EMBASSY OFFICE PARKS

EMBASSY

Date: November 13, 2019

To,

The Corporate Relations Department
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051

The Corporate Relations Department
Department of Corporate Services
BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Re: Scrip Code 542602 and Scrip Symbol "EMBASSY"

Sub: Submission of Semi-Annual Report with respect to activities of Embassy Office Parks REIT for the half-year ended September 30, 2019 under Regulation 23(3) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Dear Sir/Madam,

Pursuant to Regulation 23(3) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, we have enclosed the Semi-Annual Report with respect to activities of Embassy Office Parks REIT for the half-year ended September 30, 2019.

Kindly take the same on your record.

Yours sincerely,

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

Ramesh Periasamy
Digitally signed by Ramesh Periasamy
Date: 2019.11.13 18:47:33 +05'30'

Ramesh Periasamy
Company Secretary & Compliance Officer

Embassy Office Parks Management Services Pvt. Ltd.
Embassy GolfLinks Business Park, Pebble Beach, Off International Ring Road, Bangalore - 560071.
T: +91 80 4903 0000 F: +91 80 4903 0046
www.embassyofficeparks.com | CIN: U70100KA2014PTC073362

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

EMBASSY

EMBASSY OFFICE PARKS

WHERE THE WORLD COMES TO WORK

HALF-YEARLY REPORT FY2019-20

What’s inside

Embassy Office Parks REIT: Quick facts

- Largest REIT in Asia by area
- Simple business model with strong embedded growth
- Experienced management team
- Renowned sponsors
- Strong corporate governance

WHERE THE WORLD COMES TO WORK

EMBASSY OFFICE PARKS REIT IS...

- At 33 million square feet (msf), the largest REIT in Asia by area
- Essential infrastructure to some of the world's most prominent companies
- Home to 165 blue-chip corporate tenants and their 200,000+ employees
- An ecosystem of 11 Grade A business parks with complementary hospitality and renewable energy assets
- An established listed vehicle in the form of a globally recognised Real Estate Investment Trust (REIT) structure that provides:
  - Mandatory distribution to Unitholders
  - Multiple embedded growth levers, including contractual escalations and rent reversions
  - Potential to add revenue through de-risked 'within the fence' development
  - Inorganic growth opportunities
- A regulated entity that conforms to the highest standards of disclosure, corporate stewardship and governance

...WHERE THE WORLD COMES TO WORK

Performance highlights: 1H FY2020

Occupancy
94.7%

New leases signed
1.2 msf

Revenue
₹10,557 mn
↑ 17%

Net Operating Income (NOI)
₹8,912 mn
↑ 18%

Distribution
₹8,797 mn

Payout ratio
99.5%

EBITDA
₹8,563 mn
↑ 11%

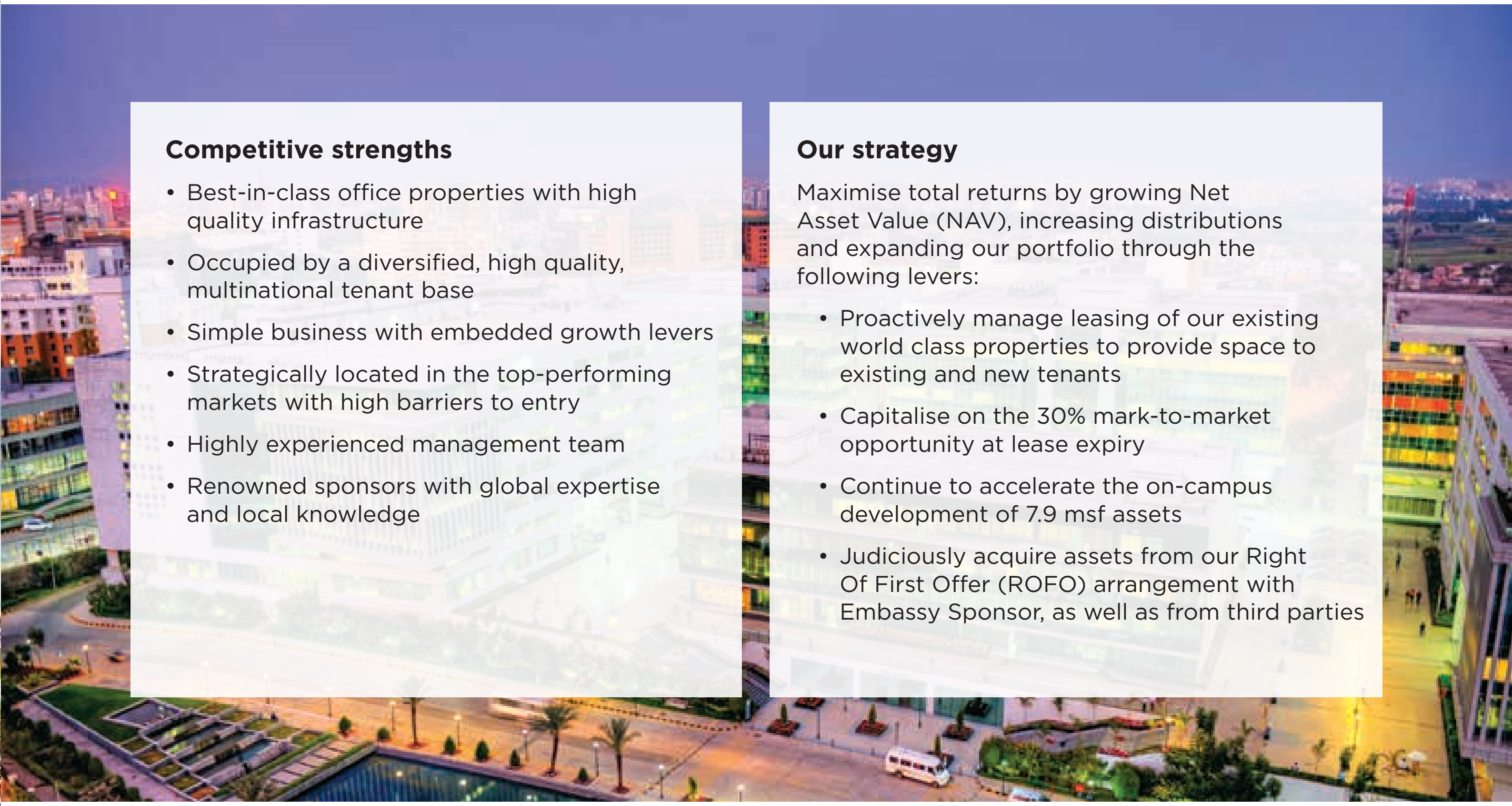
↑ y-o-y

CORPORATE OVERVIEW

ABOUT US

Embassy Office Parks REIT: An overview

Embassy Office Parks REIT (Embassy REIT) listed on the Indian stock exchanges (NSE and BSE) on April 1, 2019 as India's first publicly-listed REIT. We own and operate a 33 msf portfolio of seven Grade A office parks and four city-centre office buildings in India's leading office markets of Bengaluru, Mumbai, Pune and the National Capital Region (NCR-Noida).



Competitive strengths

- Best-in-class office properties with high quality infrastructure
- Occupied by a diversified, high quality, multinational tenant base
- Simple business with embedded growth levers
- Strategically located in the top-performing markets with high barriers to entry
- Highly experienced management team
- Renowned sponsors with global expertise and local knowledge

Our strategy

Maximise total returns by growing Net Asset Value (NAV), increasing distributions and expanding our portfolio through the following levers:

- Proactively manage leasing of our existing world class properties to provide space to existing and new tenants
- Capitalise on the 30% mark-to-market opportunity at lease expiry
- Continue to accelerate the on-campus development of 7.9 msf assets
- Judiciously acquire assets from our Right Of First Offer (ROFO) arrangement with Embassy Sponsor, as well as from third parties

75
World class office buildings

11
Commercial offices

165
Blue-chip tenants

100 MW
Solar power park

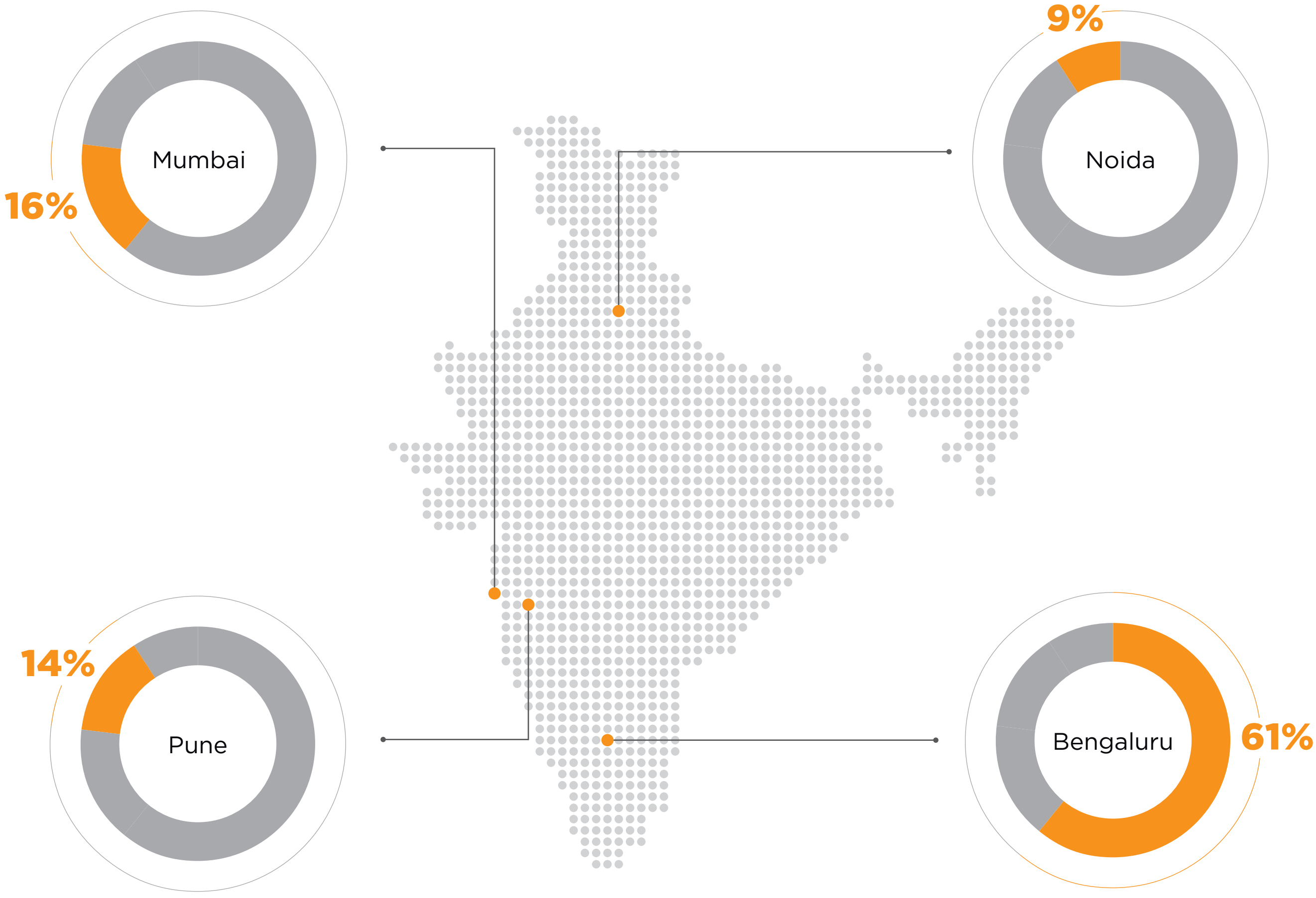
1,096
Hotel keys

EMBASSY

OUR PRESENCE

Leader across key office markets in India

We operate a commercial office portfolio that serves as essential corporate infrastructure to multinational tenants. Our markets represent 74% of India's total office absorption.



33 msf[(1)]	7 year	30%	45%	11%
Portfolio	WALE	Mark-to-Market Upside	Gross Rents from Fortune 500 clients	Net Debt to TEV

Notes: City wise split by % of GAV per September, 2019 valuation by independent valuer. Valuation exercise undertaken semi-annually.
(1) Portfolio includes completed, under construction and future development properties.

RENOWNED SPONSORS

Strong commitment, proven track record

Our two sponsors, Embassy Sponsor and Blackstone Sponsor, are leaders in the real estate sector. Both sponsors have spent years building this office portfolio, and remain strongly committed to delivering value to Unitholders.

EMBASSY

Bengaluru-based Embassy Group is a leading Indian real estate developer. Embassy Group has completed over 45 msf of office, industrial and residential development since the mid 1990s. In its legacy of expertise spanning 25 years, Embassy Group has covered the entire value chain of real estate from land acquisition to the development, marketing and operation of assets. Embassy Group had a consolidated net worth of ₹17.06 billion as of March 31, 2018.

Embassy Group has invested heavily in its local communities through a number of CSR initiatives with a particular focus on education, outreach and environmental programmes.

Blackstone

Blackstone Sponsor, a Mauritius-domiciled entity, is part of Blackstone, one of the world's leading investment, real estate and alternative asset management firms. Blackstone Real Estate was founded in 1991 and is the largest real estate investment manager in the world with $157 billion of investor capital under management. Blackstone Real Estate operates as a single, globally-integrated business with 546 real estate professionals globally and has investments in North America, Europe, Asia and Latin America. Blackstone's real estate group has extensive experience building leading companies and taking them public, as demonstrated by its stewardship of leading brands like Hilton Hotels (NYSE: HLT) - a global hospitality chain and Invitation Homes (NYSE: INVH) - a leading US multi-family REIT.

Embassy Quadron

Embassy REIT captures the essence of the Indian office growth story.

FROM THE CHAIRMAN'S DESK

BUILDING ON OUR STRONG FOUNDATIONS

Dear Unitholders,

Thank you for the confidence you have placed in Embassy REIT. We are excited to report our first semi-annual performance as a listed entity and we are confident that this is the beginning of a long and mutually beneficial association. In the six months since listing, we have paid out a cumulative ₹8,797 million as distribution, or ₹11.4 per unit to Unitholders. Distributions are at the heart of the REIT. Embassy REIT and we endeavour to pay over 90% of REIT's cash flow as distribution. Since listing, we have delivered a total return of 37.6%. We remain committed to driving great returns to you, our Unitholders.

₹11.4 per unit
Distribution to Unitholders*

37.6%
Total returns since listing**

Unlocking value through the REIT Structure

On April 1, 2019, Embassy REIT listed on the Indian bourses as India's first publicly-listed REIT. Our listing was the culmination of a vision I had 20 years ago when I started Embassy's commercial office business back in the late 1990s; to be the provider of premier office space to Fortune 500 companies and other global corporations who continue to rely on India's skilled workforce to fulfil their business objectives. Through our partnership with The Blackstone Group since 2011, we have created an unparalleled commercial office platform that does just that and more. The REIT allows global and domestic investors, both institutional and retail, to participate in the growth of commercial real estate in India.

Since the first REIT was formed in the US in 1960, REITs have proved to be the global standard bearer for established permanent capital vehicles to efficiently own and manage commercial real estate assets. Globally, REITs today are a US $2 trillion asset class, and they have earned the trust of institutional and retail investors because they are regulated and deliver de-risked returns through economic cycles. We have brought this structure to the Indian markets to deliver a lasting and credible public market vehicle that allows investors to participate in the potential of Indian commercial real estate.

