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Book Built Issue
Sr. No.: _____
Addressed to: _____
Date: January 12, 2021

EMBASSY OFFICE PARKS REIT

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

Principal Place of Business: Royal Oaks, Embassy Golflinks Business Park, Off Intermediate Ring Road, Bengaluru 560 071, Karnataka, India
Telephone No.: +91 80 3322 0000/ 2222; **Fax No.:** +91 80 4903 0046; **E-mail:** compliance@embassyofficeparks.com
Website: www.embassyofficeparks.com

The Embassy Office Parks REIT (the "Issuer" or "Embassy REIT") proposes to issue up to 26,000 (Twenty Six Thousand) listed, rated, secured, redeemable, transferable, rupee denominated non-convertible debentures of face value of ₹1,000,000 (Indian Rupees One Million only) each, aggregating up to ₹2,600 crores (Indian Rupee Two Thousand Six Hundred Crores only) (the "Debentures") on a private placement basis, to be listed on the wholesale debt market ("WDM") segment of the BSE Limited ("Stock Exchange" or "BSE") (the "Issue"). The Issuer has obtained an 'in-principle' approval from the Stock Exchange for listing of the Debentures vide letter dated January 8, 2021. This disclosure document (the "Information Memorandum") containing disclosures in accordance with Schedule I of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, is in relation to the issue of the Debentures, on a private placement basis ("Issue") by the Embassy REIT.

Background

This Information Memorandum is related to the Debentures to be issued on a private placement basis by the Issuer and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Board of Directors of the Manager.

Pursuant to the resolutions passed by the Board of Directors dated November 17, 2020, the Issuer has been authorised to raise debt through such modes, as may be permitted under applicable law and as may be agreed by the Board of Directors or any duly constituted committee of the Board, including non-convertible debentures, in one or more tranches for an aggregate amount of up to ₹3,641.10 crores. The Debenture Committee has pursuant to its resolution dated January 12, 2021 approved the Issue.

General Risks

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the Debentures, unless they can afford to take the risks attached to such investments and only after reading the information carefully. Potential investors are advised to read this Information Memorandum carefully before taking an investment decision in this offering. For taking an investment decision, the Investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum. Specific attention of Investors is invited to "*Risk Factors*" disclosed herein. This Information Memorandum has not been submitted to, or cleared or approved by SEBI.

Issuer's Absolute Responsibility

The Manager having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to the Embassy REIT and the Issue, which is material in the context of the Issue, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Credit Rating

The Debentures have been rated by CRISIL. CRISIL has assigned a rating of 'CRISIL AAA/Stable'. The above rating is not a recommendation to buy, sell or hold the securities and Investors should take their own decision in this regard. The rating may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information, etc. Please refer to **Annexure I** of this Information Memorandum for the letter dated January 11, 2021, from CRISIL, assigning the credit rating mentioned above and the letter dated January 11, 2021, disclosing the rating rationale adopted for the aforesaid credit rating.

Issue Schedule*

Issue Opening Date	January 14, 2021	**Issue Closing Date**	January 14, 2021
Pay In Date	January 15, 2021	**Deemed Allotment Date**	January 15, 2021

** The Issuer reserves the right to change the issue programme including the Deemed Date of Allotment (as defined hereinafter) in accordance with the timelines specified in the Operational Guidelines, without giving any reasons or prior notice. The Issue will be open for bidding as per bidding window that would be communicated through BSE BOND-EBP Platform.*

Arrangers	
Morgan Stanley India Company Private Limited	**Kotak Mahindra Bank Limited**
Joint Structuring Advisors	
Morgan Stanley India Company Private Limited	**J.P. Morgan Chase Bank N.A., Mumbai Branch**

Registrar and Transfer Agent	Debenture Trustee
KFin Technologies Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad 500 032, Telangana, India Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 E-mail: einward.ris@karvy.com Website: www.karvyfintech.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221	**IDBI Trusteeship Services Limited** Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001 Tel: +91 22 4080 7071 Fax: +91 22 6631 1776 E-mail: anjalee@idbitrustee.com Website: http://www.idbitrustee.com Contact Person: Anjalee Athalye SEBI Registration No.: IND000000460

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Capitalized terms used but not defined hereunder shall have the meaning ascribed to them in the Debenture Trust Deed executed by and between the Debenture Trustee and the Issuer (the "**Debenture Trust Deed**"), as amended from time to time. Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

Term	Description
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue
Application Form	The form used by the recipient of this Information Memorandum, to apply for subscription to the Debentures, which is annexed to this Information Memorandum and marked as **Annexure III**
Arrangers	Morgan Stanley India Company Private Limited and Kotak Mahindra Bank Limited
Asset SPVs	Holdco and SPVs, including ETV
Associates	Associates of a person shall be as defined under the Companies Act, 2013, or under applicable accounting standards, and shall also include: (i) any person directly or indirectly controlled by the said person; (ii) any person who directly controls the said person; (iii) where the said person is a company or a body corporate, any person(s) who is designated as a promoter of the company or body corporate and any other company or body corporate and any other company or body corporate with the same promoter; and (iv) where the said person is an individual, any relative of the individual We have complied with the requirements of Regulation 2(1)(b) of the SEBI REIT Regulations while identifying associates of the Embassy REIT, the Sponsors and the Manager except in respect of sub-clause (ii) of Regulation 2(1)(b), which requires any person who controls, both directly and indirectly, the said person to be identified as an associate. In this regard, only entities which directly control the Sponsors or the Manager, as applicable, have been considered
Auditors	S.R. Batliboi & Associates LLP, auditors of the Embassy REIT
Audited Standalone Financial Statements	The standalone financial statements of the Embassy REIT, which comprise the standalone balance sheet as of March 31, 2020 and March 31, 2019 and the standalone statement of profit and loss and standalone statements of cash flows for the year ended March 31, 2020 and March 31, 2019, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information, prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India
Audited Consolidated Financial Statements	The consolidated financial statements of the Embassy REIT, which comprise the consolidated balance sheet as of March 31, 2020 and the consolidated statement of profit and loss and consolidated statements of cash flows for the year ended March 31, 2020, and the notes to the audited financial statements, including a summary of the significate accounting policies and other explanatory information, prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.
Blackstone Sponsor	BRE/Mauritius Investments
Blackstone Sponsor Group	The Blackstone Sponsor and the following entities: 1. BRE/Mauritius Investments II 2. BREP Asia HCC Holding (NQ) Pte. Ltd. 3. BREP Asia SBS GML Holding (NQ) Ltd. 4. BREP Asia SBS HCC Holding (NQ) Ltd. 5. BREP Asia SBS Holding-NQ CO XI Ltd. 6. BREP Asia SBS NTPL Holding (NQ) Ltd. 7. BREP Asia SBS Oxygen Holding (NQ) Ltd. 8. BREP Asia SG Indian Holding (NQ) Co II Pte. Ltd. 9. BREP Asia SG Oxygen Holding (NQ) Pte. Ltd. 10. BREP GML Holding (NQ) Pte. Ltd. 11. BREP NTPL Holding (NQ) Pte. Ltd. 12. BREP VII GML Holding (NQ) Pte. Ltd. 13. BREP VII HCC Holding (NQ) Pte. Ltd. 14. BREP VII NTPL Holding (NQ) Pte. Ltd. 15. BREP VII SBS GML Holding (NQ) Ltd. 16. BREP VII SBS HCC Holding (NQ) Ltd. 17. BREP VII SBS Holding-NQ CO XI Ltd. 18. BREP VII SBS NTPL Holding (NQ) Ltd. 19. BREP VII SBS Oxygen Holding (NQ) Ltd. 20. BREP VII SG Indian Holding (NQ) Co II Pte. Ltd.

Term	Description
	21. BREP VII SG Oxygen Holding (NQ) Pte. Ltd. 22. India Alternate Property Limited 23. SG Indian Holding (NQ) Co. I Pte. Ltd. 24. SG Indian Holding (NQ) Co. II Pte. Ltd. 25. SG Indian Holding (NQ) Co. III Pte. Ltd.
BREP Entities	BREP Asia SBS Holding-NQ IV Ltd., BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd., BREP VII SBS Holding-NQ IV Ltd. and BREP VII SG Indian Holding (NQ) Co I Pte Ltd.
BSE	BSE Limited
BSE BOND-EBP Platform	Electronic Book Provider Platform of BSE Limited for issuance of debt securities on private placement basis
Completed Area	The Leasable Area of a property for which occupancy certificate has been received and includes area for which construction has been completed and occupancy certificate is awaited
Condensed Consolidated Interim Ind AS Financial Statements	The unaudited condensed consolidated interim Ind AS financial statements of the Embassy REIT, its subsidiaries and a joint venture (together referred to as "**the Group**"), which comprise the unaudited condensed consolidated balance sheet as at September 30, 2020, the unaudited condensed statement of profit and loss, including other comprehensive income, unaudited condensed statement of cash flows for the quarter and half year ended September 30, 2020, and the unaudited condensed statement of changes in unit holder's equity for the half year ended September 30, 2020 and the statement of net assets at fair value as at September 30, 2020 and the statement of total returns at fair value and the statement of net distributable cash flows for the Embassy 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. The Condensed Consolidated Interim Ind AS Financial Statements have been prepared in accordance with the requirements of the SEBI REIT Regulations read with the SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("**SEBI Circular**"), Ind AS 34 "Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with the SEBI Circular
Condensed Standalone Interim Ind AS Financial Statements	The unaudited condensed standalone interim Ind AS financial statements of the Embassy REIT, which comprise the unaudited condensed standalone balance sheet as at September 30, 2020, the unaudited condensed statement of profit and loss, including other comprehensive income and unaudited condensed statement of cash flows for the quarter and half year ended September 30, 2020, and the unaudited condensed statement of changes in unit holders equity for the half year ended September 30, 2020 and the statement of net distributable cash flows of the Embassy REIT for the half year ended September 30, 2020 and a summary of the significant accounting policies and select explanatory information. The Condensed Standalone Interim Ind AS Financial Statements have been prepared in accordance with the requirements of the SEBI REIT Regulations read with the SEBI Circular, Ind AS 34 "Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with the SEBI Circular
CRISIL	CRISIL Ratings Limited
Debenture Holders/ Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time
Debenture Trustee	IDBI Trusteeship Services Limited
Deemed Date of Allotment	January 15, 2021
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depository Participant/ DP	A depository participant as defined under the Depositories Act
DP ID	Depository Participant Identification Number
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or earlier, on exercise of the option to redeem the Debentures prior to the scheduled Maturity Date or acceleration
EEPL	Embassy-Energy Private Limited
EFT	Electronic Fund Transfer
Embassy 247	Embassy 247 situated at Hariyali Village, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India
Embassy Energy	The solar photovoltaic electricity generation facility situated at villages Ittigi in Huvinahadagali taluka, and Moorigeri and Nelkuthiri in Hagri Bomannahalli taluka, Bellary district, Karnataka, India
Embassy Galaxy	Galaxy Business Park situated at A-44-45, Sector-62, Noida, Gautam Buddha Nagar 201 309, Uttar Pradesh, India
Embassy Golflinks	Golflinks Business Park situated off Intermediate Ring Road, Domlur I Stage, Bengaluru 560 070, Karnataka, India, owned by GLSP
Embassy Manyata	Embassy Manyata Business Park situated at Outer Ring Road, Nagavara, Bengaluru 560 045, Karnataka, India

Term	Description
Embassy Office Parks Group	EOPPL and its subsidiaries
Embassy One Assets	Completed office and retail space, and Four Seasons at Embassy One, situated at Katha No. 8 (old no. 57), Bellary Road, Bengaluru 560 032, Karnataka, India
Embassy Oxygen	Oxygen Business Park situated at Plot No. 7, Sector 144, Noida 201 304, Uttar Pradesh, India
Embassy Quadron	Quadron Business Park situated at Plot No. 28, Rajiv Gandhi Infotech Park Phase II, Hinjewadi, Pune 411 057, Maharashtra, India
Embassy Qubix	Qubix Business Park situated at Plot No. 2, Rajiv Gandhi Infotech Park Phase I, Hinjewadi, Pune 411 057, Maharashtra, India
Embassy REIT Assets	The Portfolio, and such other assets as may be held by the Embassy REIT from time to time in accordance with the SEBI REIT Regulations and applicable law
Embassy Sponsor	Embassy Property Developments Private Limited
Embassy Techzone	Embassy Tech Zone situated at Hinjewadi Phase 2 Road, Hinjewadi Rajiv Gandhi Infotech Park, Hinjewadi, Pune 411 057, Maharashtra, India
EOPPL	Embassy Office Parks Private Limited
EOVPL	Embassy Office Ventures Private Limited
EPTPL	Embassy Pune TechZone Private Limited
ETPL	Earnest Towers Private Limited
ETV or Embassy TechVillage	The portion of Embassy TechVillage situated at Outer Ring Road, Bengaluru acquired by the Embassy REIT in December 2020
ETV Acquisition	The acquisition of the ETV Business and the SIPL Business
ETV Business	Approximately 76.05 acres of commercial development by VTPL consisting of approximately 6.1 million square feet (msf) of completed office area, approximately 2.0 msf of under-construction area and 518 proposed hotel keys along with the associated business of common area maintenance services
Express Towers	Express Towers situated at Barrister Rajni Patel Marg, Nariman Point, Mumbai 400 021, Maharashtra, India (excluding economic interests in portions of 24th floor and the 25th floor), owned by IENMPL
Facility Rentals	The sum of base rents, fit-out rents and parking income from each of the Asset SPVs, as applicable, and reflected as "facility rental" in the financial statements of the relevant SPVs or the holdco, as applicable
FIFC	First International Financial Centre situated at plot no. C-54, C-55, G-Block, Bandra Kurla Linking Road, Bandra Kurla Complex, Mumbai 400 051, Maharashtra, India (excluding (a) leasehold interest in unit Nos. 001, 901 901, 1001 1101, 1201, 1202, 1301 and 1302; (b) leasehold interest in 251 car parking spaces; and (c) undivided leasehold right, title and interest in 45.8% share in the common areas and facilities, which are owned by third parties) owned by ETPL
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year
Financial Statements	Together, Condensed Consolidated Interim Ind AS Financial Statements, Condensed Standalone Interim Ind AS Financial Statements, Audited Standalone Financial Statements and Audited Consolidated Financial Statements* **The Embassy REIT was formed and registered during the financial year 2018, and the Embassy REIT acquired the SPVs by issuing units to the erstwhile shareholders of the Asset SPVs during financial year 2019 so the results of the Asset SPVs have been consolidated from that date and financial information for the prior period(s) is not comparable and has not been provided in this Information Memorandum. Subject to the updated disclosures including the risk factors provided in this Information Memorandum, prospective investors may access and review at their discretion the financial and other information, including the pro forma condensed combined financial statements (which were prepared on the assumption of completion of the ETV Acquisition as on September 30, 2020) available on the Embassy REIT on the SEBI and stock exchange websites, although due caution is advised when accessing and placing reliance on any historic or other information available in the public domain, including through the Embassy REIT's website.*
Four Seasons at Embassy One or Four Seasons Hotel at Embassy One	Four Seasons Hotel Bengaluru forming part of Embassy One Assets
Formation Transaction Agreements	The agreements entered into in relation to the Formation Transactions pursuant to which the Embassy REIT acquired the Portfolio as described in the final offer document dated March 27, 2019 issued by the Embassy REIT
Formation Transactions	The transactions pursuant to which the Embassy REIT has acquired the Portfolio prior to the allotment in its initial public offer
GSPL	Galaxy Square Private Limited
Gross Rentals	Gross Rentals is the sum of Base Rentals, fit-out and car parking income from Occupied Area for the month of September 2020
Hilton at Embassy Golflinks	Hilton at Embassy Golflinks situated at Embassy Golflinks
Hilton at Embassy Manyata	Hilton and Hilton Garden Inn situated at Embassy Manyata
EOPPL	Embassy Office Parks Private Limited
Hotel Occupancy	Occupancy or average occupancy for a hotel represents the total number of room nights sold for a given period divided by the total number of room nights available for the same period

Term	Description
IBC	Insolvency and Bankruptcy Code, 2016
IENMPL	Indian Express Newspapers (Mumbai) Private Limited
Investment Management Agreement	The investment management agreement dated June 12, 2017, entered into between the Trustee (on behalf of the Embassy REIT) and the Manager, as amended on September 20, 2018
ISPL	IL&FS Solar Power Limited
Issue Closing Date	January 14, 2021
Issue Opening Date	January 14, 2021
Issue	The Issue comprising of up to 26,000 (Twenty Six Thousand) Debentures, aggregating up to ₹2,600 crores (Indian Rupee Two Thousand Six Hundred Crores only) on a private placement basis, by the Embassy REIT on the terms set out herein and the Transaction Documents
Joint Structuring Advisors	Morgan Stanley India Company Private Limited and J.P. Morgan Chase Bank N.A., Mumbai Branch
Leasable Area	Leasable Area is the sum of Completed Area, Under Construction Area and Proposed Development Area
Manager or EOPMSPL	Embassy Office Parks Management Services Private Limited
MPPL	Manyata Promoters Private Limited
NSDL	National Securities Depository Limited
OBPPL	Oxygen Business Park Private Limited
Occupancy	Occupied Area Completed Area
Occupied Area	The Completed Area of a property which has been leased or rented out in accordance with an agreement entered into for the purpose
Operational Guidelines	Together, the electronic book mechanism for issuance of debt securities on a private placement basis as per the SEBI circular SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018, and any amendments thereto ("**SEBI EBP Circular**"), read with "Operational Guidelines for Issuance of Securities on Private Placement basis through an Electronic Book Mechanism" issued by the BSE limited vide their notice no. 20180328-53 dated March 28, 2018 and updated on April 27, 2018, and any amendments thereto ("**BSE EBP Guidelines**")
PAN	Permanent Account Number
Parties to the Embassy REIT	The Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group, the Trustee and the Manager
Pay In Date	January 15, 2021
Portfolio	Together, the Portfolio Assets and the Portfolio Investment
Portfolio Assets	Assets directly or indirectly owned by the Embassy REIT as at the date of this Information Memorandum in terms of the REIT Regulations, in this case being (i) Embassy Manyata, (ii) Hilton at Embassy Golflinks (iii) Embassy One Assets, (iv) Embassy Energy, (v) Express Towers, (vi) Embassy 247, (vii) FIFC, (viii) Embassy Techzone, (ix) Embassy Quadron, (x) Embassy Qubix, (xi) Embassy Oxygen, (xii) Embassy Galaxy; (xiii) Embassy TechVillage; (xiv) EOVPL; and (xv) SIPL
Portfolio Investment	The investment held by Embassy REIT (through the holdco) in GLSP, aggregating to 50% of the issued and paid-up equity share capital of GLSP
Proposed Development Area	Leasable Area of a property for which the master plan for development has been obtained, internal development plans are yet to be finalized and applications for requisite approvals required under law for commencement of construction are yet to be received
QBPL	Quadron Business Park Private Limited
QBPPL	Qubix Business Park Private Limited
Registrar and Transfer Agent	Registrar and transfer agent to the Issue, in this case being KFin Technologies Private Limited
Rating Agency	CRISIL, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time
RBI	Reserve Bank of India
Record Date	Seven calendar days before any Due Date
ROFO Deed	Deed of right of first offer dated September 20, 2018 among the Embassy Sponsor, the Manager and the Trustee
Rs./ INR/ ₹	Indian National Rupee
RTGS	Real Time Gross Settlement.
SIPL	Sarla Infrastructure Private Limited
SIPL Business	Approximately 8.0 acres consisting of approximately 1.1 msf of under-construction area being developed commercially by SIPL, which has been fully pre-leased, along with the associated business of common area maintenance services
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time)
SEBI Debt Listing Guidelines	The Guidelines for Issuance of Debt Securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) dated April 13, 2018, issued by SEBI
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, each as amended from time to time

Term	Description
SEBI REIT Regulations	The Securities and Exchange Board of India (Real Estate Investment Trusts), Regulations, 2014, (as amended from time to time)
Sponsors	The Embassy Sponsor and the Blackstone Sponsor
SPVs	Special purpose vehicles, as defined in Regulation 2(l)(zs) of the REIT Regulations, which currently comprise, MPPL, UPPL, EEPL, IENMPL, VCPPL, ETPL, QBPL, QBPPL, OBPP, GSPL, VTPL, EOVPL and SIPL
Stock Exchange(s)	BSE
TDS	Tax deducted at source.
Terms & Conditions	The terms and conditions pertaining to the Issue as outlined in the Transaction Documents
the Act/ Companies Act	The Companies Act, 2013, and the rules thereunder as may be amended from time to time
Transaction Documents	For the Secured SPVs: • Land ownership i.e. sale deed/ leasehold documents • Lease deeds • Purchase agreements and related documents • Insurance policies Any other documents to which Secured SPV is a party and as mutually agreed upon by the issuer and the debenture trustee The above, collectively referred to as the "**Project Documents**" • Trust Deed • Investment Management Agreement • Any other documents mutually agreed upon The above, collectively referred to as the "**Trust Documents**" • Information Memorandum; • Debenture Trustee Agreement; • Debenture Trust Deed; • Custodian Agreement; • Undertaking from Investment Manager; • the letter agreement appointing the RTA with respect to issuance of the Debentures; • the agreement between the Issuer, its RTA and the Depository; • the listing agreement between the Issuer and BSE Limited; • Credit rating letter obtained by the Issuer from the Rating Agency. The above, collectively referred to as the "**Financing Documents**" The Project Documents, Trust Documents and Financing Documents are collectively referred to as the "**Transaction Documents**"
Trust Deed	The trust deed dated March 30, 2017, as amended on September 11, 2018, entered into amongst the Embassy Sponsor, Blackstone Sponsor and the Trustee
Trustee	Axis Trustee Services Limited
UPPL	Umbel Properties Private Limited
Under Construction Area	The Leasable Area of a property for which the master plan for development has been obtained, internal development plans have been finalised and requisite approvals for the commencement of construction required under law have been applied, construction has commenced and the occupancy certificate is yet to be received
VCPPL	Vikhroli Corporate Park Private Limited
VTPL	Vikas Telecom Private Limited
WALE	Weighted Average Lease Expiry (weighted according to facility rentals excluding impact of Ind-AS adjustments) assuming that each tenant exercises the right to renew for future terms after expiry of initial commitment period
WDM	Wholesale debt market

This Information Memorandum shall be read in conjunction with the Debenture Trust Deed and the other Transaction Documents and it is agreed between the Debenture Trustee and the Manager that in case of any inconsistency or conflict between this Information Memorandum and the Debenture Trust Deed, the provisions of the Debenture Trust Deed shall prevail and override the provisions of this Information Memorandum.

NOTICE TO INVESTORS AND DISCLAIMERS

Issuer's Disclaimer

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus. The issue of the Debentures to be listed on the WDM segment of the Stock Exchange is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to the public in general to subscribe to the Debentures.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum to be filed or submitted to the SEBI for its review and/or approval. However pursuant to the provisions of the SEBI Debt Listing Regulations, a copy of this Information Memorandum shall be filed with the Stock Exchange and SEBI.

This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations and the SEBI Debt Listing Guidelines, each as amended from time to time. This Information Memorandum has been prepared solely to provide general information about the Issuer to the eligible investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any eligible investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Manager to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Manager. Further, the Manager accepts no responsibility for statements made otherwise than in this Information Memorandum or any other material issued by or at the instance of the Manager and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at their own risk.

This Information Memorandum and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Manager and only such recipients are eligible to apply for the Debentures. All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum are intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Information Memorandum being issued have been sent. Any application by a person to whom this Information Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Manager. Upon request, the recipients will promptly return all material received from the Issuer and/or the Manager (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

Please note that past performance is not indicative of future results. This Information Memorandum contains forward-looking statements and projections based on the currently held beliefs, opinions, and assumptions of the Manager. Forward-looking statements and projections involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Embassy REIT or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements or projections. Given these risks, uncertainties, and other factors, including the impact of COVID-19 on us, our tenants and the Indian and global economies, investors are cautioned not to place undue reliance on these forward-looking statements or projections.

The Manager disclaims any obligation to update these forward-looking statements or projections to reflect future events or developments or the impact of events which cannot currently be ascertained, such as COVID-19. The Manager does not undertake to update this Information Memorandum to reflect subsequent events after the date of Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. This Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

Disclaimer Clause of the Arrangers and Joint Structuring Advisors

The Arrangers and Joint Structuring Advisors have not conducted any due diligence, review, or verification of or inquiry on the contents of this Information Memorandum or any other Transaction Documents (as such term is defined in the Debenture Trust Deed entered into between the Issuer and the Debenture Trustee in connection with the Debentures), nor any consultation with or obtained any authorization from any regulatory authority in India or otherwise in this regard; nor do they in any manner represent, warrant, covenant, undertake, guarantee, certify, recommend or endorse (in any manner express or implied) the accuracy, adequacy, completeness, reliability or reasonableness of any of the contents of this Information Memorandum or other Transaction Documents, allocation or allotment of or returns on or tradability of the Debentures or creation, perfection or enforcement of security for the Debentures in connection with the Issue; nor do they take responsibility for the financial or other soundness of or performance or enforceability of obligations of the Issuer, at this time or at any time during the tenor of the Debentures or thereafter, nor do they take responsibility in respect of any actual or purported difference between the Information Memorandum that may be distributed, transmitted or accessed in electronic form or the hard copy version thereof. No action has been taken or is purported to be taken by the Arrangers and Joint Structuring Advisors for the qualification or registration of the Debentures or the Issue or the Issuer, for the offer or sale or issuance of the Debentures in any jurisdiction or to any person (including any jurisdiction where such offer, sale or issuance may be prohibited or restricted).

Accordingly, the Arrangers and Joint Structuring Advisors hereby expressly disclaim, to the fullest extent permitted by law, any responsibility or liability of the Arrangers and Joint Structuring Advisors or any of their affiliates or its respective directors, employees, officers, agents, representatives or professional advisors, for or in connection with any direct, indirect or consequential loss or damage suffered by any person or otherwise arising of whatever nature and extent, whether arising in tort or contract or otherwise, as a result of relying on or in connection with the use of any statement in or omission from this Information Memorandum or any other Transaction Documents, or in any other information or communications made by or on behalf of the Issuer in connection with the Debentures or the Issue.

This Information Memorandum is not intended to be (and should not be used, regarded or construed as) the basis of any credit, legal or tax analysis or evaluation by any prospective investor or person who participates in the Issue. In connection with the Debentures, the Arrangers and Joint Structuring Advisors are acting or will act for the Issuer in the limited capacity as is agreed with the Issuer in connection with the Issue and will not be responsible or liable to any person, including with respect to making any payments, or offering, extending or accepting any indemnity or fiduciary obligations to any such person.

By purchasing the Debentures, each investor will be deemed to have made the following acknowledgements, representations and agreements:

(a) each recipient of the Information Memorandum and prospective investor or holder of the Debentures understands and agrees that it will perform its own independent review, due diligence, investigation, analysis or assessment as the case may be regarding the Issue, this Information Memorandum, the Transaction Documents, the legal, regulatory, tax, accounting, investment or other risks or implications of any such investment, the general market conditions and risks, the business, operations, financial condition, creditworthiness, status and affairs of the Issuer, and any other factors as it deems relevant or appropriate, or will rely on its own professional advisors, if any, and has received all information and completed all assessments that it believes necessary, material or appropriate in connection with such an investment prior to making such investment. It is further understood that such recipient of the Information Memorandum, prospective investor or holder of the Debentures will not rely on the Arrangers and Joint Structuring Advisors for any of the aforesaid matters and the Arrangers and Joint Structuring Advisors hereby expressly disclaim any responsibility and liability in this regard.

(b) no representation or warranty, express or implied, is made by the Arrangers and Joint Structuring Advisors or any of their affiliates or their respective directors, employees, officers, agents, representatives or professional advisors as to the accuracy, completeness or fairness of information contained in the Information Memorandum and the Transaction Documents or of any other information or documents provided by the Issuer, any member of the Group or their respective affiliates to it;

(c) all information (including, without limitation, the information contained within this Information Memorandum) provided to the investor with regard to the Issuer and any member of the Group or their respective affiliates have been supplied and prepared by the Issuer and/or its advisors and not by the Arrangers and Joint Structuring Advisors or their representatives and that the Arrangers and Joint Structuring Advisors nor their representatives have verified any such information. The investor further agrees that neither the Arrangers and Joint Structuring Advisors nor their representatives shall have any liability to it relating to or arising from its use of any such information or for any error therein or omission therefrom and it will not hold the Arrangers and Joint Structuring Advisors or any of their affiliates or their respective directors, employees, officers, agents, representatives or professional advisors responsible for any misstatement in or omission from any information or in any document (including, without limitation, the information contained within this Information Memorandum) provided by the Issuer any member of the Group or their respective affiliates to it concerning the Issuer and any member of the Group or their respective affiliates or their respective businesses, the Offering, the Debentures, or any of the Transaction Documents; and

(d) it is a sophisticated investor and has such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of purchasing the Debentures and the related transactions contemplated under the Transaction Documents, and is experienced in investing in private placement transactions of similar securities of issuers engaged in similar businesses, stages of development, markets and jurisdictions. It acknowledges that investments in securities such as the Debentures (including the performance of and compliance with other terms of the Transaction Documents and in particular the enforcement of security in connection therewith) involves a high degree of risk and that, in that regard, it and any accounts for which it is subscribing to the Debentures are each capable of bearing the economic risk of any such investment and will not look to the Arrangers and Joint Structuring Advisors or any of their affiliates or their respective directors, employees, officers, agents, representatives or professional advisors for all or any part of any such loss or liability as may be suffered in connection with this Issue, and that it and its affiliates or their respective directors, employees, officers, agents, representatives or professional advisors have no reason to anticipate any change in its or their respective liquidity positions or other circumstances, financial or otherwise, which may cause their risk assessment in connection with the Issue to rise, or result in any of the acknowledgements, representations and agreements set out herein being untrue.

