September 2019*	(4,630.00)
Less: Distribution to Unitholders for the quarter ended 31 December 2019*	(4,707.16)
Balance as at 31 March 2020	(5,943.12)
Balance as on 1 April 2020	(5,943.12)
Add: Profit for the half year ended 30 September 2020	4,368.04
Less: Distribution to Unitholders for the quarter ended 31 March 2020*	(5,316.77)
Less: Distribution to Unitholders for the quarter ended 30 June 2020*	(4,498.81)
Balance as at 30 September 2020	(11,390.66)

* The distributions made by Trust to its Unitholders are based on the Net Distributable Cash flows (NDCF) of Embassy Office Parks REIT under the REIT Regulations which includes repayment of debt by SPVs to Embassy REIT.

As per our report of even date attached

for S R Batliboi & Associates LLP

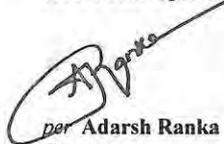
Chartered Accountants

ICAI Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of

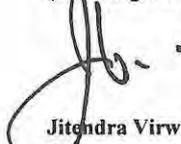
Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)


per Adarsh Ranka

Partner
 Membership number: 209567
 Place: Bengaluru
 Date: 2 November 2020




Jitendra Virwani

Director
 DIN: 00027674
 Place: Bengaluru
 Date: 2 November 2020


Tuhin Parikh

Director
 DIN: 00544890
 Place: Mumbai
 Date: 2 November 2020



A) Statement of Net Assets at fair value

S.No	Particulars	Unit of measurement	As at 30 September 2020		As at 31 March 2020	
			Book Value	Fair value	Book Value	Fair value
A	Assets	Rs in millions	332,304.76	404,426.05	334,902.33	401,354.66
B	Liabilities	Rs in millions	114,574.46	115,037.56	111,724.49	112,254.26
C	Net Assets (A-B)	Rs in millions	217,730.30	289,388.49	223,177.84	289,100.40
D	No. of units	Numbers	771,665,343	771,665,343	771,665,343	771,665,343
E	NAV (C/D)	Rs	282.16	375.02	289.22	374.64

Notes:

1) Measurement of fair values:

The fair value of investment property, investment property under development (including capital advances), property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL), capital work-in-progress (relating to the proposed hotel to be developed in MPPL) and the investment in GLSP as at 30 September 2020 and 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.

Valuation technique

The fair value measurement for all of the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

The valuers have followed a Discounted Cash Flow method. The valuation model considers the present value of net cash flows to be generated from the respective properties, taking into account the expected rental growth rate, vacancy period, occupancy rate, average room rent, lease incentive costs and blended tariff rates. The expected net cash flows are discounted using the risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (primary vs secondary), tenant credit quality and lease terms.

Given the COVID-19 related uncertainties, the independent valuers have, as a precautionary measure, referenced material valuation uncertainty in arriving at their valuation as at 30 September 2020 and 31 March 2020.

2) Property wise break up of Fair value of Assets as at 30 September 2020 is as follows:

Particulars	Fair value of investment property, investment property under development, property, plant and equipment and capital work-in-progress *	Other assets at book value (***) (Note i)	Total assets	Total liabilities to be considered (Note ii)	Asset wise NAV	Book value of assets
100% owned assets						
MPPL	160,561.00	1,428.61	161,989.61	14,816.97	147,172.64	121,128.47
EOPLL	21,607.00	836.14	22,443.14	1,369.99	21,073.15	19,808.50
UPPL	4,375.00	135.13	4,510.13	599.41	3,910.72	4,774.07
EEPL	10,002.00	7,850.50	17,852.50	7,738.35	10,114.15	16,958.58
GSPL	8,783.00	161.68	8,944.68	425.86	8,518.82	6,073.25
ETPL	13,908.00	476.95	14,384.95	435.66	13,949.29	10,526.23
OBPL	21,242.00	780.54	22,022.54	1,389.43	20,633.11	15,261.56
QBPL	10,153.00	256.87	10,409.87	297.16	10,112.71	9,043.27
QBPL	25,181.00	2,115.31	27,296.31	677.83	26,618.48	22,684.48
EPTPL	-	-	-	0.29	(0.29)	-
VCPLL	16,404.00	290.72	16,694.72	728.69	15,966.03	13,168.65
IENMPL	17,722.00	218.41	17,940.41	974.24	16,966.17	14,521.63
Trust	-	54,068.60	54,068.60	85,583.68	(31,515.08)	54,068.60
Total	309,938.00	68,619.46	378,557.46	115,037.56	263,519.90	308,017.29
Investment in GLSP **	25,868.59	-	25,868.59	-	25,868.59	24,287.47
	335,806.59	68,619.46	404,426.05	115,037.56	289,388.49	332,304.76



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A) Statement of Net Assets at fair value (continued)

3) Property wise break up of Fair value of Assets as at 31 March 2020 is as follows:

Particulars	Fair value of investment property, investment property under development, property, plant and equipment and capital work-in-progress *	Other assets at book value (***) (Note i)	Total assets	Total liabilities to be considered (Note ii)	Asset wise NAV	Book value of assets
100% owned assets						
MPPL	153,906.00	1,843.65	155,749.65	17,124.79	138,624.86	120,534.72
EOPPL	21,032.00	793.58	21,825.58	1,477.83	20,347.75	19,871.20
UPPL	4,436.00	234.28	4,670.28	698.92	3,971.36	4,952.51
EEPL	10,289.00	7,692.82	17,981.82	7,646.18	10,335.64	17,047.79
GSPL	8,695.60	171.71	8,867.31	390.26	8,477.05	6,156.07
ETPL	13,911.00	278.71	14,189.71	406.46	13,783.25	10,442.18
QBPL	21,416.00	1,071.11	22,487.11	4,947.58	17,539.53	15,634.42
QBPL	10,085.00	258.29	10,343.29	280.74	10,062.55	9,091.54
QBPL	26,408.00	2,153.75	28,561.75	751.29	27,810.46	22,783.48
VCPPPL	16,624.00	236.10	16,860.10	740.97	16,119.13	13,128.86
IENMPL	17,866.00	234.98	18,100.98	956.27	17,144.71	14,528.77
EPTPL	-	0.07	0.07	-	0.07	0.07
Trust	-	56,639.36	56,639.36	76,832.97	(20,193.61)	56,639.36
Total	304,668.60	71,608.41	376,277.01	112,254.26	264,022.75	310,810.97
Investment in GLSP **	25,077.65	-	25,077.65	-	25,077.65	24,091.36
	329,746.25	71,608.41	401,354.66	112,254.26	289,100.40	334,902.33

* Fair values of investment property, investment property under development, property, plant and equipment, capital work in progress and investment in GLSP as at 30 September 2020 and 31 March 2020 as disclosed above are solely based on the fair valuation report of IVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE

For the purpose of fair valuation of assets, the Embassy Office Parks Group has fair valued its investment property, investment property under development (including capital advances), property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL) and the investment in GLSP.