Favourably positioned to tap growth potential

Embassy REIT captures the essence of the Indian service sector and office growth story. Embassy and Blackstone created Embassy REIT to generate predictable and sustainable cash flows under long-term contracts with international corporations for high quality office assets in India's leading commercial centres – Bengaluru, Mumbai, NCR and Pune. India continues to be an attractive destination for global corporations to establish their presence, primarily because the required skills in technology as well as other sectors are available in India at scale and costs well below those in other global office locations. Companies like IBM, Google India, JP Morgan, Salesforce, Congnizant, and Facebook among others form the bedrock of our tenant base. These corporations need institutional quality landlords like Embassy REIT to deliver customised office space solutions for their employees, and they are willing and able to pay the rent to provide the environments that attract and retain the quality talent that India has to offer.

Finally, our ability to expand leasable area due to on-campus development and the potential to add properties through acquisitions, given the strength of the REIT's lowly-levered balance sheet, offer us additional avenues for growth. This, combined with an experienced and proven management team who work under a strong governance framework and our continued commitment to support local communities is the blueprint for our business and will help create lasting value for our Unitholders.

I would like to thank our Board, the entire team of the REIT Manager, our partners, stakeholders and you, our Unitholders for the continued support.

Yours Sincerely,

JITENDRA VIRWANI
Chairman

* For half year period ended September 30, 2019
** Unit price considered as of September 30, 2019

> Our outlook remains robust given the continued momentum in leasing, expansion from our on-campus development, and potential for third-party acquisitions given the strength of our balance sheet.

MESSAGE FROM THE CEO

CONTINUED MOMENTUM

Dear Unitholders,

Embassy REIT embarked on an exciting journey as the first REIT listed in India on April 1, 2019, but the day of listing was just another milestone in the life of this long-term, growing business. Our sponsors, Embassy and Blackstone, have been partners since 2011, and our management teams have been managing these assets for over five years. We are a team of over 70 dynamic professionals. I am delighted to present to you our maiden half-yearly report as a publicly traded entity.

30% Y-O-Y growth in demand across Indian office markets during the first three quarters

70+ Dynamic team of professionals

We had launched our initial public offering (IPO) at a time when the global and Indian economies were going through a turbulent period with uncertainties around the NBFC crisis and impending general elections. Globally, 4Q FY2019 saw a flight of capital from emerging markets, with heightened trade tensions especially between the US and China further dampening market sentiments. Despite this challenging backdrop, our IPO was oversubscribed 2.6 times with strong participation from domestic and global institutional investors, which testifies to the appeal of the Embassy REIT offering.

As of market close on September 30, 2019 Embassy REIT was trading at ₹402 per unit, up 34% since listing, and outperformed the Nifty and the Nifty Realty index during the review period by 35.6% and 39.3%, respectively. We also significantly outperformed REITs in Asia Pacific, the US and Europe. Our market capitalisation stood at ₹310 billion (US$4.4 billion) at the end of the reporting period. In September Embassy REIT was added into the FTSE-Russell global equity series of indices.

Well positioned to capitalise India's commercial real estate momentum

Over the past two decades, India has emerged as the leading service hub for global corporations. Companies all around the world are looking for highly educated, highly skilled, technologically-oriented employees at a reasonable cost and this continues to drive the consistent demand for Indian office. Our properties cater primarily to global companies who undertake sophisticated services – in technology, e-commerce, R&D, fintech, analytics, artificial intelligence, aerospace, digital transformation, and so on either for their own global businesses or for their global customers. The demand for STEM talent to serve these corporations, and hence demand for commercial office buildings has remained firm. It is independent of the Indian domestic consumption story. Our business, while situated in India, serves a global customer base.

Major Indian cities continue to record the highest office absorption among global business hubs. Office absorption for the past six to seven years has been steadily improving and, given our presence in major gateway cities in India, we are witnessing robust absorption of office space across cities.

Rentals in Indian commercial markets are significantly lesser than those in global hubs; capital values are also lower. As a result, India is an attractive commercial real estate market as it enjoys high operating income yields with significant potential for appreciation in value.

Our portfolio comprises seven best-in-class office parks and four prime city-centre office buildings with a total leasable area of 33 msf. Of the completed 24.8 msf of leasable area, 57% is in Bengaluru, 8% in Mumbai, 22% in Pune and 13% in Noida. Our tenants include 165 blue-chip companies and our 11 commercial offices enjoy 95% occupancy. Our properties also offer strategic amenities, including hotels (1,096 keys), solar park (100 MW of installed power generation capacity), food courts, employee transportation and childcare facilities.

We generate predictable and sustainable cash flows under long-term contracts with marquee international and domestic corporations based in high quality office assets in India's leading commercial centres, thereby providing clear visibility on embedded rental growth.

Buoyant demand indicates strong leasing traction

As per IMF estimates, India's GDP is likely to grow at 6.1% in FY2020 and 7.0% in FY2021. The supply overhang in the residential market and tight liquidity

* Per CBRE Research Q3 2019.

should not cloud our views on office REITs. With zero residential component and high occupancy across Embassy REIT's portfolio, along with ~11% debt, we believe our business is well insulated from short-term market swings.

Following the first half of 2019, leading property consultants published several reports highlighting record uptake across Indian office markets, up c.30% Y-o-Y at 30 msf in last three quarters. Office demand remains healthy, and there is plenty of evidence, anecdotal and otherwise, to indicate continued strong leasing traction.

We continue to come across new entrants, companies that are setting up new facilities in India – where the trend has shifted from outsourcing to captive centres – executing sophisticated projects in diverse sectors of technology, e-commerce, fintech, AI, R&D, aerospace and automotive. Our regular engagement and dialogues with the existing tenant base indicate that their businesses are either stable or growing. In fact, 76% of our new leasing of 1.2 msf in 1H FY2020 was generated from existing tenant relationships.

Conservative balance sheet provides flexibility for growth

Our revenue from operations in 1H FY2020 stood at ₹10,557 mn. Net Operating Income (NOI) was at ₹8,912 mn, with a margin of 84%. EBITDA came in at ₹8,563 mn and EBITDA margin stood at 81%. We recorded a PAT of ₹4,543 mn, resulting in earnings per unit of ₹5.89. The commercial office segment contributed 88% of our revenue from operations during the period under review; with 45% of our gross rents coming from Fortune 500 clients.

We had stated our plan to distribute quarterly, over and above the mandatory requirement of semi-annual distributions. We declared a total Distribution Per Unit (DPU) of ₹11.4 in 1H FY2020, comprising ₹5.4 per unit distributed for the first quarter and ₹6 per unit for the second quarter. Total payout stood at ₹8,797 mn – ₹4,167 mn in 1Q FY2020 and ₹4,630 mn in 2Q FY2020. The payout ratio was 99.5% for the half year.

Our strong and conservative balance sheet offers high flexibility for growth. Of our IPO proceeds worth ₹47,500 mn, we utilised ₹37,100 mn to repay SPV level debt. We raised another ₹30,000 mn through non-convertible debentures (NCDs) in May 2019, which were rated AAA/Stable by CRISIL and priced at 9.4% yield to maturity. Our net debt was at ₹38,660 mn, and net debt to Total Enterprise Value (TEV) stood at 11% and net debt to EBITDA was 2.3x. Interest coverage ratio was 5.8x (excluding capitalised interest).

> Of our IPO proceeds worth ₹47,500 mn, we utilised ₹37,100 mn to repay SPV level debt. Our strong and conservative balance sheet offers high flexibility for growth.

Strong operational performance across portfolio

Our portfolio occupancy remains stable at 94.7%, which continues to be ahead of occupancy at comparable properties across our key markets.

We successfully executed 1.2 msq ft new leases, of which 890K sf is re-leased area with 66.5% spreads to marquee occupiers across the technology, healthcare and consulting & research sectors.

We renewed 307K sf with 10 existing tenants at 22.1% renewal spreads.

We remain ahead of scheduled delivery of 1.4 msf office space at Embassy Manyata (Bengaluru) and Embassy Oxygen (Noida).

We launched our new 230-key Four Seasons hotel in May 2019.

81%
EBITDA margin

11%
Net debt
TEV

Tenant engagement and sustainability

Our 165 corporate occupiers are at the heart of our business. We continuously focus on engaging with tenants to provide them the comprehensive setup they require to efficiently execute their business plans. We go much beyond offering amenities to enhance their business efficiencies. Our occupier engagement programme, 'Energise' is popular among over 200,000 people working within our parks. Such programmes help our occupiers to attract high demand talent and reduce attrition.

As a responsible corporate citizen, Embassy REIT positively impacts the environment, as well as the communities at large. We have introduced 100% electric vehicles in Embassy Golflinks and have all our new buildings LEED Gold certified. We produce around 175+ million units of electricity annually from our solar park that has an installed generation capacity of 100 MW. This green power is in high demand from our corporate occupier base. Our green energy initiative helps offset about 200 MT of carbon emissions every year.

We actively support primary education in communities surrounding our properties. We participate in initiatives which support various schools in the communities around our parks. We engage with our tenants to extend that initiative through our Corporate Connect programme. For example, in partnership with ANZ and the Government of Karnataka, we inaugurated a state-of-the-art primary school building with a capacity for 650 students at Hegde Nagar, Bengaluru. We are now in the process of developing a second school in that locality in partnership with ANZ.

Robust governance framework

We have prioritised corporate governance by implementing global standards and best practices. Unitholders' interests are adequately protected through this comprehensive framework, which covers all aspects of operations – disclosure of material information, operations of the Manager, transactions with related parties, among others.

Outlook

Our outlook remains positive given the momentum in lease-ups, expansion in the leasable area from our on-campus development, and potential to add properties through third-party acquisitions given the strength of our balance sheet. We thus expect continued positive performance in the balance of FY2020.

We thank you for your continued faith and support. It will be our constant endeavour to focus on adding value and delivering total returns to our Unitholders.

Yours Sincerely,

MICHAEL D HOLLAND
Chief Executive Officer

Governed by industry veterans

Our Board of Directors are from diverse industries, and serve with the common purpose of protecting stakeholders' interest

DR. RANJAN PAI
Independent Director

1 2 4 5 6

M M CP M M

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

MR. VIVEK MEHRA
Independent Director

2 3 4 5

CP M M CP

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

MR. ANUJ PURI
Independent Director

1 2 5

CP M M

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

DR. PUNITA KUMAR SINHA
Independent Director

2 3 5

M CP M

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

1 Investment Management Committee

2 Audit Committee

3 Stakeholders' Relationship Committee

4 Nomination and Remuneration Committee

MR. JITENDRA VIRWANI
Non-executive Director Chairman

1 2 4 5

M M M M

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

MR. ADITYA VIRWANI
Non-executive Director

3 6

M M

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

MR. ROBERT CHRISTOPHER HEADY
Non-executive Director

2 3 5

M M M

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

MR. TUHIN PARIKH
Non-executive Director

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M M CP

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

5 Risk Management Committee | 6 CSR Committee | CP Chairperson | M Member

MANAGEMENT TEAM

Led by a team of experts

Our 70+ management team brings diverse skills for business excellence and hands-on approach to asset management

1

MR. MICHAEL HOLLAND
Chief Executive Officer

2

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

3

MR. RAJESH KAIMAL
Chief Financial Officer

4

MR. ARAVIND MAIYA
Deputy Chief Financial Officer

5

MR. SACHIN SHAH
Chief Investment Officer

6

MR. BHHAVESH KAMDAR
President, Leasing

7

MR. RITWIK BHATTACHARJEE
Head, Investor Relations

8

MR. RAJENDRAN SUBRAMANIAM
Head, Projects

9

MR. RAJAN M G
Head, Operations

10

MR. RAGHU SAPRA
Assistant Vice President, Hospitality

11

MR. RAY VARGIS KALLIMEL
Head, Corporate Finance

12

MR. RAMESH PERIASWAMY
Company Secretary and Compliance Officer

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

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

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

4. **Aravind Maiya** is the Deputy CFO of the Manager. He holds a bachelor's degree in commerce from Bengaluru University and is a member of the Institute of Chartered Accountants of India. He has over 18 years of experience. He was previously a partner in the audit practice at B S R & Associates LLP and was fully entrenched in audit and compliance work across sectors with specific focus on the real estate sector.

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

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

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

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

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

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

11. **Ray Vargis** Kallimel has over 11 years of experience in finance and real estate sector. He has previously worked with Cushman & Wakefield India Pvt Ltd in Valuation & Advisory department and has been associated with Mergers and Acquisition team of Embassy Group companies since 2012. He holds a master's degree in commerce from the University of Mumbai, and a master's degree in business administration from the Oral Roberts University. He is also a member of the Royal Institution of Chartered Surveyors.

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

LISTING HIGHLIGHTS

A landmark transaction in India

Embassy Office Parks listed on the National Stock Exchange and Bombay Stock Exchange on April 1, 2019, as India's first REIT.

Embassy REIT raised ₹47,500 mn in a primary offering. We used the majority of the proceeds we raised to repay debt associated with our assets, and to acquire the Embassy One assets, which we view as strategic to our portfolio.

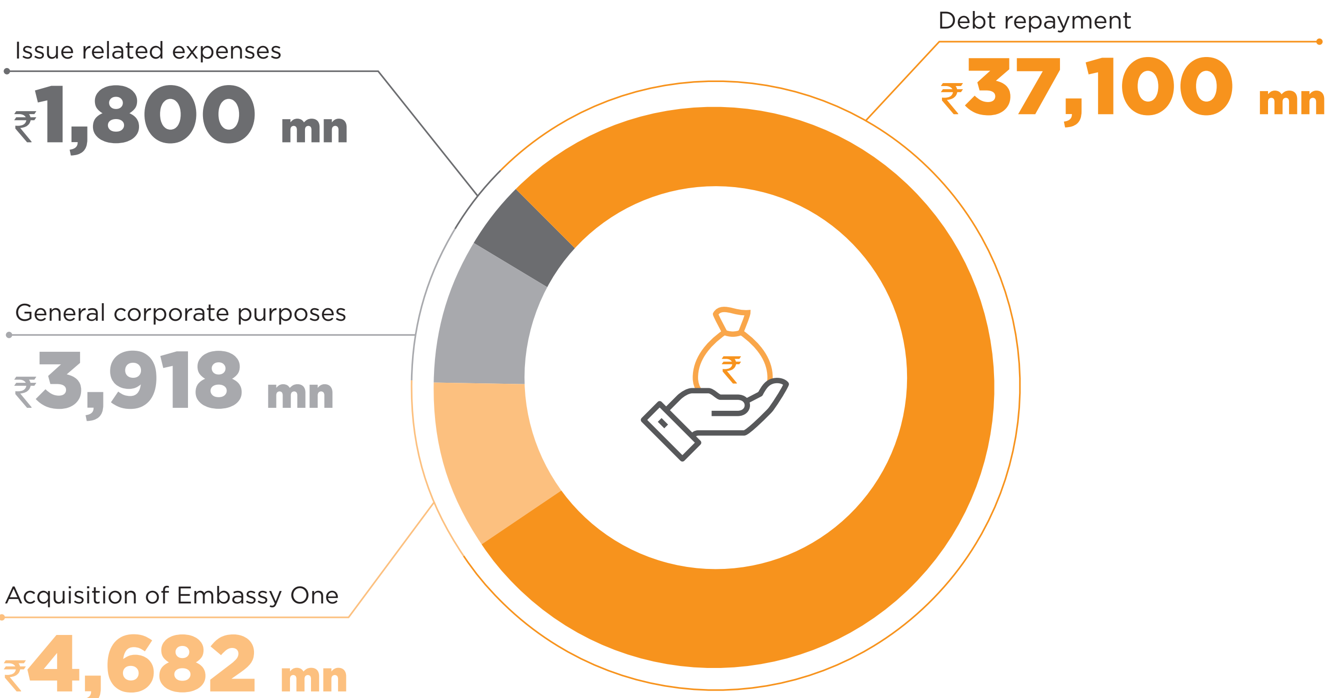
Our IPO was 2.6x subscribed by a diverse investor base. Global and domestic institutional investors, family offices, high net worth individuals and retail investors were all key subscribers in the IPO.