Disclaimer Clause of the Stock Exchange

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its Manager, Sponsors, Trustee or any scheme or project of the Issuer.

Disclaimer Clause of SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum. However the Issuer undertakes to file this Information Memorandum with SEBI within 30 days from the Deemed Date of Allotment.

Disclaimer in respect of jurisdiction

This Issue is made in India to Investors as specified under the clause titled "*Terms of the Issue - Eligible Investors*" on page 321 of this Information Memorandum, who shall be/ have been identified upfront by the Issuer. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of the Issue will be subject to the non-exclusive jurisdiction of the courts and tribunals at Bengaluru. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

CRISIL Disclaimer

CRISIL Ratings Limited (CRISIL) has taken due care and caution in preparing the Report based on the information provided by its client and/ or obtained by CRISIL from sources which it considers reliable (Information). A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit or assessment of the rated entity by CRISIL. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on

the market price or suitability for a particular investor. The Rating is not a recommendation to invest/ disinvest in any entity covered in the Report and no part of the Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers/ users /transmitters/ distributors of the Report. CRISIL is authorised to provide its services in India only. Embassy Office Parks REIT is responsible for compliances for use of the Report or part thereof, and its consequences, outside India.

Issue of Debentures in Dematerialised Form

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its Depositary Participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

INFORMATION IN RELATION TO THE ISSUER

Name of the Issuer	Embassy Office Parks REIT (acting through its Manager)
Principal place of business of the Issuer*	Royal Oaks Embassy Golflinks Business Park Off Intermediate Ring Road Bengaluru 560 071 Karnataka, India
Compliance Officer of Issuer	Deepika Srivastava
Chief Financial Officer of the Manager	Aravind Maiya
Name and Address of the Contact Person of the Issuer	**Deepika Srivastava** Royal Oaks Embassy Golflinks Business Park Off Intermediate Ring Road Bengaluru 560 071 Karnataka, India Tel: +91 80 3322 0000/ 2222 Fax: +91 80 4903 0046 E-mail: compliance@embassyofficeparks.com
Website of the Issuer	www.embassyofficeparks.com
Name, Address and Date of Appointment of the Auditors of the Issuer	**S.R. Batliboi & Associates LLP, Chartered Accountants** 12th Floor, "UB City", Canberra Block No. 24 Vittal Mallya Road, Bengaluru 560001 Karnataka, India Date of appointment: July 25, 2019
Name and Address of the Debenture Trustee to the Issue**	**IDBI Trusteeship Services Limited** Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001
Name and Address of the Registrar and Transfer Agent	**KFin Technologies Private Limited** Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District Nanakramguda Hyderabad 500 032 Telangana, India
Name and Address of the Credit Rating Agency of the Issue	**CRISIL Ratings Limited** Central Avenue Hirandandani Business Park Powai, Mumbai 400 076 Maharashtra, India
Arrangers	Morgan Stanley India Company Private Limited and Kotak Mahindra Bank Limited
Joint Structuring Advisors	Morgan Stanley India Company Private Limited and J.P. Morgan Chase Bank N.A., Mumbai Branch

**The Issuer being a real estate investment trust does not have a registered office or corporate office. Accordingly, details of its principal place of business have been disclosed.*

***The Debenture Trustee has provided its consent dated December 29, 2020 to the Issuer for its appointment as the debenture trustee to the Issue in accordance with Regulation 4(4) of the SEBI Debt Listing Regulations and has entered into a Debenture Trustee Agreement dated January 6, 2021 with the Issuer. Terms and conditions of appointment of the Debenture Trustee are further specified in the Debenture Trustee Agreement dated January 6, 2021 setting out the total consideration paid to the Debenture Trustee as consideration for its services.*

SECTION II: ABOUT THE EMBASSY REIT

BACKGROUND OF THE EMBASSY REIT

The Embassy REIT was settled on March 30, 2017 at Bengaluru, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a trust deed dated March 30, 2017 as amended on September 11, 2018. The Embassy REIT was registered with SEBI on August 3, 2017 as a real estate investment trust under Regulation 3(1) of the SEBI REIT Regulations having registration number IN/REIT/17-18/0001. The Embassy REIT has been settled by the Embassy Sponsor for an initial sum of ₹500,000. Pursuant to a letter dated August 21, 2018, SEBI took on record the addition of the Blackstone Sponsor to the sponsors of the Embassy REIT. As of the date of this Information Memorandum, the Embassy Sponsor and the Blackstone Sponsor are the sponsors of the Embassy REIT.

EOPMSPL is the Manager to the Embassy REIT. EOPMSPL is held by the Embassy Sponsor and certain entities forming part of the Blackstone Sponsor Group. Axis Trustee Services Limited is the Trustee to the Embassy REIT.

The Portfolio Assets are held through the Asset SPVs; and the Portfolio Investment is held through the holdco in accordance with the REIT Regulations.

The following chart illustrates the relationship between the Embassy REIT, the Asset SPVs, the Investment Entity, the Trustee, the Manager, the Sponsors, the Blackstone Sponsor Group and the other Unitholders on the date of this Information Memorandum:

Notes:

1. *Balance 50% of GolfLinks Software Park Private Limited is owned by another joint venture partner.*
2. *The 100% owned entities are/will be held jointly with nominee shareholders for the Embassy REIT.*
3. *This does not include restructuring pursuant to the composite scheme of arrangement among MPPL, EOPPL and Embassy Pune TechZone Private Limited (currently a wholly-owned subsidiary of EOPPL). Upon the scheme becoming effective: (i) MPPL will become a 100% directly-held holding company of the Embassy REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL, and 50% of the share capital of GLSP; and (ii) Embassy Pune TechZone Private Limited (currently a wholly-owned subsidiary of EOPPL) will become a 100% directly-held SPV of the Embassy REIT, holding Embassy TechZone.*
4. *The Embassy REIT may consider a merger of EOVPL and VTPL. However, no definitive documents have been executed in this regard.*

OUR BUSINESS OVERVIEW

We are the owner of a high-quality office portfolio in India that serves as essential corporate infrastructure to multinational tenants and has significant embedded growth prospects. We are the first listed REIT in India and believe that there is no other office portfolio of comparable scale, diversity and quality in India today. Over the last two decades, India has emerged as a leading services hub for global corporations due to its large talent pool and cost advantage for high value services. This along with the growth of domestic companies, has resulted in robust demand for commercial office space and strong growth across India's major office markets.

Our Portfolio comprises seven best-in-class office parks and four prime city-center office buildings totalling 33.3 msf as of September 30, 2020 with strategic amenities, including two completed and two under-construction hotels totalling 1,096 keys, food courts, employee transportation and childcare facilities. We believe we have invested in amongst the highest quality assets in the best performing submarkets of India's key office markets of Bengaluru, Pune, Mumbai and Noida. These markets have exhibited strong market dynamics with world leading absorption (from 2014 – H1 2020) and constrained forecast supply resulting in high rent growth and low vacancy on average.

We own one of India's largest office portfolios and believe that replicating such a platform would be difficult given land acquisition complexities and long development timelines in India. Approximately 78% of the Gross Rentals from our 160+ marquee tenant base is contracted with leading multinational corporations and approximately 48% is contracted with Fortune 500 companies, as of September 30, 2020. Our high-quality tenant base, along with long-term contracted rentals (with a WALE of 6.5 years) provides considerable stability to our Portfolio.

While our Portfolio is highly stabilized at 91.7% Occupancy, we are well positioned to achieve further organic growth through a combination of contractual rent escalations, re-leasing at market rents (we estimate that the market rents of our properties are 28% above in-place rents), lease-up of vacant space and new construction within the Portfolio to accommodate tenant expansion. We believe the scale and quality of our business that has given us a market leading position, makes our properties the preferred office location in each of their respective submarkets and allows us to offer consolidation and expansion options for our tenants. This has enabled us to attract, retain and grow multinational tenants in our parks leading to tenant stickiness. As a result, we have grown our revenue from operations by 33% over FY2018 to FY2020.

In FY2020, our first full year of operations since listing, we:

- Achieved highest absorption compared to the absorption for the previous five years for our Portfolio, with c.2.4 msf new leases signed with 25+ occupiers, 53% re-leasing spreads on c.1.1 msf of re-leases and 19% renewal spreads on c.0.6 msf of renewals during that year.
- Achieved c.12 – 15% rental escalations across 50+ leases on c.5.5 msf.
- Delivered c.1.4 msf of new development, ahead of schedule, of which c.60% is already committed.
- Launched a 230 key luxury hotel at Embassy One office/hotel complex in Bengaluru.
- Generated revenue from operations amounting to ₹21,449 million and NOI amounting to ₹18,170 million for FY2020 which represents year-on-year growth of 14% and 15% respectively compared with FY2019.
- Paid cumulative distribution for FY2020 aggregating to ₹18,820.92 million/ ₹24.39 per unit.

In addition to best-in-class asset management capability, we believe that our team has the expertise to capitalize on a fragmented office market and expand the business through strategic acquisitions by using our strong balance sheet.

Portfolio of the Embassy Office Parks Group as of September 30, 2020

Commercial Offices		Leasable Area (msf)						Rent (Rs psf pm)			GAV[1] as of Sep-20 (Rs mn)		
Asset	**Location**	**Completed**	**Under Construction**	**Proposed Development**	**Total**	**WALE (yrs)**	**Occupancy (%)[2]**	**In-place**	**Market**	**MTM (%)**	**Completed**	**Under Construction**	**% of total**
Embassy Manyata	Bengaluru	11.8	1.1	2.0	14.8	7.3	97.0%	61	91	48.8%	1,35,267	21,172	46%
Embassy GolfLinks[3]	Bengaluru	2.7	-	-	2.7	8.3	98.6%	116	148	27.2%	27,428		8%
Embassy One	Bengaluru	0.3	-	-	0.3	8.4	5.5%	156	147	-6.0%	4,532	-	1%
Bengaluru Sub-total		**14.7**	**1.1**	**2.0**	**17.8**	**24.0**	**95.7%**	**72**	**102**	**42.0%**	**1,67,227**	**21,172**	**56%**
Express Towers	Mumbai	0.5	-	-	0.5	3.4	90.2%	266	270	1.4%	17,722	-	5%
Embassy 247	Mumbai	1.2	-	-	1.2	4.0	85.6%	99	110	10.6%	16,404	-	5%
FIFC	Mumbai	0.4	-	-	0.4	3.5	77.5%	297	285	-4.0%	13,908	-	4%
Mumbai Sub-total		**2.0**	**-**	**-**	**2.0**	**10.9**	**85.2%**	**173**	**178**	**3.0%**	**48,034**	**-**	**14%**
Embassy TechZone	Pune	2.2	0.9	2.4	5.5	5.2	90.6%	49	48	-3.0%	15,096	6,511	6%
Embassy Quadron	Pune	1.9	-	-	1.9	4.2	69.6%	45	48	6.3%	13,104	-	4%
Embassy Qubix	Pune	1.5	-	-	1.5	4.9	97.6%	40	48	21.4%	10,153	-	3%
Pune Sub-total		**5.5**	**0.9**	**2.4**	**8.8**	**14.3**	**85.2%**	**45**	**48**	**6.1%**	**38,353**	**6,511**	**13%**
Embassy Oxygen	Noida	2.5	0.7	-	3.3	11.0	77.7%	48	54	12.8%	19,217	2,025	6%
Embassy Galaxy	Noida	1.4	-	-	1.4	2.7	98.9%	35	45	27.5%	8,783	-	3%
Noida Sub-total		**3.9**	**0.7**	**-**	**4.6**	**13.7**	**85.2%**	**43**	**50**	**17.7%**	**28,000**	**2,025**	**9%**
Sub-Total (Commercial Offices)		**26.2**	**2.7**	**4.4**	**33.3**	**6.6**	**91.1%**	**70**	**90**	**28.4%**	**2,81,614**	**29,708**	**92%**

Hospitality		Keys					GAV[4] as of Sep-20 (Rs mn)		
Asset	**Location**	**Completed**	**Under Construction**	**Proposed Development**	**Total**	**Occupancy (%)[5,6]**	**Completed**	**Under Construction**	**% of total**
Hilton at Embassy GolfLinks	Bengaluru	247 Keys		-	**247 Keys**	9.3%	4,375	-	1%
Four Seasons at Embassy One	Bengaluru	230 Keys		-	**230 Keys**	1.4%	7,545	-	2%

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1 *Gross Asset Value (GAV) considered per September 30, 2020 valuation undertaken by Mr Manish Gupta, Partner, iVAS Partners in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually*

2 *Represents occupancy as at September 30, 2020 for commercial offices (on completed area basis and includes only those leases for which definitive agreements have been executed). Hospitality occupancy and units generated for Embassy Energy are for half year ended September 30, 2020*

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

4 *Gross Asset Value (GAV) considered per September 30, 2020 valuation undertaken by Mr Manish Gupta, Partner, iVAS Partners in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually*

5 *Represents occupancy as at September 30, 2020 for commercial offices (on completed area basis and includes only those leases for which definitive agreements have been executed). Hospitality occupancy and units generated for Embassy Energy are for half year ended September 30, 2020*

6 *Both operational hotels were temporarily closed in accordance with state government guidelines given COVID-19 lock-down and subsequently reopened in mid Jun'20*

Hospitality		Keys					GAV[4] as of Sep-20 (Rs mn)		
Asset	Location	Completed	Under Construction	Proposed Development	Total	Occupancy (%)[5,6]	Completed	Under Construction	% of total
Hilton at Embassy Manyata	Bengaluru	-	266 Keys	-	**266 Keys**	-	-	2,563	1%
Hilton Garden Inn at Embassy Manyata	Bengaluru		353 Keys	-	**353 Keys**	-	-	1,559	0%
Sub-Total (Hospitality)		**477 Keys**	**619 Keys**	**-**	**1096 Keys**		**11,920**	**4,122**	**5%**

Others[7]		MW						GAV[8] as of Sep-20 (Rs mn)		
Asset	Location	Completed	Under Construction	Proposed Development	Total	Generated (mn units)[9]	Average Tariff[10]	Completed	Under Construction	% of total
Embassy Energy	Karnataka	100MW		-	100MW	92	8.4	10,002	-	3%
Sub-Total (Others)		**100MW**			**100MW**			**10,002**	**-**	**3%**
Total		**26.2 msf/477 Keys/100MW**	**2.7 msf/619 Keys**	**4.4 msf**	**33.3 msf/1096 Keys/100MW**			**3,03,536**	**33,830**	**100%**

Gross Asset Value

By Construction Status

By Asset Type

By Geography

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7 *Comprises Solar Park located at Bellary district, Karnataka*

8 *Gross Asset Value (GAV) considered per September 30, 2020 valuation undertaken by Mr Manish Gupta, Partner, iVAS Partners in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually*

9 *Represents occupancy as at September 30, 2020 for commercial offices (on completed area basis and includes only those leases for which definitive agreements have been executed). Hospitality occupancy and units generated for Embassy Energy are for half year ended September 30, 2020*

10 *Average blended realised tariff for the half year ended September 30, 2020*

Our Portfolio is geographically well diversified across India's key office markets of Bengaluru, Mumbai, Pune and Noida which have exhibited strong fundamentals with robust absorption, high rent growth and low vacancy on average. We focus on these markets due to their strong demographics, skilled talent pools and well-developed infrastructure, which has led to sustained tenant demand for high-quality office space.

Our Competitive Strengths and Business Strategy

We believe our position as a leading owner and developer of high-quality office properties is founded on the following competitive strengths:

Located in India, a leading services hub for global corporates

Our Portfolio is located in India, the fifth-largest economy in the world for FY2019, according to the International Monetary Fund ("**IMF**"). The services sector, which comprises 72% of our tenant base in terms of Gross Rentals as of September 30, 2020 continues to be the key driver of India's growth. It represented 55.3% of GDP in FY2019 and is estimated to grow by 6.9% in FY2020 compared to FY2019. The technology sector continues to witness the largest share of the real estate absorption in India and 50% of our Gross Rentals are derived from our tenants in the technology sector, which is India's fastest growing segment of GDP. Within the services sector, the technology industry has been the major growth driver, with revenues growing 144% from approximately US$ 78 bn in FY2010 to approximately US$ 191 bn in FY2020E. In 2016, 46 of the top 50 R&D spenders globally had an India presence and the top 500 global R&D spenders had 10% of their global R&D headcount in India on average.

Best-in-class office properties with high quality infrastructure

Our Portfolio comprises seven best-in-class office parks and four prime city-center office buildings totaling 33.3 msf of Leasable Area as of September 30, 2020, with strategic amenities, including two completed and two under-construction hotels totaling 1,096 keys, food courts, employee transportation and childcare facilities. Our properties are amongst the highest quality assets in India. Due to their scale, best-in-class asset quality, amenities and asset management, our properties command a rent premium to other properties within their respective submarkets on average. Our infrastructure-like office parks are constructed to international standards and some of them are amongst the largest in their respective submarkets. Our assets provide a complete business ecosystem with modern infrastructure and amenities that enable our tenants to give their employees a safe, efficient and sustainable working environment. The size and scale of our office parks allows us to develop campus style, infrastructure-like assets. Core infrastructure includes dual source power supply with redundant and automatic 24x7 back-up power, integrated building management systems, state-of-the-art fire-fighting and security mechanisms. Some of our larger office parks have dedicated power sub-stations. Additionally, some of our office parks include hotels that generate incremental revenues given the captive demand from our tenants who often have visiting executives and clients. The amenities that we provide are designed to cater to the needs of our tenants and their employees and include retail and F&B outlets, amphitheaters, a training centre, childcare facilities, parking spaces and health and recreation facilities (such as gyms and other sporting facilities) across our Portfolio.

Our office spaces are highly occupied by a diversified, high quality, multinational tenant base

As of September 30, 2020, our Occupancy was at 91.7% and our WALE was 6.5 years. We have 160+ tenants comprising large multinationals and Indian corporates. Our tenants are truly international with approximately 78% of Gross Rentals contracted with leading multinational corporations and approximately 48% of Gross Rentals from Fortune 500 companies. 50% of our Gross Rentals are derived from tenants in India's fast-growing technology sector, with the remaining 50% being well-diversified across various industries and sectors including financial services, healthcare and telecommunications. In addition, we have a diverse tenant base, with our top 10 tenants contributing approximately 42% of our Gross Rentals.

Dedicated customer relationship management programs have led to robust tenant engagement, which helps us to anticipate tenant requirements. We believe these tenants prioritize a high-quality work environment, which our assets offer.

Simple business model with embedded growth levers

Our Portfolio is highly stabilized with 91.7% Occupancy and 6.5 year WALE as of September 30, 2020 and c. 60% tenant retention rate over the last three years and six months. We have demonstrated strong growth over the last three years and six months with 5.7 msf of new leasing, including 39% re-leasing spreads on 3.1 msf of re-leasing, and 2.8 msf of new development completions.

- *Stable cash flows with Contractual escalations*: We have 26.2 msf of Completed Area, with a 6.5 year WALE and c. 60% tenant retention rate over the last three years and six months. As of September 30, 2020, we had Occupancy of 91.7%, which was 8.1% higher than the overall India market. We typically enter into long-term leases with our tenants. The tenure of leases for our office parks is typically nine to fifteen years, with a three to five year initial commitment period with renewal options. Our leases include contractual escalations of 10.0-15.0% every three to five years. For our city center office buildings the lease tenure is typically five to nine years with a three to five year initial commitment period and contractual escalations of 15.0% every three years.

- *Demonstrated mark to market growth::* We have a demonstrated track record of driving rent growth by re-leasing to existing tenants at market rents or replacing them with new higher value tenants. Over the last three years and six months, we have re-leased approximately 3.1 msf at rents that were on average 39% above in-place rents

- *'On-Campus' development:* We have strong experience of developing additional area on land within our parks ("on-campus" development). Due to strong tenant demand, we have constructed 2.8 msf over the last three years and six months (which has a c. 80% Occupancy). We follow a disciplined budgeting and planning process, aimed at delivering our developments on-time and within budget. We believe that our reputation for on-time delivery, high construction quality and best-in-class park infrastructure has made us one of the preferred developers for tenants looking for expansion or consolidation space.

Strategically located in the top-performing markets with high barriers to entry

We own leading assets in attractive in-fill locations of India's key office markets. We believe that our assets are infrastructure-like, and, given land acquisition complexities and long development time frames, are very difficult to replicate. Our Portfolio is located in Bengaluru, Pune, Mumbai and Noida which are amongst the world's largest real estate markets by absorption. 162.9 msf was leased in these markets between CY2014 and H1 2020, which exceeds the total combined absorption of eleven global cities including New York, San Francisco, London, Shanghai and Tokyo over the same period. Also, average absorption for our four markets is 3.8 times and 2.1 times the absorption in San Francisco and New York respectively over the same period. Our markets are amongst the top performing in India, accounting for 71.9 % of the total Grade-A office stock and 73.9% of total absorption over the last five years and nine months. After our markets experienced a record 41.3 msf of gross absorption in CY 2019, office demand has slowed across all cities post March 2020 due to the impact of the global pandemic and local lockdowns in the quarter ending June 30, 2020. This slowdown resulted in absorption of 15.9 msf for the nine-month period ending September 30, 2020. Globally and in India, companies paused decisions on office take-up as management teams and corporate real estate decision makers initially focused on managing short-term business continuity priorities and thereafter assessing future growth plans and office accommodation strategies. As Indian central and state governments relaxed lockdown restrictions, Indian workplaces have witnessed significantly higher employee attendance in Q3 2020 as compared to Q2 2020. Occupier enquiries and site inspections have also increased in Q3 2020; multiple factors including pent-up demand for office space have led to an increase of 4% in gross absorption in our markets over Q2 2020.

Highly experienced management team

We are managed by the Manager, led by Michael Holland (CEO of the Manager, founder and former country head of JLL India, ex-CEO of Assetz Property Group) and Vikaash Khdloya (Deputy CEO / Chief Operating Officer of the Manager). Our senior management team comprises 12 people and has an average experience of 20 years in operating, developing, leasing and managing commercial real estate in India. The Manager is well regarded in the real estate community and has extensive relationships with industry stakeholders such as brokers, owners, tenants, contractors and lenders. The Manager and the Asset SPVs together have over 95 employees, many of whom have demonstrated active asset management expertise across the Portfolio.

Renowned Sponsors with global expertise and local knowledge

Our Sponsors are EPDPL, one of India's leading office developers, and BRE/Mauritius Investments, a part of Blackstone, the world's largest real estate investment manager. Our Sponsors bring deep knowledge of local markets along with global best practices in development, investment and asset management.

Overview of the Embassy Group

The Embassy Sponsor is part of the Embassy group, which is one of the leading real estate developers in India with over 25 years of experience in the real estate development business. Embassy is a leading Indian real estate company which has developed over 45 msf of area in the commercial and residential segments. In addition, the Embassy group owns hospitality developments totaling to 444 completed hotel keys and is in the process of developing industrial parks and warehouses across India. The Embassy Sponsor group also holds an extensive land bank across India. The Embassy Sponsor has demonstrated expertise across all aspects of the real estate development business including land identification, conceptualization, design, land acquisition, approvals, development, project management, sales, marketing and leasing, property management and facilities management. We also stand to benefit from the asset base of the Embassy Sponsor pursuant to the Deed of Right of First Offer which grants us a right of first offer to acquire certain projects being developed or proposed to be developed by the Embassy Sponsor.

Overview of Blackstone

Blackstone Sponsor is a part of Blackstone, a leading global investment firm investing capital on behalf of pension funds, large institutions and individuals. Blackstone invests across alternative asset classes in real estate, private equity, credit and hedge funds as well as in infrastructure, life sciences, insurance and growth equity. Through its different investment businesses, Blackstone has total assets under management ("**AUM**") of over $584 billion. Over the past 29 years, Blackstone has built one of the largest

real estate private equity businesses in the world today with $174 billion of investor capital under management. Blackstone totals more than 3,150 professionals in 24 offices worldwide.

Our strategy is to:

- Capitalize on our Portfolio's embedded organic growth and new development opportunities
- Lease-up of vacant space
- Continue “on-campus” development programs
- Disciplined acquisition strategy with strong balance sheet
- Acquire assets under our ROFO Deed with the Embassy Sponsor and also from third parties
- Proactive asset management to drive value

PARTIES TO THE EMBASSY REIT

Embassy Sponsor

The Embassy Sponsor is a private limited company incorporated in India under the Companies Act, 1956. The Embassy Sponsor commenced operations as a partnership firm constituted under the Indian Partnership Act, 1932 on January 18, 1993 under the name M/s Virwani Builders with its principal place of business at No. 3, Embassy Centre, 11 Crescent Road, Bengaluru 560 001, Karnataka, India.

The Embassy Sponsor is one of the leading real estate developers in India. As at September 30, 2020, the Embassy Sponsor (directly or through its associates) has developed over c.45 msf of area in the commercial and residential segments. In addition, the Embassy Sponsor owns properties in the hospitality segment and is developing industrial parks and warehouses across India. The Embassy Sponsor also holds an extensive land bank across India. The Embassy Sponsor has over 26 years of experience in various aspects of real estate development business such as land identification, land acquisition, development, conceptualization, design, project management, property management, facilities management, interior development, sales, corporate leasing and marketing of real estate assets.

Blackstone Sponsor

The Blackstone Sponsor is a private limited company incorporated under the Mauritius Companies Act, 2001 on September 15, 2008. For a list of the entities forming part of the Blackstone Sponsor Group, see "*Definitions and Abbreviations"* on page 1.

The Manager

Embassy Office Parks Management Services Private Limited is the Manager of the Embassy REIT. The Manager is a private limited company incorporated in India under the Companies Act, 1956 on January 31, 2014 at Bengaluru, Karnataka.

The Manager has been involved in providing property management services to certain real estate assets promoted by the Embassy Sponsor, such as Embassy Techzone and Embassy Manyata for over four years.

The Trustee and Manager have executed the Investment Management Agreement, as amended, under which various powers, duties, rights and liabilities of the Manager have been prescribed in terms of the SEBI REIT Regulations. The Manager is empowered to take all decisions in relation to the management and administration of the Embassy REIT's assets and the investments of the Embassy REIT and for the fulfilment and advancement of the investment objectives of the Embassy REIT. In this regard, the Manager is also empowered to cause the Embassy REIT to borrow or incur financial indebtedness including by way of issue of debt securities or instruments permitted under applicable law.