** Fair value of equity investments in GLSP has been done based on equity valuation method proportionate to stake held in GLSP.

*** Assets at fair value include Goodwill of Rs. 50,289.37 million on book value basis (net off impairment loss, refer note 6). The Goodwill of Rs.50,289.37 million mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values as well as the requirement to recognise deferred tax liability of Rs.38,783.20 million (on the date of acquisition), calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases

Notes:

- Other assets includes cash and cash equivalents and other working capital balances which are not factored in the discounted cashflow method used in determining the fair value of investment property, investment property under development, property, plant and equipment and capital work-in-progress.
- Total liabilities includes all liabilities except lease liability.

As per our report of even date attached

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

Dr. Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 2 November 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: 2 November 2020

Tuhir Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 2 November 2020



B) Statement of Total Returns at Fair value

S.No	Particulars	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the half year ended 30 September 2019
A	Total comprehensive income	4,368.04	3,112.74	4,542.76
B	Add: Changes in fair value not recognised in total comprehensive income (Refer note 1 below)	4,003.72	1,707.31	2,254.49
C (A+B)	Total Return	8,371.76	4,820.05	6,797.25

Note:

1 In the above statement, changes in fair value for the half year ended 30 September 2020 has been computed based on the difference in fair values of Investment Property, Investment Property under development, Property, Plant and Equipment (relating to the hotel property in UPPL and QBPL, and the Solar power plant in EEPL), Capital Work-in-progress (relating to the proposed hotel to be developed in MPPL and investment in GLSP) as at 30 September 2020 (reviewed) as compared with the values as at 31 March 2020 (audited) net of cash spent on construction during the period. The fair values of the afore-mentioned assets as at 30 September 2020 (reviewed) and 31 March 2020 (audited) are solely based on the valuation report of iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

As per our report of even date attached

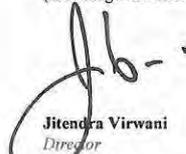
for **S R Batliboi & Associates LLP**
 Chartered Accountants
 ICAI Firms registration number: 101049W/E300004



per **Adarsh Ranka**
 Partner
 Membership number: 209567
 Place: Bengaluru
 Date: 2 November 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: 2 November 2020



Tuhin Parikh
 Director
 DIN: 00544890
 Place: Mumbai
 Date: 2 November 2020



Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Consolidated Statement of Cashflow
(all amounts in Rs. million unless otherwise stated)



	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the quarter ended 30 September 2019	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the year ended 31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)**	(Unaudited)	(Audited)
Cash flow from operating activities							
Profit before share of profit of equity accounted investees and tax	2,099.15	1,956.22	1,926.95	-4,053.37	2,713.63	4,072.38	6,786.01
Adjustments for:							
Depreciation expense	1,153.41	1,139.10	1,417.53	2,392.54	2,364.45	2,755.53	5,120.00
Amortisation expense	39.74	39.50	26.79	79.24	81.17	86.07	161.24
Assets no longer required, written off	9.30	4.19	0.27	13.49	6.20	4.96	11.16
Allowance for credit loss	-	-	-	-	0.59	0.26	0.85
Liabilities no longer required written back	-	(4.59)	-	(4.59)	(13.29)	-	(13.29)
Leasing commission paid	-	-	(36.53)	-	-	(41.86)	(41.86)
Profit on sale of mutual funds	(16.84)	(24.18)	(75.76)	(41.02)	(273.44)	(86.52)	(359.96)
Finance costs	1,437.33	1,372.54	822.65	2,809.87	2,148.30	1,653.54	3,803.54
Interest income	(190.79)	(272.97)	(82.19)	(463.76)	(238.04)	(213.00)	(451.04)
Fair value loss/(gain) on investment measured at FVTPL	-	3.00	5.20	3.00	19.96	6.71	6.71
Impairment loss recognised	-	-	-	-	1,775.98	-	1,775.98
Operating profits before working capital changes	4,531.33	4,212.81	4,004.91	8,744.14	8,585.71	8,213.63	16,799.34
Working capital adjustments							
- Inventories	1.15	0.50	5.76	1.65	(1.69)	(5.71)	(7.40)
- Trade receivables	15.01	(0.87)	73.71	14.14	162.20	(35.60)	126.60
- Loans and other financial assets (current and non-current)	(314.17)	(111.13)	(71.28)	(425.30)	195.38	536.32	731.70
- Other assets (current and non-current)	73.96	(49.64)	55.42	24.32	282.39	(229.45)	53.94
- Trade payables	(12.48)	(74.02)	17.46	(61.54)	1.98	(155.83)	(153.83)
- Other financial liabilities (current and non-current)	(165.66)	171.81	27.11	6.15	362.42	615.28	977.70
- Other liabilities and provisions (current and non-current)	33.08	87.74	(42.78)	120.82	(259.57)	76.56	(183.01)
Cash generated from operating activities before taxes	4,187.18	4,237.20	4,028.38	8,424.38	9,208.82	9,415.22	18,344.04
Taxes (paid)/refunds received (net)	(133.21)	(252.46)	(403.04)	(385.67)	(694.73)	(1,429.28)	(1,429.28)
Cash generated from operating activities	4,053.97	3,984.74	3,627.29	8,038.71	8,514.09	8,280.67	16,914.76
Cash flow from investing activities							
(Investments)/ redemption of deposits with banks (net)	82.14	119.94	(407.95)	202.08	923.49	1,836.71	2,760.30
(Investments)/ redemption in mutual funds (net)	16.84	11,570.39	701.95	11,587.23	(5,717.55)	(3,533.54)	(9,251.09)
Investment in debentures	-	-	-	-	-	(2,500.00)	(2,500.00)
Repayment of investment in debentures	256.48	467.90	182.63	724.38	906.61	869.01	1,775.62
Payment for purchase of Investment Property and Property, Plant and Equipment and intangibles including Capital Work-in-progress and Investment Property under Development	(1,220.56)	(887.54)	(2,372.31)	(2,118.10)	(7,241.60)	(4,555.95)	(11,797.55)
Payment for business acquisition	-	-	-	-	-	-	-
Dividend received	175.00	50.00	170.00	265.00	365.00	(3,450.00)	(3,450.00)
Interest received	191.45	276.30	65.18	467.75	323.50	170.00	535.00
Net cash flow generated from / (used in) investing activities	(508.65)	11,636.99	(1,660.50)	11,128.34	(10,440.55)	(11,001.61)	(21,442.16)
Cash flow from financing activities							
Interest paid	(316.01)	(284.35)	(334.44)	(600.36)	(863.39)	(699.09)	(1,562.18)
Repayments of borrowings	(6,809.82)	(48.29)	(20.46)	(6,838.11)	(3,475.60)	(69,987.06)	(73,462.66)
Proceeds from borrowings (net of issue expenses)	7,855.53	340.15	2,255.88	8,195.68	17,051.43	31,805.83	48,947.26
Transaction costs related to issue of units	-	-	(63.68)	-	(51.54)	(2,327.09)	(2,378.63)
Cash used in distribution to Unitholders (including taxes on account of distribution by SPVs)	(4,498.44)	(5,316.59)	(4,189.83)	(9,815.03)	(9,336.89)	(4,189.83)	(13,526.72)
Finance Lease payments	-	-	-	-	-	-	-
Security deposits received	(27.83)	1.00	-	(27.83)	(20.37)	-	(30.37)
Net cash (used in) / generated from financing activities	(3,796.57)	(6,308.09)	(2,552.53)	(9,104.65)	3,333.64	(45,307.24)	(41,973.60)
Net increase/ (decrease) in cash and cash equivalents	(251.25)	10,313.65	(345.74)	10,062.40	1,877.18	(48,028.18)	(46,501.00)
Cash and cash equivalents at the beginning of the period / year	13,425.40	3,111.75	1,970.31	3,111.75	1,584.57	49,612.75	49,612.75
Cash and cash equivalents at the end of the period / year	13,174.15	13,425.40	1,584.57	13,174.15	3,111.75	1,584.57	3,111.75



Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Consolidated Statement of Cashflow
(all amounts in ₹5 million unless otherwise stated)



	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the quarter ended 30 September 2019	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the year ended 31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)**	(Unaudited)	(Audited)
Components of cash and cash equivalents (refer note 18A)							
Cash in hand	0.69	1.01	0.92	0.69	1.12	0.92	1.12
Balances with banks							
- in current accounts	13,172.64	5,992.02	1,036.19	13,172.64	3,225.16	1,036.19	3,225.16
- in escrow accounts	0.82	17.37	81.33	0.82	2.88	81.33	2.88
- in fixed deposits	-	7,415.00	466.13	-	20.00	466.13	20.00
Bank overdraft	-	-	-	-	(137.41)	-	(137.41)
	13,174.15	13,425.40	1,584.57	13,174.15	3,111.75	1,584.57	3,111.75

** Refer note 55

Significant accounting policies (Refer Note 2)

The accompanying notes referred to above are an integral part of these Condensed/Consolidated Financial Statements

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firms registration number: 101049W/E300004



(Signature)
Adarsh Ranka
 Partner
 Membership number: 209567
 Place: Bengaluru
 Date: 2 November 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)

(Signature)
Jitendra Virwani
 Director
 DIN: 00027674
 Place: Bengaluru
 Date: 2 November 2020

(Signature)
Tubim Parikh
 Director
 DIN: 00543890
 Place: Mumbai
 Date: 2 November 2020





Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Disclosures pursuant to SEBI circular No. CIR/IMD/DF/146/2016
 (all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
(i) Embassy Office Parks REIT - Standalone

SI Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2019	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the year ended 31 March 2020
1 Cash flows received from SPVs and investment entity in the form of							
• Interest	1,499.05	1,709.81	2,121.29	3,208.86	3,883.35	3,940.58	7,823.93
• Dividends (net of applicable taxes)	335.00	288.00	112.12	623.00	177.85	112.12	289.97
• Repayment of Shareholder Debt	2,512.12	2,662.12	2,495.40	5,174.24	6,106.92	4,905.31	11,012.23
• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-	-	-	-	-	-	-
2 Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:							
• Applicable capital gains and other taxes	-	-	-	-	-	-	-
• Related debts settled or due to be settled	-	-	-	-	-	-	-
• Directly attributable transaction costs	-	-	-	-	-	-	-
• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-
3 Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently							
4 Add: Any other income of the Trust and not captured herein	15.56	34.58	54.26	50.14	99.19	67.86	167.05
5 Less: Any other expense accruing at the Trust level and not captured herein	(15.22)	(20.83)	(3.17)	(36.05)	(20.23)	(3.17)	(23.40)
6 Less: Any fees, including but not limited to:							
• Trustee fees	(0.83)	(0.80)	(0.74)	(1.63)	(1.48)	(1.48)	(2.96)
• REIT Management Fees	(54.85)	(58.61)	(61.45)	(113.46)	(111.36)	(103.45)	(214.81)
• Valuer fees	(2.22)	(2.21)	(2.36)	(4.43)	(5.02)	(4.72)	(9.74)
• Legal and professional fees	(15.86)	(106.07)	(5.47)	(121.93)	(85.98)	(16.91)	(102.89)
• Trademark license fees	(0.36)	(0.35)	(0.71)	(0.71)	(0.71)	(0.71)	(1.42)
• Secondment fees	(0.36)	(0.35)	(0.71)	(0.71)	(0.71)	(0.71)	(1.42)
• Interest on external debt	(33.99)	-	-	(33.99)	-	-	-
• Repayment of external debt	-	-	-	-	-	-	-
7 Less: Income tax (net of refund) and other taxes paid (as applicable)	(8.95)	(10.31)	(47.75)	(19.26)	(17.11)	(53.51)	(70.62)
Net Distributable Cash Flows	4,229.09	4,494.98	4,660.71	8,724.07	10,024.71	8,841.21	18,865.92

Notes:
 1 The Board of Directors of the Manager to the Trust, in their meeting held on 2 November 2020, have declared distribution to Unitholders of Rs.5.50 per unit which aggregates to Rs.4,244.16 million for the quarter ended 30 September 2020. The distributions of Rs.5.50 per unit comprises Rs.1.90 per unit in the form of interest payment, Rs.0.42 per unit in the form of dividend and the balance Rs.3.18 per unit in the form of amortization of SPV debt.
 2 Along with distribution of Rs.5.83 per unit for the quarter ended 30 June 2020, the cumulative distribution for the half year ended 30 September 2020 aggregates to Rs.11.33 per unit.
 3 Repayment of short-term construction debt given to SPVs and interest accrued but not due on borrowings as at the period/year end are not considered for the purpose of distributions.
 4 Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

As per our report of even date attached
S R Bariboi & Associates LLP
 Chartered Accountants
 ICAI Firms registration number: 101049W/E300004

Partner
 Membership number: 209567
 Place: Bengaluru
 Date: 2 November 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)

Director
 DIN: 0027674
 Place: Bengaluru
 Date: 2 November 2020



Tuhin Parikh
 Director
 DIN: 00544890
 Place: Mumbai
 Date: 2 November 2020

Embassy Office Parks REIT

Condensed Consolidated Financial Statements
Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016
(all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
(b) Calculation of net distributable cash flows at each Asset SPV and Hold Co