₹300
Unit price at listing (per unit)

₹231,500 mn
Market capitalisation at listing

2.6x
Overall book subscribed

Use of IPO proceeds (in ₹ million)



OUR STRUCTURE

An efficient framework

We have a structure under which we hold our properties through multiple special purpose vehicles (SPVs).

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

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

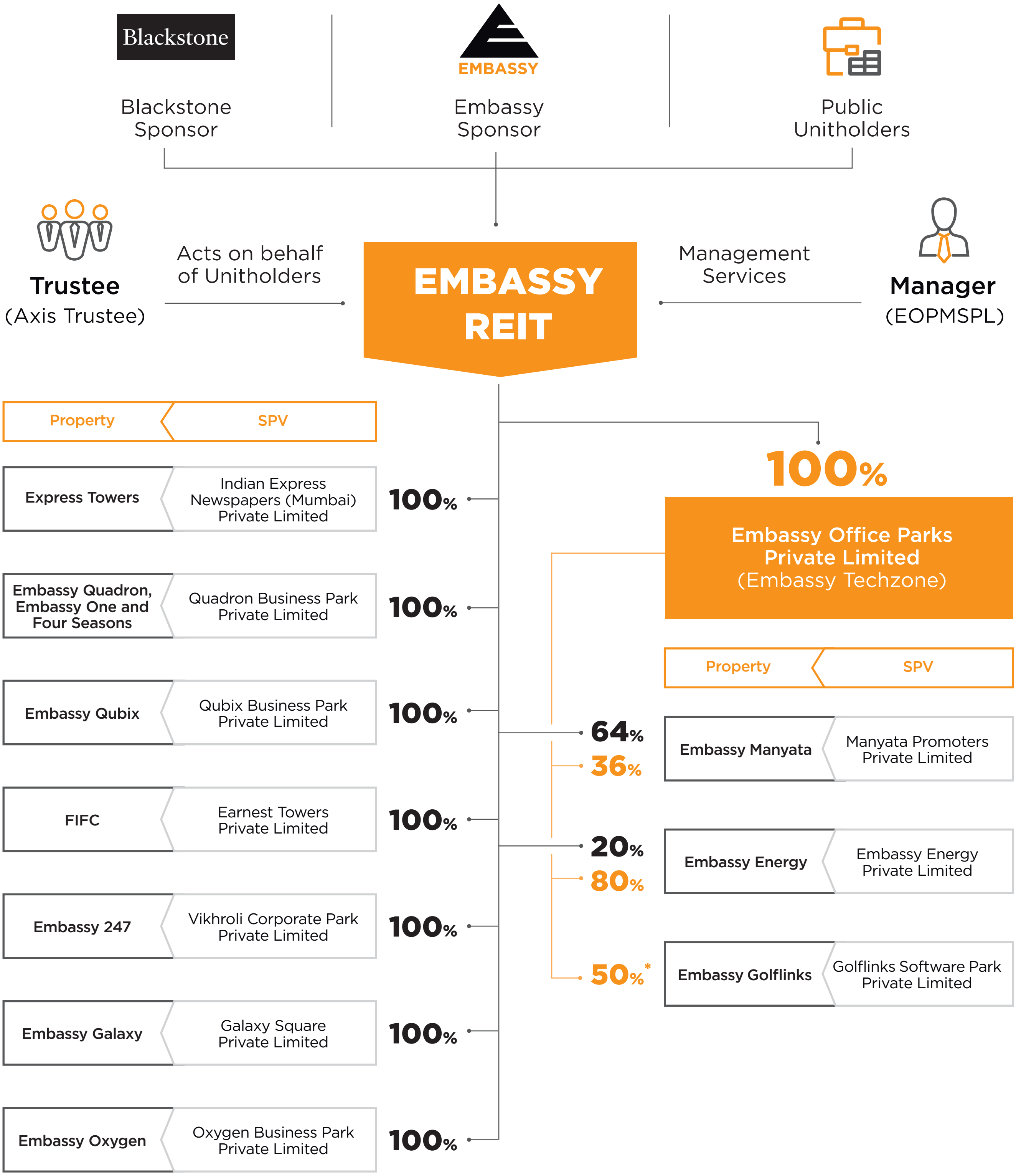
The Embassy REIT was settled on March 30, 2017 at Bengaluru, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a trust deed dated March 30, 2017 and amended on September 11, 2018.

Embassy Quadron

OUR STRUCTURE (CONTD.)

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

Embassy REIT structure



*Balance 50% stake owned by JV partner

OUR BUSINESS

INDIA OFFICE OPPORTUNITY

Capitalising on macro opportunities

80% of our tenants export services to their global businesses.

Embassy Manyata

NASSCOM indicates a positive outlook

- India has now over 1,250 Global Captive Centres (GCCs), which harness STEM talent at lower costs and rent.
- GCCs absorbed 53 msf, or 25% of the 213 msf of Grade A office space leased between 2014 and 2018 across the six major cities of Bengaluru, Delhi-NCR, Hyderabad, Pune, Mumbai and Chennai.
- Bengaluru absorbed 20 msf or 38% of overall GCC space absorption, and Delhi-NCR absorbed 11 msf.

Source: NASSCOM – Strategic Review 2019: Decoding Digital, Colliers International, Embassy REIT

Robust prospects for the Indian office market

We operate in key markets within India's largest commercial cities. Our markets account for 74% of India's office absorption. We remain positive on the supply demand picture given:

- Robust demand with single digit vacancy across select key cities (Bengaluru, Pune) and paucity of quality-ready space in preferred micro-markets across top Indian cities
- Healthy hiring forecast*: Delhi NCR ranked 3rd, Bengaluru 6th and Mumbai 19th among the top job producing cities in the world
- Demand for spaces owned and operated by institutional landlords, underlining consistent occupier preference for Grade A assets
- Competitive real estate costs versus other global cities
- Rising pre-commitment trend and expansion of captive centres across cities

74%
Markets share of India's office absorption

Favourable market dynamics

City	LTM Absorption	NTM Supply	Vacancy (% of Stock)
Bengaluru	12	12	4%
Mumbai	6	9	22%
Pune	4	6	4%
NCR	5	7	23%
Embassy REIT Markets	**26**	**34**	**14%**
Chennai	2	6	6%
Hyderabad	12	14	11%
Kolkata	1	2	39%
Other Markets	**15**	**21**	**15%**
Grand Total	**41**	**56**	**14%**

Source: CBRE Research 2019, Embassy REIT.

While Mumbai and NCR have relatively high vacancy levels, (since these markets are dominated by strata-sold properties), our assets are situated in the right micro-markets and are high quality assets, which continue to witness robust leasing activity.

Bengaluru

Robust demand and pre-commitment levels to drive leasing volumes over next two to three years

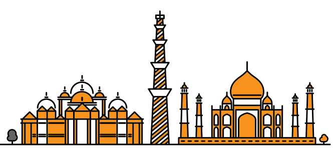
Mumbai

Consulting, Banking, Financial Services, Insurance and Media sectors fuelling demand in the city centre and suburban markets

Pune

Rentals to strengthen our position in Western (Hinjewadi) market owing to healthy traction (competitive rents versus eastern market) and limited availability in Grade A space

NCR



Continued momentum in IT-BPM sectors in Noida, occupiers scouting for quality, Grade A, non-strata sold offices

* Colliers research 2019, Embassy REIT

EMBASSY

STRATEGIC FOCUS

How we capture emerging opportunities

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

Our strategy includes

Powerhouse leasing

Our experienced leasing team maintains a tenant-centric approach to leasing, and focuses on building long-term relationships with tenants. Dedicated customer relationship management programmes have led to robust tenant engagement, which helps us anticipate tenant requirements. This client-centric approach has led to strong tenant retention and significant tenant growth. Another key focus area has been to target occupiers with higher value add operations and services. We believe these tenants prioritise the quality work environment, that our assets offer.

Deliver on development

On-campus development is an important growth driver for us. We develop projects within the limits of the land owned by us. Such developments move at a swifter pace than regular development projects with regulatory and other approvals already in place. These projects carry lower development and construction risks, have high demand from existing tenants and are an additional source of rentals for us. We have a well-defined strategy around pre-leasing to de-risk new development. We also undertake regular infrastructure upgrades and implement ancillary projects (hotels, flyovers) to widen our competitive moat.

First-mover acquisition advantage

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

Prudent capital management

We have been selective while building leverage into our books. Our strong balance sheet enables us to pursue attractive growth-accretive assets through disciplined acquisitions. This approach, along with a firm eye on profitability, has enabled us to achieve higher cost efficiencies, leading to low expenses and fees, which, in turn, boost Unitholders' value and ensure consistent distribution of at least 90% of Net Distributable Cash Flows (NDCF).

Active asset management

We are continuously focused on enhancing our competitive advantage as part of our 'total business ecosystem' philosophy. We invest in ancillary amenities, such as hotels and conferencing facilities, select infrastructure and upgrade projects. Our scale allows us to invest in both our properties and our teams - with focus on long-term value creation to our Unitholders.

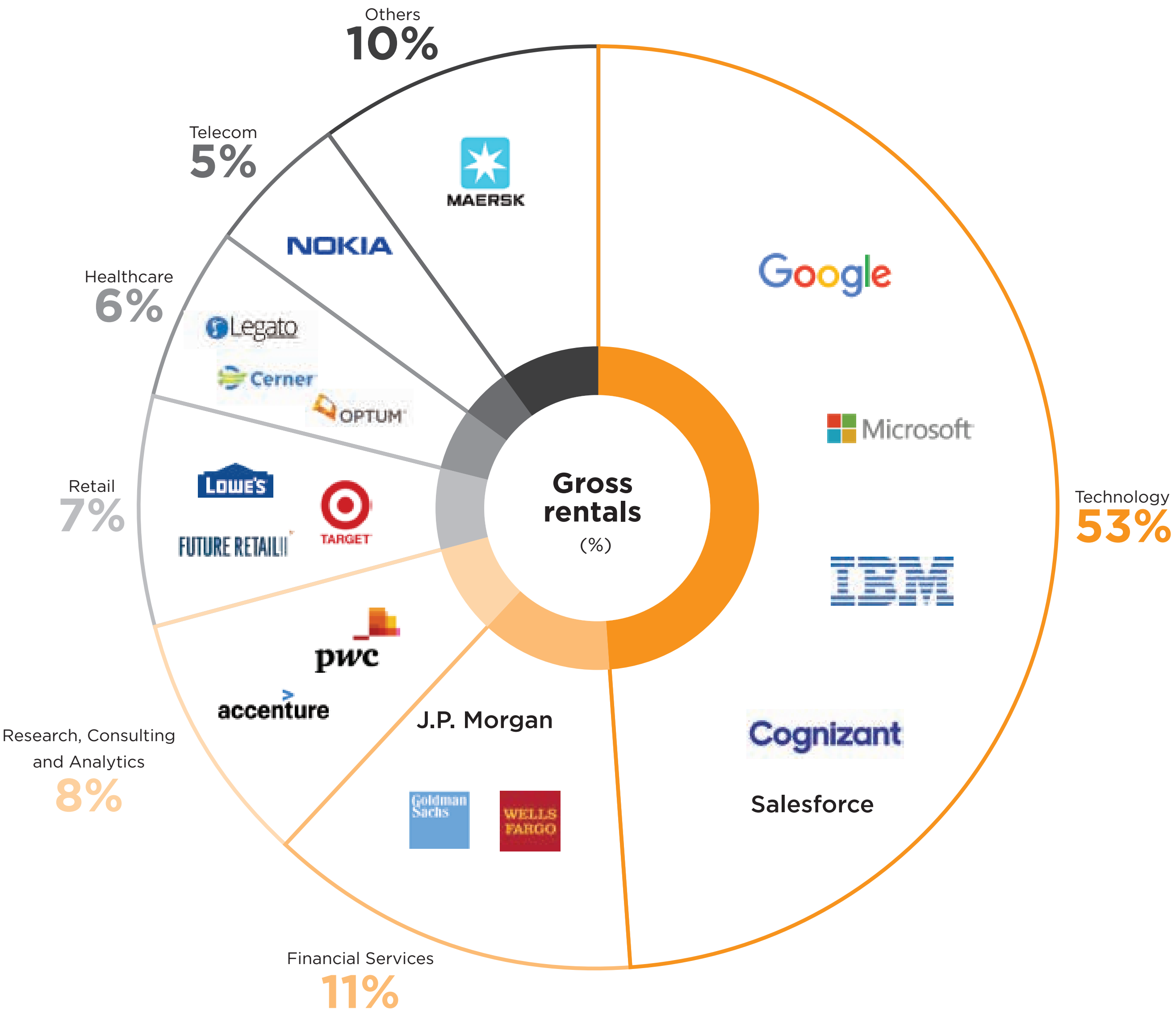
OUR TENANTS

Diverse and international tenant base

The appeal of our properties to global corporates is reflected in our strong tenant retention rate.

Our high-quality properties offer the benefits of scale, connectivity and amenities and are preferred office spaces for multinational tenants. These spaces provide them the options to consolidate and/or expand their operations in an attractive service growth market like India. We continue to diversify our tenant base and reduce concentration risk.

Our tenant profile



Rental mix from top 10 tenants as on 1H FY2020

Top 10 tenants	Sector	1H FY2020 (% of rentals)
IBM	Technology	13
Cognizant	Technology	10
NTT Data	Technology	5
Cerner	Healthcare	3
Google India	Technology	3
PwC	Research, Consulting & Analytics	2
NOKIA	Telecom	2
J.P. Morgan	Financial Services	2
Lowe's	Retail	2
L&T Infotech	Technology	2
Total		**43**

Gross rentals: 1H FY2020

80%
From multinational corporates

45%
From Fortune 500 companies

43%
From our top 10 tenants

Our tenant engagement activities

We are committed to creating a high quality work environment for the 200,000+ employees of our tenants and aid employee retention levels for our tenants. We run numerous programmes that enable our tenants to participate in sporting events, cultural events and socially responsible activities.