Details of current directors of the Manager

Sl. No.	Name, Address, Designation, Date of Appointment and DIN	Age (in years)	Details of other Directorships
1.	Anuj Puri Address: 1004, Quantum Park, Building No. 2, Gulab Nagar, Khar Danda, Khar West, Mumbai 400 052, Maharashtra, India Designation: Independent Director Date of appointment: August 6, 2018 DIN: 00048386	54	• Trespect India Private Limited • HVS Anarock Hotel Advisory Services Private Limited • Anarock Capital Advisors Private Limited • Anarock Group Business Services Private Limited • Anarock Retail Advisors Private Limited • Music Broadcast Limited • Anarock Investment Advisors Private Limited • Anarock Property Consultants Private Limited • Puri Crawford Insurance Surveyors & Loss Assessors India Private Limited • Jagran Prakashan Limited • Homexchange Limited • Amrta Consulting Private Limited* • Joyville Shapoorji Housing Private Limited
2.	Dr. Punita Kumar Sinha Address: 51 Gate House Road, Chestunt Hill MA 02467, United States of America Designation: Independent Director Date of appointment: August 6, 2018 DIN: 05229262	58	• JSW Steel Limited • Classic Legends Private Limited • Fino Payments Bank Limited • Infosys Limited • SREI Infrastructure Finance Limited • Mahindra Intertrade Limited • Rallis India Limited • The Asia Opportunities Offshore Fund, Cayman Islands • The Asia Opportunities Offshore Master Fund, Cayman Islands • CFA Institute Research Foundation

Sl. No.	Name, Address, Designation, Date of Appointment and DIN	Age (in years)	Details of other Directorships
			• Lupin Limited
3.	Dr. Ranjan Pai Address: ESENCIA Block 1 B, Jakkur Plantation Village Main Road Jakkur, Yelahanka, Bengaluru 560 064, Karnataka, India Designation: Independent Director Date of appointment: June 9, 2017 DIN: 00863123	47	• Manipal Education and Health Care Initiative • ManipalCigna Health Insurance Company Limited • Immuneel Therapeutics Private Limited • Manipal Health Enterprises Private Limited • MEMG International India Private Limited • Manipal Global Education Services Private Limited • Manipal Health Systems Private Limited • Manipal Healthcare Private Limited • MEMG Securities Limited • Manipal Health Initiative Private Limited • Unext Learning Private Limited • Swasth Digital Health Foundation • MNI Ventures, Mauritius • Manipal Global Health Services, Mauritius • Cypress Holdings, Mauritius • Manipal Research & Management Services International, Mauritius • Aarin Capital Partners, Mauritius • Manipal Academic Services International, Mauritius • Stempeutics Research International, Mauritius • MEMG CDC, Mauritius • MEMG Malaysia • MHEIPL, Singapore • Manipal Health Systems Malaysia Sdn BHD • American University of Antigua Inc. • AUA Housing Inc. •
4.	Aditya Virwani Address: #332 Embassy Woods 6/A Cunningham Road, Vasanth Nagar, North Bengaluru, Bengaluru 560 001, Karnataka, India Designation: Non-Executive Director Date of appointment: August 6, 2018 DIN: 06480521	26	• EPDPL Coliving Private Limited • Embassy Industrial Parks Bhiwandi Private Limited • Embassy Industrial Park Hosur Private Limited • Mac Charles (India) Limited • Dorne Realty Private Limited • Embassy Services Private Limited • Winterfell Realty Private Limited • Embassy Property Developments Private Limited • Embassy Maverick Malls Private Limited • Embassy Industrial Parks Private Limited • Garuda Maverick Infrastructure Projects Private Limited • Kanai Technology Parks Private Limited • Embassy Construction Pvt Ltd • Embassy One Developers Private Limited • Aerodome Experiences Private Limited • Embassy Realty Ventures Private Limited • Embassy Infra Developers Private Limited • Embassy RR Projects Private Limited
5.	Jitendra Virwani Address: 341 Embassy Woods 6/A, Cunnigham Road, Vasanth Nagar, Bengaluru 560 001, Karnataka, India Designation: Non-Executive Director Date of appointment: March 30, 2017 DIN: 00027674	54	• Embassy Services Private Limited • Summit Developments Private Limited • Golf Link-Embassy Business Park Management Services Private Limited • Embassy Property Developments Private Limited • Embassy Industrial Parks Private Limited • Trafalgar Estate & Properties Private Limited • Manyata Promoters Private Limited • Golflinks Software Park Private Limited • JV Holding Private Limited • Embassy Knowledge Infrastructure Projects Private Limited • Embassy Shelters Private Limited • Pune-Dynasty Projects Private Limited • Wildflower Estate And Resorts Private Limited • Unitech Limited

Sl. No.	Name, Address, Designation, Date of Appointment and DIN	Age (in years)	Details of other Directorships
6.	Robert Christopher Heady Address: 2/F, Lakeside Apartments 23 South Bay Road, Repulse Bay NA, Hong Kong Designation: Non-Executive Director Date of appointment: August 6, 2018 DIN: 06401388	44	• Blackstone Advisors India Private Limited
7.	Tuhin Parikh Address: 1 C Takshashila Apartments, Tagore Road, Santacruz West, Mumbai 400 054, Maharashtra, India Designation: Non-Executive Director Date of appointment: June 16, 2015 DIN: 00544890	47	• Blackstone Advisors India Private Limited • Newton Farms Private Limited • Eon Kharadi Infrastructure Private Limited • Sumangal Bhavan Private Limited • Devbhumi Realtors Private Limited
8.	Vivek Mehra Address: B-314, New Friends Colony, New Delhi 110 025, India Designation: Independent Director Date of appointment: June 9, 2017 DIN: 00101328	65	• Digicontent Limited • Hero Future Energies Private Limited • Grassroot Trading Network For Women • Jubilant Life Sciences Limited • HT Media Limited • Bharat Hotels Limited • Chambal Fertilisers And Chemicals Limited • DLF Limited • Havells India Limited • Zee Entertainment Enterprises Limited
9.	Asheesh Mohta Address: Suraj Apartments, 7th Floor, 71, Warden Road, Breach Candy Cumballa Hill Mumbai 400026 Designation: Alternate Director to Mr. Robert Christopher Heady Date of appointment: June 28, 2019 DIN: 00358583	42	• Ruchi Malls Private Limited • Westerly Retail Private Limited • Chitrali Properties Private Limited • Indore Treasure Island Private Limited • Padma Homes Private Limited • Darshita Infrastructure Private Limited • Embassy One Developers Private Limited • Naman Mall Management Company Private Limited • Kalani Brothers (Indore) Private Limited • Worldwide Realcon Private Limited • Talegaon Industrial Parks Private Limited • Mindcomp Regency Park Private Limited • Moonlike Construction Private Limited • GV Techparks Private Limited • Manyata Promoters Private Limited • Nucleus Office Parks Private Limited

** Under process of strike off.*

Details of change in directors of the Manager since last three years

Name, Designation and DIN	Date of Appointment/ Resignation	Director of the Manager since (in case of resignation)	Remarks
Asheesh Mohta Designation: Alternate Director to Robert Christopher Heady DIN: 00358583	June 28, 2019	NA	Appointment
Anuj Puri Designation: Independent Director DIN: 00048386	August 6, 2018	NA	Appointment
Dr. Punita Kumar Sinha Designation: Independent Director DIN: 05229262	August 6, 2018	NA	Appointment
Robert Christopher Heady Designation: Non-Executive Director DIN: 06401388	August 6, 2018	NA	Appointment
Aditya Virwani Designation: Non-Executive Director DIN: 06480521	August 6, 2018	NA	Appointment

The Trustee

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

The Embassy Sponsor, the Blackstone Sponsor and the Trustee have executed the Trust Deed, under which various powers, duties, rights and liabilities of the Trustee have been prescribed in terms of the Indian Trusts Act, 1882, the SEBI REIT Regulations and the SEBI Guidelines. The Trustee is empowered to determine, in accordance with the Investment Management Agreement, the investment objectives of the REIT, distributions to Unitholders, make such reserves out of the income and capital as it may deem proper, appoint a manager to manage the Embassy REIT by execution of an investment management agreement and to delegate its powers to the manager. The Trustee has, on the advice of the Manager and subject to the terms of the Trust Deed and the SEBI REIT Regulations, *inter alia*, the power to borrow funds including by way of issuance of debt securities, subordinated debt or equity or other securities or instruments permitted under applicable law, for the purpose of the Embassy REIT and also repay, prepay and pay interest on all debt raised from any person in compliance with the SEBI REIT Regulations and applicable law.

STRUCTURE OF THE ISSUER – HOLDING STRUCTURE OF THE PORTFOLIO

As on the date of this Information Memorandum, the Portfolio is held by the Embassy REIT through the Asset SPVs. The Investment Entity is held through one of the holdcos. The holding structure of the Portfolio, is set out below:

Notes:

1. *Balance 50% of GolfLinks Software Park Private Limited is owned by another joint venture partner.*
2. *The 100% owned entities are/will be held jointly with nominee shareholders for the Embassy REIT.*
3. *This does not include restructuring pursuant to the composite scheme of arrangement among MPPL, EOPPL and Embassy Pune TechZone Private Limited (currently a wholly-owned subsidiary of EOPPL). Upon the scheme becoming effective: (i) MPPL will become a 100% directly-held holding company of the Embassy REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL, and 50% of the share capital of GLSP; and (ii) Embassy Pune TechZone Private Limited (currently a wholly-owned subsidiary of EOPPL) will become a 100% directly-held SPV of the Embassy REIT, holding Embassy TechZone.*
4. *The Embassy REIT may consider a merger of EOVPL and VTPL. However, no definitive documents have been executed in this regard.*

Formation Transactions

In accordance with the SEBI REIT Regulations, the Embassy REIT acquired the Portfolio between March 22, 2019 and March 25, 2019, pursuant to the Formation Transactions undertaken as part its initial public offer. The Portfolio was acquired by the Embassy REIT from the Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group and other third parties. In consideration for such acquisition, the Embassy REIT issued such number of Units of the Embassy REIT to the sellers as required to attain an agreed unitholding percentage, determined based on the formulae set out in the respective share acquisition agreements for the Formation Transactions. For details, see "*Unitholding Structure of the Embassy REIT*" on page 303. Further, the Embassy REIT acquired Class A equity shares aggregating to 51% of the total equity share capital in IENMPL from third party shareholders for a cash consideration of ₹3,450 million.

ETV Acquisition

In December 2020, the Embassy REIT completed the acquisition of 84.05 acres in Embassy TechVillage, an office park located in Bengaluru comprising: (i) approximately 76.05 acres of commercial development by Vikas Telecom Private Limited ("**VTPL**") consisting of approximately 6.1 million square feet (msf) of completed office area, approximately 2.0 msf of under-construction area and 518 proposed hotel keys along with the associated business of common area maintenance services (collectively, the "**ETV Business**"); and (ii) approximately 8.0 acres consisting of approximately 1.1 msf of under-construction area being developed commercially by Sarla Infrastructure Private Limited ("**SIPL**"), which has been fully pre-leased, along with the associated business of common area maintenance services (collectively, the "**SIPL Business**") within overall Embassy TechVillage campus ("**ETV**", and the acquisition of the ETV Business and the SIPL Business together, the "**ETV Acquisition**").

The aggregate enterprise value for the ETV Acquisition is ₹97,824 million, comprising of ₹87,000 million for the ETV Business and ₹10,824 million for the SIPL Business.

The ETV Acquisition excludes approximately 19.39 acres proposed to be developed by Embassy Commercial Projects (Whitefield) Private Limited ("**Embassy Whitefield**"), an entity which will be owned by the BREP Entities and the Third-party Shareholders, which area is proposed to be leased by VTPL to Embassy Whitefield on a long-term basis (together with associated business of common area maintenance services business, the "**Back Land**"). The lease of the Back Land shall continue after the ETV Acquisition by the Embassy REIT. The "**BREP Entities**" are certain Blackstone entities and comprise BREP Asia SBS Holding –NQ CO IV Ltd., BREP Asia SG Indian Holding (NQ) CO I Pte. Ltd., BREP VII SBS Holdings-NQ CO IV Ltd. and BREP VII SG Indian Holding (NQ) CO I Pte. Ltd. Also see, "*Risk Factors – If we are not successful in integrating ETV, our business, and results of operations and financial condition may be adversely impacted and we may incur exceptional expenses, impairment or write- offs.*" on page 29.

Proposed restructuring

Composite Scheme of Arrangement

A composite scheme of arrangement (the "**Scheme**") involving our Asset SPVs, MPPL and EOPPL and EPTPL (a wholly owned subsidiary of EOPPL) and their respective shareholders and creditors is proposed to be undertaken to effect a simplified holding and management structure for the Embassy REIT assets and create value for the Embassy REIT and its unitholders.

The Scheme was submitted to the National Company Law Tribunal, Bench, at Mumbai on June 19, 2020 seeking *inter-alia* (i) the demerger, transfer and vesting of the business undertaking comprising of Embassy TechZone of EOPPL into EPTPL on a going concern basis, in consideration for which the REIT (as shareholder of EOPPL) will be issued shares in EPTPL as per the share exchange ratio contemplated under the composite scheme of arrangement; followed by (ii) the amalgamation of EOPPL into MPPL on a going concern basis, in consideration for which the Embassy REIT (as shareholder of EOPPL) will be issued shares in MPPL as per the share exchange ratio contemplated under the composite scheme of arrangement ("**Scheme**").

Post the consummation of the transactions contemplated by the composite scheme of arrangement, it is expected that (i) MPPL will become a holding company of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL (an existing SPV of Embassy Office Parks REIT); and 50% of the share capital of Golflinks Software Park Private Limited, (the existing Investment Entity of Embassy Office Parks REIT); and (ii) EPTPL will become a directly held SPV of Embassy REIT holding Embassy TechZone, an existing asset of the Embassy Office Parks REIT.The Scheme was approved by the board of directors of MPPL, EOPPL and EPTPL pursuant to their meetings, held on May 18, 2020 and approved by the board of directors of the Manager on May 19, 2020. The Scheme is subject to the receipt of necessary statutory and regulatory approvals under applicable laws, including the approval of the National Company Law Tribunal, Mumbai Bench. For risk in this regard, please see "*Risk Factors - The Portfolio is undergoing certain internal restructuring.*" on page 30.

Proposed capital reduction of EOPPL

EOPPL has submitted a company petition dated June 1, 2020 before the National Company Law Tribunal, Mumbai bench, for the reduction of its share capital with a view to reduce accumulated losses by setting the losses off against the balance in the securities premium account. The board of directors and shareholders of EOPPL have, pursuant to resolutions dated May 18, 2020 each, approved the reduction of capital i.e., utilization of balance in the securities premium account to set off the accumulated losses aggregating ₹308.22 crore. The proposed capital reduction does not have an impact on the issue and paid-up share capital of EOPPL. The proposed capital reduction is subject to the receipt of necessary statutory and regulatory approvals under applicable laws, including the approval of the National Company Law Tribunal, Mumbai Bench.

Proposed capital reduction of ETPL

ETPL has submitted a company petition dated August 28, 2020 before the National Company Law Tribunal, Mumbai bench, for the reduction of its share capital with a view to reduce accumulated losses by setting the losses off against the balance in the securities premium account, and return the capital that is in excess of its current requirements through capital reduction to commensurate with its remaining business and assets. The board of directors and shareholders of ETPL have, pursuant to resolutions dated August 22, 2020 each, approved the reduction of capital i.e., utilization of balance in the securities premium account to set off the accumulated losses aggregating ₹11.60 crore and reduction of 30,970,800 equity shares of ₹10 each aggregating ₹154.85 crore towards capital reduction. The proposed capital reduction is subject to the receipt of necessary statutory and regulatory approvals under applicable laws, including the approval of the National Company Law Tribunal, Mumbai Bench.

SECTION III: RISK FACTORS

1. ***We may utilize a significant amount of debt in the operation of our business, and our cash flows and operating results could be adversely affected by required repayments or related interest and other risks of our debt financing.***

We have incurred external debt at Embassy REIT level and are generally subject to risks associated with debt financing. These risks include: (1) our cash flow may not be sufficient to satisfy required payments of principal and interest; (2) we may not be able to refinance existing indebtedness or the terms of the refinancing may be less favorable to us than the terms of existing debt; (3) debt service obligations could reduce funds available for distribution to the investors and funds available for capital investment; (4) any default on our indebtedness could result in acceleration of those obligations and obligations under other loans and possible loss of property to foreclosure; and (5) the risk that necessary capital expenditures cannot be financed on favourable terms. If a property is mortgaged to secure payment of indebtedness and we cannot make the applicable debt payments, we may have to surrender the property to the lender with a consequent loss of any prospective income and equity value from such property. The debt financing provided by us to the Asset SPVs and the Investment Entity i.e. the Shareholder Debt Financing under the Shareholder Debt Documentation comprise loans and non-convertible debentures. The payment obligations of the respective Asset SPVs and the Investment Entity in relation to the Shareholder Debt Financing will be subordinated to all existing and future obligations of the Asset SPVs and the Investment Entity to any secured lenders. As such, our ability to receive loan payments, and our remedies with respect to the Shareholder Debt Financing will be subject to the rights of any senior creditors. For details, please refer to "*Financial Indebtedness*" on page 49.

Accordingly, any reduction in the cash flows of the Asset SPVs and the Investment Entity or any unanticipated increase in any of the payments to be made by the Asset SPVs and the Investment Entity may result in a decrease in the cash flows available to service debt availed from third parties and us, which may materially and adversely impact the ability of the Asset SPVs and the Investment Entity to meet their payment obligations.

Additionally, we may incur further debt and a significant amount of such future debt may be utilised in the operation and development of our business. Consequently, our cash flows and operating results could be adversely affected by required repayments or related interest and other risks of our debt financing. We will also require approval from Unitholders for raising external debt above certain thresholds.

The collateral and credit comfort package provided to support the Debentures may also be provided to future refinancing creditors for refinancing the Debentures from time to time and, in such a case, the security created over any and all assets of any person to secure the Debentures may be shared on a *pari passu* basis *inter se* the Debenture Holders and refinancing creditors from time to time. In addition, security over certain Secured Assets (as more particularly referred to under the '*Terms of Issue – Description regarding Security'* on page 324) may also be shared with other future permitted creditors (in addition to being shared with the refinancing creditors for refinancing the Debentures from time to time) on a *pari passu* basis.

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

The SEBI REIT Regulations require us to ensure compliance with certain requirements, including maintaining a specific threshold of investment in rent or income generating properties. There are also regulatory requirements which impose conditions on minimum unit holding of the Sponsors and Sponsor Groups and debt financing limits, which may constrain our ability to raise funds and limit our ability to make investments including acquisition of assets pursuant to the ROFO Deed. In particular, under the SEBI REIT Regulations, as not more than 20% of the value of our assets may be invested in certain permitted forms of investments over and above rent or income generating properties, we may be limited in terms of future investment on account of our investment in GLSP. Further, as a REIT that is not Indian owned and controlled, we are also subject to other restrictions. For example, any downstream or other investments we make are subject to conditions under the foreign exchange or Foreign Exchange Management (Non-debt Instruments) Rules, 2019, both in terms of investments and divestments.

Failure to comply with these and other applicable requirements may present additional risks to us and lead to adverse consequences, including divestment of certain assets, delisting and other penalties and could prevent us from acquiring further assets including pursuant to the ROFO Deed, which could have a material adverse effect on our business, financial condition and results of operations.

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

Our business is primarily focused on commercial real estate projects and hospitality projects. The Manager and we are registered in India, and our Portfolio is located in India. As a result, we are highly dependent on the prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in interest rates or inflation in India;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India;
- prevailing income, consumption and savings conditions among consumers and corporations in India;
- volatility in, and actual or perceived trends in trading activity on, India's principle stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- regulations governing taxes and duties in India, and the interpretation and application of such regulations;
- political instability, terrorism or military conflict in India, including increased tensions on the Indian borders, or in countries in the region or globally, including in India's various neighbouring countries;
- the occurrence of natural or man-made disasters;
- the intensification of the adverse effects of the ongoing COVID-19 pandemic or the occurrence or other epidemics or pandemics;
- prevailing regional or global economic conditions;
- balance of trade movements, including export demand and movements in key imports, including oil and oil products; and
- other significant regulatory or economic developments in or affecting India or its real estate sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could have a material adverse effect on our business, financial condition and results of operations. For the three-month period ended June 30, 2020 and the three-month period ended September 30, 2020, India's GDP contracted by 23.9% and 7.5%, respectively, according to the Department of Economic Affairs of India, primarily due to the impact of COVID-19.

Furthermore, the Indian economy and Indian financial market are influenced by economic and market conditions in other countries, particularly in emerging market Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in past years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have a material adverse effect on the securities of entities in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability could also have a negative impact on the Indian economy. We may incur losses as a result of unforeseen or catastrophic events, including the emergence of pandemics, terrorist attacks, extreme weather events, natural disasters or other widespread health emergencies that could create economic and financial disruptions, and could lead to operational difficulties (including travel limitations) that could impair/impact our ability to manage our businesses, results of operations and financial condition.

4. ***The extent to which the Coronavirus disease (COVID-19) may affect our business and operations in the future is uncertain and cannot be predicted.***

COVID-19 spread to a majority of countries across the world, including India, in the calendar year 2020. The World Health Organization declared the outbreak of COVID-19 to be a public health emergency of international concern on January 30, 2020, and a global pandemic on March 11, 2020. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial and real estate markets. Public health officials and governmental authorities have responded by taking measures, including in regions where the assets of the Portfolio are located, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing “stay-at-home” orders and restricting the types of businesses that may continue to operate

from their premises, among others. On March 14, 2020, India declared COVID-19 as a "notified disaster" under the Disaster Management Act, 2005 and imposed a nationwide lockdown from March 25, 2020 onwards. The lockdown lasted until May 31, 2020 and has been extended periodically by varying degrees by state governments and local administrations. For the three-month period ended June 30, 2020, India's GDP contracted by 23.9% according to the Department of Economic Affairs of India, primarily on account of the nationwide lockdown imposed by the Government to curb the spread of COVID-19. For the three months ended September 30, 2020, India's GDP contracted by 7.5% (according to the Department of Economic Affairs of India). The lifting of the lockdown across various regions has been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices.

Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on us and our tenants' business and operations in the future. The COVID-19 pandemic may affect our ability to make distributions to investors in a number of ways such as:

- it may require the office parks in the Portfolio to be shut, partially or completely, as a result of restrictions imposed by the state governments or the central government;
- it may affect the operations, including causing the bankruptcy, of the tenants occupying the assets in the Portfolio and their ability to pay rents on time and/or in full, leading to associated litigation or an impact on receivables;
- it may result in a slowdown in obtaining new lease commitments due to a general economic slowdown, or cost pressure faced by potential tenants;
- it may affect our ability to re-lease space that is or that becomes vacant or lead to re-leasing at below- market rental rates or at lower rental rates compared to before the COVID-19 pandemic;
- it may result in delays in the execution and registration of lease agreements and renewal agreements;
- it could adversely impact our ability to service our debt obligations, comply with the covenants in our financing agreements and could result in events of default and the acceleration of indebtedness;
- the resultant weaker economic conditions could result in an impairment in the value of the assets in the Portfolio;
- it could result in tenants overhauling their business models and switching to a work-from-home model, which could reduce the overall demand for commercial real estate and the office parks in the Portfolio, which may result in vacancies at our office parks;
- in recent months, tenants have sought, and may continue to seek deferrals or moratoria on their rental payments, ask to modify their obligations under the lease agreements or prematurely terminate the lease agreements;
- it may result in claims by tenants, including in relation to interpretation of lease terms such as force majeure clauses which could result in disputes with tenants;
- it may affect our ability to access capital on commercially acceptable terms, or at all, and any further disruption or instability in global financial markets or deterioration in credit and financing conditions
- or downgrade of its or India's credit rating may affect our access to capital and other sources of funding necessary to fund our operations or address maturing liabilities on a timely basis;
- it may result in delays in the completion of construction of properties on account of lockdowns and work stoppages, disruption in the supply of materials or availability of labour, such delays may also result in an increase in the cost of construction and result in return on investment to be less than that projected;
- it may require us to implement de-densification measures imposed under applicable regulations, or sought by tenants, which may result in an increase in capital expenditure and costs;
- it may affect our ability to execute our growth strategies and identify and complete acquisitions or expand into new markets;
- it may increase vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware and impersonation tactics, resulting from the increase in numbers of individuals
- working from home;
- it may result in an increase in operational costs as a result of additional cleaning of premises required or hiring of additional support staff;
- it may result in imposition of operational guidelines or other conditions on landlords to protect the health and safety of personnel working at office parks, which may result in additional costs;
- it may result in governmental authorities enacting laws or regulations to restrict the ability of landlords to collect rent for a certain period of time or enforce remedies for the failure to pay rent; and
- the potential negative impact on the health of our personnel, particularly if a significant number of them are affected by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

On account of COVID-19, we have provided temporary rent waivers to certain tenants (such as food court operators and retail tenants) leading to reversal of revenues at certain assets for H1FY2021. Tenants have been, and may in the future be, required to suspend operations at our properties. Further, in H1FY2021, we received lower CAM income at some of our assets due to the reduction in operating hours of our tenants due to COVID-19 related social distancing measures.

In addition, our hospitality operations also had a decline in revenues during H1FY2021, due to lower occupancy, as a result of the impact of COVID-19.

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

Our growth strategy in the future may involve strategic acquisitions of commercial properties and other assets, including pursuant to the ROFO Deed with the Embassy Sponsor.

We may not be able to identify or conclude appropriate or viable acquisitions in a timely manner or at all. Further, given that we would be classified as a REIT that is not Indian owned and controlled, any future investment in holding and special purpose vehicles made by us will also be classified as downstream investment and acquisition and investment of assets will be subject to compliance with the downstream investment guidelines under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and conditions for investment in real estate.

We may face active competition in acquiring suitable and attractive properties from other property investors, including other REITs, property development entities and private investment funds. There is no assurance that we will be able to compete effectively against such entities and our ability to make acquisitions under our strategy or acquisitions that are accretive may be adversely affected. Even if we were able to successfully acquire properties or other investments, there is no assurance that we will achieve our intended return on such acquisitions or investments.

Future acquisitions may cause disruptions to our operations and divert management's attention away from day-to-day operations. Newly acquired properties may require significant management attention that would otherwise be devoted to our ongoing business. Despite pre-acquisition due diligence, we do not believe that it is possible to fully understand a property before it is owned and operated for an extended time. In addition, our acquisition selection process may not be successful and may not provide positive returns to Unitholders. For example, the expected benefit, synergies or efficiencies from such acquisitions may take longer than expected to achieve or may not be achieved at all.

We may acquire properties subject to both known and unknown liabilities and without any recourse, or with only limited recourse to the seller. As a result, if a liability were asserted against us arising from our ownership of those properties, we might have to pay substantial sums to settle such claims, which could adversely affect our cash flow. Unknown liabilities with respect to properties acquired might include defects in title and inadequate stamping/ registration of conveyance deeds and lack of appropriate approvals/ licenses in place.

Given the lock-in restrictions under the SEBI REIT Regulations, we will be required to hold any completed and rent generating property, under construction property or completed but not rent generating property acquired by us, for a minimum period of three years from the date of purchase or completion of such property. Accordingly, our ability to divest from these projects will be limited.

We are also required to distribute at least 90% of our net distributable cash flows to Unitholders. Accordingly, our ability to undertake any future acquisition will depend on our ability to raise further funds from investors through a fresh issue of Units and/ or to raise debt financing, which will be subject to the leverage ratios prescribed under the SEBI REIT Regulations and applicable laws. For risks in relation to restrictions on sources of funding, see "*We may not be able to successfully meet working capital or capital expenditure requirements of our Portfolio Assets due to the unavailability of funding on acceptable terms*" on page 38.

6. ***We have a limited operating history and may not be able to operate our business successfully or generate sufficient cash flows***

The Embassy REIT was settled as an irrevocable trust on March 30, 2017 and registered with SEBI as a real estate investment trust on August 3, 2017. We acquired the Portfolio around March 25, 2019, and were listed on April 1, 2019 and have a limited operating history by which our performance may be judged. Accordingly, there is no assurance that we will be able to achieve our investment objectives. There can be no assurance that our future performance will be consistent with the past financial performance included elsewhere in this Information Memorandum.

Further, pursuant to the ETV Acquisition, we have assumed the existing liabilities of the ETV and Embassy TechVillage. Although we have conducted due diligence in relation to the ETV Acquisition with the objective of identifying any material existing liabilities, we may not have been able to identify all such liabilities prior to the completion of the ETV Acquisition. The terms of the agreements for the ETV Acquisition contain limited representations and warranties, which are qualified by the sellers' knowledge. There are also indemnities, which are limited on account of monetary and time limits among other limitations, which will limit our recourse under these agreements. Any losses or liabilities suffered by us in relation to ETV for which we are unable to recover under these agreements will materially adversely impact our

results of operations, profitability, cash flows, the trading price of our Units and our ability to make distributions to investors.

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

Our revenues from operations are concentrated in a few large tenants, the technology sector and from a few integrated office parks in our Portfolio, as follows:

- *Tenant concentration*— our Gross Rentals as of September 30, 2020, March 31, 2020, 2019 and 2018 from our top 10 tenants amounted to 42.3%, 42.0%, 41.5% and 44.8%, respectively of our combined Gross Rentals as of these dates. These tenants accounted for 43.7%, 44.0%, 44.3% and 47.8% of our Occupied Area as of September 30, 2020 and March 31, 2020, 2019 and 2018, respectively. Of these, our existing top two tenants, a leading technology company and Cognizant accounted for 21.1%, 20.9%, 23.9% and 26.2% of our combined Gross Rentals as of September 30, 2020 and March 31, 2020, 2019 and 2018, respectively and 27.5%, 27.1%, 29.2% and 30.3% of our Occupied Area as of September 30, 2020 and March 31, 2020, 2019 and 2018, respectively. As at September 30, 2020, our existing top two tenants accounted for 16.3% of the combined Gross Rentals of our Portfolio (on the assumption that the ETV Acquisition was completed as of September 30, 2020). As at September 30, 2020, the top 10 tenants accounted for 36.5% of the combined Gross Rentals of our Portfolio (on the assumption that the ETV Acquisition was completed as of September 30, 2020).

- *Sector concentration*— Tenants in the technology industry accounted for approximately 49.6%, 49.6%, 49.4% and 49.4% of our combined Gross Rentals and 56.1%, 56.1%, 57.0% and 58.2% of our Occupied Area as of September 30, 2020, and March 31, 2020, 2019 and 2018, respectively. Further, we are required by the terms of the lease deeds, grant documents or sale deeds with certain regulatory authorities to lease a proportion of our Portfolio Assets to tenants from the technology industry. For instance, NOIDA requires that 75% of the FAR for Embassy Oxygen, and Embassy Galaxy be utilized towards IT and ITeS facilities. For Embassy Quadron and Embassy TechZone, MIDC requires that all of the leased land be utilized towards IT, ITeS facilities and IT-related services. Embassy Quadron, Embassy Qubix, Embassy 247 and Embassy Techzone are registered as private IT parks which require not less than 80% of our leases to be to tenants from the IT/ITeS sector. The SEZ approvals received for Embassy Techzone, Embassy Manyata, Embassy Quadron, Embassy Qubix and Embassy Oxygen are for setting up technology sector specific SEZs. The SEZ approval received for Embassy TechVillage is also for setting up an SEZ engaged in the area of IT/ITeS. Accordingly, our Portfolio may continue to feature concentration in the technology industry. Such concentration may limit our ability to select tenants on more favorable terms and make our portfolio more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting the technology industry.

  As at September 30, 2020, tenants in the technology industry accounted for approximately 44% of our combined Gross Rentals (on the assumption that the ETV Acquisition was completed as of September 30, 2020).

- *Park and submarket concentration*—Our Portfolio is located across key markets of India, namely Bengaluru, Pune, NOIDA and Mumbai. For H1FY2021 and FY2020, in terms of our SPV-wise segment revenues included in our Consolidated Financial Statements and our Condensed Consolidated Interim Ind AS Financial Statements, revenue from operations from MPPL, which owns Embassy Manyata amounted to 48.78% and 41.00%, respectively of our consolidated revenue from operations. For FY2019 and FY2018, in terms of our SPV-wise segment revenues included in our Combined Financial Statements and Condensed Combined Financial Statements, revenue from MPPL amounted to 43.38% and 45.87% of our combined revenue from operations.