For the quarter ended 30 September 2020 for distribution

Sl No	Particulars	FOPPL	MPPL	EEPL	UPPL	ETPL	GSPPL	JENMPL	OBPPL	QBPL	QBPPL	VCPPL	EP1PL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	182.43	1,031.47	(78.34)	(108.32)	105.88	37.32	100.93	(264.80)	82.33	65.75	(1.11)		1,140.43
	<i>Adjustment:</i>													
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:													
	• Depreciation, amortisation and impairment	90.89	385.76	86.31	56.92	50.40	22.28	61.83	75.17	14.35	37.35			950.95
	• Assets written off or liabilities written back	-	-	-	-	-	-	(1.46)	-	-	-			(1.46)
	• Current tax charge as per statement of profit and loss	56.06	215.52	-	-	43.72	28.46	11.76	-	15.32	14.00			380.34
	• Deferred tax	58.98	59.54	(30.17)	(38.78)	(1.23)	0.27	15.45	(40.88)	5.72	(2.55)			26.30
	• MAT adjustments as per statement of profit and loss	(65.69)	(83.44)	-	-	-	-	4.50	-	(14.91)	-			(149.54)
	• Ind. AS adjustments not considered in any other item above	0.51	(117.50)	-	-	11.55	3.88	(57.95)	0.06	(4.14)	7.93			(180.14)
3	Add: Interest on shareholders debt charged to statement of profit and loss	132.29	727.84	188.90	54.37	9.79	68.67	104.19	384.10	88.56	141.72			2,041.19
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-			-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following:	-	-	-	-	-	-	-	-	-	-			-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-			-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-			-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-			-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-			-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(25.82)	51.37	12.11	(2.87)	3.76	15.60	23.01	(76.25)	14.67	(20.60)		0.29	20.98
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-			-
9	Less: External debt principal repayment*	-	(9.63)	(26.09)	-	-	-	-	-	-	-			(48.36)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-			-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-			-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-			-
	• Income tax (net of refund) and other taxes paid (as applicable)	(47.82)	(15.64)	(3.97)	0.12	(26.83)	(24.48)	(20.90)	(6.93)	(13.51)	27.72			(124.19)
11	Total Adjustments (B)	209.40	1,213.82	227.09	69.76	91.16	114.68	135.93	335.27	106.06	205.57		0.29	2,916.07
	Net distributable Cash Flows C = (A+B)	391.83	2,245.29	148.75	(38.76)	197.04	152.00	236.86	70.47	188.39	271.32		(0.82)	4,056.50

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from Embassy REIT to Asset SPVs/ Hold Co upon ultimate availing of external credit facility and interest accrued but not due on borrowings as at the quarter end are not considered for NDCF computation.

** Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation. Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013



Embassy Office Parks REIT

Condensed Consolidated Financial Statements

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

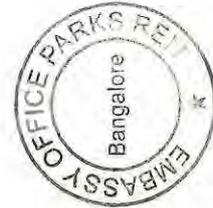
(ii) Calculation of net distributable cash flows at each Asset SPV and Hold Co

For the quarter ended 30 June 2020 for distribution

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	INEMPL	OBPPL	OBPL	QBPPL	VCPPL	EPTPL	Total
1	Profit/(loss) after tax, as per statement of profit and loss (standalone) (A)	122.64	966.80	(40.53)	(106.27)	110.03	43.85	107.62	12.50	(254.15)	65.03	5.64	(0.02)	1,033.14
	<i>Adjustment:</i>													
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:													
	• Depreciation, amortisation and impairment	91.59	382.92	86.30	55.45	50.35	22.25	62.91	69.67	75.06	14.34	35.77	-	946.61
	• Assets written off or liabilities written back	-	2.73	-	-	-	-	(3.13)	-	-	-	-	-	(0.40)
	• Current tax charge as per statement of profit and loss	43.38	201.63	-	0.33	44.80	22.83	40.41	6.62	-	12.77	0.56	-	373.33
	• Deferred tax	51.08	62.64	(15.32)	(37.66)	(3.36)	0.15	(2.39)	8.74	(50.56)	5.91	(3.91)	-	15.32
	• MAT adjustments as per statement of profit and loss	(43.75)	(88.91)	-	-	-	-	-	(6.62)	-	(10.97)	-	-	(150.25)
	• Ind AS adjustments not considered in any other item above	2.76	(96.55)	1.28	-	10.77	3.16	2.42	(23.82)	1.19	(10.38)	13.42	-	(95.75)
3	Add: Interest on shareholders debt charged to statement of profit and loss	136.93	733.48	187.65	53.78	9.43	70.58	103.90	117.88	379.91	89.74	140.17	-	2,023.45
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(18.60)	240.49	10.28	(28.80)	(4.01)	11.92	(0.91)	65.05	(34.10)	6.15	18.97	0.01	266.45
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(14.45)	(25.28)	-	-	-	-	(8.56)	-	-	-	-	(48.29)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above)	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	0.04	(29.49)	(19.64)	(32.19)	21.40	(28.87)	(14.22)	(10.04)	-	(242.16)
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(36.99)	(101.28)	9.12	-	-	-	-	-	-	-	-	-	-
	Total Adjustments (B)	226.40	1,322.70	254.03	43.14	78.49	111.25	171.02	250.36	342.63	93.34	194.94	0.01	3,088.31
	Net distributable Cash Flows C = (A+B)	349.04	2,289.50	213.50	(63.13)	188.52	155.10	278.64	762.86	88.48	158.37	200.58	(0.01)	4,121.45

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from Embassy REIT to Asset SPVs/ Hold Co upon ultimate availing of external credit facility and interest accrued but not due on borrowings as at the quarter end are not considered for NDCF computation.

** Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation. Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013





Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016
(all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
(ii) Calculation of net distributable cash flows at each Asset SPV and Hold Co