Environment Day


International Day of Yoga


Football Tournament


Cricket leagues


Clean-up drive

PORTFOLIO OVERVIEW

A world-class office portfolio

Property	Leasable Area (msf) Keys/MW			WALE[3]	Occupancy	Rent (₹ psf/mth)			GAV[4]	
	Completed	Development	Total	(yrs)	(%)	In-place	Market[4]	MTM (%)	₹ mn	% of Total
Embassy Manyata	11.0	3.3	14.2	7.7	99.3%	57	85	50%	135,968	42%
Embassy Golflinks[1]	2.7	-	2.7	9.2	96.7%	114	146	28%	26,432	8%
Embassy One	0.3	-	0.3	9.4	4.8%	156	153	(2%)	5,608	2%
Bengaluru Sub-total	**13.9**	**3.3**	**17.2**	**8.2**	**97.1%**	**68**	**97**	**42%**	**168,008**	**52%**
Express Towers	0.5	-	0.5	5.1	91.5%	253	275	9%	18,590	6%
Embassy 247	1.2	-	1.2	4.1	94.0%	99	105	7%	17,256	5%
FIFC	0.4	-	0.4	4.5	77.8%	296	290	(2%)	14,912	5%
Mumbai Sub-total	**2.0**	**-**	**2.0**	**4.6**	**90.5%**	**165**	**173**	**5%**	**50,758**	**16%**
Embassy Techzone	2.2	3.3	5.5	6.1	87.3%	48	48	(0%)	21,325	7%
Embassy Quadron	1.9	-	1.9	5.7	91.4%	41	50	22%	14,609	5%
Embassy Qubix	1.5	-	1.5	5.1	100.0%	37	48	29%	9,962	3%
Pune Sub-total	**5.5**	**3.3**	**8.8**	**5.8**	**92.1%**	**42**	**49**	**15%**	**45,896**	**14%**
Embassy Oxygen	1.9	1.3	3.3	10.5	85.3%	47	54	16%	20,657	6%
Embassy Galaxy	1.4	-	1.4	3.5	99.9%	31	45	43%	8,914	3%
Noida Sub-total	**3.3**	**1.3**	**4.6**	**8.0**	**91.3%**	**40**	**50**	**26%**	**29,571**	**9%**
Subtotal (Office)	**24.8**	**7.9**	**32.7**	**7.2**	**94.7%**	**66**	**86**	**30%**	**294,233**	**92%**
Four Seasons at Embassy One[2]	230 Keys	-	230 Keys	-	**7.5%[5]**	-	-	0%	8,244	3%
Hilton at Embassy Golflinks	247 Keys	-	247 Keys	-	**71%[5]**	-	-	0%	5,045	2%
Hilton at Embassy Manyata[5 & 3]	-	619 Keys	619 Keys	-	-	-	-	0%	3,079	1%
Embassy Energy	100 MW	-	100 MW	-	-	-	-	0%	10,519	3%
Subtotal (Infrastructure Assets)	**477 Keys / 100 MW**	**619 Keys**	**1,096 Keys / 100 MW**						**26,887**	**8%**
Total	**24.8msf / 477 Keys / 100 MW**	**7.9 msf / 619 Keys**	**32.7 msf / 1,096 Keys / 100 MW**						**321,120**	**100%**

Notes:

(1) Details included in the above table are for 100% stake in Embassy Golflinks, except GAV which reflects only our 50% economic interest

(2) Four Seasons at Embassy One was launched in May 2019 and is currently under stabilisation

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

(4) Gross Asset Value (GAV) per September, 2019 valuation by independent valuer. Valuation exercise undertaken semi-annually.

(5) Represents occupancy for 1H FY2020/Average since launch in May 2019

EMBASSY

OPERATIONAL HIGHLIGHTS

Delivering consistently

Our proven execution capabilities and active asset management continue to yield strong results.

Key operational highlights for 1H FY2020

Leasing

- Robust occupancy of 94.7% on 24.8 msf completed commercial office portfolio
- 1.2 msf new lease-up to tenants, including 66.5% re-leasing spreads on 0.9 msf area re-leased
- 307K sf renewals at 22.1% renewal spreads
- ~500K sf near-term leasing pipeline across technology, healthcare and consulting sectors

Development

- 1.4 msf near term development projects at Embassy Manyata and Embassy Oxygen, two quarters ahead of targeted delivery
- 42% or 246K sf of 0.6 msf under construction Tower 2 at Embassy Oxygen pre let to Fortune 10 insurance corporation
- Healthy leasing traction in Manyata NXT blocks
    - 60K sf of 0.8 msf under construction Front Parcel NXT Block at Embassy Manyata pre let
- 1.9 msf medium-term developments under various stages of design, excavation and pre-construction

Hospitality

- Hilton at Embassy Golflinks continues to track occupancy of 71% with ADR growth of 5% Y-o-Y
- 230 keys Four Seasons Hotel at Embassy One launched in May and 100+ corporate accounts signed to date
- 619 keys Hilton hotels at Embassy Manyata under development with target completion of 3Q FY2022

Infrastructures and other updates

- Generated 88 mn units of green power in 1H FY2020; to offset c.85 mn kg of CO_2
- Various amenity upgrades across portfolio
- Received Platinum award for 'Best Office REIT' by REITs Asia Pacific Best of the Breeds REITs Awards, 2019

COMMERCIAL PORTFOLIO UPDATE

Continued leasing momentum

Our experienced leasing team focuses on building long-term relationships with tenants. Dedicated customer relationship management programmes have led to robust tenant engagement, which helps us anticipate and respond quickly to tenant requirements.

Existing tenants formed a significant part of new leases signed in 1H FY2020, demonstrating the depth of our tenant relationships. Given that market rents are 30% higher than the current in-place rents, we view expiries and tenant churn as an opportunity to increase in-place rentals.

Our portfolio remained stable with 24.8 msf completed area leased to 165 occupiers as on September 30, 2019. We renewed 307K sf space with 10 existing tenants during 1H FY2020 at 22% renewal spreads.

Embassy Oxygen

1.2 msf
New leases signed in 1H FY2020

67%
Re-leasing Spreads

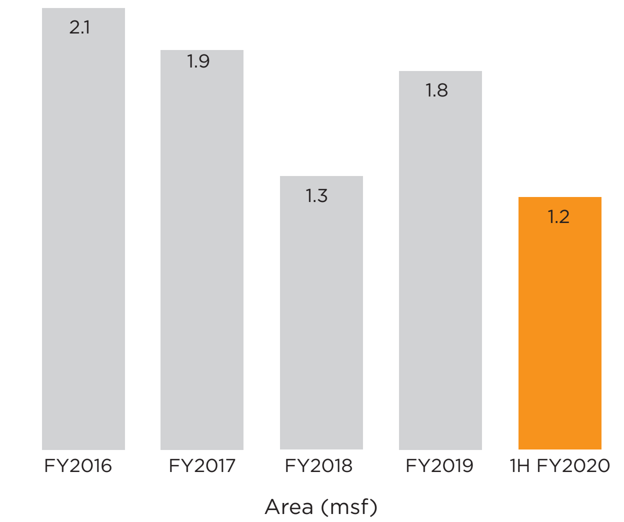
76%
Existing tenant expansion

Key leases signed in 1H FY2020

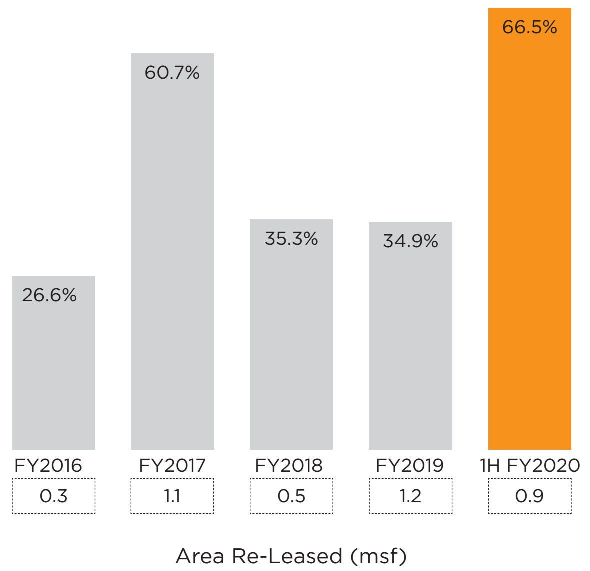
Tenant	Property	City	Area ('000sf)
HCL	Embassy Techzone	Pune	236
NTT Data	Embassy Golflinks	Bengaluru	259
L&T Infotech	Embassy Techzone	Pune	128
Infosys BPM	Embassy Techzone	Pune	128
Facebook	Embassy Golflinks	Bengaluru	104
Google India	FIFC	Mumbai	61
NTT Data	Embassy Oxygen	Noida	53
Access Healthcare	Embassy Techzone	Pune	44
Various	Various	Various	176
Total			**1,189**

EMBASSY

1.8 msf average new leases signed between FY2016-19



42.2% average re-leasing spread between FY2016-19



Continued Leasing Momentum

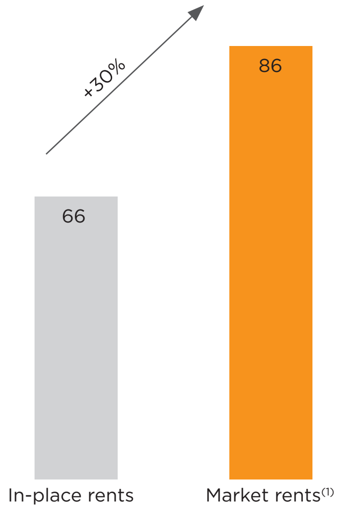
Particulars	1H FY2020		Average (2016-19)	FY2019	FY2018	FY2017	FY2016
Completed Area	msf	24.8		24.8	24.2	23.1	22.5
Occupancy	%	94.7%	94.0%	94.3%	93.5%	94.7%	93.4%
New Leases Signed	msf	1.2	1.8	1.8	1.3	1.9	2.1
Re-Leasing	msf	0.9	0.8	1.2	0.5	1.1	0.3
Re-Leasing Spreads	%	66.5%	42.2%	34.9%	35.3%	60.7%	26.6%
New Leasing to Existing Tenant	%	75.9%	61.8%	59.0%	69.0%	50.0%	71.0%
Renewals	msf	0.3	1.9	0.9	2.9	1.6	2.3

Notes: New leases signed includes area re-leased, excludes renewals

Significant upside potential from MTM

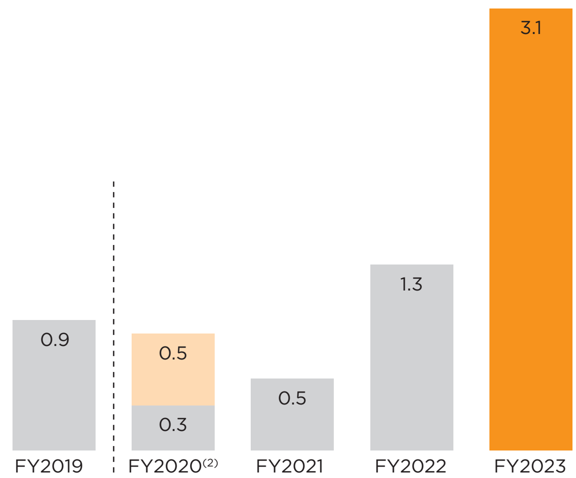
Rent (₹ psf/month)

Current market rents are 30% above in-place rents



Area expiring (msf)

20% of leases expire between FY2020–23



The MTM opportunity (%)

Mark-to-market Opportunity	50	16	65	49
Rents Expiring	3.5	3.3	4.9	8.5

Notes:

(1) CBRE Research 2019, Embassy REIT

(2) Of c.0.8 msf area expiring in FY2020, c.0.5 msf expiries in 1H FY2020 re-leased at 63% MTM spreads

Embassy Qubix

EMBASSY

DEVELOPMENT UPDATE

Attractive development pipeline with robust pre-leasing

We have on-campus development potential of approximately 7.9 msf in three of our existing properties: Embassy Manyata, Embassy Oxygen and Embassy Techzone. Of this development potential, currently 3.3 msf is under various stages of development and pre-construction.

Our proven expertise in gauging tenant demand and market supply before commencing a new construction has enabled us to achieve healthy leasing before delivery across our new development projects.

Our properties offer superior quality, holistic business spaces to our tenants and hence attract high interest from both existing and potential tenants. Completed in December 2018, the Tower 3 in Embassy Oxygen, for instance, was 92% pre-leased prior to completion. Additionally, we pre-leased 42% of Embassy Oxygen Tower 2 to a fortune 100 insurance company – a full six months before our delivery timeline of December 2019.

Embassy Qubix

Our near-term delivery projects comprise

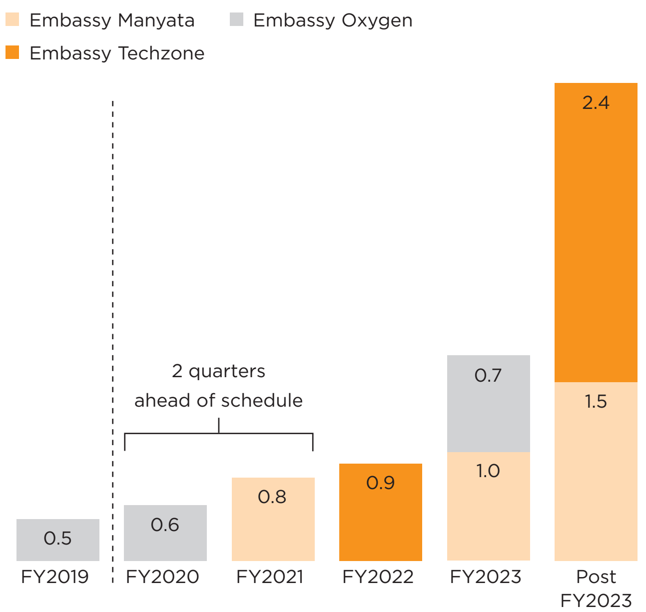
- 800K sf in Embassy Manyata NXT, Bengaluru is scheduled to be delivered in 4Q FY2020
- 580K sf in Embassy Oxygen Tower 2, Noida is scheduled to be delivered in 3Q FY2020

Together, these two projects span 1.4 msf and are tracking two quarters ahead of their scheduled delivery dates.