- *City concentration*—Of our total Leasable Area (including 100% of the Leasable Area for the Investment Entity) as of September 30, 2020, 53.5% comprised Leasable Area in Bengaluru, which includes Embassy Manyata, Embassy Golflinks and Embassy One. Further, in terms of our SPV-wise segment revenues included in our Condensed Consolidated Interim Ind AS Financial Statements for H1FY2021 and Consolidated Financial Statements for FY2020, revenues from assets in our Portfolio located in Bengaluru (MPPL, which owns Embassy Manyata; and UPPL, which owns Hilton at Embassy Golflinks) and Pune (EOPPL, which owns Embassy TechZone; QBPPL, which owns Embassy Qubix; and QBPL, which owns Embassy Quadron) represented 53.9% and 17.9% respectively of our total revenue from operations and for H1FY2021, revenue from these assets represented 56.6% and 15.5% respectively of our total revenue from operations. The ETV Acquisition is further expected to increase our presence in Bengaluru. As at September 30, 2020, 63.6% of our pro forma Leasable Area (including 100% of the Leasable Area for the Investment Entity and the Leasable Area of Embassy TechVillage) comprised Leasable Area in Bengaluru. Further, for FY2020, pro forma revenues from assets in our Portfolio located in Bengaluru represented 54% of our total pro forma revenue from operations and for

H1FY2021, revenue from assets in our Portfolio located in Bengaluru represented 61.1% of our pro forma total revenue from operations.

We expect that in the future a limited number of large tenants, the technology sector, specific integrated parks and submarkets will continue to comprise a large percentage of our consolidated revenue from operations. Accordingly, our financial condition, results of operations and ability to make distributions to Unitholders may be materially and adversely affected by the downturn in the businesses of one or more of these tenants, non-renewal or early termination of leases for any reason, economic and other factors that lead to a downturn in the technology sector or the submarkets in which these parks are located. If we are unable to diversify our tenant base, in or diversify into new submarkets, we may experience material fluctuations or decline in our revenue, because of which our financial condition and results of operations could be materially and adversely affected.

8. ***If we are not successful in integrating ETV, our business, and results of operations and financial condition may be adversely impacted and we may incur exceptional expenses, impairment or write- offs.***

In December 2020, the Embassy REIT completed the acquisition of: (i) 100% of the equity share capital of EOVPL and the associated business of common area maintenance services (EOVPL in turn holds 60% of VTPL); (ii) 40% of the equity share capital of VTPL held by the Third-party Shareholders; and (iii) 100% of the equity share capital of SIPL and the associated business of common area maintenance services.

We could have difficulty in assimilating ETV's personnel, operations and technology into our operations. Transitioning these assets from ETV to our business could be particularly difficult due to different corporate cultures and values, business practices and other intangible factors. These difficulties could disrupt our ongoing business, distract our management and current employees and increase our expenses, including causing us to incur significant one-time expenses, impairment charges and write-offs. In addition, while we believe that synergies would result from the ETV Acquisition, there is a risk that such synergies may not actually occur or the extent of synergies actually recognized may not be as expected.

Other risks associated with the ETV Acquisition include:

- the difficulty of maintaining uniform standards, controls, procedures and policies throughout our business;
- accurately judging micro-market dynamics, growth potential and competitive environment applicable to ETV;
- incurring unknown or unexpected potential liabilities;
- obtaining, maintaining and complying with the conditions prescribed under necessary permits, certificates, licenses and approvals from governmental and regulatory authorities and agencies; and
- higher than planned expenditure to preserve and grow the value of ETV.

This could materially and adversely affect our business, results of operations and financial condition. The Financial Statements do not include the pro forma condensed combined financial statements which were prepared on the assumption of completion of the ETV Acquisition as on September 30, 2020. Prospective investors may access the such pro forma financials, available on the Embassy REIT and stock exchange websites, although due caution is advised when accessing and placing reliance on information available in the public domain, including through the Embassy REIT's website.

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

We derive a significant portion of our revenue from rental income of our real estate properties in India.

Leases with tenants across our Portfolio may expire and may not be renewed. Tenants with a presence across multiple assets in our Portfolio may also decide to move out of some or all of their rented units in our Portfolio. The Asset SPVs and Investment Entity may face delays in finding suitable tenants which could also have an adverse impact on the revenue from the Portfolio Assets and the Portfolio Investment, and could impact our ability to comply with the investment conditions prescribed under the SEBI REIT Regulations. Typically, lease rentals from specific assets (and, in certain cases, specific tenants) are charged to lenders towards repayment of amounts borrowed from such lenders. For further details on security over lease rentals, see "*Financial Indebtedness"* on page 49. In case of termination of the lease deeds, the relevant Asset SPV or the Investment Entity will be required to make alternate arrangements to pay the monthly instalments to the lenders, failing which we could be in breach of the facility agreements. See also, "*We may utilize a significant amount of debt in the operation of our business, and our cash flows and operating results could be adversely affected by required repayments or related interest and other risks of our debt financing.*" on page 24.

Further, the rental rates of the Portfolio depend upon various factors, including but not limited to prevailing supply and demand conditions as well as the quality and design of the Portfolio. Further, our tenant leases may face disruptions due to the COVID-19 pandemic. For further details, see "*Risk Factors - The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations.*" We cannot assure you that the demand for our properties will grow, or will remain stable, in the future. There is no assurance that the Manager will be able to procure new leases or renew existing leases at prevailing market rates. We also typically enter into pre-committed lease arrangements with potential tenants and any changes to or delay in execution or non-execution of the final lease agreements or agreements to lease may adversely affect our business, cash flows and results of operations. As a result, if vacancies continue for a longer period of time than we expect or indefinitely, we may suffer reduced revenues, which may have a material adverse effect on our financial performance.

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

We focus primarily on real estate projects in the commercial segment of the real estate industry. Going forward, we believe that the success of our projects depends on the general economic growth of and demographic conditions in India. In addition, the condition of the real estate sector in India, particularly market prices for developable land and the leasing of finished offices, has and will continue to have a significant impact on our revenues and results of operations.

Real estate markets are historically cyclical, and a recession, slowdown and/or downturn in the real estate market as well as in specific sectors where our tenants are concentrated, such as the technology sector, increase in property taxes, changes in zoning laws, availability of financing, rising interest rates, increasing competition, unavailability of raw material, fuel and labour, or an increase in their costs, adverse changes in the financial condition of tenants, increased bargaining power of tenants and increased operating costs, disruptions caused on account of pandemics such as the COVID 19 pandemic, among others, may lead to a decline in demand for office space forming part of the Portfolio, which may adversely impact rental income from such assets or result in a decline of the capital value of the Portfolio. This may have an adverse impact on our results of operations and financial condition. We could also be affected by any overall weakening of, or disruptions in, the financial markets. Any of the foregoing events could result in substantial losses to our business.

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

The Embassy REIT owns 50% of the equity shares of GLSP through EOPPL. GLSP is classified as a portfolio investment in unlisted equity shares of a company under Regulation 18(5)(da) of the SEBI REIT Regulations and accordingly is not a special purpose vehicle as per the SEBI REIT Regulations, including Regulation 18(4). Accordingly, the distribution conditions applicable to SPVs under the SEBI REIT Regulations are not applicable to GLSP, and any distribution of cash flows from GLSP would be subject to the consent of the JV Partners. For details on the relationship in GLSP, see "*Risk Factors – If we are unable to maintain relationships with other stakeholders in our Portfolio, our financial conditions and results of operation may be adversely affected*" on page 32.

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

As per Ind AS 36, we are required to assess (at the end of each reporting period) whether there is any indication that an asset may be impaired. If any such indication exists, we are required to estimate the recoverable amount of the asset and record impairment loss when the recoverable amount is higher than the carrying value of the asset to ensure that our assets are carried at no more than their recoverable amount. If the carrying amount of an asset exceeds the amount to be recovered through the use or sale of the asset, the asset is described as impaired and an impairment loss is recognised. Various uncertainties, including deterioration in global economic conditions that result in upward changes in cost of capital, increases in cost of completion of such assets and the occurrence of natural disasters that impact our assets, could impact expected cash flows to be generated by such assets, and may result in impairment of these assets in the future.

13. ***The Portfolio is undergoing certain internal restructuring.***

EOPPL, one of the Secured SPVs, along with MPPL and EPTPL, have submitted a composite scheme of arrangement before the National Company Law Tribunal, Bench, at Mumbai seeking inter-alia (i) the demerger, transfer and vesting of the business undertaking comprising of Embassy TechZone of EOPPL into EPTPL on a going concern basis, in consideration for which the REIT (as shareholder of EOPPL) will be issued shares in EPTPL as per the share exchange ratio contemplated under the composite scheme of arrangement; followed by (ii) the amalgamation of EOPPL into MPPL on a going concern basis, in consideration for which the REIT (as shareholder of EOPPL) will be issued shares in MPPL as per the share exchange ratio contemplated under the composite scheme of arrangement. Post the consummation of the transactions contemplated by the composite scheme of arrangement, it is expected that (i) MPPL will become a holding company of the Embassy Office Parks REIT, holding Embassy Manyata, 80% of the share capital of EEPL (an existing

SPV of Embassy Office Parks REIT); and 50% of the share capital of GSPL, (the existing Investment Entity of Embassy Office Parks REIT); and (ii) EPTPL will become a directly held SPV of Embassy Office Parks REIT holding Embassy TechZone, an existing asset of the Embassy Office Parks REIT.

Further, EOPPL has submitted a company petition dated June 1, 2020 before the National Company Law Tribunal, Mumbai bench, for the reduction of its share capital with a view to reduce accumulated losses by setting the losses off against the balance in the securities premium account. The proposed capital reduction is subject to the receipt of necessary statutory and regulatory approvals under applicable laws, including the approval of the National Company Law Tribunal, Mumbai Bench.

Further, VCPPL and ETPL have filed applications dated August 14, 2019 and August 28, 2020, respectively, before the NCLT, Mumbai, for reduction of share capital with a view to write off some portion of accumulated losses against the balance in the securities premium account. The proposed capital reductions are subject to the receipt of applicable statutory and regulatory approvals.

We cannot assure you if we will receive the necessary consents and approvals to undertake the proposed restructuring or proposed capital reduction, or if the proposed restructuring in the manner contemplated will be completed within the proposed timelines or at all.

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

The table below sets forth our contingent liabilities as per Ind AS 37, as of September 30, 2020:

	As of September 30, 2020 (Rs. In million)
Claims not acknowledged as debt in respect of Income-Tax matters	444.57
Claims not acknowledged as debt in respect of Service Tax matters	730.10
Claims not acknowledged as debt in respect of Property Tax matters	3,313.08

If any of our contingent liabilities materialize, it could have an adverse effect on our financial condition, results of operations and cash flows.

Further, MPPL has entered into various agreements with the Embassy Sponsor in relation to the development of the under-construction portion of Embassy Manyata, pursuant to which the Embassy Sponsor will undertake the construction and development management of such properties. The Embassy Sponsor has granted a 30-year lease (renewable for an additional period of 30 years) to such under construction portion. The payments to be made by or to Embassy Manyata are not fixed and are to be computed based on several factors including pre-defined leasing timelines, construction progress and net operating income. The contingencies related to such payment may have an impact on the result of operations of the Embassy REIT.

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

We rely on third party operators to successfully operate and manage certain Portfolio Assets. Our results of operations may be adversely affected if we fail to effectively oversee the functioning of third-party operators. Certain Portfolio Assets are currently and are proposed to be operated and managed by third parties which have significant decision-making authority with respect to the management of these properties. Accordingly, our ability to direct and control how certain of our properties are managed on a day-to-day basis may be limited because other parties will be engaged to perform this function. For instance, for the facility management of our Portfolio, which involves housekeeping, security, repairs and maintenance, we rely on (and propose to rely on) third party service providers over whom the Manager has limited or no control. These service providers may further sub-contract some of the tasks assigned to them. Further, our hotel operators have been granted varying degrees of control and discretion in the construction, management and operation of the individual hotel properties under the terms of management agreements. The hotels at Embassy TechVillage are also proposed to be constructed, managed and operated under similar arrangements. Embassy Golflinks is and will continue to be managed by a joint venture between our Manager and a third party (which manages day-to-day activities such as periodic filings with regulatory authorities and maintenance); and our solar operations are managed by a third party entity (directly, or through its sub-contractors). See "*Legal and Other Information*" on page 306 for details in relation to a petition filed against EEPL by a third party sub-contractor engaged by EEPL's service provider.

The operation and management of certain Portfolio Assets are also undertaken in accordance with specific by-laws pursuant to which management (including decisions on usage of common area) is undertaken by a board of members comprised of representatives from entities which have purchased units in the relevant Portfolio Asset. See "*Risk Factors—If we are unable to maintain relationships with other stakeholders in our Portfolio, our financial conditions and results of operation may be adversely affected.*" on page 32.

We also rely on third party service providers for certain aspects of our business, including for certain information systems, technology, administration and maintenance of corporate secretarial records. Any interruption or deterioration in the performance of these third parties, failures of their information systems and technology, or termination of these arrangements or other problems in our relationships with these third parties, could impair the quality of our operations, affect our reputation and adversely affect our business.

If we do not select, manage and supervise appropriate third parties to provide these services, our reputation and financial results may suffer. Despite our efforts to implement and enforce strong policies and practices regarding service providers, we may not successfully detect and prevent fraud, misconduct, incompetence or theft by our third-party operators. In addition, any removal or termination of third party operators would require us to seek new operators, which would create delays and adversely affect our operations. Poor performance by such third-party operators will reflect poorly on us and could significantly damage our reputation. In the event of fraud or misconduct by a third party, we could also be exposed to material liability and be held responsible for damages, fines or penalties and our reputation may suffer.

Further, third party service providers, sub-contractors and operators may decide to charge us higher rates for their services because of the COVID-19 pandemic, which may affect our margins and net distributable cash flows available for distribution.

16. ***Compliance with, and changes in, environmental laws and regulations could adversely affect the development of our properties and our financial condition.***

We are subject to environmental, health and safety regulations in the ordinary course of our business. If we face any environmental concerns during the development of a property or if the government introduces more stringent regulations, we may incur delays in our estimated timelines and may need to incur additional expenses. Under these laws, owners and operators of property may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, any environmental damage or pollution and the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. Failure to comply with these laws can result in penalties or other sanctions. Further, environmental approvals are typically subject to ongoing compliance in the form of monitoring, audit and reporting norms, under, *inter alia*, central and state-specific environmental regulations and the Electricity Act and rules. We cannot assure you that all ongoing compliance or periodic filings which are required to be made in relation to our Portfolio have been made in a timely manner, or at all. Some of the environmental approvals may not be in place or not applied for or may have expired in the ordinary course of business, for which we have made applications or are in the process of making applications with the relevant authorities which are pending as of the date of this Information Memorandum. These include applications made for, environmental clearance, consent to operate, and revalidation of environmental clearance for certain under construction portions of the Portfolio Assets. These include applications made for Embassy Manyata, Embassy Oxygen and Embassy Techzone. Further, there may be certain approvals for which an application has not been made and certain approvals for which an application has been made but the approval is awaited, as of the date of this Information Memorandum, including applications made for consent to operate for Express Towers from the Maharashtra Pollution Control Board. While no claims have been made or actions been taken by the relevant authorities in relation to any environmental approvals which have expired as of date, we cannot assure you that such action may not be taken by the concerned authorities, which may adversely impact our ability to continue operating the relevant project in a profitable manner, or at all. Further, in case of certain Portfolio, the ongoing compliances under various environmental approvals are undertaken by third parties, over which the relevant Asset SPV or Investment Entity may have little or no control.

Compliance with new or more stringent environmental laws or regulations or stricter interpretation of existing laws may require material expenditure by us. We cannot assure you that future laws, ordinances or regulations will not impose any material environmental liability or that the current environmental condition of our assets will not be affected by existing conditions of the land, operations in the vicinity of the assets or the activities of unrelated third parties. In addition, we may be required to comply with various local, state and federal fire, health, life-safety and similar regulations. Failure to comply with applicable laws and regulations could result in fines and/ or damages, suspension of personnel, civil liability or other sanctions.

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

The operation of certain of our assets depends on our relationships with other partners, shareholders and stakeholders. For instance, the FIFC condominium, which operates and maintains FIFC, is subject to the FIFC By-Laws, pursuant to which, *inter alia*, for so long as certain condominium unit holders meet certain conditions, including holding a certain percentage of voting rights, prior written consent is required for the use of some areas of the condominium for the financial services business. Further, such condominium unit holders may be entitled to a right of first offer to acquire any premises in FIFC. Also, the conversion of certain common areas and facilities for the exclusive use of ETPL will require consent of a

minimum threshold of the condominium unit owners and the MMRDA, and some condominium unit owners shall also be entitled to future development rights in the property.

GLSP, in which we own only a 50% stake as an investment, is a 50:50 venture between the EOPPL and a third party. We are neither holding a majority of the equity shareholding or interest in GLSP, nor have the right to appoint the majority of the board of directors on GLSP. Further, the business, operations and the relationship between EOPPL and the joint venture partner is as governed under the terms of the shareholders agreement, which also has customary affirmative rights for both shareholders, including on declaration of dividend distributions. Resolution of deadlocks (if any) in the operation of GLSP may not be in our favour as the third party is entitled to a casting vote in such situations.

Further in respect of Embassy Manyata, we own undivided right, title and interest in three floors each of two buildings aggregating 2.653 acres whereas undivided right, title and interest in the remaining portions of the buildings are owned by a third party.

Whilst, historically, the Sponsors have had good relationships with partners, minority shareholders and other stakeholders, we cannot assure you that the same level of relationship will be maintained post the Listing Date. Any deterioration of the relationship could have an adverse impact on the management of the Asset SPVs and the Investment Entity and on the operations and maintenance of our Portfolio Assets and Portfolio Investment, which could adversely affect our financial conditions and results of operation.

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

We are committed to ensure the safety and security of our tenants, hotel guests, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cybercrime, pandemics, fire and day-to-day accidents, incidents, health crisis of guests and petty crime which impact the guest or employee experience, could cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact our reputation. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose us and our assets to significant reputational damage. Any accidents or any criminal activity at our properties may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. We may also rely upon contract labour in relation to the development work undertaken at our under-construction properties, and are exposed to risks related to stringent labour legislation relation to engagement of contract labour and dispute resolution. Our Asset SPVs, our Investment Entity or our Manager may (as principal employers) become liable to persons working at our premises in case of any accidental death or grievous injury. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation and cause a loss of consumer confidence in our business.

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

We seek to diversify our geographical footprint, to reduce our exposure to local and cyclical fluctuations and to access a more diversified tenant and guest base across geographies. We intend to strengthen and expand our portfolio to newer geographies across India which typically attracts high quality domestic and multinational blue-chip corporate tenants. However, we cannot assure you that we will be able to grow our business in these markets. Inability to access infrastructure, certain logistical challenges in these regions and our relative inexperience with certain newer markets, may prevent us from expanding our presence in these regions. Further, we may be unable to compete effectively with the services of our competitors who are already established in these regions. Demand for our services may not grow as anticipated in certain newer markets. If we are unable to grow our business in such markets effectively, our growth, business prospects, results of operations and financial condition may be adversely affected.

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

Our Portfolio require various approvals, licenses, registrations and permissions from the Government, local bodies and other regulators, for operating their respective business. A number of our approvals are subject to numerous terms and conditions, a failure to comply with these terms and conditions may result in an interruption of our business operations and may have a material adverse effect on our business operations, future financial performance, and in the cases of projects under development, in relation to completion of such projects. We have not obtained certain approvals and some of our approvals may have expired in the ordinary course, our Asset SPVs and Investment Entity have either applied, or are in the process of applying for renewals of them. Such non-compliance may result in investigation or action by the Government, or payment of fines. Certain portions of our assets are also currently under construction and subject to obtaining regulatory approvals. For certain blocks in some assets within our Portfolio Assets, we may not have fully complied with sanctioned plans, conditions regarding the permitted use of the built up areas (for instance, Express Towers

is presently using the plaza floors i.e., 2nd, 13th and 24th floors for office use and not for any recreational purposes), and conditions regarding the total area to be constructed/built, obtained the occupancy certificates, the building completion certificates, or both. In addition to the above, there may be certain approvals such as approvals for use of land, lift licenses, trade licenses, Fire NOCs, approvals for maintaining diesel generator sets, petroleum and battery storage licenses and public performance licenses which have not been maintained on an ongoing basis by our Portfolio Assets. Also see "*Legal and Other Information*" on page 306.

Also, in EEPL, the land required for our solar project is under various stages of acquisition. The acquisition process involves a number of regulatory approvals and processes including approvals for conversion of agricultural land for non-agricultural use, approvals under the Karnataka Land Reforms Act, 1961, mutation of land records to reflect our title to the land etc. As on the date of this Information Memorandum, a significant portion of the land on which our asset are located is agricultural land, the use of land has not yet been approved by the authorities to be converted into non-agricultural use as required to carry out commercial operations thereon. Further, the mutation of records for a portion of land parcels acquired by us as on date is pending. Further, given that a significant portion of the acquisition process is still underway, and we do not hold legal title to a portion of the land on which this asset is located. Landowners from whom we seek to acquire land for our Portfolio Assets may challenge the conversion or title transfer and there may be delays in the process. There can be no assurance that our Portfolio Assets will not be held in violation of their permissions from land authorities or that approvals for conversion to non-agricultural land will be granted or that we will be able to acquire legal title to any remaining land to be acquired. Any of these will result in material and adverse consequences to the Portfolio Assets, including delay or cancellation and/ or the imposition of other penalties and fines.

Our business is subject to various covenants and local state laws and regulatory requirements, including permitting, licensing and zoning requirements. Local regulations, including municipal or local ordinances, restrictions and restrictive covenants imposed by community developers may restrict our use of our assets and may require us to obtain approval from local officials or community standards organizations at any time with respect to our assets. Additionally, such local regulations may cause us to incur additional costs to renovate or maintain our properties in accordance with the particular rules and regulations. We cannot assure you that existing regulatory policies or any changes to such policies will not adversely affect us or the timing or cost of any future acquisitions, or that additional regulations will not be adopted that would increase such delays or result in additional costs.

Our business and growth strategies may be materially and adversely affected by our ability to obtain permits, licenses and approvals. Our failure to obtain or maintain such permits, licenses and approvals could have a material adverse effect on us.

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

Some of our Portfolio Assets are located on land leased from the KIADB, MMRDA, MIDC and NOIDA, subjecting the relevant Asset SPVs to certain terms and conditions which we may not be in compliance with and which may adversely affect our title to the underlying land and to otherwise operate our business or monetize our assets.

The Portfolio Assets are required to comply with certain terms and conditions, such as land use and use of built-up areas for specific purposes, utilization of space as per FSI/FAR norms, development control regulations, intimation for assignment of leasehold rights, compliance with milestones for completion of construction, etc. We are also required to obtain approvals for construction, certificates for occupancy and building completion, permission for sub-leasing/ licensing of property, etc. We are in certain instances also required to provide indemnities against claims arising from any damage to adjoining buildings, preference in employment to persons from whom the land was initially acquired by the relevant authority and payment of transfer fees in the event of any transfer of a plot/ gala (after the first such transfer).

We cannot guarantee that the relevant SPVs and holdco will be able to satisfy all or any of the conditions stipulated in the underlying lease agreements or whether they are currently in compliance with such conditions. For instance, utilization of space in some of our assets may exceed the permissible FAR, or may be in non-compliance with the permitted use of the underlying land. Further, there is no assurance that we have obtained, or will be able to obtain permissions from MIDC, NOIDA, SEZ authorities or the KIADB for leases entered into by such Asset SPVs. While the lease deeds executed with our tenants specifically include the purpose for which the premises can be utilized or any other compliance which they may be required to carry out, we do not regularly monitor the premises to ensure that the tenant complies with the terms of the lease deeds executed with them and the Portfolio Assets. Such non-compliance may result in investigation or action by the Government, including revocation/ termination of lease, demolition of the construction or payment of fines. In the event that our leases are revoked, not renewed or terminated prematurely or other adverse developments resulting from these matters or other matters described below occur, these could have a material and adverse effect on the SPVs and holdcos., and in turn impact our business, financial conditions and results of operations. For example, some of our

Portfolio Assets have in the past received notices from regulatory authorities relating to alleged non-compliance with the terms of the leases entered into with lessors, including, leasing and construction of certain parts of the premises without requisite permission, irregularities in construction, use of premises for purposes other than the permitted use, and non-availability of completion certificates. There are also litigations relating to certain of our Portfolio Assets. There are also litigations relating to certain assets in the Portfolio Assets and Portfolio Investment.

Further, in relation to certain land underlying Embassy TechVillage, the consent of the KIADB is required for, *inter-alia*, permission to sub-lease to tenants, permission for mortgages under certain circumstances and change in constitution/status of VTPL. KIADB also requires 80% of the employees working on the proposed industrial units to be Kannadigas on an overall basis, 100% of the jobs in case of certain categories are to be given to Kannadigas and the personnel officers in the industrial units to be Kannadigas. There is also title litigation in relation to Embassy TechVillage. For details, see "*Legal and Other Information*" on page 306.

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

We have entered into transactions with several related parties, in the normal course of business. These include making new or additional investments; acquisition of property, capital advances, lending of loans to Asset SPVs, interest and dividend income on such loans/investments, fees for services provided by related parties to REIT etc. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest, and it may be deemed that we could have achieved more favorable terms had such transactions not been entered into with related parties.

Certain of our service providers or their affiliates (including accountants, administrators, lenders, brokers, attorneys, consultants, title agents, property managers and investment or commercial banking firms) may also provide goods or services to or have business, personal or other relationships with the Embassy Sponsor or the Blackstone Sponsor Group. Such service providers may be investors in us, affiliates of the Manager, sources of financing and investment opportunities, co-investors or commercial counterparties or entities in which the Embassy Sponsor or the Blackstone Sponsor Group or their respective affiliates have an investment, and payments by us may indirectly benefit the Embassy Sponsor or the Blackstone Sponsor Group or their respective affiliates. For instance, the project management, property management and facility management for the Portfolio Assets is carried out by related parties to the Sponsors, which may involve fees and/or servicing payments to affiliated entities of the Sponsors. In certain circumstances, service providers, or their affiliates, may charge different rates or have different arrangements for services provided to the Embassy Sponsor or the Blackstone Sponsor Group or their respective affiliates as compared to services provided to us, which in certain circumstances may result in more favorable rates or arrangements than those payable by us. In addition, in instances where multiple businesses of the Embassy Sponsor or the Blackstone Sponsor Group may be exploring a potential individual investment, certain of these service providers may choose to be engaged by other affiliates of the Embassy Sponsor or the Blackstone Sponsor Group rather than us. Moreover, certain employees of the Manager may have family members or relatives employed by such advisors and service providers. The Manager and/or its affiliates may also provide administrative services to us. These relationships may influence us and the Manager in deciding whether to select or recommend such a service provider to perform services for us or a portfolio property (the cost of which will generally be borne directly or indirectly by us or such portfolio property, as applicable). Additionally, in determining whether to invest in a particular property on our behalf, the Manager may consider the long-term relationships of our Sponsors with involved parties, which may result in certain transactions that the Manager will not undertake on our behalf in view of such relationships. In the context of the agreements for the acquisition of the Portfolio, we may choose not to enforce, or to enforce less vigorously, our rights with respect to indemnification due to our ongoing relationship with the Sponsors and the Sponsor Group. Further certain properties owned by us may be leased out to tenants that are affiliates of the Embassy Sponsor or the Blackstone Sponsor, respectively, which would give rise to a conflict of interest.

Also, it is likely that we will enter into additional related party transactions in the ordinary course of business, including any acquisitions pursuant to the terms of the ROFO Deed. Such transactions, individually or in aggregate, could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

The SEBI REIT Regulations specify the procedure to be followed for related party transactions. Specified policies and procedures implemented by the Manager, the Embassy Sponsor and the Blackstone Sponsor to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may from time to time reduce the synergies across the Manager's, the Embassy Sponsor's and the Blackstone Sponsor's various businesses that we expect to draw on for purposes of pursuing attractive investment opportunities.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Our solar operations are governed by various laws and regulations, including the Electricity Act, 2003, National Electricity Policy, 2005 and National Tariff Policy, 2016, environmental and labour laws and other legislations enacted by the GoI and the Government of Karnataka. Our business and financial performance could be adversely affected by any unfavorable changes in or interpretations of existing laws, or the promulgation of new laws. Any such changes and the related uncertainties in applicability, interpretation or implementation of any laws, rules and regulations to which we are subject may have a material adverse effect on our business, financial condition and results of operations.

We depend in part on government policies that support renewable energy and enhance the economic feasibility of developing renewable energy projects. The Government of Karnataka, the state where we have certain of the assets of the Portfolio, has historically provided incentives that support the generation and sale of renewable energy, and provide a favorable framework for securing attractive returns on capital invested. If any of these incentives or policies are adversely amended, eliminated or not extended beyond their current expiration dates, or if funding for these incentives is reduced, or if governmental support of renewable energy development, particularly solar energy, is discontinued or reduced, it could have an adverse effect on our ability to obtain financing, affect the viability of new renewable energy projects constructed based on current tariff and cost assumptions or impact the profitability of our existing projects. For instance, pursuant to its order dated May 14, 2018, the KERC held that all renewable power projects in Karnataka which had achieved commercial operation date between April 1, 2013 and March 31, 2018, shall be liable to pay 25% of the normal transmission charges and/ or wheeling charges, payable in cash, as determined by the KERC in its tariff orders issued from time to time. While the KERC order states that solar power projects commissioned on or earlier to March 31, 2018 shall continue with the existing concessional charges, the KERC order is presently under dispute before the High Court of Karnataka. In the event of cancellation of the exemption, EEPL would incur an estimated loss of approximately ₹1,053.50 million over a 10-year period. The High Court of Karnataka, by way of an order dated March 13, 2019, allowed the writ petitions filed by EEPL and others, and quashed the order dated May 14, 2018 issued by the KERC. However, the KERC has filed an appeal against the order. For further details, see "*Legal and Other Information*" on page 306. We cannot assure you that any further order passed by the court/tribunal will be in our favor, and an adverse order will constrain us to operate our solar operations in a less profitable manner, which will have an overall impact on our business condition and results of operations.