For the quarter ended 30 September 2019 for distribution

Sl No	Particulars	EOPPL	MPPPL	EEPL	UPPL	ETPPL	GSPL	IENMPL	OBPPL	QBPL	QBPPPL	VCPPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A) <i>Adjustment:</i>	127.80	800.01	(0.99)	(12.32)	77.53	27.76	53.01	28.44	(281.98)	69.83	108.08	997.15
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to: • Depreciation, amortisation and impairment • Assets written off or liabilities written back • Current tax charge as per statement of profit and loss • Deferred tax • MAT adjustments as per statement of profit and loss • Ind AS adjustments not considered in any other item above	87.25 0.27 (52.03) (91.33) 155.02 (31.91)	344.96 - 144.94 73.96 (128.76) 35.53	86.31 (6.28) 1.97 15.24 (4.12)	58.30 0.39 (5.17)	50.95 21.30 33.64 (25.68) 18.31	25.27 15.00 (1.30)	119.51 19.14 (5.42)	32.41 10.41 26.99 10.08 130.74	67.74 - 0.10 (23.59) 43.98 (3.02)	(0.88) 12.25 (0.69) (9.22) (1.87)	12.27 - - - 148.92	884.11 0.27 165.22 19.59 65.85 (77.36) 1,830.96
3	Add: Interest on shareholders debt charged to statement of profit and loss	179.84	634.92	0.68	56.44	18.31	77.35	106.99	130.74	379.23	97.53	-	-
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following • Related debts settled or due to be settled from sale proceeds • Directly attributable transaction costs • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	318.83	292.74	(95.80)	11.61	58.84	15.52	(137.16)	(63.10)	38.83	(10.62)	(15.75)	413.93
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	-	(20.46)	-	-	-	-	-	-	-	-	(20.46)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above): • Repayment of the debt in case of investments by way of debt • Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(41.57)	(199.75)	(7.85)	(2.03)	(28.99)	(22.52)	(33.76)	(24.09)	(34.17)	(12.53)	28.33	(378.92)
	Total Adjustments (B)	524.37	1,198.63	(30.31)	119.55	128.37	113.45	63.23	113.03	-469.10	85.18	118.66	2,903.17
	Net distributable Cash Flows C = (A+B)	652.17	1,998.54	(31.30)	107.23	205.90	141.21	116.23	141.47	187.12	155.00	226.74	3,900.32

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from Embassy REIT to Asset SPV/ Hold Co upon ultimate availing of external credit facility and interest accrued but not due on borrowings as at the quarter end are not considered for NDCF computation.

** Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation. Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013





Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016
 (all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
 Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
 (ii) Calculation of net distributable cash flows at each Asset SPV and Hold Co

For the half year ended 30 September 2020 pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

Sl No	Particulars	EOPPL	NIPPL	EEPL	UPPL	ETPL	GSPPL	IENHPL	OBPPL	QBPL	OBPL	QBPPPL	VCPPL	EPTPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	305.07	1,998.27	(118.87)	(214.79)	215.91	81.17	208.55	(0.41)	(518.95)	147.36	-	71.39	(1.13)	2,173.57
	<i>Adjustment:</i>														
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:														
	• Depreciation, amortisation and impairment	182.48	768.68	172.61	112.37	100.75	44.53	124.74	139.36	28.69	-	73.12	-	1,897.56	
	• Assets written off or liabilities written back	-	2.73	-	-	-	-	(4.59)	-	-	-	-	-	(1.86)	
	• Current tax charge as per statement of profit and loss	99.44	417.15	-	0.33	88.52	51.29	52.17	2.12	28.09	-	14.56	-	753.67	
	• Deferred tax	110.06	122.18	(45.49)	(76.44)	(4.59)	0.42	13.06	8.69	(91.44)	-	(6.46)	-	41.62	
	• MAT adjustments as per statement of profit and loss	(99.44)	(172.35)	-	-	-	-	-	(2.12)	(25.88)	-	-	-	(299.79)	
	• Ind AS adjustments not considered in any other item above	3.27	(214.05)	1.28	-	22.32	7.04	(55.55)	(48.30)	1.25	-	21.35	-	(275.89)	
3	Add: Interest on shareholders debt charged to statement of profit and loss	269.22	1,461.32	376.55	108.15	19.22	139.25	208.09	258.64	764.01	-	281.89	-	4,064.64	
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-	
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	(44.42)	291.86	22.39	(31.67)	(0.25)	27.52	22.10	390.76	(110.35)	20.82	(1.63)	0.30	287.43	
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Less: External debt principal repayment*	-	(24.08)	(51.37)	-	-	-	-	(21.20)	-	-	-	-	(96.65)	
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-	-	
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	
	• Proceeds from buy-backs/capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(84.81)	(116.92)	5.15	0.16	(56.32)	(44.12)	(53.09)	29.45	(35.80)	(27.73)	17.68	-	(366.35)	
	Total Adjustments (B)	435.80	2,536.52	481.12	112.90	169.65	225.93	306.95	457.40	677.90	199.40	400.51	0.30	6,004.38	
	Net distributable Cash Flows C = (A+B)	740.87	4,534.79	362.25	(101.89)	385.56	307.10	515.50	456.99	158.95	346.76	471.90	(0.83)	8,177.95	

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from Embassy REIT to Asset SPVs/ Hold Co upon ultimate availment of external credit facility and interest accrued but not due on borrowings as at the quarter end are not considered for NDCF computation.
 ** Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation.
 Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013

As per our report of even date attached

For S R Banthor & Associates LLP
 Chartered Accountants

ICAI Firms registration number: 101049W/E3/00004



per Anwar Ramlakhan
 Partner
 Membership number: 209567
 Place: Bengaluru
 Date: 2 November 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: 2 November 2020



Tuhin Parikh
 Director
 DIN: 00544890
 Place: Mumbai
 Date: 2 November 2020

Embassy Office Parks REIT

Condensed Consolidated Financial Statements

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

(b) Calculation of net distributable cash flows at each Asset SPV and Hold Co

For the half year ended 31 March 2020 pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

Sl No	Particulars	EOPL	MEPL	EEPL	UPPL	ETPL	GSPL	JENMPL	OBPPL	QBPL	QBPPL	VCPPPL	EPTPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	515.10	1,895.25	23.36	(90.42)	334.52	63.48	134.63	105.29	(1,387.68)	114.54	49.78	-	1,357.85
	<i>Adjustment:</i>													
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:													
	• Depreciation, amortisation and impairment	180.16	700.66	172.62	112.66	101.41	42.77	153.51	109.62	1,442.52	28.59	76.23	-	3,120.75
	• Assets written off or liabilities written back	1.39	(6.43)	-	(2.91)	-	-	(0.39)	(2.72)	-	-	-	-	(11.06)
	• Current tax charge as per statement of profit and loss	117.77	317.86	9.95	1.22	87.91	53.30	82.42	24.71	(0.10)	22.38	20.29	-	737.71
	• Deferred tax	122.11	258.72	6.05	(31.57)	0.34	(1.39)	19.24	45.72	(168.24)	10.44	45.15	-	306.57
	• MAT adjustments as per statement of profit and loss	(207.06)	(526.02)	(18.91)	-	(116.07)	-	-	(24.71)	4.13	(19.64)	-	-	(908.28)
	• Ind AS adjustments not considered in any other item above	(50.08)	12.51	(0.79)	-	(31.09)	11.43	(10.37)	30.55	9.05	14.18	19.75	-	5.14
3	Add: Interest on shareholders debi-charged to statement of profit and loss	325.32	1,341.43	283.41	108.99	23.80	149.27	216.35	232.92	764.01	187.92	287.56	-	3,920.98
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	168.91	601.20	24.74	45.83	41.40	(5.53)	(6.99)	59.02	10.22	25.28	5.35	-	969.43
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment*	-	(29.47)	(50.75)	-	-	-	-	(50.90)	-	-	-	-	(131.12)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for: Holdco only, to the extent not covered above)	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(57.84)	(295.77)	(1.20)	(3.55)	(51.31)	(43.16)	(63.40)	(35.17)	(63.71)	(26.67)	(34.79)	-	(676.57)
	Total Adjustments (B)	600.68	2,374.69	425.12	230.67	56.39	206.69	390.37	389.04	1,997.88	242.48	419.54	-	7,333.55
	Net distributable Cash Flows C = (A+B)	1,115.78	4,269.94	448.48	140.25	390.91	270.17	525.00	494.33	410.20	357.02	469.32	-	8,891.40

* Repayment of borrowings done at SPV level out of initial Public Offerings and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from Embassy REIT to Asset SPVs/ Hold Co upon ultimate availing of external credit facility and interest accrued but not due on borrowings as at the quarter and are not considered for NDCF computation.

** Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation.

Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013

As per our report of even date attached

for S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firms registration number: 101049W/E300004



per Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 2 November 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)

(Signature)
Jitesh Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 2 November 2020



Tuhin Parikh

Director

DIN: 00544890

Place: Mumbai

Date: 2 November 2020



Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016
 (all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
 Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
 (ii) Calculation of net distributable cash flows at each Asset SPV and Hold Co

For the half year ended 30 September 2019 pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

Sl No	Particulars	EOPLL	MPPPL	EEPL	UPLL	ETPL	GSPL	ENMPL	OBPPL	QBPL	VCPPPL	EP1PL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	243.76	1,480.11	20.91	(60.73)	127.92	61.26	66.20	48.54	(513.63)	131.86	-	1,731.24
	<i>Adjustment:</i>												
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:												
	• Depreciation, amortisation and impairment	174.55	689.47	172.62	119.27	99.64	44.97	298.02	112.69	154.03	70.98	-	1,964.94
	• Assets written off or liabilities written back	4.96	-	-	-	-	-	-	-	-	-	-	4.96
	• Current tax charge as per statement of profit and loss	5.18	343.30	-	1.14	34.61	36.42	68.21	18.78	0.10	24.94	-	529.68
	• Deferred tax	(18.69)	226.01	9.21	(12.73)	33.64	(2.09)	(12.72)	37.30	(49.93)	10.10	-	239.98
	• MAT adjustments as per statement of profit and loss	97.81	(255.66)	8.96	-	-	-	-	(18.78)	43.98	(18.15)	-	(141.84)
	• Ind. AS adjustments not considered in any other item above	(39.37)	20.31	(0.49)	-	(9.21)	3.82	(21.58)	(15.73)	(3.00)	(154.41)	-	(223.11)
3	Add: Interest on shareholders debt charged to statement of profit and loss	360.41	1,078.89	0.68	111.77	42.33	155.94	198.03	250.49	742.85	294.61	-	3,431.54
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	496.28	644.97	95.38	(5.32)	139.96	66.79	(105.38)	49.68	165.47	(34.59)	-	1,503.63
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment*	-	(242.04)	(42.73)	-	-	-	-	-	-	-	-	(284.77)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above)	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	(69.15)	(314.78)	(20.38)	(3.83)	(51.20)	(40.93)	(72.63)	(46.99)	(68.98)	(26.53)	-	(704.70)
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	1,011.98	2,190.47	223.25	210.30	289.77	264.92	348.95	387.44	984.52	201.54	207.17	6,320.31
	Total Adjustments (B)	1,255.74	3,670.58	244.16	149.57	417.69	326.18	415.15	435.98	470.88	339.03	-	8,051.55
	Net distributable Cash Flows C = (A+B)												

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from Embassy REIT to Asset SPVs/ Hold Co upon ultimate availability of external credit facility and interest accrued but not due on borrowings as at the quarter end are not considered for NDCF computation.
 ** Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation.
 Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013

As per our report of even date attached

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



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

[Signature]

Jiteshna Virvani
 Director
 DIN: 00027674
 Place: Bengaluru
 Date: 2 November 2020

Tulin Purkitt
 Director
 DIN: 00544890
 Place: Mumbai
 Date: 2 November 2020



Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016
 (all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
 Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
 (ii) Calculation of net distributable cash flows at each Asset SPV and Hold Co

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	E1PL	GSPPL	ENMPL	OBPPL	QBPL	VCPPPL	EPTPL	Total
1	Profit/(Loss) after tax as per statement of profit and loss (standalone) (A)	758.86	3,375.36	44.27	(151.15)	462.44	124.74	200.83	153.83	(2,101.31)	239.58	181.64	3,289.09
<i>Adjustment:</i>													
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:												
	• Depreciation, amortisation and impairment	354.71	1,390.13	345.24	231.93	201.05	87.74	451.53	222.31	1,596.55	57.29	147.21	5,085.69
	• Assets written off or liabilities written back	6.35	(6.43)	-	(2.91)	-	-	(0.39)	(2.72)	-	-	-	(6.10)
	• Current tax charge as per statement of profit and loss	122.95	661.16	9.95	2.36	122.52	89.72	147.63	43.49	-	47.32	20.29	1,267.39
	• Deferred tax	103.42	484.73	15.26	(44.30)	33.98	(3.48)	6.52	83.02	(2,181.77)	20.54	65.03	546.55
	• MAT adjustments as per statement of profit and loss	(109.25)	(781.68)	(9.95)	-	(116.07)	-	-	(43.49)	-	(37.79)	-	(1,050.12)
	• Ind AS adjustments not considered in any other item above	(89.45)	32.82	(1.28)	-	(40.30)	15.25	(31.95)	14.82	6.05	(134.66)	-	(217.97)
3	Add: Interest on shareholders debt charged to statement of profit and loss	685.73	2,420.32	284.09	220.76	66.13	305.21	414.38	483.41	1,506.86	383.46	582.17	7,352.52
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following:	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc	665.19	1,246.17	120.12	40.51	181.36	61.26	(112.37)	108.70	175.69	15.67	(29.24)	2,373.06
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment*	-	(271.51)	(93.48)	-	-	-	-	(50.90)	-	-	-	(415.89)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(126.99)	(610.55)	(21.58)	(7.38)	(102.51)	(84.09)	(136.03)	(82.16)	(132.69)	(53.20)	(24.09)	(1,381.27)
	Total Adjustments (B)	1,612.66	4,565.16	648.37	440.97	346.16	471.61	739.32	776.48	2,982.40	444.02	626.71	13,653.86
	Net Distributable Cash Flows C = (A+B)	2,371.52	7,940.52	692.64	289.82	808.60	596.35	940.15	930.31	381.09	683.60	808.35	16,942.95

* Repayment of borrowings done at SPV level out of Initial Public Offerings and Non-convertible debenture proceeds have not been considered for NDCF computation.
 ** Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation.
 Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013

As per our report of even date attached

for S R Baitiboi & Associates LLP
 Chartered Accountants

ICAI Firms registration number: 101049W/E300004



per Adarsh Nanka
 Partner
 Membership number: 209567
 Place: Bengaluru
 Date: 2 November 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)