In addition to the near-term delivery projects, we have an additional 1.9 msf office space under various stages of design, excavation and pre-construction. These comprise:

- 1 msf M3 Block at Embassy Manyata, Bengaluru
- 900K sf Hudson and Ganges Blocks at Embassy Techzone, Pune

Development Pipeline[1] (msf)

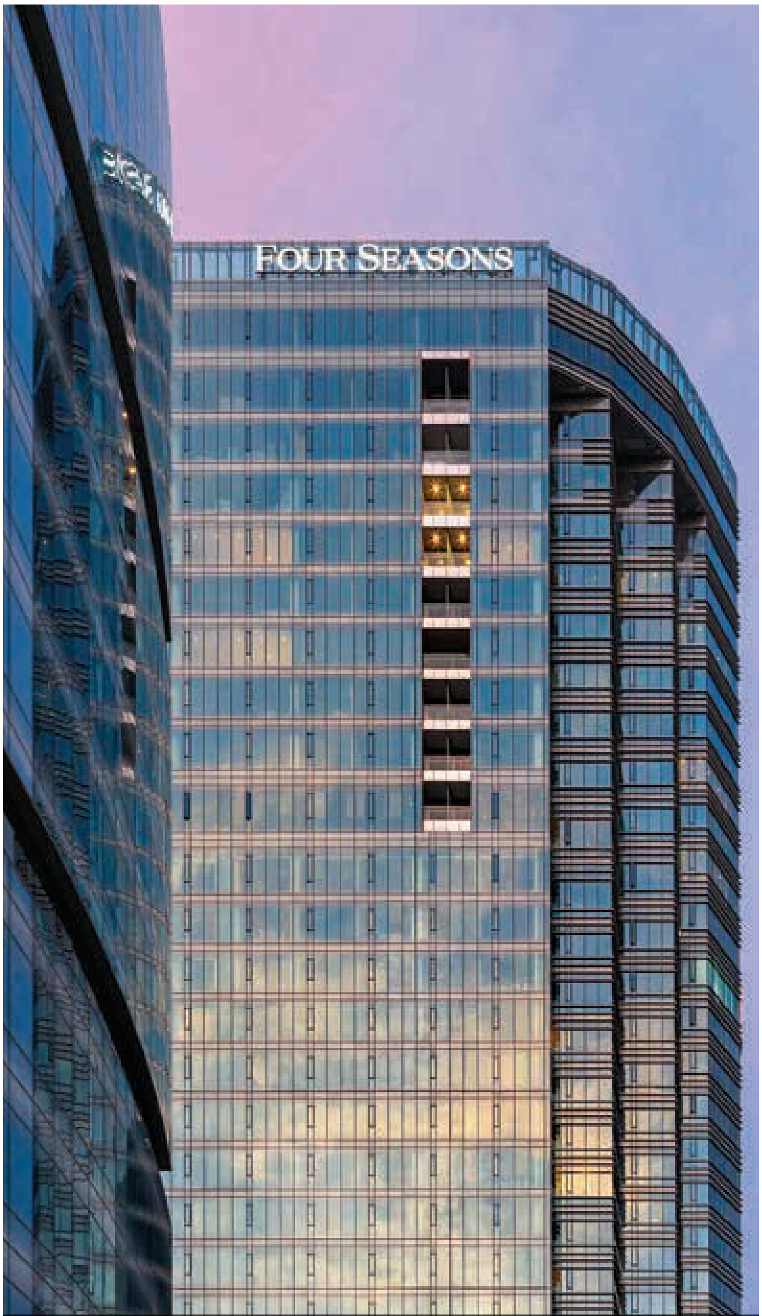


Notes:
(1) Excludes 619 hotel keys across Hilton and Hilton Garden Inn at Embassy Manyata

HOSPITALITY PORTFOLIO UPDATE

Hospitality is a strategic amenity

We have four hotel assets (totalling 1,096 keys) within our portfolio, which represent 5% of GAV. Of these, two hotels totaling 477 keys are currently operational while 619 keys are under development. By operating business hotels in our parks, we maintain a competitive advantage in attracting and retaining corporate occupants.



Four Seasons

We have designed and initiated development of 619 keys of dual-branded Hilton hotels at Embassy Manyata. We expect to complete this hotel portfolio in FY2022.

Hilton at Embassy Golflinks

- Status: Fully operational
- Keys: 247
- Format: 5-Star
- Occupancy: 71%
- ADR: ₹9,058
- RevPAR: ₹6,427

Four Seasons at Embassy One

- Status: Launched in May 2019
- Keys: 230
- Format: 5-Star deluxe
- Occupancy: 8%
- ADR: ₹10,748
- 100+ corporate accounts signed

Hilton and Hilton Garden Inn at Embassy Manyata

- Status: Under Construction
- Keys: 619
- Hilton: 266 keys
- Hilton Garden Inn: 353 keys
- Format
  - Hilton: 5-Star
  - Hilton Garden Inn: 3-Star
- Expected completion: 3Q FY2022

FINANCIAL HIGHLIGHTS

Robust financials

We have delivered strong financial performance for 1H FY2020 and are confident of sustaining this momentum.


Embassy Manyata

	1H FY2020 (million)(1)	1H FY2019 (million)(2)	Variance
Revenue from Operations	**₹10,557**	**₹8,986**	**+17%**
NOI	**₹8,912**	**₹7,557**	**+18%**
Margin (%)	**84%**	**84%**	
EBITDA	**₹8,563**	**₹7,692**	**+11%**
Margin (%)	**81%**	**86%**	
Distribution	**₹8,797**	**-**	**NA**
Payout Ratio	**99.5%**	**-**	

Notes: Above results exclude Revenue, NOI and EBITDA from Embassy Golflinks since our stake is 50%. Embassy Golflinks revenue is ₹1,870 mn and EBITDA is ₹1,655 mn for 1H FY2020

(1) Figures for 1H FY2020 are basis unaudited consolidated financials
(2) Figures for 1H FY2019 are basis unaudited combined financials and may not be comparable

Our scorecard[1]

₹ (in million)

As of Sep 2019	YTD		
Selected Items	Sep 30, 2019	Sep 30, 2018[2]	Variance (%)
REIT Consolidated			
Revenue	10,557	8,986	17%
NOI	8,912	7,557	18%
EBITDA	8,563	7,692	11%
CFO	8,281	5,026	65%
NDCF			
NDCF (SPV Level)	8,052	NA	NA
NDCF (REIT Level)	8,841	NA	NA
Distributions	8,797	NA	NA
Distribution per unit	11.40	NA	NA
Segment-wise			
Commercial Offices			
Revenue	9,301	7,970	17%
NOI	8,213	6,953	18%
Hospitality			
Revenue	535	406	32%
NOI[3]	39	14	174%
Others[4]			
Revenue	721	610	18%
NOI	661	590	12%
Capitalisation			
Market Capitalisation[5]	3,09,855	NA	NA
Gross Debt	42,053	81,745	(49%)
Consolidated Ratios			
NOI Margin	84%	84%	NM
EBITDA Margin	81%	86%[6]	(4%)
Interest Coverage Ratio (including capitalised interest)	4.4x	2.0x	NA
Interest Coverage Ratio (excluding capitalised interest)	5.8x	2.3x	NA
Net Debt to TEV	11%	NA	NA
Net Debt to EBITDA[7]	2.3x	5.2x	NA
NDCF (% of NOI at SPV Level)	91%	NA	NA
Distribution Payout Ratio[8]	99.50%	NA	NA

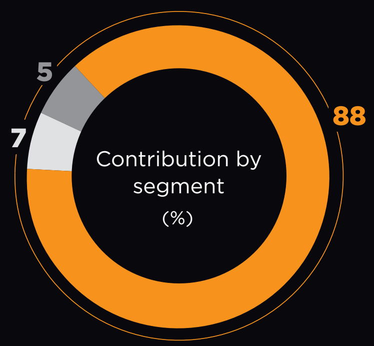
(1) Excluding Embassy Golflinks
(2) Given that Embassy REIT was listed on April 1, 2019 and Embassy REIT assets were acquired between March 22, 2019 and March 25, 2019, the comparative quarterly financial information included herein are the combined unaudited financial statements for quarter and half year ended September 2018 (assuming that the Embassy REIT held the Embassy REIT assets in its present form during quarter and half year ended September 2019) as against consolidated unaudited financial information for quarter and half year ended September 2019 and hence may not be comparable
(3) Four Seasons at Embassy One was launched in May 2019 and is currently under stabilisation
(4) Comprises Solar Park located at Bellary, Karnataka
(5) Closing price at NSE as at September 30, 2019
(6) Higher one-off Interest income in half year ended September 30, 2019 due to inter-corporate deposits, adjusted for this one-off item, EBITDA Margin for 2Q FY2019 and half year ended September 30, 2019 is 79% and 80%, respectively
(7) EBITDA has been annualised for comparability purpose
(8) Distribution Payout is computed based on NDCF at Embassy REIT level

FINANCIAL HIGHLIGHTS (CONTD.)

Revenue contribution by segment and geography

Revenue from operations ₹ (in million)[1]

Property	City	1H FY2019-20
Embassy Manyata	Bengaluru	4,308
Embassy One	Bengaluru	85
Express Towers	Mumbai	742
Embassy 247	Mumbai	720
FIFC	Mumbai	411
Embassy Techzone	Pune	789
Embassy Quadron	Pune	738
Embassy Qubix	Pune	455
Embassy Oxygen	NCR	689
Embassy Galaxy	NCR	448
Hilton at Embassy Golflinks	Bengaluru	450
Embassy Energy	Bellary, Karnataka	721
Total - Asset Portfolio		**10,557**
Portfolio Investment		
Embassy Golflinks[2]	**Bengaluru**	**1,870**

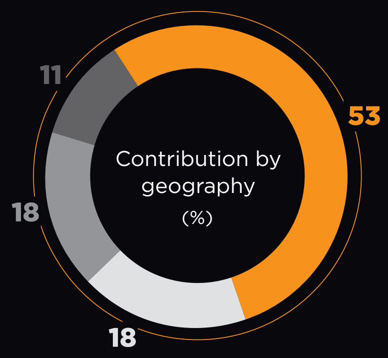


Commercial office

Hospitality Others

₹10,557 mn

Revenue from Operations (1H FY2020)[1]



Bengaluru Pune

Mumbai NCR (Noida)

(1) Revenue from operations does not include contribution from GLSP
(2) Figure for 100% of GLSP. Embassy REIT owns a 50% stake in GLSP

Walkdown of financial metrics

	For the Quarter Ended			For the Half Year Ended		
	2Q FY2020	2Q FY2019	Variance (%)	1H FY2020	1H FY2019	Variance (%)
Revenue from Operations	5,206	4,524	15%	10,557	8,986	17%
Property Taxes and Insurance	(181)	(153)	19%	(358)	(344)	4%
Direct Operating Expenses	(641)	(604)	6%	(1,287)	(1,086)	19%
Net Operating Income	**4,384**	**3,768**	**16%**	**8,912**	**7,557**	**18%**
Other Income	300	353	(15%)	442	849	(48%)
Property Management Fees[1]	(115)	(81)	42%	(234)	(160)	46%
Indirect Operating Expenses	(180)	(288)	(38%)	(353)	(555)	(36%)
EBITDA	**4,390**	**3,753**	**17%**	**8,768**	**7,691**	**14%**
Working Capital Adjustments	245	47	420%	1,102	(236)	(567%)
Cash Taxes	(356)	(391)	(9%)	(682)	(1,009)	(32%)
Other Adjustments	(381)	(353)	8%	(590)	(772)	(24%)
Cash Flow from Operating Activities	3,897	3,056	28%	8,598	5,674	52%
External Debt (Interest and Principal)	(238)	NA	NA	(853)	NA	NA
Other Adjustments	241	NA	NA	307	NA	NA
NDCF at SPV Level	**3,900**	**NA**	**NA**	**8,052**	**NA**	**NA**
Distribution from SPVs to REIT	4,249	NA	NA	7,998	NA	NA
Distribution from Embassy Golflinks	480	NA	NA	960	NA	NA
REIT Management Fees[2]	(61)	NA	NA	(103)	NA	NA
Other Inflows at REIT level Net of Expenses)	(6)	NA	NA	(13)	NA	NA
NDCF at REIT Level	**4,661**	**NA**	**NA**	**8,841**	**NA**	**NA**
Distribution	**4,630**	**NA**	**NA**	**8,797**	**NA**	**NA**

Notes: Walkdown of Financial Metrics upto 'NDCF (SPV Level)' represents financial numbers of all SPVs consolidated excluding REIT standalone numbers

Figures for 2Q FY2020 are basis unaudited consolidated financials

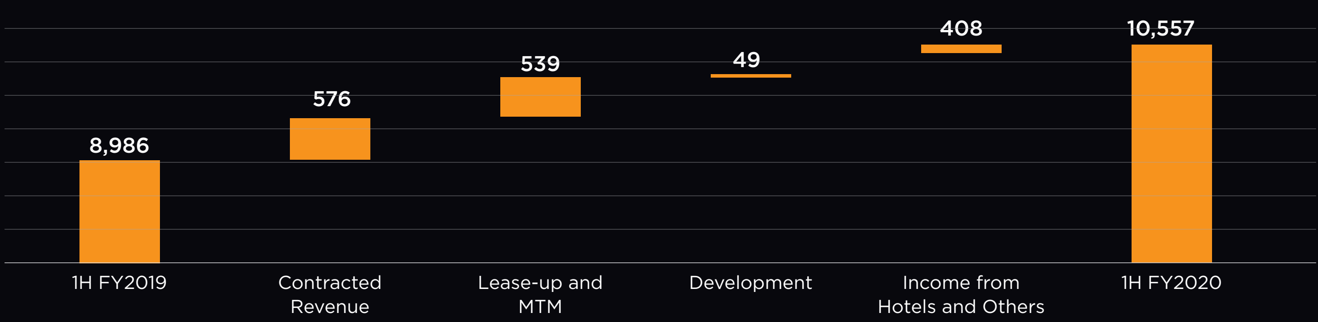
Figures for 2Q FY2019 are basis unaudited combined financials and may not be comparable.

(1) Property management fees includes 3% of facility rentals from only Commercial Office segment and does not include fees on Hospitality and other segments

(2) REIT management fees is 1% of REIT distributions

Revenue from operations

Revenue from Operations ₹ (in million)



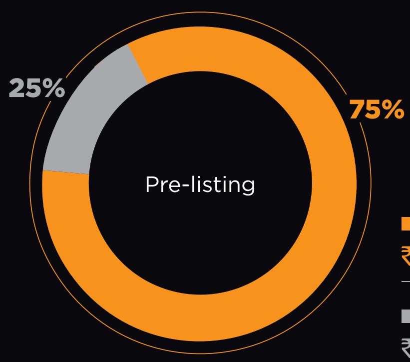
Leverage Metrics

₹38,660
Net Debt

11%
Net Debt to TEV

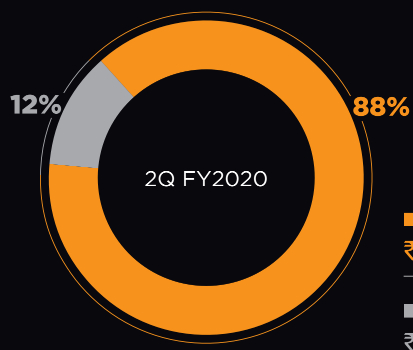
2.3x
Net Debt to EBITDA[1]

Debt to Market Capitalisation



Equity
₹231,500 mn

Gross Debt
₹79,111 mn



Equity
₹309,855 mn

Gross Debt
₹42,053 mn

Equity   Gross Debt

Net Asset Value (NAV)

289,317
NAV (₹ mn)

771
Number of units (mn)

375
NAV per unit (₹)

Commercial highlights[1,2]

	As of	
	Sep 30, 2019	Sep 30, 2018
Commercial Offices		
Completed Area (msf)	24.8	24.3
Occupancy	94.7%	93.7%
No of Tenants[3]	165	164
WALE (years)	7.2	7.1
Average In-place Rents (₹ psf pm)	66.5	61.1
Average Market Rents (₹ psf pm)[4]	86.4	81.4
MTM Opportunity	30%	33.2%

	Half Year Ended	
	Sep 30, 2019	Sep 30, 2018
New Lease-up ('000 sf)	1,189	891
Area Re-leased ('000 sf)	890	602
Re-leasing Spread Achieved (%)	66.5%	56.2%