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

Our Asset SPVs and the Investment Entity are incorporated and registered as companies under the Companies Act, 1956 and the Companies Act, 2013. The Companies Act prescribes various compliance norms in relation to, *inter alia*, issuance of capital, corporate governance, related party transactions, corporate filings, appointment of certain personnel such as a company secretary and secretarial book-keeping. While our Asset SPVs and the Investment Entity conduct their operations in a manner compliant in material respects with the regulatory framework applicable to them, there have been instances in the past where the Asset SPVs and/ or the Investment Entity may not have been in compliance with a particular compliance or filing requirement, or there may have been a delay in such compliance or filing requirement. For example, there have been instances of the stamp duty not having been paid in relation to documentation in the underlying restructuring at the SPV level, where approvals obtained in the old name of an entity has not been replaced with a revised approval in the new name or where certain approvals have not been updated on an ongoing basis for changes in management. Further, there have been instances of our Asset SPVs and Investment Entity not being in compliance of ongoing requirements under the Companies Act, 2013 such as the appointment of a whole-time company secretary, and related party transactions. Additionally, in case of certain Asset SPVs, there have been instances in delay of filings in the past such as, *inter alia*, FLA returns under the foreign exchange regulations and form filings under other local laws. Further, there have been certain past instances of delay in making post-acquisition filings in relation to certain acquisitions. We cannot assure you that such instances will not occur in the future. Any non-compliance, or delay in filing under applicable laws will subject the relevant Asset SPV or the Investment Entity to a penalty, which may have an impact on the results of operations of such Asset SPV or the Investment Entity.

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

Some of our Asset SPVs are developers or co-developers of SEZs. The leasable area within Embassy Manyata, Embassy TechZone, Embassy Quadron, Embassy Qubix, Embassy Oxygen and Embassy TechVillage have been notified to be part of SEZs for IT/ITeS sectors. SEZ development results in several fiscal incentives and other benefits for SEZ tenants, including exemptions from income tax and indirect taxes. The income tax benefits available to the Asset SPVs as SEZ developers have phased out whilst for their tenants, income tax benefits are available on income earned by them on account

of the exports from the SEZs provided they commence operations in the SEZs on or before March 31, 2020. This may result in SEZs becoming less attractive for tenants in the future.

We are required to lease units to such of those tenants who have a valid letter of approval from the SEZ authorities. We cannot assure you that letters of approval for all existing tenants have been obtained, or that we will receive such approvals in the future for new tenants. Further, such letters of approvals expire in the ordinary course of business and are subject to periodic renewals. We cannot assure you that such letters of approvals will be received or renewed in a timely manner or at all. We could be deemed to be in breach of terms of our SEZ approvals for leasing units to tenants who do not have a valid approval. Based on industry practice, prior consents may not be obtained from the SEZ for entering into license agreements for certain areas or for construction of telecom towers, among other things in some of our assets. These areas constitute small portions of the projects.

SEZs are subject to restrictions and conditions prescribed by the Ministry of Commerce from time to time including restrictions on transfers of land and changes in shareholding. Failure to comply with the relevant restrictions and conditions could result in denotification of the SEZ status of the underlying land and/or imposition of penalties which could adversely affect our business and financial conditions.

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

There may be various legal defects and irregularities in the title to the lands or leasehold rights or development rights, right to use or other interests relating to the Portfolio Assets and Portfolio Investment, including inaccurate description of the land parcels, non-compliance with the process of conversion of land parcels during the process of devolution of title to land. These defects or irregularities may not be fully identified or assessed.

The Asset SPVs' rights or title in respect of these lands may be adversely affected by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favor of third parties, irregularities in the process followed by the land development authorities and other third parties who acquired the land or conveyed or mutation of the land in favor of the SPVs, irregularities or mismatches or lacuna in record-keeping, non-issuance of public notice prior to acquisition or when the title report is issued or updated, the absence of conveyance by all right holders, rights of adverse possessors, ownership claims of family members or co-owners or prior owners or other defects that we may not be aware of. For details, see "*Legal and Other Information*" on page 306.

Several of our Portfolio Assets, including Embassy TechVillage, and Portfolio Investment are located on land leased from various governmental authorities. While we may have validly obtained such land on lease from the relevant governmental authorities, we cannot assure you that the prior acquisition of land by the relevant lessor will not be questioned. For further details, refer to "*Legal and Other Information*" on page 306.

Legal disputes in respect of land title in India can take several years and can entail considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If such disputes are not resolved between the Asset SPVs and the claimants, the Asset SPVs may either lose their interest in the disputed land or may be restricted from further development thereon. The failure to obtain good title to a particular plot of land may impact the operations of the relevant asset, lead to write-off expenditures in respect of development and other adverse consequences.

The method of documentation of land records in India has not been fully computerized. Land records may be hand-written, in local languages, illegible or may not match with the approvals granted to us by regulatory authorities. Land records may also be untraceable or not always updated. Limited availability of title insurance, coupled with difficulties in verifying title to land, may increase the vulnerability of our Asset SPVs' title over the land that is part of the Portfolio. This could result in a delay in our selling the property or even a loss of title to the property, affect valuations of the property, or otherwise materially prejudice the development of the property which could in turn have a material and adverse effect on our business, financial condition or results of operations.

27. ***The audit report of our Statutory Auditors on the Audited Consolidated Financial Statements contains a matter of emphasis pertaining to certain property tax matters involving MPPL.***

The audit report to the Audited Consolidated Financial Statements contains a matter of emphasis pertaining to the uncertainty of pending cases, as regards property tax dues aggregating to ₹3,313.08 million payable by Manyata Promoters Private Limited, before various judicial forums as at March 31, 2020, in relation to which no provisions have been made

in the Audited Consolidated Financial Statements. Investors should consider these matters while evaluating our financial position, cash flows and results of operations. For further details see, "*Financial Statements"* on page 58.

28. ***Our leases are being accounted in accordance with Ind AS 116 with effect from April 1, 2019 and accordingly the financial information pertaining to leases for this period may not be comparable with past financial disclosure.***

The Ministry of Corporate Affairs has notified Ind AS 116 Leases the through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, which replaces the existing lease standard, Ind AS 17 Leases and introduces a single, on-balance sheet lease accounting model for lessees. Effective April 1, 2019, the REIT has adopted Ind AS 116 and applied the standard to all lease contracts existing on April 1, 2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

On transition, the REIT recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability measured on the transition date. Accordingly, a right-of-use asset of ₹312.10 million and a corresponding lease liability of ₹312.10 million has been recognised. The principal portion of the lease payments have been disclosed under cash flows from financing activities. The lease payments for operating leases as per Ind AS 17 – Leases, were earlier reported under cash flows from operating activities. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

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

Our Portfolio Assets will require capital expenditure periodically for refurbishments, renovation and improvements beyond our current estimates and we may not be able to secure funding for such capital expenditure, in a timely manner or at all. In addition, we also require funding for completion of construction of under construction areas. Our ability to raise funding is dependent on our ability to raise capital through fresh issue of Units and our ability to raise debt on acceptable terms.

Our ability to raise additional debt is subject to our consolidated borrowings and deferred payments not exceeding 49% of the value of our assets, as required under the SEBI REIT Regulations. In addition, the funding of real estate projects and real estate business is subject to extensive regulation and supervision resulting in limited fund-raising options available to us. For instance, external commercial borrowings and domestic debt from scheduled commercial banks cannot be utilized for making downstream investments in SPVs by way of subscribing for equity shares or compulsorily convertible securities of such downstream entity or for the acquisition of vacant parcels of land. Similarly, specific restrictions are applicable to our Asset SPVs with respect to raising funds.

We are also constrained in our ability to grant security over our land and over the shares of our Asset SPVs in favour of our creditors. For example, in order to create security over land leased from the MMRDA, NOIDA or the MIDC, we will require the consent of these authorities. Similarly, prior consent of NOIDA, MIDC and the SEZ authorities will be required for the creation of security interest over shares in the SPVs if invocation of such security interest will result in a change of control. In certain circumstances, we may also be required to obtain the consent of our tenants or hotel operators prior to availing of loans.

Further, debt raised by us may not be invested in our Asset SPVs owing to regulatory restrictions. For instance, as we would be considered a foreign owned and controlled entity, we are not permitted to leverage debt from domestic markets in order to make downstream investments. Further, debt that we provide to the Asset SPVs may be classified as 'deposits' in the Asset SPVs, requiring additional compliance. For further details, see "*—We may utilize a significant amount of debt in the operation of our business, and our cash flows and operating results could be adversely affected by required repayments or related interest and other risks of our debt financing.*" on page 24.

The availability of credit for real estate development is influenced by several macroeconomic factors, which could impact our business. Factors such as decreases in the market rates for development projects, delays in the release of finances for certain projects in order to take advantage of future periods of more robust real estate demand; decreases in rental or occupancy rates for the commercial properties; financial difficulties of key contractors resulting in construction delays; and financial difficulties of key tenants in the commercial and retail properties could impact the availability of credit. Our inability to raise adequate finances may result in our results of operations and business prospects being materially and adversely affected. Further, additional debt financing or the issuance of additional Units in order to support our operations may decrease distributable income.

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

Some of the Portfolio Assets contain certain Under Construction Area and Proposed Development Area, which may affect our ability to invest in other assets as required under the SEBI REIT Regulations. The time and costs required to complete a property development may be subject to substantial increases due to many factors, including acquisition of land or shortages of, or price increases with respect to, construction materials (which may prove defective), equipment, technical skills and labour, acquisition of land, construction delays, unanticipated cost increases, changes in the regulatory environment, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, delays in obtaining the requisite approvals and permits from the relevant authorities and other unforeseeable problems and circumstances. We may also be required to purchase additional FSI or FAR from third parties or governmental authorities in order to undertake the proposed construction. Any of these factors may lead to delays in, or prevent the completion of, a project and could result in any of the following:

- costs substantially exceeding those originally budgeted for;
- the projected returns of such project not being met;
- dissatisfaction among our tenants, resulting in negative publicity and decreased demand for our projects or negotiations with tenants in existing properties which are entitled to future development rights;
- relevant approvals and leases terminating or expiring;
- our incurring penalties for any delay in the completion of the undertaken property development;
- our liability for penalties under the terms of agreements with tenants;
- our being required to record significant changes to earnings in the future when we review our Portfolio Assets for potential impairment.

Any of these circumstances could directly affect our business, financial condition and results of operations. We have experienced delays in the completion and handover of premises in the past. Continued delays in the completion of the construction of our projects will adversely affect our reputation.

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

Our cash flows could be adversely affected if direct expenses and other operating expenses increase due to various factors including, without limitation, increases in property tax, changes in tax policies and increases in repair and maintenance costs. Any withdrawal of tax benefits currently or subsequently enjoyed by us may adversely affect our financial condition and results of operation.

As our Portfolio Assets and the Investment Entity age, the costs of maintenance will increase and, without significant expenditure on refurbishment, the net gross asset value may decline. Consequently, the net asset value per Unit may decline unless we successfully develop the under-development portion of the Portfolio Assets, Embassy TechVillage or acquire new assets. The quality and design of the Portfolio Assets have a direct influence over the demand for space in, and the rental rates of, the Portfolio. In addition, due to the fact that the Portfolio Assets are positioned as premium properties, the costs of maintenance may be higher, and the need for rebuilding or refurbishment more frequent in order to maintain their market position as premium properties. The business and operations of the Portfolio Assets may suffer some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works, if such works are extensive. We routinely undertake renovations and refurbishment of our assets, and have faced disruptions in the rental of these assets from time to time. We have incurred these expenses on a historical basis.

In addition, physical damage to any of the Portfolio Assets resulting from an earthquake, fire or other causes may lead to a significant disruption to the business and operation of the affected Portfolio Asset and the Investment Entity and, together with the foregoing, may impose unbudgeted costs on us and have an adverse impact on our financial condition and results of operations.

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

A part of our Portfolio is held through a one-tier structure (pursuant to which the Embassy REIT has direct shareholding in certain SPVs) and the remaining held through a two-tier structure (pursuant to which the Embassy REIT has direct shareholding in the holdco, which in turn holds certain SPVs and the Investment Entity). We will not qualify for certain tax exemptions under the Income Tax Act, 1961 in relation to dividend distributed by our assets held under the two-tier structure, which may result in tax leakages. We are exploring ways to restructure our Portfolio Assets and the Portfolio Investment so that such assets become wholly owned directly by us, there is no assurance that we shall be able to implement any restructuring in a cost-efficient manner, if at all. For further details, see "*Structure of the Issuer – Holding Structure of the Portfolio*" and "*Risk Factors - The Portfolio is undergoing certain internal restructuring*" on pages 22 and 30, respectively. Further, the proceeds of the REIT Debt Financing shall be invested in loans to or debt securities issued by the Asset SPVs and the Investment Entity. Servicing of the Shareholder Debt Financing and the REIT Debt Financing by us from cash flows received from the Asset SPVs and the Investment Entity may result in inefficient tax outcomes for us. For details in relation to our structure and ownership of the Portfolio, see "Structure of the Issuer – Holding Structure of the Portfolio" on page 22.

33. ***We may be subject to certain restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets.***

As at September 30, 2020, our total borrowings (comprising borrowings (non-current liabilities), borrowings (current liabilities) and current maturities of long-term debt) were Rs. 60,838 million. We have the ability to and will incur certain additional indebtedness and the Asset SPVs and Investment Entity may from time to time incur additional indebtedness, subject to the restrictions contained under our financing agreements. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify, which may have a material adverse impact on our business, financial condition, results of operations and prospects.

Typically, lenders may require our receivables as well as the receivables of the relevant Asset SPVs and Investment Entity (including the cash flows) to be secured in their favor. Further, the SPVs, the holdcos. and we may also be subject to restrictive covenants. The restrictive covenants could include the requirement to directly transfer lease rentals from specific tenants to the account of the lender until such time that the loan amounts are not repaid, as well as restrictions that affect our ability and the respective Asset SPVs and Investment Entity distribution and operating policies and their ability to obtain additional loans. If we or any Asset SPVs and Investment Entity fails to meet or satisfy any of these covenants, the lenders could elect to declare outstanding amounts due and payable, terminate their commitments, require the posting of additional collateral and enforce their interests against existing collateral. We may be unable to comply with any or all conditions attached to such consents, which may impact our ability to do this offering. Shareholders of certain Asset SPVs have also entered into arrangements with lenders which subject their respective portions of the Units to pre-emptive rights such as a call option and pledge.

The lenders may also be provided with the right to accelerate the repayment of loans if the lender in its sole discretion believes that the cash flows of the relevant Asset SPVs and Investment Entity permit such repayment. If an event of default were to occur under such financing arrangements such that all amounts outstanding under such financing arrangements were to become immediately due and payable, all, or substantially all, of the cash flows may be utilized in satisfying such payment obligations, thereby materially and adversely affecting the ability of such Asset SPVs and Investment Entity to meet their payment obligations to us under the Shareholder Debt Financing.

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

The brand and trademark "*Embassy*" and the associated logo and names of the respective assets are licensed to the relevant Asset SPV and Investment Entity by Embassy Shelters Private Limited. By an agreement with effect from April 1, 2019 , Embassy Shelters Private Limited has granted the Trustee and the Manager, on our behalf, an exclusive, non-transferable and non-sub-licensable worldwide license to use "the Embassy Office Parks" trademark and logo and the domain names for our website along with a non-exclusive licence to certain other trademarks in connection with our business The licensor has acknowledged that the Trustee and the Manager, on our behalf, have been using the trademarks prior to the date of the agreement and has waived all claims it may have for such use. The license fee payable by the licensee is ₹100,000 per month, with effect from April 1, 2019. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of the trademarks or logo. The license may be terminated under certain circumstances, some of which we may not be able to control, including if the Embassy Sponsor or Manager cease to meet the eligibility criteria set out under the SEBI REIT Regulations or if the Embassy Sponsor or any affiliate of the Embassy Sponsor ceases to be our Sponsor or the Manager for any reason or if the Embassy REIT ceases to be listed. Upon the termination of the license, we and the relevant SPV, as the case may be, will be required to cease the use of the relevant Asset SPV and Investment Entity

trademark and remove Embassy from its name within 90 days (or such other mutually agreed time period) from the date of termination.

Loss of the rights to use the trademark and the logo may affect our reputation, goodwill, business and our results of operations. Further, the "Embassy" trademark and logo are used by other affiliates of the Embassy Sponsor and accordingly the value of the "Embassy" brand and consequently our goodwill, reputation and results of operations could be affected by the business and operations of such entities over which we have no control.

Further, the rights for the use of the '247 Park' has been licensed to the relevant Asset SPV by third parties. While we have applied for the registration of the 'Galaxy' trademarks, the trademarks in certain classes are yet to be registered. Further, we are yet to make application for the registration of the 'Earnest Towers' and 'First International Financial Centre' trademarks. In the event that the trademarks used by the Portfolio are not registered or if the licenses are not renewed, we may be required to undertake additional expenditure towards rebranding exercise in respect of these assets.

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

We operate in highly competitive markets, and competition in these markets is based primarily on the availability of Grade A office premises and the prevailing lease rentals for these properties.

Competition from other developers in India may adversely affect our ability to sell or lease our buildings and continued development by other market participants could result in saturation of the real estate market which could adversely impact our revenues from commercial operations.

Increasing competition could result in price and supply volatility which could materially and adversely affect our results of operations and cause our business to suffer.

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

Our real estate projects could suffer physical damage from fire or other causes, resulting in losses, including loss of lease income, which may not be fully compensated by insurance. In addition, there are certain types of losses, such as those due to earthquakes, floods, hurricanes, terrorism or acts of war, which may be uninsurable, are not insurable at a reasonable premium or which may exceed our insurance limits. While we maintain insurance on property and equipment in amounts believed to be consistent with industry practices, we may not be fully insured against some business risks and the occurrence of accidents that cause losses in excess of limits specified under our policies, or losses arising from events not covered by our insurance policies, which could materially and adversely affect our financial condition and results of operations. The proceeds of any insurance claim may be insufficient to cover rebuilding costs as a result of inflation, changes in building regulations, environmental issues as well as other factors. Should an uninsured loss or a loss in excess of insured limits occur, we would lose the capital invested in and the anticipated revenue from the affected property. We would also remain liable for any debt or other financial obligation related to that property. We cannot assure you that material losses in excess of insurance proceeds will not occur in the future.

Despite the insurance coverage that we carry, we may not be fully insured against some business risks and the occurrence of accidents that cause losses in excess of limits specified under our policies, or losses arising from events not covered by our insurance policies, which could materially and adversely affect our financial condition and results of operations. Although we believe we have industry standard insurance for the Portfolio, if a fire or natural disaster substantially damages or destroys some or all of our Portfolio, the proceeds of any insurance claim may be insufficient to cover rebuilding costs. For instance, there was a fire in Express Towers in 2017 for which we have made insurance claims and have recovered 79.1% of the amounts we have claimed.

For some of our insurances, we may not have added a third-party as beneficiary / co-insured to our insurance or taken the approval of such third parties for availing such insurance as required by regulations or contractual obligations, which may have an impact on the amount of insurance claim to be paid out.

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

The Embassy Sponsor and its Associates are currently involved in a number of legal proceedings, including criminal and regulatory proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. If any new developments arise, for example, a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. There are also outstanding criminal proceedings against the Embassy Sponsor and its founder by investigative and regulatory agencies.

The directors and promoters of our Sponsors, Sponsor Group, Asset SPVs and Investment Entity may also be involved in various legal proceedings. For instance, there are certain show cause notices issued against the promoter of the Embassy Sponsor in relation to inaccurate disclosure of information to the income tax department, which may carry monetary or penal consequences. The matters are currently pending before various courts and tribunals. Adverse decisions in any such matters may have a material adverse effect on the reputation and business of the Embassy REIT and the Asset SPVs.

For further details, see "*Legal and Other Information*" on page 306.

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

Our principal objective of owning income-producing real estate used as office parks in India involves a higher level of risk as compared to a portfolio which has a more diverse range of investments. Real estate investments are relatively illiquid and such illiquidity may affect our ability to vary our investment portfolio or liquidate part of our assets in response to changes in economic, property market or other conditions. Investments made by a REIT that is not Indian owned and controlled, such as us in the construction and development sector are subject to a lock-in prescribed under the extant foreign exchange regulations. Further, under the SEBI REIT Regulations, a REIT is required to hold assets acquired by it for a period of three years from the date of purchase and in case of under-construction properties or under-construction portions of existing properties acquired by us, three years from the date of completion. Additionally, any sale of property or shares of Asset SPVs exceeding 10% of the value of the REIT assets will require the approval of Unitholders. We may also face difficulties in securing timely and commercially favorable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on our financial condition and results of operations.

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

Certain of our documents, including lease deeds, are not stamped or registered. In respect of certain other lease deeds/leave and license agreements which expire in the ordinary course, we are in the process of renewing, stamping and/or registering them. Also, in respect of Embassy TechZone, certain lease deeds/leave and license agreements which were executed in the name of Pune Embassy Projects Private Limited (an entity which has since amalgamated with our holdco) have been re-executed and are in the process of getting registered in the name of our holdco. Failure to stamp a document may not affect the validity of the underlying transaction. However, it may render the document inadmissible as evidence in India (unless stamped prior to enforcement with payment of requisite penalties, which may be up to 10 times the stamp duty payable, and other such fees that may be levied by the authorities). Additionally, a lease deed which is compulsorily registrable under law but not registered may be inadmissible as evidence in Indian courts. Further, documents which are insufficiently stamped are capable of being impounded by a public officer. Consequently, should any dispute arise in relation to our use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties.

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

Our business is highly dependent on the financial, accounting, communications and other data processing systems of our Manager and Sponsors. Such systems may fail to operate properly or become disabled as a result of tampering or a breach of the network security systems or otherwise. In addition, such systems are from time to time subject to cyberattacks, which may continue to increase in frequency in the future. Breaches of our network security systems could involve attacks that are intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, often through the introduction of computer viruses and other malicious code, cyberattacks and other means and could originate from a wide variety of sources, including unknown third parties outside the firm. If such systems are compromised, do not operate properly or are disabled, we could suffer financial loss, a disruption of our businesses, liability to investors, regulatory intervention or reputational damage.

In addition, we are highly dependent on information systems and technology. Our information systems and technology may not continue to be able to accommodate our growth, and the cost of maintaining such systems may increase from its current level. Such a failure to accommodate growth, or an increase in costs related to such information systems, could have a material adverse effect on us.

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

We are required to maintain the eligibility conditions specified under Regulation 4 of the SEBI REIT Regulations on an ongoing basis. These eligibility conditions include, among other things, that (a) the Sponsors, Manager and the Trustee are separate entities, (b) the Sponsors have a collective net worth of not less than ₹1,000 million; provided that each

Sponsor has a net worth of not less than ₹200 million and holds not less than 5% of the Units on a post initial offer basis, subject to any exemption obtained under applicable law, (c) the Manager has a net worth of not less than ₹100 million (d) the Trustee is registered with the SEBI under Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and is not an associate of the Sponsors or Manager, and (e) each of the Sponsors and their respective Sponsor Groups, Manager, and the Trustee are "fit and proper persons" as defined under Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations 2008 on an ongoing basis. We may not be able to ensure such ongoing compliance by the Sponsors, their respective Sponsor Group, Manager and the Trustee, which could result in the cancellation of our registration.

42. ***Conflicts of interest may arise out of common business objectives shared by the Manager, the Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group, their respective Associates/affiliates and us.***

The Manager is jointly owned by the Embassy Sponsor and certain members of the Blackstone Sponsor Group. The Embassy Sponsor and its affiliates (the "**Embassy Group**") and the Blackstone Sponsor Group and its affiliates (collectively referred to as "**Blackstone**" in this and the following risk factor) engage in a broad spectrum of activities, including investments in the real estate industry. In the ordinary course of their activities, the Embassy Group and Blackstone may engage in activities where the interests of certain divisions of the Sponsors, respectively, their respective affiliates, or the interests of their clients may conflict with the interests of our Unitholders. For details of the agreements relating to the Manager, see "*Parties to the Embassy REIT*" on page 18.

In particular, we may compete with existing and future private and public investment vehicles established and/or managed by the Embassy Group and Blackstone, which may present various conflicts of interest. Certain of these divisions and entities have or may have an investment strategy similar to our investment strategy and therefore may compete with us. In particular, various real estate opportunistic and substantially stabilized real estate funds and other investment vehicles of Blackstone seek to invest in a broad range of real estate investments and in many instances Blackstone Group has priority and/or exclusivity rights to offer investment opportunities to such investment vehicles. Blackstone may also receive fees as compensation for other advisory services, including the underwriting, syndication or refinancing of an investment or other additional fees, including loan servicing fees, special servicing fees, acquisition fees and administration fees. Blackstone may also receive fees from unconsummated transactions and may also serve as an advisor to a buyer or seller of an asset to us. As a result, conflicts of interest may arise in allocating or addressing business opportunities and strategies amongst the Manager, the Embassy Group, Blackstone and us, in circumstances where our interests differ from theirs. The Manager is not prohibited from providing management services to our competitors and there is no requirement or undertaking for the Manager, the Embassy Sponsor or the Blackstone Sponsor to decline any engagements or investments, nor conduct or direct any opportunities in the real estate industry only to or through us. The Manager provides property management services to assets of a similar type as the Portfolio, some of which are held by the Embassy Group and Blackstone. These assets may compete with the Portfolio to attract tenants and/or secure financing. Consequently, there can be no assurance that all potentially suitable investment opportunities that come to the attention of the Embassy Group or Blackstone will be made available to us. The Manager may, and may be required, by contract or otherwise, to market these other assets in competition with the Portfolio, which may have a material adverse effect on our business, financial condition, results of operations.

In addition, the Trustee and/or Unitholders may not be aware of any such conflict, and even if made so aware, the Trustee and the Unitholders' ability to recover claims against the Manager are limited. Moreover, the Manager's liability is limited under the Investment Management Agreement and the Trustee has agreed to indemnify the Manager out of our assets against certain liabilities. As a result, we could experience poor performance or losses for which the Manager would not be liable.

Members of the Embassy Group or Blackstone may provide services in the future beyond those currently provided. Unitholders will not receive a benefit from the services provided to other entities or share in any of the fees generated by the provision of such services.

Any change in control of the Manager could cause uncertainties for the Unitholders, directors, executive officers and key employees of the Manager and us, and they may seek opportunities outside the Manager, which could impact our functioning. Such change in control may trigger requirements under the SEBI REIT Regulations. Change in control of the Manager may also trigger a termination or reversion of any secondments that the outgoing Sponsor might have made to the Manager.

Further, members of Blackstone may participate in underwriting syndicates from time to time with respect to us, or may otherwise be involved in the private placement of debt or equity securities issued by us, or otherwise in arranging financings with respect thereto. Subject to applicable law, members of the Blackstone may receive underwriting fees, placement commissions, or other compensation with respect to such activities, which will not be shared with us or the Unitholders.

We also may from time to time dispose of all or a portion of an investment by way of a third-party purchaser's bid where member(s) of the Embassy Group, Blackstone is providing financing as part of such bid or acquisition of the investment or underlying assets thereof. Such involvement of the Embassy Group or Blackstone thereof as such a provider of debt financing in connection with the potential acquisition of assets by third parties from us may give rise to potential or actual conflicts of interest.

Other present and future activities of the Manager, the Embassy Sponsor, the Embassy Group, the Blackstone Sponsor, or the Blackstone may also give rise to additional conflicts of interest relating to us and our investment activities. In the event that any such conflict of interest arises, we will attempt to resolve such conflicts in a fair and reasonable manner. Investors should be aware that conflicts will not necessarily be resolved in favor of our interests. For details, see "—*Certain principals and employees may be involved in and have a greater financial interest in the performance of other real estate investments, projects and businesses of the Embassy Sponsor, the Blackstone Sponsor Group and their affiliates and such activities may create conflicts of interest in making investment decisions on our behalf*" and "—*We have entered into material related party transactions, the terms of which may be unfavorable to us or could involve conflicts of interest. The Manager may face conflicts of interests in choosing our service providers, and certain service providers may provide services to the Manager, the Embassy Sponsor or the Blackstone Sponsor Group on more favorable terms than those payable by us.*" on pages 44 and 35, respectively.

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

Certain of the principals and employees of the Manager may be subject to a variety of conflicts of interest relating to their responsibilities to us and the management of our real estate portfolio. Such individuals may serve in a non-binding advisory capacity to other real estate investments, projects and businesses of the Embassy Group or Blackstone. Such positions may create a conflict between the services and advice provided to such entities and the responsibilities owed to us. The other real estate investments, projects and businesses in which such individuals may become involved may have investment objectives that overlap with ours. Furthermore, although certain principals of the Manager may recuse themselves in the event of any potential conflicts of interest, these individuals may have a greater financial interest in the performance of such other investments, projects and businesses than our performance. Such involvement may create conflicts of interest in making investments on our behalf and such other investments, projects and businesses. Such principals and employees will seek to limit any such conflicts in a manner that is in accordance with their fiduciary duties, if any, to us and such organizations. We are also unable to ensure that no such potential conflicts of interest arises, not ensure that these conflicts would not exert an influence on any of such individuals.

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

We are externally managed and advised by the Manager, pursuant to the terms of the Investment Management Agreement. For details, please see "*Parties to the Embassy REIT*" on page 18.

We rely on a small number of key personnel to carry out our business and investment strategies, and the loss of the services of any of our key personnel, or our inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business and financial results.

In addition, the implementation of our business plan may require that we employ additional qualified personnel. Competition for highly skilled managerial, investment, financial and operational personnel is intense. We cannot assure you that we will be successful in attracting and retaining such skilled personnel. If we are unable to hire and retain qualified personnel as required, our growth and operating results could be adversely affected.