Tuhin Parikh
 Director
 DIN: 00544890
 Place: Mumbai
 Date: 2 November 2020

Jitesh Virwani
 Director
 DIN: 00027674
 Place: Bengaluru
 Date: 2 November 2020



1. Organisation structure

The interim condensed consolidated financial statements ('Condensed Consolidated Financial Statements') comprise condensed financial statements of Embassy Office Parks REIT (the 'Trust' or the 'Embassy REIT' or the 'REIT'), its subsidiaries namely Embassy Office Parks Private Limited ('EOPPL'), Manyata Promoters Private Limited ('MPPL'), Umbel Properties Private Limited ('UPPL'), Embassy Energy Private Limited ('EEPL'), Galaxy Square Private Limited ('GSPL'), Quadron Business Park Private Limited ('QBPL'), Qubix Business Park Private Limited ('QBPPPL'), Oxygen Business Park Private Limited ('OBPPL'), Earnest Towers Private Limited ('ETPL'), Vikhroli Corporate Park Private Limited ('VCPPL'), Indian Express Newspapers (Mumbai) Private Limited ('IENMPL') and Embassy Pune Techzone Private Limited ('EPTPL') (individually referred to as 'Special Purpose Vehicle' or 'SPV' and together referred to as 'Embassy Office Parks Group') and a Joint Venture namely Golflinks Software Park Private Limited ('GLSP') (also referred to as the Investment Entity). The SPVs are Companies domiciled in India.

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

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

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

The Trust went public as per its plan for Initial Public Offer of Units after obtaining the required approvals from the relevant authorities. The Units were allotted to the applicants on 27 March 2019 and were subsequently listed on the BSE and NSE on 1 April 2019.

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

Details of SPVs is provided below:

Name of the SPV	Activities	Shareholding (in percentage)
EOPPL	Development and leasing of office space and related interiors (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks holding company (Hold Co.) for the Embassy Office Parks Group.	Embassy Office Parks REIT : 100%
MPPL	Development and leasing of office space and related interiors (Embassy Manyata), located at Bangalore.	EOPPL : 35.77% Embassy Office Parks REIT : 64.23%
UPPL	Development, rental and maintenance of serviced residences (Hilton hotel).	Embassy Office Parks REIT : 100%
EEPL	Generation and supply of solar power mainly to the office spaces of Embassy Office Parks Group located in Bangalore.	EOPPL, 80% Embassy Office Parks REIT : 20%
GSPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Galaxy), located in Noida.	Embassy Office Parks REIT : 100%
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Quadron Business Park), located in Pune and (Embassy one) located in Bangalore Development, rental and maintenance of serviced residences (Hotel Four Seasons at Embassy One), located in Bangalore	Embassy Office Parks REIT : 100%
QBPPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Qubix), located in Pune.	Embassy Office Parks REIT : 100%
OBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Oxygen), located in Noida.	Embassy Office Parks REIT : 100%
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	Embassy Office Parks REIT : 100%
VCPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy 247), located in Mumbai.	Embassy Office Parks REIT : 100%
IENMPL	Development and leasing of office space and related interiors and maintenance of such assets (Express Towers), located in Mumbai.	Embassy Office Parks REIT : 100%

The Trust, further has the following subsidiary incorporated/ acquired post IPO -

EPTPL	Development and leasing of office space and related interiors, located in Pune.	Embassy Office Parks Private Limited (100%)
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The Trust also holds economic interest in a joint venture (Golflinks Software Park Private Limited (GLSP), entity incorporated in India through a SPV as detailed below:

Name of the SPV	Activities	Shareholding (in percentage)
GLSP	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bangalore.	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)





2. Significant accounting policies

2.1 Basis of preparation of Condensed Consolidated Financial Statements

The Condensed Consolidated Financial Information (hereinafter referred to as the "Condensed Consolidated Financial Statements") of the Embassy Office Parks Group comprises the Consolidated Balance Sheet and the Statement of Net Assets as at 30 September 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Statement of Cash Flow, the Statement of Net Distributable Cashflows of Embassy REIT and each of the SPVs for the quarter and half year ended 30 September 2020, the Consolidated Statement of Changes in Unitholders' Equity, the Consolidated Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the half year ended 30 September 2020. The Condensed Consolidated Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 2 November 2020. The Condensed Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time read including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("the REIT regulations"), Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. Also, refer Note The Condensed Consolidated Financial Statements are presented in Indian Rupees in Millions, except when otherwise indicated

Statement of compliance to Ind-AS

These Condensed Consolidated Financial Statements for the half year ended 30 September 2020 are the financial statements of the Embassy Office Parks Group and have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

The Group has followed the same accounting policies in preparation of the condensed consolidated financial statements as those followed in preparation of the annual consolidated financial statements as at and for the year ended 31 March 2020. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes for the year ended 31 March 2020.

The Condensed Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the SPVs and the Trust used for the purpose of consolidation are drawn up to the same reporting date i.e. half year ended on 30 September 2020.

Basis of Consolidation

(i) Subsidiaries

The Embassy Office Parks Group consolidates entities which it owns or controls. The Condensed Consolidated Financial Statements comprise the financial statements of the Embassy Office Parks REIT and its subsidiary SPVs as disclosed in Note 1. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

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

- The Condensed Consolidated Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 – Consolidated Financial Statements, to the extent applicable.
- Goodwill is recognised in the Condensed Consolidated Financial Statements at the excess of cost of investment over share of fair value of net assets acquired on the date of acquisition.
- The financial statements of the Embassy Office Parks Group are consolidated on a line-by-line basis and intragroup balances and transactions for assets and liabilities, equity, income, expenses and cash flows between entities of the Embassy Office Parks Group are eliminated in full upon consolidation.
- Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the equity attributable to shareholders of the Company. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

(ii) Interests in joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results of joint ventures are incorporated in these condensed consolidated financial statements using the equity method of accounting as described below.

Under the equity method of accounting, the investments are initially recognised at cost on the date of acquisition and adjusted thereafter to recognize the Embassy Office Parks Group's share of the post-acquisition profits or losses of the investee in profit and loss, and Embassy Office Parks Group's share of other comprehensive income of the investee in other comprehensive income.

Goodwill is calculated at excess of cost of investment over share of fair value of net assets acquired on the date of acquisition and is disclosed as an additional information in the Notes to the Condensed Consolidated Financial Statements.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

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

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

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

Basis of Business Combination

The Embassy Office Parks Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the condensed consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in Unitholders' equity.