(1) Details include 100% GLSP Embassy REIT owns 50% economic interest in GLSP and accounts for only the proportionate profits of GLSP basis the equity method

(2) On completed area basis and includes only those leases for which definitive agreements have been executed

(3) Excluding retail tenants

(4) Market rent as per CBRE assessment as of September 2019

Hospitality highlights

	YTD			
As of Jun 30, 2019	Hilton at Embassy Golflinks		Four Seasons at Embassy One[1]	
	Sep 30, 2019	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018
Keys	247	247	230	NA
Keys Available	45,201	45,201	35,190	NA
Keys Sold	32,078	31,887	2,647	NA
Occupancy	71%	71%	8%	NA
ADR (₹)	9,058	8,663	10,748	NA
RevPAR (₹)	6,427	6,111	NM[1]	NA
Total Revenue (₹ mn)	450	406	85	NA
GOP Margin	39%	36%	NM[1]	NA

Other[2] highlights

	YTD	
	Sep 30, 2019	Sep 30, 2018
Capacity (MW)	100	100
Solar Units Generated (mn units)	88	79
Solar Units Consumed (mn units)	86	78
Average Blended Tariff (₹ per unit)[3]	8.5	8.0

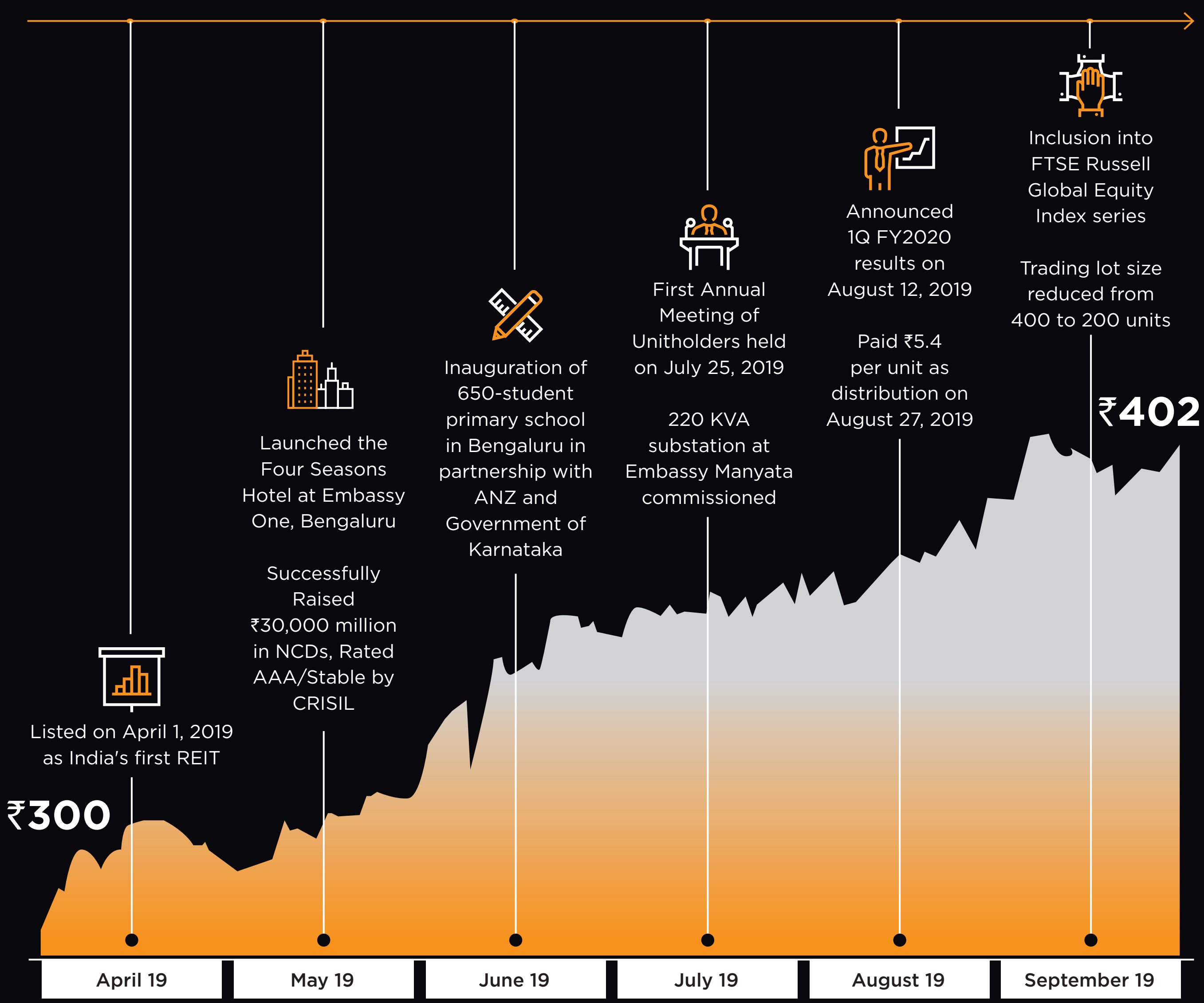
(1) Four Seasons at Embassy One was launched in May 2019 and is currently under stabilisation

(2) Comprises Solar Park

(3) Average blended realised tariff

PROGRESS SINCE LISTING AND DISTRIBUTIONS

The journey so far



Distributions delivered

Particulars	Distribution for 2Q FY2020	YTD Distributions
Distribution Period	**Jul 2019 - Sep 2019**	**Apr 2019 - Sep 2019**
Distribution Amount	**₹4,630 mn**	**₹8,797 mn**
Outstanding Units	**771,665,343**	**771,665,343**
Distribution Per Unit	**₹6.00**	**₹11.40**
- Interest	₹2.70	₹5.00
- Amortisation of SPV Level Debt	₹3.16	₹6.26
- Dividend	₹0.14	₹0.14
Ex-date	November 11, 2019	-
Record Date	November 19, 2019	-
Payment Date	On or before November 26, 2019	-

INVESTOR RELATIONS

A solid foundation for long-term value creation

As India's first publicly listed REIT, we at Embassy REIT are committed to represent this asset class to all our Unitholders in the best possible manner.

Embassy Oxygen

Since listing, we have interacted with over 100 investors across geographies, including Bengaluru, Mumbai, New Delhi, Chennai, London, New York, Singapore, Hong Kong, and Tokyo.

We maintain a best-in-class investor relation programme that focuses on

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

Proactive investor relations and media management

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

We have also conducted multiple non-deal roadshows, site visits and investor conferences since listing. In these events, we engage with institutional investors, such as global institutional fund managers, domestic mutual fund managers, life insurance companies, alternative investment funds, and high net worth individuals. For retail Unitholders, we hosted our first annual meeting in Bengaluru in July 2019.

Committing to highest standards of disclosure and transparency

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

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

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

- Condensed consolidated financial statements
- Condensed standalone financial statements
- Investor presentation
- Supplementary data book providing an in-depth look at our business

Broader stakeholder management and review

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

On September 20, 2019, Embassy REIT was included into the FTSE-Russell Series of Index funds. Index inclusion facilitates further participation in Embassy REIT's units by the funds who benchmark their assets to a particular index or indices.

Analyst coverage

As of September 30, 2019, the following brokerage houses had initiated coverage on Embassy REIT

- Ambit Capital
- Bank of America Merrill Lynch
- Credit Suisse
- Deutsche Bank
- Goldman Sachs
- JPMorgan
- Kotak Securities
- Macquarie Capital
- Morgan Stanley

Financial and distributions calendar FY2020

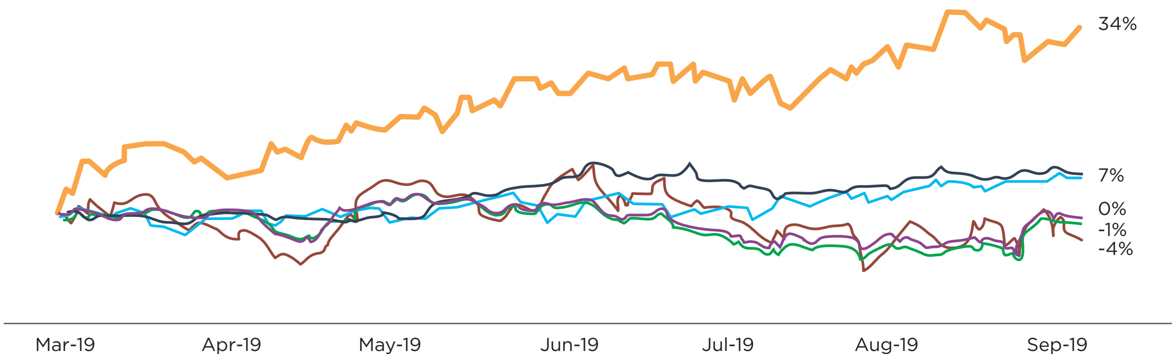
Date	Event
Aug 12, 2019	1Q FY2020 Results and Earnings Call
Aug 26, 2019	Payment of 1Q FY2020 Distribution
Nov 11, 2019	2Q FY2020 Result and Earnings Call
Nov 26, 2019	Payment of 2Q FY2020 Distribution
Feb 2020	3Q FY2020 Results and Earnings Call (Tentative)
	Payment of 3Q FY2020 Distribution (Tentative)
May 2020	4Q FY2020 Result and Earnings Call (Tentative)
	Payment of 4Q FY2020 Distribution (Tentative)

Investor and analyst engagement calendar 1H FY2020

	Date	Event	Venue
1Q	April 1	Listing of REIT on Indian Stock Exchanges (NSE, BSE)	Mumbai
	April 24	Analyst Engagement Meeting	Mumbai
	June 7 & 10	International Non-deal Roadshow	London
	June 11	Morgan Stanley 21st Annual India Summit	Mumbai
	June 19	International Non-deal Roadshow	Singapore
	June 20-21	International Non-deal Roadshow	Hong Kong
2Q	July 25	First Annual General Meeting	Bengaluru
	Aug 12	1Q FY20 Results Briefing and Earnings Call for 1Q FY20	Mumbai
	Aug 13-14	Domestic Non-deal Roadshow	Mumbai
	Sep 5-6	International Non-deal Roadshow	Tokyo
	Sep 10-11	Bank of America Merrill Lynch Global Real Estate Conference, 2019	New York
	Sep 19	JP Morgan India Investor Summit	New Delhi

Rewarding investors

Comparative trading performance since listing



Source: NSE, Marketwatch, Bloomberg as of September 30, 2019

Unit price and trading statistics

Key Statistics	NSE[1]	BSE
Unit Price		
Opening Price (₹)	300.00	300.00
Closing Price (₹)	401.54	401.00
52-week High (₹)	416.00	435.00
52-week Low (₹)	308.00	300.00
Market Capitalisation		
₹ Billion	309.85	309.44
US$ billion*	4.4	4.4
Average Daily Trading Volume		
Units	4,25,416	48,904
US$ million	2.2	0.3
Units		
Total Outstanding (million)	771.67	771.67
Public Float (million)	158.33	158.33

Source: NSE, BSE as of September 30, 2019

Total return

33.8% Capital appreciation

3.8% Distribution yield

Relative Performance

	1H FY2020	2Q FY2020
Embassy REIT	37.6%	11.5%
FTSE ST REIT Index	9.9%	2.1%
US MSCI REIT Index	8.9%	7.9%
BSE Sensex	0.3%	-2.2%
Nifty 50	-0.8%	-2.8%
Nifty Realty	-2.6%	-10.8%

Source: NSE, Marketwatch, Bloomberg as of September 30, 2019

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

* Exchange rate of US$1 = ₹70

(1) NSE is the designated stock exchange

SUSTAINABILITY INITIATIVES

Strengthening our communities

We are committed to providing education for students in the communities in and around our business parks.

In association with ANZ and Government of Karnataka, we have delivered one English medium government school in Hegde Nagar in Bengaluru, which has the capacity to support 650 students. In June this year, Government Higher Primary School comprising 15 new classrooms, a multi-purpose hall, library, computer laboratory, toilet blocks and accessibility facilities for differently-abled students was completed. This resulted in 200 additional student enrolments for the academic year.

ANZ and Embassy Office Parks have collaborated again to construct a new building for Government Urdu Higher Primary School. The new school building will host and have additional capacity for 800 students - in anticipation of an increase in admissions.

Embassy Office Parks and Cerner have signed an MoU with Bengaluru North Round Table Trust to implement a seven-step health and hygiene approach in 14 government schools in Bengaluru. Other community outreach programmes include environmental awareness, clean-up drives, health kit distribution in government schools, among others.

Through our Corporate Connect Programme, we partner with seven corporate occupiers to provide infrastructure, health and educational solutions to their adopted government schools.

Christmas celebrations

Through Embassy Office Parks Corporate Connect Programme we collaborate with our 165 corporate occupiers for providing education, carrier enhancement, infrastructure and healthcare solutions to communities in an around our business parks.

Hegde Nagar school

The Hegde Nagar school is the latest initiative where Embassy and its corporate partners have collaborated across 24 government schools in Bengaluru and positively impacted 7,000 students. We plan to continue this momentum of change by collaborating with many of the 165 corporate occupiers at our office parks in Bengaluru.

Building for the future

We build energy-efficient buildings. Many of our properties are rated by LEED as Platinum or Gold assets. Having our portfolio LEED certified endorses our commitment towards environmental sustainability, and towards providing a greener and safer work environment for the occupants. Recently, Embassy Qubix in Pune received LEED GOLD certification for IT4, one of its buildings.

Embassy REIT owns a 100 MW solar park that provides green energy to our properties in Bengaluru. The plant has a capacity of 215 mn units per annum and offsets up to 200 mn kg of CO_2 annually.

Our corporate occupiers of Embassy Office Parks continue to expand their solar energy production through installations of rooftop solar plants.

Embassy Oxygen

Embassy Oxygen

Embassy Energy

Our green energy initiative is helping offset an estimated 200 mn kg of carbon emissions every year.

We have also taken other initiatives at our office parks. We introduced 100% electric vehicles in Embassy Golflinks for employees of the park and adopted an app based car-pooling service 'Green Rider' at Embassy Manyata.

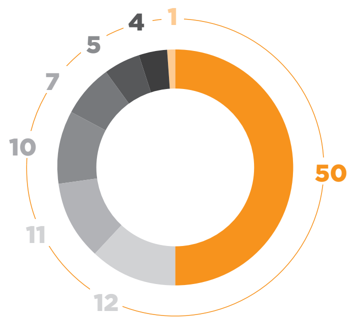
OUR PROPERTIES

OUR COMMERCIAL PROPERTIES

Embassy Manyata, Bengaluru

Embassy Manyata is the largest operational office park in Bengaluru. It is located in North Bengaluru, a prominent growth corridor, which connects the international airport to the city centre.