The Manager may delegate certain of its functions to third parties. Should the Manager, or any third party to whom the Manager has delegated its functions, fail to perform its services, the value of our assets might be adversely affected, and this may result in a loss of tenants. Further, as the Manager is based in Bengaluru, the diverse geographical locations of our employees, including our senior management, may reduce our operational efficiency.

In addition, we can offer no assurance that the Manager will remain our manager or that we will continue to have access to the Manager's officers and key personnel. If the Investment Management Agreement is terminated or if the Manager defaults in the performance of its obligations thereunder, we may be unable to contract with a substitute service provider on similar terms or at all, and the costs of substituting service providers may be substantial.

In addition, the Manager is familiar with our assets and, as a result, the Manager has certain synergies with us. Substitute service providers may lack such synergies and may not be able to provide the same level of service. If we cannot locate a service provider that is able to provide us with substantially similar services as the Manager provides under the Investment

Management Agreement on similar terms, it would likely have a material adverse effect on our business, financial condition, results of operations.

45. ***We depend on the Manager to manage our business and assets, and our results of operations, financial condition.***

The Manager is required to make investment decisions in respect of our underlying assets including any further investment or divestment of assets. For further details, see "*Parties to the Embassy REIT*" on page 18.

There is no assurance that the Manager will be able to implement its investment decisions successfully or that it will be able to expand our portfolio at any specified rate or to any specified size or to maintain distributions at projected levels. The Manager may not be able to make acquisitions or investments on favorable terms or within a desired time frame, and it may not be able to manage the operations of its underlying assets in a profitable manner. Factors that may affect this risk may include, but are not limited to, changes in the regulatory framework in India, competition for assets, changes in the Indian regulatory or legal environment or macro-economic conditions. Even if the Manager is able to successfully grow the operating business of the underlying assets and to acquire further assets as desired, there can be no assurance that the Manager will achieve its intended return on such acquisitions or capital investments.

Additionally, there exists the risk that the REIT Management Fees payable to the Manager may not create proper incentives or may induce the Manager and its affiliates to make certain investments, including speculative investments, that increase the risk of our portfolio. The REIT Management Fees are also not a product of an arm's length negotiation with any third party.

Further, the Manager will also undertake property management for our assets and any change in our relationship with the Manager will also affect the services provided by the Asset SPVs and the Investment Entity to their tenants.

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

The Indian Government and State Governments have traditionally exercised, and continue to exercise, significant influence over many aspects of the economy. Our business, and the market price and liquidity of the Units and Debentures, may be affected by interest rates, changes in governmental policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Any political instability in India may materially and adversely affect the Indian securities markets in general, which could also materially and adversely affect the trading price of the Debentures. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for the Debentures. The rate of economic liberalization could change, and specific laws and policies affecting companies in the real estate sector, foreign investment, currency exchange rates and other matters affecting investment in Debentures could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

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

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside of our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may materially and adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which any such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures.

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

The Financial Statements included in this Information Memorandum are prepared and presented in conformity with Ind AS, as applicable ,consistently applied during the periods stated in those reports, except as otherwise provided therein, and no attempt has been made to reconcile any of the information given in this Information Memorandum to any other accounting principles or to base the information on any other accounting standards. Ind AS differs from accounting principles with which persons from other countries may be familiar, such as IFRS, Indian GAAP and U.S. GAAP. Accordingly, the degree to which the Financial Statements included in this Information Memorandum provide meaningful information is entirely dependent on your level of familiarity with Indian accounting practices.

Ind AS has certain differences with IFRS and Indian GAAP. In addition, as the mandated transition to Ind AS is very recent, there is no significant body of established practice from which we can draw on in forming judgments regarding

the implementation and application of Ind AS, as compared to established IFRS or Indian GAAP generally, or in respect of specific industries, such as the industry in which we operate.

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

The right to own property in India is subject to restrictions that may be imposed by the Government. In particular, the Government under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("**Land Acquisition Act**") has the right to compulsorily acquire any land if such acquisition is for a "public purpose," after providing compensation to the owner. However, the compensation paid pursuant to such acquisition may not be adequate to compensate the owner for the loss of such property. The likelihood of such acquisitions may increase as central and state governments seek to acquire land for the development of infrastructure projects such as roads, railways, airports and townships. Additionally, we may face difficulties in interpreting and complying with the provisions of the Land Acquisition Act due to limited jurisprudence on them or if our interpretation differs from or contradicts any judicial pronouncements or clarifications issued by the government. In the future, we may face regulatory actions or we may be required to undertake remedial steps. Any such action in respect of any of the projects in which we are investing or may invest in the future may adversely affect our business, financial condition or results of operations.

50. ***Any downgrade in the credit rating of our Debentures may adversely affect the value of our Debentures.***

The value of our Debentures is dependant, among other factors, on our credit rating. Credit ratings reflect a rating agency's opinion of our financial strength, operating performance, industry position, and ability to meet our obligations. Any future performance issues for the REIT or the industry may result in a downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest income and net interest margin. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements in the future. There is no assurance that our credit ratings will not be downgraded in the future. Any such development in the future may adversely affect the value of our Debentures, our business operations and our future financial performance.

51. ***We are not required to maintain adequate debenture redemption reserve and the Investors would not have the benefit of reserve funds.***

As a real estate investment trust, certain regulatory requirements applicable to companies are not applicable to us. For instance, we are not required to maintain a debenture redemption reserve as required by companies under Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debenture) Rules, 2014. We are not required to create a debenture redemption reserve account out of our profits available for payment of dividend and hence there would be no amount credited to such account to be used for the redemption of Debentures.

52. ***Investors may not be able to enforce a judgement of a foreign court against us.***

The Embassy REIT is settled and registered in India. The Trustee, the Manager and the Embassy Sponsor are incorporated in India. All of our assets are located in India. Where investors wish to enforce foreign judgments in India, where our assets are or will be located, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including Singapore. In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908 ("**Civil Code**"). Furthermore, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. Judgments or decrees from jurisdictions not recognized as a reciprocating territory by India cannot be enforced or executed in India except through a fresh suit upon judgment. Even if we or a Unitholder were to obtain a judgment in such a jurisdiction, we or it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. In addition, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a judgment rendered by a foreign court if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate outside India any amount recovered pursuant to the execution of the judgment.

SECTION IV: FINANCIAL INFORMATION

KEY OPERATIONAL AND FINANCIAL PARAMETERS

₹ in million, unless otherwise specified

	Standalone			
Parameters	**Half year ended September 30, 2020 (Unaudited)**	**Fiscal 2020 (Audited)**	**Fiscal 2019 (Audited)**	**Fiscal 2018 (Audited)**
For Non-Financial Entities				
Net worth	212,643.90	220,336.31	228,944.79	-
Total Debt				
of which – Non-Current Maturities of Long-Term Borrowing	48,227.50	39,018.84	-	-
-Short Term Borrowing	-	-	-	-
-Current Maturities of Long-Term Borrowing	-	-	-	-
Net Fixed Assets	-	-	-	-
Non-Current Assets	255,142.74	252,005.75	192,162.57	-
Cash and Cash Equivalents	4,224.94	2,845.45	42,818.53	-
Current Investments	-	3,933.45	-	-
Current Assets	1,658.80	670.57	-	-
Current Liabilities	155.08	100.07	6,036.31	-
Net sales	-	-	-	-
EBITDA	4,519.41	8,322.93	(94.47)	-
EBIT	4,034.31	7,735.47	(94.47)	-
Interest	1,884.92	2,850.33	-	-
PAT	2,123.17	4,813.97	(94.47)	-
Dividend amounts	-	-	-	-
Current ratio	37.94	74.44	7.09	-
Asset cover ratio (%)	14.30	11.76	NA	-
Interest coverage ratio	2.40	2.92	NA	-
Gross debt/ equity ratio	0.23	0.18	NA	-
Debt Service Coverage Ratios	2.40	2.92	NA	-

**Given that the Issuer was listed on April 1, 2019 and acquired the Portfolio on March 22, 2019, information for the financial year ended 2018 is as extracted from the audited standalone financial statements of for the Financial Year 2019.*

Gross Debt: Equity Ratio of the Issuer:

Before the issue of Debentures (As on September 30, 2020)	0.23
After the issue of Debentures (As on September 30, 2020)	0.35

Project cost and means of financing, in case of funding new projects: NA

₹ in million, unless otherwise specified

Parameters*	Consolidated	
	Half year ended September 30, 2020 (Unaudited)	Fiscal 2020 (Audited)
For Non-Financial Entities		
Net worth	217,730.30	223,177.84
Total Debt	60,838.10	57,460.84
of which- Non-Current Maturities of Long-Term Borrowing	59,399.35	56,170.51
-Short Term Borrowing	-	-
-Current Maturities of Long-Term Borrowing	1,438.75	1,290.33
Net Fixed Assets	273,494.94	274,173.60
Non-Current Assets	44,429.84	43,978.95
Cash and Cash Equivalents	13,174.15	3,249.16
Current Investments	-	12,273.59
Current Assets	1,205.83	1,227.03
Current Liabilities	12,055.86	11,636.00
Net sales	10,563.76	21,449.22
EBITDA	9,237.02	17,646.77
EBIT	6,865.24	10,589.55
Interest	2,809.87	3,803.54
PAT	4,368.04	7,655.34
Distributions	8,742.97	18,820.92
Current ratio	1.19	1.44
Asset cover ratio (%)	18.03	17.32
Interest coverage ratio	3.50	5.10
Gross debt/ equity ratio	0.28	0.26
Debt Service Coverage Ratios	3.38	4.55

**Given that the Issuer was listed on April 1, 2019 and acquired the Portfolio on March 22, 2019, the Issuer does not have audited financial information on a consolidated basis for the Fiscal year 2019 and 2018.*

Gross Debt: Equity Ratio of the Issuer:

Before the issue of Debentures (As on September 30, 2020)	0.28
After the issue of Debentures (As on September 30, 2020)	0.40

Project cost and means of financing, in case of funding new projects: NA

FINANCIAL INDEBTEDNESS

1. **Details of borrowings of the Issuer:**

The Issuer has not availed of any indebtedness on a standalone basis as of the date of this Information Memorandum, other than the indebtedness as disclosed in this section.

The details of indebtedness of the Embassy Office Parks Group and GLSP as at September 30, 2020 are provided below:

Category of borrowing	Sanctioned Amount (in ₹ million)	Outstanding amount (in ₹ million) as on September 30, 2020
Asset SPVs		
Nature (Non-Related Party)		
Long Term Borrowings	52,400.00	53,373.24
Current Maturities of Long Term Borrowings	-	48.73
Short term borrowings		
Deferred Payment Liability	6,853.90	7,416.13
Interest Accrued but not due (non-current)	-	-
Interest Accrued but not due (current)	-	-
Interest Accrued and due (current)	-	-
Total	**59,253.90**	**60,838.10**
Investment Entity		
Nature (Non-Related Party)	NA	NA
Long Term Borrowings	NA	NA
Current Maturities of Long-Term Borrowings	NA	NA
Total	NA	NA

2. Details of Secured Loan Facilities of the Issuer: Nil

3. Details of Unsecured Loan Facilities of the Issuer: Nil

4. Details of Non-Convertible Debentures of the Issuer:

Debenture Series	Tenor / Period of maturity	Coupon	Amount	Date of allotment	Redemption Date / Schedule	Credit Rating	Secured/ unsecured	Security
Embassy REIT Series I NCD 2019	37 months	9.4% per annum	Aggregate principal amount of INR 3,000 crores	May 3, 2019	37 months from the deemed date of allotment (i.e., May 3, 2019)	"AAA" rated by CRISIL	Secured	a) First ranking exclusive pledge or (as applicable) charge over 100% equity shares, other capital instruments (preference capital, any convertible instrument etc.) and the shareholder loans of the following underlying SPVs – Manyata Promoters Private Limited – Qubix Business Park Private
Embassy REIT Series II NCD 2019	37 months	9.05% p.a.	Aggregate principal amount of INR 650 crores	November 22, 2019	Date on the expiry of the 37th month from the deemed date of allotment in the Embassy REIT Series I NCD 2019 (i.e., May 3, 2019)	"AAA/Stable" rated by CRISIL	Secured	

								Limited – Ernest Towers Private Limited – Vikhroli Corporate Park Private Limited – Galaxy Square Private Limited b) First ranking exclusive mortgage over identified constructed buildings and related parcels of immovable properties of Manyata Promoters Private Limited created in favor of a common security trustee acting for the benefit of the debenture trustee in respect of the Instrument. The aggregate mortgaged property would have EBITDA of at least INR 650 crore annually. c) Negative lien over all assets of Qubix Business Park, Ernest Tower Private Limited, Vikhroli Corporate Park Private Limited, and Galaxy Square Private Limited. d) First ranking exclusive charge on all receivables of the Issuer from the Secured SPVs including but not limited to receivables from i) interest and principal repayments of the loans advanced by REIT to Secured SPVs (save to the extent utilized for funding new loans to other Secured SPVs) and ii) dividends to be paid by the Secured SPVs to the REIT and iii) any other payment

								from the Secured SPVs to the REIT. Receivables from unencumbered constructed/ construction/ to be constructed assets at Manyata Promoters Private Limited to be excluded (collectively, the "Excluded Receivables") **e)** First ranking exclusive charge, over bank accounts of the REIT and Secured SPVs into which the relevant cash-flows of the Secured SPVs flow (other than the Excluded Receivables)
Embassy REIT Series A NCD 2020	37 months	7.25% p.a.	Aggregate principal amount of INR 750 crores	September 9, 2020	37 months from the deemed date of allotment i.e., September 9, 2020	'CRISIL AAA/Stable'	Secured	The obligations of the Issuer under the Issue, all interest and other monies in respect of this Instrument shall be secured by: a) First ranking exclusive pledge or (as applicable) charge over 100% equity shares, other capital instruments (preference capital, any convertible instrument etc.) and the shareholder loans of the following underlying SPVs i. Indian Express Newspapers (Mumbai)Private Limited ("**IENPL**"); ii. Prior to the date on which the Merger Event becomes effective, Embassy Office Parks Private Limited ("**EOPPL**"); and iii. on and from the date on which (i) a Merger Event becomes effective in accordance with Applicable Law, the Resultant Entity, and (ii) any other SPV that is wholly owned by the Issuer (and is not engaged solely in the business of generation of energy or the development

								and operation of hotels) and which becomes a replacement obligor as per the terms mentioned in the debenture trust deed The above SPVs to be collectively called the "Secured SPVs" for the purpose of this term sheet. iv. First ranking exclusive mortgage over identified constructed buildings and related parcels of immovable properties of EOPPL created in favor of the debenture trustee. In addition, the title deeds pertaining to the immovable properties to be mortgage will be deposited with a third party custody agent for purposes of safe-keeping and custody. All remaining constructed property as well as land and development rights corresponding to the above in EOPPL to be carved out from the above mortgage. Mortgage over unencumbered assets can only be provided to the lenders of Embassy REIT/ EOPPL who finance construction finance and/ or conversion of such construction finance facilities to lease rental discounting facilities. The permitted indebtedness at EOPPL to be capped at INR 800 crore for construction capex. Any other indebtedness at EOPPL including for acquisition of new assets, subject to approval from Majority Debenture Holders. b) Guarantee from IENPL and EOPPL. c) First ranking exclusive charge on all receivables of the Issuer from the Secured SPVs including but not limited to receivables from i) interest and principal

								repayments of the loans advanced by REIT to Secured SPVs (save to the extent utilized for funding new loans to Secured SPVs) and ii) dividends to be paid by the Secured SPVs to the REIT and iii) any other payment from the Secured SPVs to the REIT. Receivables from unencumbered assets at EOPPL to be excluded (the "Excluded Receivables") d) First ranking sole and exclusive charge on all receivables of EOPPL arising out of mortgaged properties and pursuant to any ICD given by EOPPL to any other Secured SPV. e) First ranking exclusive charge, over bank accounts of the REIT and EOPPL into which the relevant cash-flows of the mortgaged properties/ hypothecated properties will flow (other than the Excluded Receivables) and the cash equity account.
Embassy REIT Series B NCD 2020[(1)]	37 months	6.70% p.a.	Aggregate principal amount of INR 750 crores	October 27, 2020	37 months from the deemed date of allotment of Series A NCD 2020 i.e., September 9, 2020	'CRISIL AAA/Stable'	Secured	The obligations of the Issuer under the Issue, all interest and other monies in respect of this Instrument shall be secured by: a) First ranking exclusive pledge or (as applicable) charge over 100% equity shares, other capital instruments (preference capital, any convertible instrument etc.) and the shareholder loans of the following underlying SPVs i. Indian Express Newspapers (Mumbai)Private Limited ("**IENPL**"); ii. Prior to the date on which the Merger Event becomes effective,

								Embassy Office Parks Private Limited ("**EOPPL**"); and iii. on and from the date on which (i) a Merger Event becomes effective in accordance with Applicable Law, the Resultant Entity, and (ii) any other SPV that is wholly owned by the Issuer (and is not engaged solely in the business of generation of energy or the development and operation of hotels) and which becomes a replacement obligor as per the terms mentioned in the debenture trust deed The above SPVs to be collectively called the "Secured SPVs" for the purpose of this term sheet. iv. First ranking exclusive mortgage over identified constructed buildings and related parcels of immovable properties of EOPPL created in favor of the debenture trustee. In addition, the title deeds pertaining to the immovable properties to be mortgage will be deposited with a third party custody agent for purposes of safe-keeping and custody.

								All remaining constructed property as well as land and development rights corresponding to the above in EOPPL to be carved out from the above mortgage. Mortgage over unencumbered assets can only be provided to the lenders of Embassy REIT/ EOPPL who finance construction finance and/ or conversion of such construction finance facilities to lease rental discounting facilities. The permitted indebtedness at EOPPL to be capped at INR 800 crore for construction capex. Any other indebtedness at EOPPL including for acquisition of new assets, subject to approval from Majority Debenture Holders. b) Guarantee from IENPL and EOPPL. c) First ranking exclusive charge on all receivables of the Issuer from the Secured SPVs including but not limited to receivables from i) interest and principal repayments of the loans advanced by REIT to Secured SPVs (save to the extent utilized for funding new loans to Secured SPVs) and ii) dividends to be paid by the Secured SPVs to the REIT and iii) any other payment from the Secured SPVs to the

								REIT. Receivables from unencumbered assets at EOPPL to be excluded (the "Excluded Receivables") d) First ranking sole and exclusive charge on all receivables of EOPPL arising out of mortgaged properties and pursuant to any ICD given by EOPPL to any other Secured SPV. e) First ranking exclusive charge, over bank accounts of the REIT and EOPPL into which the relevant cash-flows of the mortgaged properties/ hypothecated properties will flow (other than the Excluded Receivables) and the cash equity account.

(1) Embassy REIT Series B NCDs 2020 were allotted post September 30, 2020.

5. List of top 10 Debenture Holders of the Issuer as on September 30, 2020:

S. No.	Name of Debenture Holders	Amount (*in ₹ Million*)	Pledged (no. of debentures)
1.	ICICI Prudential Floating Interest Fund	3,000	-
2.	ICICI Prudential Balanced Advantage Fund	2,900	-
3.	HDFC Trustee Company Ltd A/C HDFC Floating Rate	2,750	-
4.	Axis Mutual Fund Trustee Limited A/C Axis Mutual	2,705	-
5.	Reliance Capital Trustee Co Ltd-A/C Nippon India	2,270	-
6.	Kotak Mahindra Trustee Co. Ltd. A/C Kotak Corp	2,000	-
7.	ICICI Prudential All Seasons Bond Fund	1,900	-
8.	Kotak Mahindra Investments Limited	1,750	-
9.	Kotak Mahindra Trustee Co. Ltd. A/C Kotak Low Duration	1,500	-
10.	SBI Magnum Medium Duration Fund	1,500	-

6. The amount of a guarantee issued by the Issuer along with name of the counterparty (like name of the Asset SPV/ Investment Entity etc.) on behalf of whom it has been issued:

Particulars	Amount at as September 30, 2020 (in ₹ Million)

Guarantee given to a bank for loan obtained by a SPV*	8,400.00

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

7. Details of Commercial Paper**:** The total face value of commercial papers outstanding as on the last quarter end to be provided: NA

8. Details of rest of the borrowing of the Issuer (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2020: NA

9. Details of all defaults and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including guarantee issued by the Issuer, in the past 5 years: NA

10. Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option: NA

11. Neither the Embassy REIT, the Embassy Sponsor, the Blackstone Sponsor, the Manager nor the directors of the Manager have been named as wilful defaulters in the list of wilful defaulters published by the RBI.

FINANCIAL STATEMENTS

The financial statements included herein comprise of the Condensed Consolidated Interim Ind AS Financial Statements, Condensed Standalone Interim Ind AS Financial Statements, Audited Standalone Financial Statements and the Audited Consolidated Financial Statements.

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S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

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 standalone interim Ind AS financial statements of Embassy Office Parks REIT (the "REIT") which comprise the unaudited condensed standalone balance sheet as at September 30, 2020, the unaudited condensed statement of profit and loss, including other comprehensive income and unaudited condensed statement of cash flows for the quarter and half year ended September 30, 2020, the unaudited condensed statement of changes in Unitholders equity for the half year ended September 30, 2020 and the Statement of Net Assets at fair value as at September 30, 2020 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows of the REIT 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone Interim Ind AS Financial Statements are 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.

S.R. Batliboi & Associates LLP Bengaluru

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Condensed Standalone 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.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Adarsh Ranka
Partner
Membership No.: 209567

UDIN: 20209567AAAAGL3242

Place: Bengaluru, India
Date: November 2, 2020

Embassy Office Parks REIT
RN: IN/REIT/17-18/0001
Condensed Standalone 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			
Financial assets			
- Investments	3	186,377.08	186,862.18
- Loans	4	68,765.66	65,143.57
Total non-current assets		**255,142.74**	**252,005.75**
Current assets			
Financial assets			
- Investments	5	-	3,933.45
- Cash and cash equivalents	6	4,224.94	2,845.45
- Loans	7	1,625.00	620.00
- Other financial assets	8	0.57	3.15
Other current assets	9	33.23	47.42
Total current assets		**5,883.74**	**7,449.47**
Total assets		**261,026.48**	**259,455.22**
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	10	229,120.96	229,120.96
Other equity	11	(16,477.06)	(8,784.65)
Total equity		**212,643.90**	**220,336.31**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	12	48,227.50	39,018.84
Total non-current liabilities		**48,227.50**	**39,018.84**
Current liabilities			
Financial liabilities			
- Trade payables	13		
- total outstanding dues of micro and small enterprises		-	-
- total outstanding dues of creditors other than micro and small enterprises		10.74	6.68
- Other financial liabilities	14	132.96	88.48
Other current liabilities	15	3.88	4.37
Current tax liabilities (net)	16	7.50	0.54
Total current liabilities		**155.08**	**100.07**
Total equity and liabilities		**261,026.48**	**259,455.22**
Significant accounting policies	2		

The accompanying notes referred to above are an integral part of Condensed 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

S.R. Batliboi & Associates LLP Bengaluru

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 the 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 Bangalore

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

	Note	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)
Income and gains								
Dividend		335.00	288.00	112.12	623.00	177.85	112.12	289.97
Interest	17	2,078.55	2,082.63	2,121.99	4,161.18	4,274.90	3,954.11	8,229.01
Other income	18	1.34	4.89	51.88	6.23	93.28	62.06	155.34
Total Income		**2,414.89**	**2,375.52**	**2,285.99**	**4,790.41**	**4,546.03**	**4,128.29**	**8,674.32**
Expenses								
Valuation expenses		2.22	2.21	2.36	4.43	5.02	4.72	9.74
Audit fees		2.48	2.48	3.30	4.96	4.04	3.60	7.64
Investment management fees	27	54.85	58.61	61.45	113.46	111.36	103.45	214.81
Trustee fees		0.83	0.80	0.74	1.63	1.48	1.48	2.96
Legal and professional fees		14.10	104.29	3.59	118.39	83.36	14.73	98.09
Other expenses	19	11.18	16.95	3.17	28.13	14.98	3.17	18.15
Total Expenses		**85.66**	**185.34**	**74.61**	**271.00**	**220.24**	**131.15**	**351.39**
Earnings before finance costs, depreciation, amortisation, impairment loss and tax		**2,329.23**	**2,190.18**	**2,211.38**	**4,519.41**	**4,325.79**	**3,997.14**	**8,322.93**
Finance costs	20	975.22	909.70	696.35	1,884.92	1,685.32	1,165.01	2,850.33
Impairment loss	3	485.10	-	-	485.10	587.46	-	587.46
Profit before tax		**868.91**	**1,280.48**	**1,515.03**	**2,149.39**	**2,053.01**	**2,832.13**	**4,885.14**
Tax expense:	21							
Current tax		12.39	13.83	38.96	26.22	27.30	43.87	71.17
		12.39	**13.83**	**38.96**	**26.22**	**27.30**	**43.87**	**71.17**
Profit for the period/ year		**856.52**	**1,266.65**	**1,476.07**	**2,123.17**	**2,025.71**	**2,788.26**	**4,813.97**
Items of other comprehensive income								
Items that will not be reclassified subsequently to profit or loss								
- Remeasurements of defined benefit liability, net of tax		-	-	-	-	-	-	-
Total comprehensive income for the period/ year		**856.52**	**1,266.65**	**1,476.07**	**2,123.17**	**2,025.71**	**2,788.26**	**4,813.97**
Earning per unit - refer note 22								
Basic		1.11	1.64	1.91	2.75	2.63	3.61	6.24
Diluted		1.11	1.64	1.91	2.75	2.63	3.61	6.24
Significant accounting policies	2							

*** Refer note 31**

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

As per our report of even date attached

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

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

S.R. Batliboi & Associates LLP Bengaluru

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)

EMBASSY OFFICE PARKS REIT Bangalore

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

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 2 November 20

Embassy Office Parks REIT
RN: IN/REIT/17-18/0001
Condensed Standalone Statement of Cash Flows
(all amounts in Rs. million unless otherwise stated)

	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the quarter ended 30 September 2019 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited *)	For the half year ended 30 September 2019 (Unaudited)	For the year ended 31 March 2020 (Audited)
Cash flow from operating activities							
Profit before tax	868.91	1,280.48	1,515.03	2,149.39	2,053.01	2,832.13	4,885.14
Adjustments:							
Interest income	(2,078.55)	(2,082.63)	(2,121.99)	(4,161.18)	(4,274.90)	(3,954.11)	(8,229.01)
Net changes in fair value of financial assets	-	-	3.64	-	4.06	(5.78)	(1.72)
Dividend	(335.00)	(288.00)	(112.12)	(623.00)	(177.85)	(112.12)	(289.97)
Gain / (loss) on mutual funds	(1.34)	(4.89)	(55.02)	(6.23)	(97.34)	(55.02)	(152.36)
Impairment loss	485.10	-	-	485.10	587.46	-	587.46
Finance costs	975.22	909.70	696.35	1,884.92	1,685.32	1,165.01	2,850.33
Operating cash flow before working capital changes	**(85.66)**	**(185.34)**	**(74.11)**	**(271.00)**	**(220.24)**	**(129.89)**	**(350.13)**
Changes in:							
Other current assets	(7.97)	22.16	(23.68)	14.19	2.70	(50.12)	(47.42)
Other current and non-current liabilities and provisions	1.54	(2.03)	(42.02)	(0.49)	4.37	-	4.37
Other current financial liabilities	(2.55)	(7.21)	(28.39)	(9.76)	23.56	(61.31)	(37.75)
Other financial assets	3.35	(0.77)	(6.30)	2.58	3.15	(6.30)	(3.15)
Trade payables	3.06	(5.07)	49.18	(2.01)	(42.80)	49.48	6.68
Cash used in operations	**(88.23)**	**(178.26)**	**(125.32)**	**(266.49)**	**(229.26)**	**(198.14)**	**(427.40)**
Income taxes paid, net	(8.95)	(10.31)	(47.75)	(19.26)	(17.12)	(53.51)	(70.63)
Net cash used in operating activities	**(97.18)**	**(188.57)**	**(173.07)**	**(285.75)**	**(246.38)**	**(251.65)**	**(498.03)**
Cash flow from investing activities							
Loans given to subsidiaries	(7,456.81)	(711.00)	(1,890.00)	(8,167.81)	(9,720.00)	(66,565.60)	(76,285.60)
Loans repaid by subsidiaries	2,255.64	2,194.22	2,906.30	4,449.86	8,710.31	6,886.30	15,596.61
Investment in subsidiary	-	-	-	-	-	(3,450.00)	(3,450.00)
Investment in debentures issued by joint venture	-	-	-	-	-	(2,500.00)	(2,500.00)
Redemption of debentures issued by joint venture	256.48	467.90	439.10	724.38	906.61	869.01	1,775.62
Interest received	1,513.27	1,737.78	2,121.31	3,251.05	3,883.92	3,953.43	7,837.35
Dividend received	335.00	288.00	112.12	623.00	177.85	112.12	289.97
Redemption/ (Investments) in mutual funds (net)	1.34	3,213.96	322.01	3,215.30	1,990.63	(5,045.62)	(3,054.99)
Net cash generated from/(used in) investing activities	**(3,095.08)**	**7,190.86**	**4,010.84**	**4,095.78**	**5,949.32**	**(65,740.36)**	**(59,791.04)**
Cash flow from financing activities							
Expenses incurred towards Initial Public Offering	-	-	(63.68)	-	(51.55)	(2,327.09)	(2,378.64)
Proceeds from Issue of Non-convertible debentures (net of issue expenses)	7,414.79	-	74.94	7,414.79	6,453.62	29,714.89	36,168.51
Distribution to unitholders	(4,498.44)	(5,316.59)	(4,166.99)	(9,815.03)	(9,336.89)	(4,166.99)	(13,503.88)
Security deposits repaid	-	1.00	-	1.00	30.00	-	30.00
Interest paid	(31.30)	-	-	(31.30)	-	-	-
Net cash (used in)/generated from financing activities	**2,885.05**	**(5,315.59)**	**(4,155.73)**	**(2,430.54)**	**(2,904.82)**	**23,220.81**	**20,315.99**

S.R. Batliboi & Associates LLP Bengaluru

EMBASSY OFFICE PARKS REIT Bangalore

Embassy Office Parks REIT
RN: IN/REIT/17-18/0001
Condensed Standalone Statement of Cash Flows
(all amounts in Rs. million unless otherwise stated)

	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the quarter ended 30 September 2019 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited *)	For the half year ended 30 September 2019 (Unaudited)	For the year ended 31 March 2020 (Audited)
Net increase/ (decrease) in cash and cash equivalents	**(307.21)**	**1,686.70**	**(317.96)**	**1,379.49**	**2,798.12**	**(42,771.20)**	**(39,973.08)**
Cash and cash equivalents at the beginning of the period/ year	4,532.15	2,845.45	365.29	2,845.45	47.33	42,818.53	42,818.53
Cash and cash equivalents at the end of the period/ year	**4,224.94**	**4,532.15**	**47.33**	**4,224.94**	**2,845.45**	**47.33**	**2,845.45**
Cash and cash equivalents comprise:							
Balances with banks							
- in current accounts	4,224.13	4,531.71	47.33	4,224.13	2,845.19	47.33	2,845.19
- in escrow accounts	0.81	0.44	-	0.81	0.26	-	0.26
Cash and cash equivalents at the end of the period/ year (refer note 6)	**4,224.94**	**4,532.15**	**47.33**	**4,224.94**	**2,845.45**	**47.33**	**2,845.45**

Significant accounting policies (refer note 2)

*** Refer note 31**

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

As per our report of even date attached

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

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

S.R. Batliboi & Associates LLP Bengaluru

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

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

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

EMBASSY OFFICE PARKS REIT Bangalore

Embassy Office Parks REIT
RN: IN/REIT/17-18/0001
Condensed Standalone Statement of changes in Unitholders' Equity
(all amounts in Rs. million unless otherwise stated)

A. Unit Capital

Particulars	Amount
Balance as at 1 April 2019	229,039.26
Add: Reversal of issue expenses no longer payable	81.70
Balance as at 31 March 2020	**229,120.96**
Balance as at 1 April 2020	229,120.96
Units issued during the period	-
Balance as at 30 September 2020	**229,120.96**

B. Other equity

Particulars	Retained Earnings
Balance as at 1 April 2019	**(94.47)**
Add : Profit for the year ended 31 March 2020	4,813.97
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	**(8,784.65)**
Balance as at 1 April 2020	**(8,784.65)**
Add : Profit for the half year ended 30 September 2020	2,123.17
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	**(16,477.06)**

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's 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 the 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

S.R. Batliboi & Associates LLP Bengaluru

EMBASSY OFFICE PARKS REIT Bangalore

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	261,026.48	325,162.31	259,455.22	316,939.32
B	Liabilities	Rs in millions	48,382.58	48,382.58	39,118.91	39,118.91
C	Net Assets (A-B)	Rs in millions	**212,643.90**	**276,779.73**	**220,336.31**	**277,820.41**
D	No. of units	Numbers	771,665,343	771,665,343	771,665,343	771,665,343
E	NAV (C/D)	Rs	**275.56**	**358.68**	**285.53**	**360.03**

Notes

1) **Measurement of fair values:**

The fair value of investments in SPVs are computed basis the fair value of the underlying Investment property, Investment property under development, Property, plant and equipment and capital work-in-progress as at 30 September 2020 and as at 31 March 2020 along with book values of other assets and liabilities accounted in the respective SPV financial statements as at 30 September 2020 and as at 31 March 2020. The fair value of the properties has been determined by independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued.