2. Significant accounting policies (continued)

2.1 Basis of preparation of Condensed Consolidated Financial Statements (continued)

2.2 Summary of significant accounting policies

a) Functional and presentation currency

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

b) Basis of measurement

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

- Certain financial assets and liabilities (refer accounting policy regarding financial instrument): measured at fair values;
- Net defined benefit (asset)/ liability less present value of defined obligations: Fair value of plan assets less present value of defined benefit plan; and
- The assets and liabilities of the SPVs on the date of acquisition have been accounted using their Fair value and the goodwill / capital reserve amount has been calculated accordingly.

c) Use of judgments and estimates

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

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

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

i) Business combinations

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Estimating the acquisition date fair value of the identifiable assets acquired, useful life thereof and liabilities assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the management. Changes in these judgments, estimates and assumptions can materially affect the results of operations.

ii) Impairment of goodwill and intangible assets with infinite useful life

For the purpose of impairment testing, goodwill and intangible assets with infinite useful life acquired in a business combination is, from the acquisition date, allocated to each of the Embassy Office Parks Group's cash-generating units that are expected to benefit from the combination. In performing such impairment assessments, management compared the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill and such intangible assets had been allocated with their respective 'value in use' computed based on discounted cash flow method, to determine if any impairment loss should be recognized. The discounted cash flow method involves estimating future cash flows, growth rates and discount rates which require significant management judgement - Note 2.2 (j)

iii) Classification of lease arrangements as finance lease or operating lease - Note 2.2 (q)

iv) Classification of assets as investment property or as property, plant and equipment - Notes 2.2 (f) and (g)

v) Significant judgement involved in the purchase price allocation of the assets acquired and liabilities assumed on account of Business Combination and deferred tax accounting on the resultant fair value accounting- Note on Basis of Business Combination and Note 2.2 (u) (ii)

vi) Judgements in preparing Condensed Consolidated Financial Statements - Note 2.1

vii) Classification of Unitholders' funds - Note 21 (a)

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment during the half year ended 30 September 2020 is included in the following notes:

i) Fair valuation and disclosures and impairment of non-financial assets being investment properties and property plant and equipment - The fair value of investment properties and property, plant and equipment are reviewed regularly by management with reference to independent property valuations and market conditions existing at half yearly basis. The independent valuers are independent appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Judgment is also applied in determining the extent and frequency of independent appraisals. SEBI Circulars issued under the REIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (Refer Statement of net assets at fair value and Statement of total returns at fair value for details). Refer note 2.2 (j) as regards estimates and assumptions involved in impairment assessment of non-financial assets being investment properties and property plant and equipment.

ii) Useful lives of Investment Property and Property, Plant and Equipment-Notes 2.2(f) and (g)

iii) Valuation of financial instruments -Note 2.2 (l)

iv) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(u)(ii). Further, significant judgements are involved in determining the provision for income taxes, including recognition of minimum alternate tax credit, in SPVs entitled for tax deduction under Section 80IAB of the Income Tax Act, 1961, wherein the tax deduction is dependent upon necessary details available for exempt and non-exempt income.

v) Uncertainty relating to the global health pandemic on COVID-19: The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on revenue recognition, the carrying amounts of goodwill, investment property (including under development), property, plant and equipment, capital work in progress, equity accounted investee, intangible assets and receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group, and have compared the actual performance with the projections and expects the carrying amount of these assets as reflected in the balance sheet as at 30 September 2020 will be recovered. The management has also estimated the future cash flows with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these condensed consolidated financial statements.



2.2 Summary of significant accounting policies (continued)

d) Current versus non-current classification

The Embassy Office Parks Group presents assets and liabilities in the Condensed Consolidated Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

e) Measurement of fair values

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

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

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

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

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

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

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

f) Investment property

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

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

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

Asset category	Estimated useful life (in years)
Buildings	60 years
Plant and Machinery	15 years
Furniture and Fixtures	12 years
Electrical Equipment	15 years
Leasehold land*	30 - 99 years based on the primary lease period

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

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

Investment property acquired on Business Combination is depreciated over the remaining useful life from the date of acquisition as certified by the technical valuer.

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

g) Property, plant and equipment and intangible assets

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

Intangible assets are recorded at their acquisition cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.



2.2 Summary of significant accounting policies (continued)

g) Property, plant and equipment and intangible assets (continued)

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

Asset category	Estimated useful life (in years)
Buildings	60 years
Plant and Machinery	15 years
Furniture and Fixtures	12 years
Electrical Equipment	15 years
Office Equipment	5 years
Computers	3 years
Computer Software	3 years
Operating Supplies	2-5 years
Vehicles	8 years

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

The useful lives of intangible assets are assessed as either finite or indefinite.

Right to use trademark. The earnings potential of trade name/ trademark can at times be substantial. A trademark is recognized on a reporting company's balance sheet as an intangible asset separate from goodwill because it satisfies either of the following two tests:

- It arises from legal rights (a trademark is essentially a bundle of rights)
- It is capable of being sold, transferred, and licensed separately from other assets of the acquiring company

The recognition of an acquired trademark is performed as part of a purchase price allocation, whereby a portion of the price paid by the acquirer for all of the acquired assets is assigned to the trademark using an acceptable valuation methodology.

The life of the Right to use trademark is considered indefinite because there is no foreseeable limit nor any specific covenant that limits the time period over which the asset is expected to generate net cash inflows for the SPVs.

Intangible assets comprising of Right to use trademark with indefinite useful lives are not amortised, but are tested for impairment annually, at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Power purchase agreement is one of the essential contracts required for a small power generating company with limited production capacity and marketability. Since sales with the customer take the form of a contract, the power purchase agreement meets the contractual criteria for recognition. This agreement provides ongoing and repeat business for the company and provides a platform for the company to reach profitability.

The initial useful life of the power purchase agreements is estimated to be 25 years based on the contract period and hence are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Property, plant and equipment and Intangibles acquired on Business Combination, except right-to-use trademark, is depreciated over the remaining useful life from the date of acquisition as certified by the technical valuer.

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

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

Pro-rata depreciation is provided on all property, plant and equipment and intangible assets purchased or sold during the year.

h) Non-current assets held for sale

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

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

i) Inventory

Stores and operating supplies

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

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

j) Impairment of non-financial assets

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

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





2.2 Summary of significant accounting policies (continued)

j) Impairment of non-financial assets (continued)

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination. Goodwill is tested for impairment on an annual basis and more often, if there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

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

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

k) Foreign currency transactions

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

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

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

l) Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Embassy Office Parks Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

The Embassy Office Parks Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Management. The information considered includes:

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

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

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

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

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



2.2 Summary of significant accounting policies (continued)

i) Financial instruments (continued)

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

The Embassy Office Parks Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit and loss.

iv) Offsetting

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

m) Compound financial instruments

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

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

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



2.2 Summary of significant accounting policies (continued)

n) Impairment of financial assets

Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

The Embassy Office Parks Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

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

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

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

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

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

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

o) Embedded derivatives

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

p) Financial guarantee contracts

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

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

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

q) Leases

Embassy Office Parks Group as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Embassy Office Parks Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