Tenant mix as of September 30, 2019 (%)



- Technology
- Retail
- Telecom
- Healthcare
- Financial Service
- Engineering & Manufacturing
- Research, Consulting & Analytics
- Others

Key statistics

2006 Year of commencement	**121.76 acres** Site area
14.2 msf Leasable area	**11.0 msf** Completed area
99.3% Occupancy	**43*** Number of tenants
₹1.8 msf Under development	**₹139,968 mn**** Market value

*Excluding support retail tenants
**As of September 30, 2019 valuation

Upcoming developments

3Q FY2022

Particulars	Expected Completion Date
Construction of NXT office blocks leasable area of 0.8 msf	FY2020
Construction of M3 office block (leasable area of 1.0 msf)	2Q FY2023
Ongoing Construction of Two Hotels • 3-star Hilton Garden Inn Hotel with 353 keys • 5-star Hilton Hotel with 266 keys	3Q FY2022

Embassy Golflinks, Bengaluru

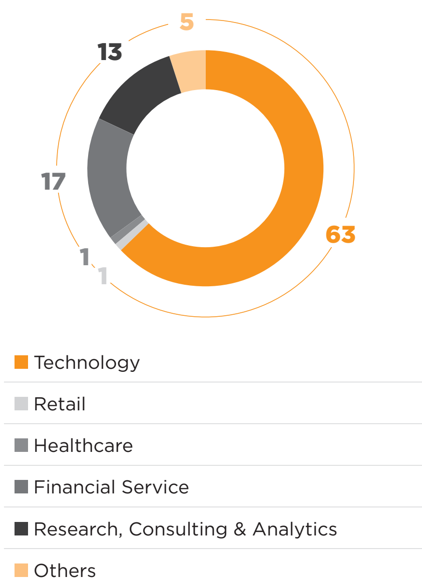
Located in the heart of Bengaluru, Embassy Golflinks is one of India's most recognised and awarded business parks.

Key statistics

2004 Year of commencement	**37.11 acres** Site area
2.7 msf Leasable area	**96.7%** Occupancy
18* Number of tenants	**₹26,432 mn**** Market value#

*Excluding support retail tenants
**As of September 30, 2019 valuation
#Details include 50% GLSP. Embassy REIT owns 50% economic interest in GLSP

Tenant mix as of September 30, 2019 (%)



Embassy One, Bengaluru

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

Key statistics

2017
Year of commencement

0.3 msf
Leasable area

195K sq.ft.
Office area

55K sq.ft.
Retail area

3.19 acres
Site area

₹5,608 mn*
Market value

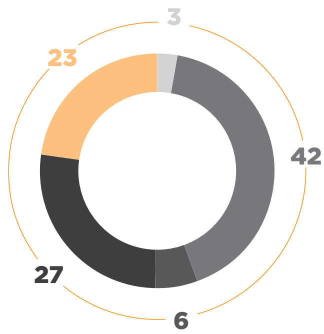
*As of September 30, 2019 valuation

OUR COMMERCIAL PROPERTIES (CONTD.)

Express Towers, Mumbai

Express Towers, located in Nariman Point (Mumbai's CBD), enjoys a prominent location in close proximity to some of India's most exclusive residential neighbourhoods and state infrastructure, such as the State Legislative Assembly and the State High Court.

Tenant mix as of September 30, 2019 (%)



- Retail
- Financial Service
- Engineering & Manufacturing
- Research, Consulting & Analytics
- Others

Key statistics

1970
Year of commencement

1.46 acres
Site area

0.5 msf
Leasable area

27*
Number of tenants

91.5%
Occupancy

₹18,590 mn**
Market value

*Excluding support retail tenants
**As of September 30, 2019 valuation

First International Finance Centre (FIFC), Mumbai

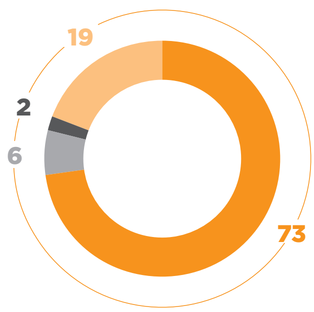
FIFC is one of our premium office buildings and is located in the Bandra Kurla Complex (BKC).

Key statistics

2012 Year of commencement	**1.99 acres** Site area
0.4 msf Leasable area	**77.8%** Occupancy
6* Number of tenants	**₹14,912 mn**** Market value

*Excluding support retail tenants
**As of September 30, 2019 valuation

Tenant mix as of September 30, 2019 (%)



- Technology
- Retail
- Research, Consulting & Analytics
- Others

OUR COMMERCIAL PROPERTIES (CONTD.)

Embassy 247, Mumbai

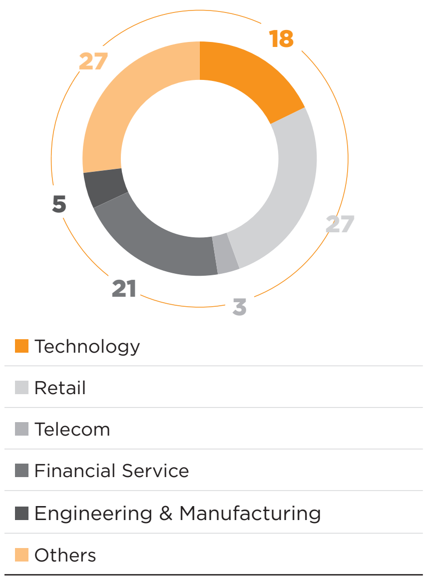
Embassy 247 is well located at Vikhroli on an arterial road (LBS Marg) between Mumbai's two major freeways–The Eastern Express Highway and The Western Express Highway.

Key statistics

2009 Year of commencement	**7.27 acres** Site area
1.1 msf Leasable area	**94%** Occupancy
22* Number of tenants	**₹17,256 mn**** Market value

*Excluding support retail tenants
**As of September 30, 2019 valuation

Tenant mix as of September 30, 2019 (%)



Embassy Qubix, Pune

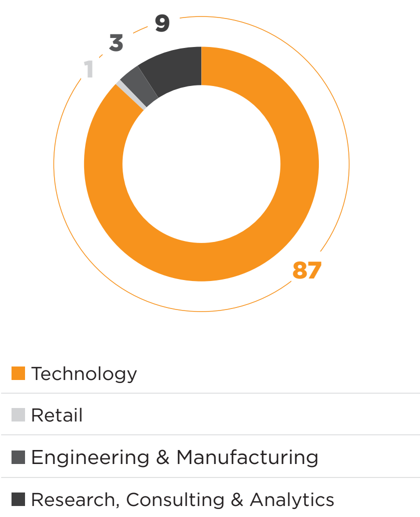
Embassy Qubix is also located in the submarket of West Pune, which offers excellent social and lifestyle infrastructure, various transportation links to both Mumbai and Pune Central Business District (CBD) and a large residential catchment catering to the growing technology workforce.

Key statistics

2011 Year of commencement	**25.16 acres** Site area
1.5 msf Leasable area	**100.0%** Occupancy
27* Number of tenants	**₹9,962 mn**** Market value

*Excluding support retail tenants
**As of September 30, 2019 valuation

Tenant mix as of September 30, 2019 (%)



OUR COMMERCIAL PROPERTIES (CONTD.)

Embassy Quadron, Pune

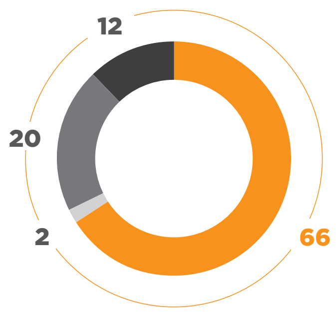
Embassy Quadron is a large hub of technology companies and among the most popular office locations in Pune. It is also located in the West Pune submarket, which offers good transportation links to Mumbai and Central Pune and houses a large residential catchment.

Key statistics

2008 Year of commencement	**25.52 acres** Site area
1.9 msf Leasable area	**98.5%** Occupancy
4* Number of tenants	**₹14,609 mn**** Market value

*Excluding support retail tenants
**As of September 30, 2019 valuation

Tenant mix as of September 30, 2019 (%)



- Technology
- Retail
- Financial Service
- Research, Consulting & Analytics

Embassy Techzone, Pune

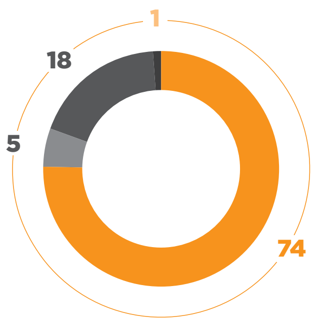
Located near the Mumbai-Pune Expressway, Embassy Techzone is a premium business park in its submarket, spread across a total area of 67.45 acres.

Key statistics

2008 Year of commencement	**67.45 acres** Site area
5.5 msf Leasable area	**2.2 msf** Completed area
87.3% Occupancy	**3.3 msf** Potential development area
18* Number of tenants	**₹21,325 mn**** Market value

*Excluding support retail tenants
**As of September 30, 2019 valuation

Tenant mix as of September 30, 2019 (%)



- Technology
- Healthcare
- Engineering & Manufacturing
- Research, Consulting & Analytics

OUR COMMERCIAL PROPERTIES (CONTD.)

Embassy Galaxy, Noida

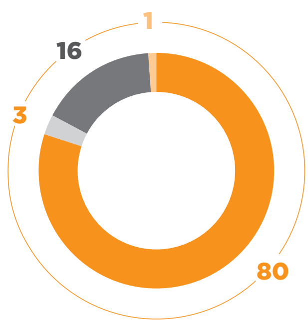
Embassy Galaxy is located in the peripheral Noida submarket, which is a well-known technology hub due to its affordable rents, established connectivity and social infrastructure.

Key statistics

2007 Year of commencement	**9.88 acres** Site area
1.4 msf Leasable area	**99.9%** Occupancy
8* Number of tenants	**₹8,914 mn**** Market value

*Excluding support retail tenants
**As of September 30, 2019 valuation

Tenant mix as of September 30, 2019 (%)



- Technology
- Retail
- Financial Service
- Others

Embassy Oxygen, Noida

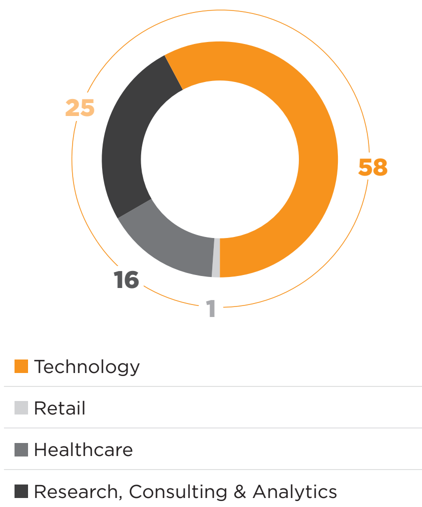
Embassy Oxygen is located close to the Noida-Greater Noida Expressway, a major-six lane highway connecting Noida with Greater Noida.

Key statistics

2011 Year of commencement	**24.83 acres** Site area
3.3 msf Leasable area	**1.9 msf** Completed area
85.3% Occupancy	**0.6 msf** Under development
7* Number of tenants	**0.7 msf** Proposed development
₹20,657 mn** Market value	

*Excluding support retail tenants
**As of September 30, 2019 valuation

Tenant mix as of September 30, 2019 (%)



OUR HOSPITALITY PORTFOLIO

Hilton Embassy Golflinks, Bengaluru

Overlooking the expansive Karnataka Golf Course, Hilton Bangalore Embassy Golflinks is a 247-keys hotel set within the premises of Embassy Golflinks. It offers the largest rooms in the city with studios and suites fully equipped with kitchenettes, dining, living and work areas, and easy access to the city centre, lifestyle hubs, restaurants and hospitals.

Key statistics

2014 Year of commencement	**3.58 acres** Site area	**5-Star** Hotel category	**247** Number of hotel keys
71.0% Occupancy**	**₹5,045 mn*** Market value		

*As of September 30, 2019 valuation

**'The Salt Grill' European restaurant award by eazydiner, 2019

Four Seasons Bengaluru at Embassy One

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

Key statistics

5-star
Hotel brand

230
Number of hotel keys

100+
Corporate accounts signed

₹8,244 mn*
Market value

*As of September 30, 2019 valuation

Embassy Energy, Bengaluru

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

Key statistics

2018	C.460 acres	215 mn	₹10,519 mn*
Year of commencement	Site area	Annual capacity	Market value

*As of September 30, 2019 valuation

STATUTORY DISCLOSURE

Report on Corporate Governance

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

Authorisation Structure

Embassy REIT was settled on March 30, 2017 at Bengaluru, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a trust deed dated March 30, 2017 as amended on September 11, 2018. Embassy REIT was registered with SEBI on August 3, 2017 as a real estate investment trust under Regulation 3(1) of the REIT Regulations having registration number IN/REIT/17-18/0001. Embassy Sponsor and Blackstone Sponsor are the sponsors of Embassy REIT.

Manager

Embassy Office Parks Management Services Private Limited ("EOPMSPL") is the Manager of Embassy REIT. The Manager is a private limited company incorporated in India under the Companies Act, 1956 on January 31, 2014 at Bengaluru, Karnataka. EOPMSPL is held by Embassy Sponsor and certain entities forming part of the Blackstone Sponsor Group.

Trustee

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

The Trustee is not an Associate of either of the Sponsors or the Manager. The Trustee is responsible for safe custody of the assets of the REIT and holds the assets in trust for the benefit of the Unitholders. The Manager's role under the Investment Management Agreement is to manage Embassy REIT and its assets in accordance with the Trust Deed, the Investment Management Agreement and the REIT Regulations in the interests of Unitholders.

Governance Statement

In the six months ended September 30, 2019, the Manager and Embassy REIT have complied with the provisions of the Trust Deed, the REIT Regulations and the Corporate Governance policies.

Board of Directors and Management

Constitution of the Board

i. The Manager has eight Directors. All the Directors of the Manager are Non-Executive Directors one half of which are Independent Directors. The profiles of the Directors are set forth on page 12 of this report.

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

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

Meetings of the Board of Directors

i. Two Board Meetings were held during the six months ended September 30, 2019 on May 28, 2019 and August 12, 2019, respectively. The necessary quorum was present for both the meetings.

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

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

Name of the Director	Category	Number of Board Meetings attended during the six months ended September 30, 2019	Attended the meeting of the Unitholders held on July 25, 2019
Jitendra Virwani	Non-Independent Non-Executive	2	No
Anuj Puri	Independent Director Non-Executive Director	2	Yes
Vivek Mehra	Independent Director Non-Executive Director	2	Yes
Aditya Virwani	Non-Independent Non-Executive	2	Yes
Tuhin Parikh	Non-Independent Non-Executive	2	No
Dr. Ranjan Pai	Independent Director Non-Executive Director	1	Yes
Dr. Punita Kumar Sinha	Independent Director Non-Executive Director	2	No
Robert Christopher Heady	Non-Independent Non-Executive	1	No
Asheesh Mohta*	Non-Independent Non-Executive	1	Yes

* Alternate director to Mr. Robert Christopher Heady

i. We use audio visual electronic facility to enable attendance by directors who are unable to attend the meetings in person.

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

iii. As on September 30, 2019, the following members of the Board and Key Personnel held units in Embassy REIT:

Name of the Director	Category	Number of Embassy REIT Units held
Mr. Vivek Mehra	Independent Director	6,400
Mr. Michael D Holland	Chief Executive Officer	265,200
Mr. Rajesh Kaimal	Chief Financial Officer	1,200
Mr. Bhhavesh Kamdar	President Leasing	10,000

Committees Constituted by the Board

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

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

EMBASSY

GOVERNANCE (CONTD.)