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 31 March 2020.

2) **Break up of Net asset value as at 30 September 2020**

Particulars	As at 30 September 2020	As at 31 March 2020
Fair value of investments in SPVs	320,903.57	310,109.83
Add : Other assets	4,258.74	6,829.49
Less : Liabilities	(48,382.58)	(39,118.91)
Net Assets	**276,779.73**	**277,820.41**

3) The Trust holds investment in SPVs which in turn hold the properties. Hence, the breakup of property wise fair values has been disclosed in the Condensed Consolidated financial Statements.

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	2,123.17	2,025.71	2,788.26
B	Add : Income of SPV's and changes in fair value not recognised in total comprehensive income of Condensed Standalone financial statements	6,248.59	2,794.34	4,008.99
C (A+B)	**Total Return**	**8,371.76**	**4,820.05**	**6,797.25**

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

S.R. Batliboi & Associates LLP Bengaluru

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

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

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

EMBASSY OFFICE PARKS REIT Bangalore

Embassy Office Parks REIT
RN: IN/REIT/17-18/0001
Condensed Standalone Financial Statements
Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016
(all amounts in Rs. million unless otherwise stated)

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

Sl No	Particulars	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the quarter ended 30 September 2019 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited *)	For the half year ended 30 September 2019 (Unaudited)	For the year ended 31 March 2020 (Audited)
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 from sale proceeds	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not	-	-	-	-	-	-	-
4	Add: Any other income accruing to 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)
7	Less: Debt servicing					-		
	• Interest on external debt	(33.99)	-	-	(33.99)	-	-	-
	• Repayment of external debt	-	-	-	-	-	-	-
8	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**

*** Refer note 31**

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.
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.

2 Repayment of short-term construction debt given to SPV's and interest accrued but not due on borrowings as at the period/year end are not considered for the purpose of distributions.

3 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

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

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

S.R. Batliboi & Associates LLP Bengaluru

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)

EMBASSY OFFICE PARKS REIT Bangalore

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

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

1 Trust Information

Embassy Property Developments Private Limited ('EPDPL') and BRE/Mauritius Investments ('BMI') collectively known as (the 'Sponsors' or the 'Co-Sponsors') have set up the Embassy Office Parks REIT (or the " Embassy REIT" or the "Trust") on 30 March 2017 at 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 Embassy REIT was registered with SEBI on 3 August 2017 as a real estate investment trust (REIT) under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 having registration number IN/REIT/17-18/0001. Pursuant to a letter dated 21 August 2018, SEBI took on record the addition of the Blackstone Sponsor to the sponsors of the Embassy REIT. The Trustee to Embassy Office Parks REIT is Axis Trustee Services Limited (the 'Trustee') and the Manager for Embassy Office Parks REIT is Embassy Office Parks Management Services Private Limited (the 'Manager' or 'EOPMSPL')

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

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

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

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

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

Details of SPV's are 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 investment company for the Embassy Office Parks REIT.	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% Embassy Office Parks REIT : 64.23%
UPPL	Development, rental and maintenance of serviced residences (Hilton residences) located at Bangalore.	Embassy Office Parks REIT : 100%
EEPL	Generation and supply of solar power to the office spaces of SPVs of the Embassy Office Parks REIT located in Bangalore.	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.	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%
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%
QBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Qubix Business Park), located in Pune.	Embassy Office Parks REIT : 100%
OBPPL	Development and leasing of office space and related interiors and maintenance of such assets (The Oxygen Park), located in Noida.	Embassy Office Parks REIT : 100%
VCPPL	Development and leasing of office space and related interiors and maintenance of such assets (247 Park), located in Mumbai.	Embassy Office Parks REIT : 100%
IENMPL	Development and leasing of office space and related interiors and maintenance of such assets (Express Towers Building), located in Mumbai.	Embassy Office Parks REIT : 100%

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

Name of the SPV	Activities	Shareholding (in percentage)
EPTPL	Development and leasing of office space and related interiors, located in Pune.	EOPPL : 100%

The Trust also holds economic interest in a joint venture (Golflinks Software Park Private Limited (GLSP), entity incorporated in India) through a SPV as detailed below.

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%)

S.R. Batliboi & Associates LLP Bengaluru

EMBASSY OFFICE PARKS REIT Bangalore

2 Significant accounting policies

2.1 Basis of preparation of Condensed Standalone Financial statements

The Interim Condensed Standalone Financial Statements ('Condensed Standalone Financial statements') of the Trust comprises the Standalone Balance Sheet and the Statement of Net Assets at fair value as at 30 September 2020, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flow, the Statement of Net Distributable Cashflows for the quarter and half year ended September 30, 2020, the Standalone Statement of Changes in Unitholder's Equity, the Statement of Total Returns at fair value and a summary of significant accounting policies and select explanatory information for the half year ended 30 September 2020. The Condensed Standalone Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 2 November 2020.

The Condensed Standalone Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued there under 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 the REIT regulations. Also refer Note 10(a) on classification of Unitholders fund.

Embassy Office Parks REIT has prepared Condensed Standalone financial statements which comply with Ind AS applicable for period ending on 30 September 2020, together with the comparative period data as at and for the year ended 31 March 2020, as described in the summary of significant accounting policies.

The Condensed Standalone financial statements are presented in Indian Rupees in Millions, except when otherwise indicated.

Statement of compliance to Ind-AS

These Condensed Standalone Financial Statements for the period ended 30 September 2020 are the financial statements of the Embassy Office Parks REIT 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 Trust has followed the same accounting policies in preparation of the Condensed Standalone Financial Statements as those followed in preparation of the Annual Standalone Financial Statements as at and for the year ended 31 March 2020. These Condensed Standalone Financial Statements should be read in conjunction with the Audited Standalone Financial Statements and the related notes for the year ended 31 March 2020.

2.2 Summary of significant accounting policies

a) Functional and presentation currency

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

b) Basis of measurement

The Condensed Standalone Financial Statements are prepared on the historical cost basis, except for the following:
- Certain financial assets and liabilities (refer accounting policy regarding financial instrument) measured at fair values.

c) Use of judgments and estimates

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

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

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

i) Classification of lease arrangements as finance lease or operating lease – Note 2.2 (m)
ii) Classification of Unitholders' funds – Note 10 (a)

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment are included in the following notes -

i) Valuation of financial instruments – Refer Note 2.2 (h)
ii) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(q)(ii)

iii) Estimation of uncertainties relating to the global health pandemic from COVID-19
The Trust has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its investments in SPVs including loans and other receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Trust, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Trust. The Trust has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet as at 30 September 2020 will be recovered. The impact of COVID-19 on the Trust's financial statements may differ from that estimated as at the date of approval of these Condensed Standalone financial statements.

iv) Impairment of investments and loans in subsidiaries
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the investments in subsidiaries are based on value in use of the underlying properties. The value in use calculation is based on discounted cash flow model. The key assumptions used to determine the recoverable amount are disclosed and further explained in Note 3.

d) Current versus non-current classification

The Embassy Office Parks REIT presents assets and liabilities in the Condensed Standalone Balance Sheet based on current/ non-current classification.

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

All other assets are classified as non-current.

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

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

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

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

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2 Significant accounting policies (continued)

e) Measurement of fair values

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

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

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

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

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

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

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

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

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

f) Impairment of non-financial assets

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

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

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

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

g) Foreign currency transactions

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

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

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

h) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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2 Significant accounting policies (continued)

h) Financial instruments (continued)

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

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

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

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

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

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2 Significant accounting policies (continued)

iii) Derecognition(Continued)

Financial liabilities

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

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

iv) Offsetting

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

i) Compound financial instruments

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

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

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

j) Impairment of financial assets

Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Majority of the financial assets of the Embassy Office Parks REIT pertains 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 loans and 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.

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2 Significant accounting policies (continued)

l) Financial guarantee contracts(continued)

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

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

m) Leases

Embassy Office Parks REIT as a lessee

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

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

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

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

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

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

Embassy Office Parks REIT as a lessor

i.Determining whether an arrangement contains a lease

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

ii. Assets held under leases

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

iii. Initial direct costs

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

n) Revenue recognition

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

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

Recognition of dividend income, interest income

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

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

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

o) Investments in subsidiaries and joint ventures

The Trust accounts for its investments in subsidiaries and joint ventures at cost less accumulated impairment losses (if any) in its Condensed 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.

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2 Significant accounting policies (continued)

q) Taxation(continued)

(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 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 the Embassy Office Parks REIT operates only in India, hence 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, amortization, impairment loss and income tax

The Embassy Office Parks REIT has elected to present earnings before finance cost, depreciation, amortisation 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, amortization, 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.

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2 Significant accounting policies (continued)

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 endeavors to pay quarterly distributions, any shortfall as regards minimum quarterly distribution by the SPVs and Holding Company to Embassy Office Parks REIT, post interest paid on Shareholder Debt, interim dividend payments and Principal repayment of Shareholder Debt, would be done by declaring dividend, to the extent permitted under the Companies Act, 2013. Repayment of short-term construction debt given to SPV's are not considered for the purpose of distributions.

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3 Non-current investments

Particulars	As at 30 September 2020	As at 31 March 2020
Trade, unquoted investments in subsidiaries (at cost) (refer note below and note 24)		
- 405,940,204 (31 March 2020 : 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 *	(764.91)	(587.46)
- 2,129,635 (31 March 2020 : 2,129,635) equity shares of Quadron Business Park Private Limited of Rs.10 each, fully paid up	13,689.26	13,689.26
Less: Provision for impairment *	(307.65)	-
	15,458.37	**15,943.47**
- 8,703,248 (31 March 2020 : 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 2020 : 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 2020 : 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 2020 : 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 2020 : 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 2020 : 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 2020 : 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 2020 : 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
- 107,958 (31 March 2020 : 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 2020 : 1,999) equity shares of Embassy Energy Private Limited of Rs.10 each, fully paid up	732.79	732.79
	170,918.71	**170,918.71**
	186,377.08	**186,862.18**
Aggregate amount of impairment recognised	**1,072.56**	**587.46**

* The recoverable amounts of the investments in subsidiaries have been computed based on value in use calculation of the underlying properties, computed semi-annually. The value in use calculation is based on discounted cash flow method. As at 30 September 2020, an amount of Rs.1,072.56 million (31 March 2020: Rs. 587.46 million) has been provided as impairment on investment in subsidiaries namely Umbel Properties Private Limited and Quadron Business Park Private Limited. The impairment charge arose mainly in the hospitality operations due to slower ramp up of occupancy coupled with the current economic conditions due to Covid-19 pandemic. In determining the value in use for investment in Hospitality operations, the cash flows were discounted at the rate of 13.60%.

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 30 September 2020	As at 31 March 2020
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%

* Embassy Pune Techzone Private Limited is the wholly owned subsidiary of Embassy Office Parks Private Limited.

** Remaining 35.77% of ownership interest in Manyata Promoters Private Limited is owned by Embassy Office Parks Private Limited. Therefore, the Trust directly or indirectly owns 100% interest in Manyata Promoters Private Limited.

*** Remaining 80.01% of ownership interest in Embassy Energy Private Limited is owned by Embassy Office Parks Private Limited. Therefore, the Trust directly or indirectly owns 100% interest in Embassy Energy Private Limited.

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4 Non-current loans

Particulars	As at 30 September 2020	As at 31 March 2020
Unsecured, considered good		
Loan to subsidiaries (refer note 24)	68,765.66	65,142.57
Security deposits		
- others	-	1.00
	68,765.66	**65,143.57**

Terms attached to loan to subsidiaries

Security: Unsecured

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

Repayment:

(a) Bullet repayment on the date falling at the end of 15 (fifteen) years from the first drawdown date.

(b) Early repayment option (wholly or partially) is available to the borrower (SPV's).

5 Current investments

Particulars	As at 30 September 2020	As at 31 March 2020
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 24	-	724.38
2,500 (31 March 2020 : 2,500) 8.5% debentures		
	-	**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

1. Nil (31 March 2020 : 2,500) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Park Private Limited. Outstanding as on 30 September 2020 : Rs.Nil (31 March 2020 : Rs.724.38 million).

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

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

4. Redemption : Debentures shall be redeemed in 16 monthly 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.

5. During the quarter ended 30 September 2020, the Investment in debentures has been fully redeemed.

6 Cash and cash equivalents

Particulars	As at 30 September 2020	As at 31 March 2020
Balances with banks		
- in current accounts *	4,224.13	2,845.19
- in escrow accounts		
Balances with banks for unclaimed distributions	0.81	0.26
	4,224.94	**2,845.45**

* Balance in current accounts includes cheques on hand received from SPV's in respect of interest payments and principal repayments of loans for the quarter ended 30 September 2020 amounting to Rs.952.16 million (31 March 2020 : Rs.2,121.94 million)

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7 Current loans

Particulars	As at 30 September 2020	As at 31 March 2020
Unsecured, considered good		
Loan to subsidiaries (refer note 24)	1,625.00	620.00
	1,625.00	**620.00**

Terms attached to Loan to subsidiaries

Security: Unsecured

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

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

8 Other financial assets

Particulars	As at 30 September 2020	As at 31 March 2020
Other receivables		
- from others	0.57	3.15
	0.57	**3.15**

9 Other current assets

Particulars	As at 30 September 2020	As at 31 March 2020
Unsecured, considered good		
Advance for supply of goods and rendering of services	0.80	0.44
Balances with government authorities	0.56	8.82
Prepayments	31.87	38.16
	33.23	**47.42**

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10 Unit capital

Particulars	No in Million	Amount
As at 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
As at 31 March 2020	**771.67**	**229,120.96**
As at 1 April 2020	771.67	229,120.96
Units issued during the period	-	-
Balance as at 30 September 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 in accordance with Ind AS 32 Financial Instruments: Presentation. During the year ended 31 March 2020, provision for issue expenses no longer payable, has been reversed amounting to Rs.81.70 million.

(a) Terms/rights attached to Units

The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Units is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Board of Directors of the Manager approves 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 Manager.

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

Name of the share holder	As at 30 September 2020		As at 31 March 2020	
	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	88,333,166	11.45%	104,094,966	13.49%
BRE Mauritius Investments	84,621,955	10.97%	93,610,755	12.13%
Veeranna Reddy	49,847,582	6.46%	65,472,582	8.48%
Bre/Mauritius Investments II	39,700,450	5.14%	45,630,850	5.91%
India Alternate Property Limited	31,193,186	4.04%	39,446,986	5.11%

(c) The Trust has not allotted any fully paid-up units by way of bonus shares nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further, the Trust has issued an aggregate of 613,332,143 Units of Rs.300 each for consideration other than cash from the date of incorporation till the balance sheet date.

11 Other equity

Particulars	As at 30 September 2020	As at 31 March 2020
Retained earnings *	(16,477.06)	(8,784.65)
	(16,477.06)	**(8,784.65)**

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

Retained earnings

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

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12 Borrowings

Particulars	As at 30 September 2020	As at 31 March 2020
Secured		
36,500 (31 March 2020 : 36,500) Embassy REIT Series I NCD 2019, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note A below)		
- Tranche I	33,895.08	32,351.18
- Tranche II	6,974.68	6,667.66
7,500 (31 March 2020 : Nil) Embassy REIT Series II NCD 2020, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note B below)		
- Tranche A	7,357.74	-
	48,227.50	**39,018.84**

Note:

A. 36,500 (31 March 2020 : 36,500) Embassy REIT Series I NCD 2019, face value of Rs.1,000,000 each

In May 2019, the Trust issued 30,000 listed, AAA/Stable 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 debentures are secured against each of the following in favor of the Security Trustee (holding for the benefit of the Debenture Trustee and ranking pari passu inter se the Debenture Holders):

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase 1) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park". The above charge excludes L1 - Office block, consisting of 477,949 sq.ft of super built up area along with the undivided share of the lands and future development / construction on Blocks designated as F1 and L4 that MPPL may undertake in the Project "Embassy Manyata Business Park" along with the remaining undivided share of such land.
2. A sole and exclusive first ranking pledge created by the REIT and EOPPL over their total shareholding in the SPV's namely QBPPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.
5. A negative pledge on all assets of each secured SPV except MPPL.

Redemption terms:

1. These debentures are redeemable by way of bullet payment on 2 June 2022.
2. Tranche I debentures have a redemption premium of 9.4% IRR compounded annually and Tranche II debentures have a redemption premium of 9.05% IRR compounded annually.
3. In case of downgrading of credit rating , the IRR shall increase by 0.25% - 1.25% over and above the applicable IRR calculated from the date of change of rating. In case of any subsequent upgrading of credit rating , the IRR shall restore/decrease by 0.25% - 1.00% over and above the applicable IRR calculated from the date of change of rating.
4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between May 2021 to May 2022) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures being redeemed.

B. 7,500 (31 March 2020 : Nil) Embassy REIT Series II NCD 2020, face value of Rs.1,000,000 each

In September 2020, the Trust issued 7,500 listed, AAA/Stable, secured, redeemable and non-convertible Embassy REIT Series II NCD 2020 (Tranche A), debentures having face value of Rs.1 million each amounting to Rs.7,500.00 million with a coupon rate of 7.25% p.a. payable quarterly.

The Tranche A NCD described above were listed on the Bombay Stock Exchange on 17 September 2020.

Security terms:

The debenture's are secured against each of the following in favor of the Debenture Trustee (holding for the benefit of the Debenture Holders and ranking pari passu inter se the Debenture Holders):

1. A sole and exclusive first ranking charge by way of mortgage created by EOPPL on the constructed buildings and related parcels identified as Block 2, Block 3, Food court, Block 6, Block 1, Block 11 and Block 5, having an aggregate leasable area of 2,00,674 square meters and forming part of the development known as Embassy Tech Zone together with portion of land admeasuring 96,630 square meters on which the aforesaid buildings are constructed out of the aggregate area of land measuring 67.45 acres equivalent to 2,72,979 sq. mtrs.
2. A sole and exclusive first ranking pledge created by the REIT over the shareholding in the SPV's namely IENMPL and EOPPL together known as "secured SPVs" along with shareholder loans given to these SPVs
3. A sole and exclusive first ranking charge by way of hypothecation created by REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by EOPPL over identified bank accounts and receivables.
5. A Corporate Guarantee issued by each of EOPPL and IENMPL;

Redemption terms:

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date
2. Tranche A debentures will be redeemed on the expiry of 37 months from the Date of Allotment for the Tranche A debentures at par on 9 October 2023.
3. In case of downgrading of credit rating , the coupon rate shall increase by 0.25% - 1.25% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the IRR shall restore/decrease by 0.25% - 1.00% over and above the coupon rate calculated from the date of change of rating.
4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between March 2023 to Sep 2023) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures being redeemed.

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12 Borrowings (continued)

Disclosure required under SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018

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

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019 (Tranche I and II)	Secured	-	-	02 June 2022	02 June 2022
Embassy REIT Series II NCD 2020 (Tranche A)	Secured	-	30 September 2020	09 October 2023	31 December 2020

2. Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to Embassy REIT Series I NCD 2019 and Embassy REIT Series II NCD 2020

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

Particulars	As at 30 September 2020	As at 31 March 2020
Asset cover ratio (refer a below)	14.30%	11.76%
Debt -equity ratio (refer b below)	0.23	0.18
Debt-service coverage ratio (refer c below)	2.40	2.92
Interest-service coverage ratio (refer d below)	2.40	2.92
Net worth (refer e below)	212,643.90	220,336.31

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

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

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

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

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

e) Net worth = Unit capital + Other equity

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

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13 Trade payables

Particulars	As at 30 September 2020	As at 31 March 2020
Trade payable		
- total outstanding dues to micro and small enterprises	-	-
- total outstanding dues other than micro and small enterprises		
- to related party (refer note 24)	-	4.66
- to others	10.74	2.02
	10.74	**6.68**

14 Other financial liabilities

Particulars	As at 30 September 2020	As at 31 March 2020
Unclaimed distribution	0.81	0.26
Other liabilities		
- to related party (refer note 24)	55.61	55.46
- to others	76.54	32.76
	132.96	**88.48**

15 Other current liabilities

Particulars	As at 30 September 2020	As at 31 March 2020
Statutory dues	3.88	4.37
	3.88	**4.37**

16 Current tax liabilities (net)

Particulars	As at 30 September 2020	As at 31 March 2020
Provision for income-tax, net of advance tax	7.50	0.54
	7.50	**0.54**

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EMBASSY REIT

17 Interest income

Particulars	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
Interest income							
- on fixed deposits	14.22	27.97	-	42.19	0.59	12.84	13.43
- on debentures (refer note 24)	2.52	12.09	40.90	14.61	53.39	90.99	144.38
- on loan to subsidiaries (refer note 24)	2,061.81	2,042.57	2,081.09	4,104.38	4,220.92	3,850.28	8,071.20
	2,078.55	**2,082.63**	**2,121.99**	**4,161.18**	**4,274.90**	**3,954.11**	**8,229.01**

18 Other income

Particulars	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
Gain / (loss) on mutual funds *	1.34	4.89	51.38	6.23	93.28	60.80	154.08
Miscellaneous	-	-	0.50	-	-	1.26	1.26
	1.34	**4.89**	**51.88**	**6.23**	**93.28**	**62.06**	**155.34**

* Includes net changes in fair value of mutual funds for quarter ended of Rs.Nil and the half year ended 30 September 2020 of Rs.Nil (31 March 2020 of Rs. 1.72 million).

19 Other expenses

Particulars	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
Bank charges	0.01	0.01	0.02	0.02	0.24	0.02	0.26
Rates and taxes	4.61	5.77	0.14	10.38	1.34	0.14	1.48
Travelling and conveyance	-	-	0.17	-	-	0.17	0.17
Marketing and advertisement expenses *	6.35	10.65	2.30	17.00	13.26	2.30	15.56
Miscellaneous expenses	0.21	0.52	0.54	0.73	0.14	0.54	0.68
	11.18	**16.95**	**3.17**	**28.13**	**14.98**	**3.17**	**18.15**

* Also refer note 24

20 Finance costs

Particulars	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
Interest expense							
- on accrual of premium on redemption of Embassy REIT Series I NCD 2019 (Tranche I and II)	941.23	909.70	696.35	1,850.93	1,685.32	1,165.01	2,850.33
- on Embassy REIT Series II NCD 2020 (Tranche A)	33.99	-	-	33.99	-	-	-
	975.22	**909.70**	**696.35**	**1,884.92**	**1,685.32**	**1,165.01**	**2,850.33**

21 Tax expense

Particulars	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
Current tax	12.39	13.83	38.96	26.22	27.30	43.87	71.17
	12.39	**13.83**	**38.96**	**26.22**	**27.30**	**43.87**	**71.17**

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EMBASSY OFFICE PARKS REIT Bangalore

22 Earnings Per Unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the period/year attributable to Unitholders by the weighted average number of units outstanding during the period/year. Diluted EPU amounts are calculated by dividing the profit attributable to unitholders by the weighted average number of units outstanding during the period/ year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

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

Particulars	For the 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
Profit after tax for calculating basic and diluted EPU	856.52	1,266.65	1,476.07	2,123.17	2,025.71	2,788.26	4,813.97
Weighted average number of Units (No. in million)	771.67	771.67	771.67	771.67	771.67	771.67	771.67
Earnings Per Unit							
- Basic (Rupees/unit)	1.11	1.64	1.91	2.75	2.63	3.61	6.24
- Diluted (Rupees/unit) *	1.11	1.64	1.91	2.75	2.63	3.61	6.24

* The Trust does not have any outstanding dilutive units.

23 Commitments and contingencies

a. Contingent liabilities

Particulars	As at 30 September 2020	As at 31 March 2020
Guarantee given to a Bank for loan obtained by a SPV	8,400.00	8,400.00

Note

Trust has given an irrevocable and unconditional Corporate guarantee dated 27 December 2019, in favor 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 30 September 2020 and 31 March 2020.

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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Embassy Office Parks REIT Bangalore

24 Related party disclosures

I. List of related parties as at 30 September 2020

A. Parties to Embassy Office Parks REIT

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

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 Manager (Embassy Office Parks Management Services Private Limited)

Directors

Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri
Punita Kumar Sinha
Robert Christopher Heady
Aditya Virwani
Asheesh Mohta - Director (from 28 June 2019, alternate to Robert Christopher Heady)

Key management personnel

Michael David Holland - CEO
Rajesh Kaimal - CFO (upto 19 May 2020)
Aravind Maiya - CFO (from 19 May 2020)
Ramesh Periasamy - Compliance Officer and Company Secretary (upto 6 August 2020)
Deepika Srivastava- Compliance Officer and Company Secretary (from 7 August 2020)

(i) Subsidiaries (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 (from 06 December 2019)

(ii) Joint Venture

Golflinks Software Park Private Limited

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

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

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EMBASSY OFFICE PARKS REIT Bangalore

24 Related party disclosures

C Transactions during the period/ year

Particulars	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
Unsecured loans given to							
Quadron Business Park Private Limited	50.00	-	180.00	50.00	-	7,509.00	7,509.00
Embassy Office Parks Private Limited	-	-	-	-	-	5,858.30	5,858.30
Manyata Promoters Private Limited	3,355.38	-	-	3,355.38	-	28,423.10	28,423.10
Qubix Business Park Private Limited	-	-	-	-	-	3,179.90	3,179.90
Oxygen Business Park Private Limited	3,396.43	-	-	3,396.43	-	4,030.30	4,030.30
Earnest Towers Private Limited	-	200.00	-	200.00	250.00	779.30	1,029.30
Vikhroli Corporate Park Private Limited	100.00	61.00	-	161.00	40.00	4,726.70	4,766.70
Galaxy Square Private Limited	-	-	-	-	-	2,549.80	2,549.80
Umbel Properties Private Limited	-	-	-	-	-	1,795.20	1,795.20
Indian Express Newspapers (Mumbai) Private Limited	-	-	810.00	-	-	3,764.00	3,764.00
Embassy Energy Private Limited	-	-	400.00	-	6,000.00	400.00	6,400.00
Short term construction loan given							
Manyata Promoters Private Limited	455.00	300.00	-	755.00	-	3,050.00	3,050.00
Oxygen Business Park Private Limited	-	-	500.00	-	2,810.00	500.00	3,310.00
Embassy Office Parks Private Limited	100.00	150.00	-	250.00	620.00	-	620.00
Investment in debentures							
Golflinks Software Park Private Limited	-	-	-	-	-	2,500.00	2,500.00
Redemption of investment in debentures							
Golflinks Software Park Private Limited	256.48	467.90	439.10	724.38	906.61	869.01	1,775.62
Unsecured loans repaid by							
Embassy Office Parks Private Limited	242.01	195.33	450.00	437.34	1,114.34	560.00	1,674.34
Manyata Promoters Private Limited	1,517.58	1,553.39	1,120.00	3,070.97	2,473.37	2,370.00	4,843.37
Qubix Business Park Private Limited	100.01	68.61	65.00	168.62	154.91	145.00	299.91
Oxygen Business Park Private Limited	-	-	17.00	-	170.68	77.00	247.68
Earnest Towers Private Limited	187.43	178.99	129.30	366.42	420.32	319.30	739.62
Vikhroli Corporate Park Private Limited	130.21	60.55	130.00	190.76	138.88	130.00	268.88
Galaxy Square Private Limited	78.40	84.53	70.00	162.93	124.91	160.00	284.91
Umbel Properties Private Limited	-	-	50.00	-	19.40	50.00	69.40
Indian Express Newspapers (Mumbai) Private Limited	-	26.96	25.00	26.96	204.97	225.00	429.97
Embassy Energy Private Limited	-	25.86	-	25.86	378.53	-	378.53
Short term construction loan repaid by							
Manyata Promoters Private Limited	-	-	750.00	-	300.00	2,750.00	3,050.00
Oxygen Business Park Private Limited	-	-	100.00	-	3,210.00	100.00	3,310.00
Secondment fees							
Embassy Office Parks Management Services Private Limited	0.36	0.35	0.35	0.71	0.71	0.71	1.42
Investment management fees							
Embassy Office Parks Management Services Private Limited	54.85	58.61	61.45	113.46	111.36	103.45	214.81
Trademark license fees							
Embassy Shelters Private Limited	0.36	0.35	0.35	0.71	0.71	0.71	1.42

S.R. Batliboi & Associates LLP Bengaluru

EMBASSY OFFICE PARKS REIT Bangalore

24 Related party disclosures

C Transactions during the period/ year

Particulars	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
Trustee fee expenses							
Axis Trustee Services Limited	0.74	0.74	0.74	1.48	1.49	1.48	2.96
Marketing and advertisement expenses							
Lounge Hospitality LLP	-	-	-	-	0.06	-	0.06
Mac Charles (India) Limited	-	-	0.48	-	-	0.48	0.48
Travelling and conveyance							
Quadron Business Park Private Limited	-	-	0.02	-	-	0.02	0.02
Interest income							
Quadron Business Park Private Limited	384.12	379.93	378.43	764.05	764.87	742.04	1,506.91
Embassy Office Parks Private Limited	150.00	154.08	179.84	304.08	338.15	360.41	698.56
Manyata Promoters Private Limited	727.83	735.40	885.74	1,463.23	1,600.41	1,498.31	3,098.72
Qubix Business Park Private Limited	88.56	89.75	97.53	178.31	187.91	195.54	383.45
Oxygen Business Park Private Limited	143.61	117.88	130.74	261.49	260.33	250.49	510.82
Earnest Towers Private Limited	9.73	9.44	18.31	19.17	23.80	42.33	66.13
Vikhroli Corporate Park Private Limited	141.80	140.17	148.92	281.97	287.57	294.61	582.18
Galaxy Square Private Limited	68.68	70.58	77.35	139.26	149.27	155.94	305.21
Umbel Properties Private Limited	54.38	53.78	56.56	108.16	108.88	111.89	220.77
Indian Express Newspapers (Mumbai) Private Limited	104.20	103.90	106.99	208.10	216.32	198.03	414.35
Embassy Energy Private Limited	188.90	187.66	0.68	376.56	283.42	0.68	284.10
Interest received on debentures							
Golflinks Software Park Private Limited	2.52	12.09	40.90	14.61	53.39	90.99	144.38
Dividend received							
Embassy Energy Private Limited	-	-	6.00	-	-	6.00	6.00
Indian Express Newspapers (Mumbai) Private Limited	185.00	147.00	7.87	332.00	87.85	7.87	95.72
Oxygen Business Park Private Limited	150.00	141.00	98.25	291.00	90.00	98.25	188.25
Expenses incurred by related party on behalf of the Trust							
Embassy Office Parks Management Services Private Limited	0.21	0.83	47.70	1.04	8.56	47.70	56.26
Expenses incurred by the Trust on behalf of related party							
Manyata Promoters Private Limited	-	0.82	-	0.82	-	-	-
Others	-	2.11	-	2.11	-	-	-
Guarantee given to bank for loan obtained by SPV							
Manyata Promoters Private Limited	-	-	-	-	8,400.00	-	8,400.00
Guarantee given by SPV on behalf of REIT							
Indian Express Newspapers (Mumbai) Private Limited and Embassy Office Parks Private Limited	7,500.00	-	-	7,500.00	-	-	-

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EMBASSY OFFICE PARKS REIT Bangalore

24 Related party disclosures

D Closing balances

Particulars	As at 30 September 2020	As at 31 March 2020
Unsecured loan receivable (non-current)		
Quadron Business Park Private Limited	13,236.87	12,582.58
Embassy Office Parks Private Limited	3,746.62	4,183.96
Manyata Promoters Private Limited	23,864.16	23,579.73
Qubix Business Park Private Limited	2,711.36	2,879.99
Oxygen Business Park Private Limited	7,285.73	3,782.62
Earnest Towers Private Limited	123.27	289.68
Vikhroli Corporate Park Private Limited	4,468.05	4,497.82
Galaxy Square Private Limited	2,101.96	2,264.89
Umbel Properties Private Limited	1,833.96	1,725.80
Indian Express Newspapers (Mumbai) Private Limited	3,364.16	3,334.03
Embassy Energy Private Limited	6,029.52	6,021.47
Short term construction loan		
Manyata Promoters Private Limited	755.00	-
Embassy Office Parks Private Limited	870.00	620.00
Other financial liabilities		
Embassy Office Parks Management Services Private Limited	54.14	55.46
Axis Trustee Services Limited	1.47	-
Trade payables		
Embassy Office Parks Management Services Private Limited	-	4.66
Investment in Debentures (current)		
Golflinks Software Park Private Limited	-	724.38
Investment in equity shares of subsidiaries		
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*	13,381.61	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 *	2,076.76	2,254.21
Indian Express Newspapers (Mumbai) Private Limited	13,210.96	13,210.96
Embassy Energy Private Limited	732.79	732.79
Guarantee given to bank for loan obtained by SPV		
Manyata Promoters Private Limited	8,400.00	8,400.00
Guarantee given by SPV on behalf of REIT		
Indian Express Newspapers (Mumbai) Private Limited and Embassy Office Parks Private Limited	7,500.00	-

** Net of provision for impairment of Rs.1,072.56 million (31 March 2020 : Rs.587.46 million).*

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EMBASSY OFFICE PARKS REIT Bangalore

25 Financial instruments :

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

Particulars	Carrying value 30 September 2020	Fair Value 30 September 2020	Carrying value 31 March 2020	Fair Value 31 March 2020
Financial assets				
Fair value through profit and loss				
Investments in mutual funds	-	-	3,209.07	3,209.07
Amortised cost				
Investments	-	-	724.38	-
Loans	70,390.66	-	65,763.57	-
Cash and cash equivalents	4,224.94	-	2,845.45	-
Other financial assets	0.57	-	3.15	-
Total assets	**74,616.17**	**-**	**72,545.62**	**3,209.07**
Financial liabilities				
Amortised cost				
Borrowings	48,227.50	49,425.37	39,018.84	38,984.00
Other financial liabilities	132.96	-	88.48	-
Trade payables	10.74	-	6.68	-
Total liabilities	**48,371.20**	**49,425.37**	**39,114.00**	**38,984.00**

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.

Fair value hierarchy

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

b) **Financial instruments**

Quantitative disclosures fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	30 September 2020	-	-	-	-
Investment in mutual funds	31 March 2020	3,209.07	3,209.07	-	-

c) **Transfers between Level 1, Level 2 and Level 3**

There were no transfers between Level 1, Level 2 or Level 3 during the period ended 30 September 2020 and year ended 31 March 2020.

d) **Determination of fair values**

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

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

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

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.

26 Details of utilisation of proceeds of issue of Embassy REIT Series II NCD 2020, Tranche A are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 30 September 2020	Unutilised amount as at 30 September 2020
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	7,251.81	7,251.81	-
General purposes including issue expenses	248.19	85.20	162.99
Total	**7,500.00**	**7,337.01**	**162.99**

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EMBASSY OFFICE PARKS REIT Bangalore

27 Investment management fees

Pursuant to the Investment management agreement dated 12 June 2017, as amended, the Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the Trust and its investments. Investment management fees accrued for the quarter and half year ended 30 September 2020 amounts to Rs.54.85 million and Rs.113.46 million respectively. There are no changes during the period ended 30 September 2020 in the methodology for computation of fees paid to the Manager.

28 Secondment fees

Pursuant to the Secondment agreement dated 11 March 2019, the Manager is entitled to fees of Rupees One Lakh (Rs.1,00,000) per month in respect certain employees of the Manager being deployed to the Trust in connection with the operation and management of the assets of the Trust. Secondment Fees for the quarter and half year ended 30 September 2020 amounts to Rs.0.36 million and Rs.0.71 million respectively. There are no changes during the period ended 30 September 2020 in the methodology for computation of secondment fees paid to the Manager.

29 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.

30 Distributions

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.

Along with distribution of Rs.4,498.81 million/ 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.8,742.97 million/ Rs.11.33 per unit.

31 The figures for the half year ended 31 March 2020 are the derived figures between the audited figures in respect of the year ended 31 March 2020 and the published year-to-date figures for the half year ended 30 September 2019, which were subject to limited review.

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

As per our report of even date attached

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

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

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

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

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

S.R. Batliboi & Associates LLP Bengaluru

EMBASSY OFFICE PARKS REIT Bangalore

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders' of Embassy Office Parks REIT

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

S.R. Batliboi & Associates LLP Bengaluru

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata 700 016

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

Key audit matters	**How our audit addressed the key audit matter**
Assessing impairment of Investments and loans made by the REIT in subsidiaries and joint venture entity (as described in note 3, 4, 5 and 7 of the standalone Ind AS financial statements)	
As at March 31, 2020, the carrying values of REIT's investment in subsidiaries and joint venture entity amounted to Rs.187,586.56 million. Further the REIT has granted loans to its subsidiaries amounting to Rs.65,762.57 million. Management reviews regularly whether there are any indicators of impairment of such investments/ loans by reference to the requirements under Ind AS. Management performs its impairment assessment by comparing the carrying value of these investments/ loans made to their recoverable amount to determine whether an impairment needs to be recognized. For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Significant judgements are required to determine the key assumptions used in determination of value in use. Considering the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.	Our audit procedures included, among others, the following: - We assessed the REIT's valuation methodology applied in determining the recoverable amount. - We involved valuation specialists to: (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - We compared the recoverable amount of the investment to the carrying value in books as at March 31, 2020. - As regards loans granted, we obtained and considered management evaluation of recoverability of loans and advances granted to its subsidiaries and joint venture entity. - We read/assessed the disclosures in the standalone Ind AS financial statements for compliance with the relevant accounting standards requirements.

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Key audit matters	How our audit addressed the key audit matter
Classification of Unitholders' funds as equity (as described in note 10(a)(i) of the standalone Ind AS financial statements)	
The REIT is required to distribute to its Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the Unitholders' funds contains a contractual obligation of the REIT to pay cash distributions to its Unitholders. The Unitholders' funds could have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/141/2016 dated December 26, 2016 and No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circulars") issued under the REIT Regulations, the Unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated December 26, 2016 dealing with the minimum disclosures for key financial statements. Based on the above, the classification of Unitholders' funds as equity involved considerable management judgement. Accordingly, it is considered as a key audit matter.	Our audit procedures included evaluating the requirements for classification of financial liability and equity under Ind AS 32 and evaluating the provisions of SEBI Circulars for classification/ presentation of Unitholders' funds in the standalone Ind AS financial statements of the REIT. We assessed the disclosures in the standalone Ind AS financial statements for compliance with the relevant requirements of REIT regulations.

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Bengaluru

Key audit matters	How our audit addressed the key audit matter
Computation and disclosures as prescribed in the REIT regulations relating to Statement of Net Assets and Total Returns at Fair Value (as described in note 2.2(c) and in Statement of Net assets at fair value and Statement of total returns at fair value of the standalone Ind AS financial statements)	
As per the provisions of REIT Regulations, the REIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets. For this purpose, fair value is determined by forecasting and discounting future cash flows. The determination of fair value involves judgement due to inherent uncertainty in the underlying assumptions and it is highly sensitive to changes in some of the inputs used e.g. the discounting rate (WACC), capitalization rates, rental growth rates etc,. Accordingly, the aforementioned computation and disclosures are determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures include the following- - Read the requirements of SEBI REIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. - Assessed the appropriateness of independent valuer's and management's valuation methodology applied in determining the fair values. - Tested controls implemented by management to determine inputs for fair valuation as well as assumptions used in the fair valuation. - We involved valuation specialists to: (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - Tested the arithmetical accuracy of computation in the Statement of Net Assets and Total Returns at Fair Value. - Read/Assessed the disclosures in the standalone financial statements for compliance with the relevant requirements of REIT Regulations.

S.R. Batliboi & Associates LLP Bengaluru

Related party transactions and disclosures (as described in note 25 of the standalone Ind AS financial statements)	
The REIT has undertaken transactions with its related parties in the normal course of business. These include making new or additional investments; lending of loans to SPVs, interest and dividend income on such loans/ investments, fees for services provided by related parties to REIT etc as disclosed in Note 25 of the standalone Ind AS financial statements. We identified the accuracy and completeness of related party transactions and its disclosure as set out in respective notes to the standalone Ind AS financial statements as a key audit matter due to the significance of transactions with related parties during the year ended March 31, 2020 and regulatory compliance thereon.	Our audit procedures, included the following: - Obtained, read and assessed the REIT's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with REIT regulations. - We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions. - We read minutes of Unitholder meetings, Board and its relevant committee meetings and minutes of meetings of those charged with governance of the Manager in connection with transactions with related parties effected during the year and REIT's assessment of related party transactions being in the ordinary course of business at arm's length and in accordance with the REIT regulations. - Assessed and tested the disclosures made in accordance with the requirements of Ind AS and REIT regulations.

Other Information

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

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

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

S.R. Batliboi & Associates LLP Bengaluru

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

S.R. Batliboi & Associates LLP
Bengaluru

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the REIT to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the REIT to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

The Ind AS financial statements of the REIT for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018, prepared in accordance with Ind AS, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated August 12, 2019, expressed an unmodified opinion.

S.R. Batliboi & Associates LLP
Bengaluru

Report on Other Legal and Regulatory Requirements

Based on our audit, we report that:

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

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

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

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

per Adarsh Ranka
Partner
Membership Number: 209567

UDIN:20209567AAAABW7397
Place: Bengaluru, India
Date: May 19, 2020

S.R. Batliboi & Associates LLP
Bengaluru

Embassy Office Parks REIT
RN: IN/REIT/17-18/0001
Standalone Balance Sheet
(all amounts in Rs. million unless otherwise stated)

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

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

As per our report of even date attached

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

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

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

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

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

S. R. Batliboi & Associates LLP Bengaluru

EMBASSY OFFICE PARKS REIT Bangalore

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

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income and gains			
Dividend		289.97	-
Interest	17	8,229.01	-
Other income	18	155.34	-
Total Income		**8,674.32**	-
Expenses			
Valuation expenses		9.74	-
Audit fees	22	7.64	1.19
Investment management fees		214.81	-
Trustee fees		2.96	-
Legal and professional Fees		98.09	-
Other expenses	19	18.15	93.28
Total Expenses		**351.39**	**94.47**
Earnings/ (loss) before finance costs, depreciation, amortisation, impairment loss and tax		**8,322.93**	**(94.47)**
Finance costs	20	2,850.33	-
Depreciation and amortisation expense		-	-
Impairment loss	3	587.46	-
Profit/ (loss) before tax		**4,885.14**	**(94.47)**
Tax expense:	21		
Current tax		71.17	-
		71.17	-
Profit/ (loss) for the year		**4,813.97**	**(94.47)**
Items of other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of defined benefit liability, net of tax		-	-
Total comprehensive income for the year		**4,813.97**	**(94.47)**
Earning per unit - refer Note 23			
Basic		6.24	(5.22)
Diluted		6.24	(5.22)
Significant accounting policies	2		

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

As per our report of even date attached
for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

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

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

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

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

S.R. Batliboi & Associates LLP Bengaluru

EMBASSY OFFICE PARKS REIT Bangalore

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

OFFICE PARKS

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities			
Profit/ (loss) before tax		4,885.14	(94.47)
Adjustments:			
Interest income		(8,229.01)	-
Net changes in fair value of financial assets		(1.72)	-
Dividend		(289.97)	-
Gain / (loss) on mutual funds		(152.36)	-
Impairment loss		587.46	-
Finance costs		2,850.33	-
Operating cash flow before working capital changes		**(350.13)**	**(94.47)**
Changes in:			
Other current assets		(47.42)	-
Other current and non-current liabilities and provisions		4.37	-
Other current financial liabilities		(37.75)	125.97
Other financial assets		(3.15)	-
Trade payables		6.68	-
Cash (used in)/ generated from operations		**(427.40)**	**31.50**
Income taxes paid, net		(70.63)	-
Net cash (used in)/ generated from operating activities		**(498.03)**	**31.50**
Cash flow from investing activities			
Loans given to subsidiaries		(76,285.60)	(4,681.93)
Loans repaid by subsidiaries		15,596.61	-
Investment in subsidiary		(3,450.00)	-
Investment in debentures issued by joint venture		(2,500.00)	-
Redemption of debentures issued by joint venture		1,775.62	-
Interest received		7,837.35	-
Dividend received		289.97	-
Redemption / (Investments) in mutual funds, (net)		(3,054.99)	-
Net cash generated from/(used in) investing activities		**(59,791.04)**	**(4,681.93)**
Cash flow from financing activities			
Proceeds from issue of units		-	47,499.96
Expenses incurred towards Initial Public Offering		(2,378.64)	-
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)		36,168.51	-
Distribution to unitholders		(13,503.88)	-
Security deposits (given)/ repaid		30.00	(31.00)
Net cash (used in)/generated from financing activities		**20,315.99**	**47,468.96**
Net increase/ (decrease) in cash and cash equivalents		**(39,973.08)**	**42,818.53**
Cash and cash equivalents at the beginning of the year		42,818.53	-
Cash and cash equivalents at the end of the year		**2,845.45**	**42,818.53**
Cash and cash equivalents comprise:			
Cash on hand		-	-
Balances with banks			
- in current accounts		2,845.19	0.50
- in escrow accounts		0.26	42,818.03
Cash and cash equivalents at the end of the year	6	**2,845.45**	**42,818.53**

Note: The Trust has issued Units in exchange for investments in SPVs during previous year ended 31 March 2019. The same has not been reflected in Standalone Statement of Cash Flows since these were non-cash transactions. Further the Trust has also paid a cash consideration of Rs. 3,450 million towards acquisition of interest in IENMPL.

Significant accounting policies 2

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

As per our report of even date attached
for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm's registration number: 101049W/E300004

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

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

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

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

S.R. Batliboi & Associates LLP Bengaluru

EMBASSY OFFICE PARKS REIT Bangalore

Embassy Office Parks REIT
RN: IN/REIT/17-18/0001
Standalone Statement of changes in Unit holder's Equity
(all amounts in Rs. million unless otherwise stated)

EMBASSY OFFICE PARKS

A. Unit Capital

Balance as on 1 April 2018	-
Add: Units issued during the year - refer Note: 10	231,499.60
Less: Issue expenses	(2,460.34)
Balance as at 31 March 2019	**229,039.26**
As at 1 April 2019	229,039.26
Add: Reversal of issue expenses no longer payable	81.70
Balance as at 31 March 2020	**229,120.96**

B. Other equity

Particulars	**Retained Earnings**
Balance as on 1 April 2018	-
Profit/ (loss) for the year	(94.47)
Balance as at 31 March 2019	**(94.47)**
Balance as on 1 April 2019	**(94.47)**
Profit for the year ended 31 March 2020	4,813.97
- 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	**(8,784.65)**

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

As per our report of even date attached

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

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

S.R. Batliboi & Associates LLP Bengaluru

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

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

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

EMBASSY OFFICE PARKS REIT Bangalore

A) Statement of Net Assets at fair value

S.No	Particulars	Unit of measurement	As at 31 March 2020	
			Book value	Fair value
A	Assets	Rs in millions	259,455.22	316,939.32
B	Liabilities	Rs in millions	39,118.91	39,118.91
C	Net Assets (A-B)	Rs in millions	**220,336.31**	**277,820.41**
D	No. of units	Numbers	771,665,343	771,665,343
E	NAV (C/D)	Rs	**285.53**	**360.03**

Notes

1) **Measurement of fair values:**
The fair value of investments in SPVs are computed basis the fair value of the underlying Investment property, Investment property under development, Property, Plant and Equipment and Capital Work-in-progress as at 31 March 2020 along with book values of other assets and liabilities accounted in the respective SPV financial statements as at 31 March 2020. The fair value of the properties has been determined by independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued.

2) **Break up of Net asset value as at 31 March 2020**

Particulars	As at 31 March 2020
Fair value of investments in SPVs	310,109.83
Add: Other assets	6,829.49
Less : Liabilities	(39,118.91)
Net Assets	**277,820.41**

3) The Trust holds investment in SPVs which in turn hold the properties. Hence, the breakup of property wise fair values has been disclosed in the Consolidated financial statements.

B) Statement of Total Returns at fair value

S.No	Particulars	For the year ended 31 March 2020
A	Total comprehensive income	4,813.97
B	Add : Income not distributed by SPV's and changes in fair value not recognised in total comprehensive income of standalone financial statements	6,803.33
C (A+B)	**Total Return**	**11,617.30**

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

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

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

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

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

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

Sl No	Particulars	For the year ended 31 March 2020
1	Cash flows received from SPVs and investment entity in the form of:	
	• Interest	7,823.93
	• Dividends (net of applicable taxes)	289.97
	• Repayment of Shareholder Debt	11,012.23
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:	-
	• Applicable capital gains and other taxes	-
	• Related debts settled or due to be settled from sale proceeds	-
	• Directly attributable transaction costs	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-
4	Add: Any other income accruing to the Trust and not captured herein	167.05
5	Less: Any other expense accruing at the Trust level, and not captured herein	(23.40)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(2.96)
	• REIT Management Fees	(214.81)
	• Valuer fees	(9.74)
	• Legal and professional fees	(102.89)
	• Trademark license fees	(1.42)
	• Secondment fees	(1.42)
7	Less: Debt servicing	
	• Interest on external debt	-
	• Repayment of external debt	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(70.62)
	Net Distributable Cash Flows	**18,865.92**

Notes:

1 The Board of Directors of the Manager to the Trust, in their meeting held on 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. 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. 24.39 per unit.

2 Repayment of short-term construction debt given to SPV's are not considered for the purpose of distributions.

3 Since the Trust was listed only on 1 April 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

As per our report of even date attached

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

S.R. Batliboi & Associates LLP Bengaluru

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

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

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

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

EMBASSY OFFICE PARKS REIT Bangalore

1. Trust Information

Embassy Property Developments Private Limited ('EPDPL') and BRE/Mauritius Investments ('BMI') collectively known as (the 'Sponsors' or the 'Co-Sponsors') have set up the Embassy Office Parks REIT (or the " Embassy REIT" or the "Trust") on 30 March 2017 at 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 Embassy REIT was registered with SEBI on 3 August 2017 as a real estate investment trust (REIT) under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 having registration number IN/REIT/17-18/0001. Pursuant to a letter dated 21 August 2018, SEBI took on record the addition of the Blackstone Sponsor to the sponsors of the Embassy REIT. The Trustee to Embassy Office Parks REIT is Axis Trustee Services Limited (the 'Trustee') and the Manager for Embassy Office Parks REIT is Embassy Office Parks Management Services Private Limited (the 'Manager' or 'EOPMSPL').

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

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

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

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

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

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Embassy Office Parks REIT Bangalore

Details of SPV's are provided below

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

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Name of the SPV	Activities	Shareholding (in percentage) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	India Alternate Property Limited: 95.23% Premsagar Infra Reality Private Limited: 2.51% Hiranandani Properties Private Limited: 2.26%	Embassy Office Parks REIT : 100%
QBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Qubix Business Park), located in Pune.	BREP NTPL Holding (NQ) Pte. Limited.: 79.62% BREP VII NTPL Holding (NQ) Pte. Limited.: 19.89% BREP VII SBS NTPL Holding (NQ) Limited.: 0.38% BREP VII NTPL Holding (NQ) Limited.: 0.11%	Embassy Office Parks REIT : 100%
OBPPL	Development and leasing of office space and related interiors and maintenance of such assets (The Oxygen Park), located in Noida.	BREP Asia SG Oxygen Holding (NQ) Pte. Limited.: 79.61% BREP VII SG Oxygen Holding (NQ) Pte. Limited.: 19.89% BREP Asia SBS Oxygen Holding (NQ) Limited.: 0.39% BREP VII SBS Oxygen Holding (NQ) Limited.: 0.11%	Embassy Office Parks REIT : 100%
VCPPL	Development and leasing of office space and related interiors and maintenance of such assets (247 Park), located in Mumbai.	BREP Asia HCC Holding (NQ) Pte Limited.: 79.81% BREP VII HCC Holding (NQ) Pte Limited.: 19.89% BREP Asia SBS HCC Holding (NQ) Limited.: 0.19% BREP VII SBS HCC Holding (NQ) Limited.: 0.11%	Embassy Office Parks REIT : 100%
IENMPL	Development and leasing of office` space and related interiors and maintenance of such assets (Express Towers Building), located in Mumbai.	Panchshil 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 Limited.: 0.18% BREP VII SBS Holding (NQ) Co. XI Limited.: 0.05%	Embassy Office Parks REIT : 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) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
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%)	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)

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Embassy Office Parks REIT Bangalore

2. Significant accounting policies

2.1 Basis of preparation of Standalone financial statements

The Standalone financial statements of the Trust comprises the Standalone Balance Sheet and Statement of Net Assets at fair value as at 31 March 2020, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flow, the Statement of Net Distributable Cashflows, the Standalone Statement of Changes in Unitholder's Equity, Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the year ended 31 March 2020. The Standalone financial statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 19 May 2020.

The Standalone financial statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations"); Indian Accounting Standard as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with the REIT regulations. Also refer Note 10(a) (i) on classification of Unitholders fund.

Embassy Office Parks REIT has prepared Standalone financial statements which comply with Ind AS applicable for year ending on 31 March 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these Standalone financial statements, Embassy Office Parks REIT's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS. There were no adjustments made by the Trust in restating Indian GAAP financial statements, and accordingly disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

The Standalone financial statements are presented in Indian Rupees in Millions, except when otherwise indicated.

Statement of compliance to Ind-AS

These Standalone financial statements for the year ended 31 March 2020 are the separate financial statements of the Embassy Office Parks REIT and have been prepared in accordance with Indian Accounting Standards as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent not inconsistent with REIT regulations.

Changes in accounting policies and disclosures

<u>New and amended standards</u>

The Trust applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 2.2(m).

Several other amendments apply for the first time for the year ended 31 March 2020, but does not have an impact on the Standalone financial statements of the Trust.

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2.2 Summary of significant accounting policies

a) Functional and presentation currency

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

b) Basis of measurement

The Standalone financial statements are prepared on the historical cost basis, except for the following:
- Certain financial assets and liabilities (refer accounting policy regarding financial instrument): measured at fair values.

c) Use of judgments and estimates

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

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Standalone financial statements is included in the following notes:

i) Classification of lease arrangements as finance lease or operating lease – Note 2.2 (m)
ii) Classification of Unitholders' funds – Note 10 (a) (i)

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment are included in the following notes-

i) Valuation of financial instruments – Refer Note 2.2 (h)
ii) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(q)(ii).
iii) Estimation of uncertainties relating to the global health pandemic from COVID-19
The Trust has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its investments in SPVs including loans and other receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Trust, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Trust. The Trust has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet

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as at 31 March 2020 will be recovered. The impact of COVID-19 on the Trust's financial statements may differ from that estimated as at the date of approval of these Standalone financial statements.

iv) Impairment of investments and loans in subsidiaries
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the investments in subsidiaries are based on value in use of the underlying properties. The value in use calculation is based on discounted cash flow model. The key assumptions used to determine the recoverable amount are disclosed and further explained in Note 3.

v) Fair valuation and disclosures
SEBI Circulars issued under the REIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (Refer Statement of net assets at fair value and Statement of total returns at fair value for details).

d) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

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

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

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

e) Measurement of fair values

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

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

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The principal or the most advantageous market must be accessible by the Embassy Office Parks REIT. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

f) Impairment of non-financial assets

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

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

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

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

g) Foreign currency transactions

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

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

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

h) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of the principal and interest on the principal amount outstanding.

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

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

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Embassy Office Parks REIT's continuing recognition of the assets.
Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and

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