Embassy REIT's Philosophy on Corporate Governance:

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

Committee	**Composition**	
Nomination and Remuneration Committee	Name	Category
	Dr. Ranjan Pai – Chair	Independent Non-Executive Director
	Mr. Jitendra Virwani	Non-Independent Non-Executive Director
	Mr. Tuhin Parikh	Non-Independent Non-Executive Director
	Mr. Vivek Mehra	Independent Non-Executive Director
Stakeholders' Relationship Committee	Name	Category
	Dr. Punita Kumar Sinha – Chair	Independent Non-Executive Director
	Mr. Aditya Virwani	Non-Independent Non-Executive Director
	Mr. Asheesh Mohta*	Non-Independent Non-Executive Director
	Mr. Vivek Mehra	Independent Non-Executive Director
	* Alternate director to Mr. Robert Christopher Heady	
Corporate Social Responsibility Committee	Name	Category
	Mr. Tuhin Parikh –	Non-Independent Non-Executive Director
	Mr. Aditya Virwani	Non-Independent Non-Executive Director
	Dr. Ranjan Pai	Independent Non-Executive Director
Risk Management Committee	Name	Category
	Mr. Vivek Mehra - Chair	Independent Non-Executive Director
	Dr. Ranjan Pai	Independent Non-Executive Director
	Dr. Punita Kumar Sinha	Independent Non-Executive Director
	Mr. Anuj Puri	Independent Non-Executive Director
	Mr. Jitendra Virwani	Non-Independent Non-Executive Director
	Mr. Asheesh Mohta*	Non-Independent Non-Executive Director
	* Alternate director to Mr. Robert Christopher Heady	
Investment Committee	Name	Category
	Mr. Anuj Puri – Chair	Independent Non-Executive Director
	Dr. Ranjan Pai	Independent Non-Executive Director
	Mr. Jitendra Virwani	Non-Independent Non-Executive Director
	Mr. Tuhin Parikh	Non-Independent Non-Executive Director
Management Committee	Name	Category
	Mr. Michael D Holland	Chief Executive Officer
	Mr. Rajesh Kaimal	Chief Financial Officer
	Mr. Vikaash Khdloya	Deputy Chief Executive Officer and COO
	Mr. Aravind Maiya	Deputy Chief Financial Officer
Debenture Committee	Name	Category
	Mr. Tuhin Parikh- Chair	Non-Independent Non-Executive Director
	Mr. Aditya Virwani	Non-Independent Non-Executive Director
	Mr. Vikaash Khdloya	Deputy Chief Executive Officer and COO
	Mr. Rajesh Kaimal	Chief Financial Officer

Investment Committee - Terms of Reference

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

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

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

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

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

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

Audit Committee - Terms of Reference

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

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

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

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

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

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

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

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

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

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

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

(x) Reviewing loans and investments of Embassy REIT;

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

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

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

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

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

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

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

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

(xix) Monitoring the end use of Net Proceeds;

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

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

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

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

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

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

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

Stakeholders' Relationship Committee - Terms of Reference

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

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

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

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

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

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

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

Nomination and Remuneration Committee - Terms of Reference

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

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

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

(iii) Devising a policy on Board diversity;

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

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

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

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

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

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

Corporate Social Responsibility Committee - Terms of Reference

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

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

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

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

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

Risk Management Committee - Terms of Reference

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

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

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

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

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

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

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

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

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

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

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

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

Management Committee - Terms of Reference

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

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

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

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

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

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

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

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

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

Debenture Committee - Terms of Reference

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Number of Committee Meetings held and attendance records:
The table below sets out the number of committee meetings attended by each member of the committee:

Name of the Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee	Investment Committee
No. of meetings held	2	2	2	1	0	0
Date of meetings	May 28, 2019 and August 12, 2019	May 28, 2019 and August 12, 2019	May 28, 2019 and August 12, 2019	May 28, 2019	Nil	Nil
	No of Meetings Attended					
Name of Member						
Vivek Mehra	2	2	2	NA	-	NA
Anuj Puri	2	NA	NA	NA	-	-
Dr. Punita Kumar Sinha	2	NA	2	NA	-	NA
Jitendra Virwani	2	2	NA	NA	-	-
Dr. Ranjan Pai	2	1	NA	-	-	-
Asheesh Mohta*	1	NA	1	NA	-	NA
Tuhin Parikh	NA	2	NA	1	NA	-
Aditya Virwani	NA	NA	2	1	NA	NA

* Alternate director to Mr. Robert Christopher Heady

In addition to the above, During the period under review

a. The Debenture Committee met on April 15, 2019, April 23, 2019 and May 03, 2019; and

b. The Management Committee met on September 03, 2019

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

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

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

Policies of the Board of Directors of the Manager in relation to Embassy REIT
The Manager has adopted the following policies in relation to Embassy REIT:

- Code of Conduct and Ethics for Directors, Senior Management and other employees (http://s2.q4cdn.com/482484005/files/doc_downloads/reit_basics/Embassy-REIT-Code-of-Conduct.pdf);

- Code on unpublished price sensitive information and dealing in the Units by the parties to Embassy REIT (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/04/Insider-Trading-Code_REIT.pdf);

- Distribution Policy (http://s2.q4cdn.com/482484005/files/doc_downloads/reit_basics/05/Distribution-Policy.pdf);

- Policy on Determination of Materiality of Information for Periodic Disclosures (http://s2.q4cdn.com/482484005/files/doc_downloads/reit_basics/05/Policy-for-Determining-Materiality-of-Information-for-Periodic-Disclosures.pdf);
- Whistle Blower Policy (http://s2.q4cdn.com/482484005/files/doc_downloads/reit_basics/05/Whistle-Blower-Policy.pdf);
- Policy on Related Party Transactions (http://s2.q4cdn.com/482484005/files/doc_downloads/gov_docs/Policy-on-Related-Party-Transactions.pdf);
- Stakeholders Grievances and Redressal Policy (http://s2.q4cdn.com/482484005/files/doc_downloads/reit_basics/05/Stakeholder-Grievance-and-Redressal-Policy.pdf);
- Borrowing Policy;
- Corporate Social Responsibility Policy;

  (http://s2.q4cdn.com/482484005/files/doc_downloads/reit_basics/05/Corporate-Social-Responsibility-Policy.pdf)
- Policy on Appointment of auditor and valuer;

  (http://s2.q4cdn.com/482484005/files/doc_downloads/reit_basics/05/Policy-on-appointment-of-Auditor-and-Valuer.pdf)
- Risk Management Policy;

  (http://s2.q4cdn.com/482484005/files/doc_downloads/reit_basics/05/Risk-Management-Policy.pdf)
- Document Archival Policy;
- Board Evaluation Policy;
- Business Continuity Policy;
- Anti-Money Laundering Policy and Anti-Corruption Compliance Policy;
- Prevention of Sexual Harassment Policy.

UNITHOLDERS

The number of Unitholders of Embassy REIT as on September 30, 2019 was 4,583. The detailed category wise break-down of the composition of the Unitholders as on September 30, 2019 is given below:

Category	Category of Unit holder	No. of Units Held	As a % of Total Outstanding Units
(A)	**Sponsor(s)/ Manager and their associates/ related parties and Sponsor Group**		
1	**Indian**		
a	Individuals/HUF	-	-
b	Central/State Govt.	-	-
c	Financial Institutions/Banks	-	-
d	Any other (Bodies Corporates)	115,484,802	14.97
	Sub-Total (A) (1)	115,484,802	14.97
2	Foreign		
a	Individuals(Non Residents, Indians, Foreign Individuals)	-	-
b	Foreign Govt.	-	-
c	Institutions	-	-
d	Foreign Portfolio Investors	-	-
e	Any other (Bodies Corporates)	426,763,588	55.30
	Sub-Total (A) (2)	426,763,588	55.30
	Total unit holding of sponsor & sponsor group (A) = (A) (1) + (A) (2)	**542,248,390**	**70.27**
(B)	**Public Holdings**		
1	**Institutions**		
a	Mutual Funds	2,840,000	0.37
b	Financial Institutions/Banks	-	-
c	Central/State Govt.	-	-
d	Venture Capital Funds	-	-
e	Insurance Companies	4,277,200	0.55
f	Provident/ pension funds	148,400	0.02
g	Foreign Portfolio Investors	120,612,400	15.63
h	Foreign Venture Capital Investors	-	-
i	Any other ALTERNATIVE INVESTMENT FUND	604,000	0.08
	Sub-Total (B) (1)	128,482,000	16.65
2	**Non-Institutions**		
a	Central Government/ State Governments(s)/ President of India	-	-
b	Individuals	92,654,457	12.01
c	NBFCs registered with RBI	1,386,200	0.18
d	Any other (specify)		
	TRUSTS	24,400	0.00
	NON RESIDENT INDIANS	946,400	0.12
	CLEARING MEMBERS	208,000	0.03
	BODIES CORPORATES	5,715,496	0.74
	Sub-Total (B) (2)	100,934,953	13.08
	Total Public Unit holding (B) = (B) (1) + (B) (2)	**229,416,953**	**29.73**
	Total Units Outstanding (C) = (A) + (B)	**771,665,343**	**100.00**

Meetings of the Unitholders

i. During the six months ended September 30, 2019, the first annual meeting of the Unitholders of Embassy REIT was held on Thursday July 25, 2019 at 2.30 PM at Coronet Hall, Le Meridien Hotel, Bengaluru, India. The necessary quorum was present for the meeting.

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

- Taking note of the audited special purpose condensed combined financial statements for the year ended March 31, 2019 and audited standalone financial statements for the year ended March 31, 2019 of Embassy REIT;

- Appointment of the statutory auditors of Embassy REIT and to fix their remuneration;
- Appointment of the valuer for Embassy REIT.

Investor Complaints

Details of investor complaints received and redressed during the six months ended September 30, 2019 are as follows:

Opening Balance	Received during the six months ended September 30, 2019	Resolved during the six months ended September 30, 2019	Closing Balance
Nil	Nil	Nil	Nil

Compliance Officer

Ramesh Periasamy
Compliance Officer
Royal Oaks, Embassy Golflinks Business Park,
Off Intermediate Ring Road,
Bangalore, Karnataka – 560071.

Statutory Auditors

S. R. Batliboi & Associates LLP (ICAI Firm Registration No.: 101049W/ E300004) Chartered Accountants, having their office at 12th Floor, "UB City", Canberra Block No. 24, Vittal Mallya Road, Bengaluru- 560001 have been appointed as the Statutory Auditors of Embassy REIT for a term of five consecutive years from the financial year 2019 – 20.

Registrar and Transfer Agent

Karvy Fintech Private Limited (formerly KCPL Advisory Services Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, Telangana, India

Publications

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

Market Price Data:

The high and low prices (based on daily closing prices) and the number of units of Embassy REIT traded during each month for the six months ended September 30, 2019 on the BSE and NSE are given below:

Month	BSE			NSE		
	High (₹)	**Low (₹)**	**Total Number of REIT Units Traded**	**High (₹)**	**Low (₹)**	**Total Number of REIT Units Traded**
April, 2019	352	300	802,400	349.20	308	8,860,800
May, 2019	357.5	320.1	221,200	356	320.50	11,560,400
June, 2019	380	345.05	3,325,915	382.45	345	6,366,800
July, 2019	384	356.1	251,600	383.96	354.50	7,788,000
August, 2019	400	355	134,800	395	355	5,514,000
September, 2019	435	377	1,230,400	416	370	11,810,800

Transfer of Units:

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

EMBASSY

1 Business & Financial Summary

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

Embassy REIT was settled on March 30, 2017 at Bengaluru, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a trust deed dated March 30, 2017 as amended on September 11, 2018. The Sponsors of Embassy REIT are Embassy Property Developments Private Limited **("Embassy Sponsor")** and BRE/Mauritius Investments **("Blackstone Sponsor")**. **For further details please refer to page 5 of this report.**

Embassy REIT owns a high-quality office portfolio comprising of seven best-in-class office parks and four prime city center office buildings totalling 32.7 msf as of September 30, 2019. For further details on the properties please refer to pages 45 to 58 of this report.

Embassy REIT was listed on the BSE and NSE on April 01, 2019 after an initial public offering that was oversubscribed by 2.6 times.

With respect to the half-year ended September 30, 2019 our updates on Commercial offices, Development and Hospitality are set forth on pages 27, 30 and 31 respectively.

The NAV of Embassy REIT as on September 30, 2019 was ₹374.93 basis the valuation report enclosed with this report on page 215.

With respect to trading price, kindly refer to page 41 of this report.

b. Summary of the audited Standalone and Consolidated Financial Statements

Please refer to page 35 and pages 90 to 214 of this report.

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

a. Real estate assets and other assets

Please refer to pages 45 to 58 of this report

b. Location of the properties

Please refer to pages 45 to 58 of this report

c. Area of the properties

Please refer to pages 45 to 58 of this report

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

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

Name of the Asset SPV	Name of the Tenant
Vikhroli Corporate Park Private Limited -247 Tech park	• Accelya Kale Solutions Limited • DHL Global Forwarding Freight Shared Services (India) LLP • Future Retail Limited • Gravitas Technology Private Limited • ICICI Lombard General Insurance Company Limited • Link Intime India Private Limited • Oppo Mobiles India Private Limited • Vistra International Expansion (India) Private Limited • Trendsutra Platform Services Private Limited • Wework India Management Private Limited
Embassy One-Pinnacle Tower	• Korea Trade-Investment Promotion Agency
Indian Express Newspapers (Mumbai) Pvt Ltd	• Blackstone Advisors India Private Limited • DBS Bank Limited. • Export Credit Guarantee Corporation of India • ENAM Holdings Private Limited • The Indian Hotels Company Limited • JBF Industries Limited • McKinsey & Company, Inc • Proteus Ventures LLP • Shardul Amarchand Mangaldas & Co • Warburg Pincus India Private Limited
Earnest Towers Private Limited	• Executive Centre India Private Limited • Google India Private Limited • Impresario Entertainment and Hospitality Private Limited • Kasa Foodworks • Massive Restaurants Private Limited • McKinsey & Company India LLP • Mirah Hospitality and Gourmet SolutionsPrivate Limited

Name of the Asset SPV	Name of the Tenant
	• Oracle India Private Limited • Pernod Ricard India Private Limited
Galaxy Square Private Limited	• DXC Technology India Private Limited • Elixir Softech Private Limited • Esaote Asia Pacific Diagnostic Private Limited • Fiserv India Private Limited • HDFC Bank Limited • Mitel Communications Private Limited • Nextgen Services • Tata Consultancy Services Limited • Thinksys Software Private Limited • Xylem Water Solutions Private Limited
Oxygen Business Park Private Limited	• Bercos Melody House • NTT Data Information Processing Services Private Limited • Devyani International Private Limited • ExlService.com (India) Private Limited • Global Logic India Private Limited • Jubilant Foodworks Limited • NewGen Software Technologies Limited • One World Retail Private Limited • Optum Global Solutions India Private Limited • Sapient Consulting Private Limited
Quadron Business Park Private Limited	• Barclays Global Service Centre India Private Limited • Cognizant Technology Solutions Private Limited • E-CLERX Services Limited • Humane Business Intelligence Technology Solutions Private Limited
Qubix Business Park Private Limited	• Accenture Services Private Limited • Aker Powergas Subsea Private Limited • Cisco Systems (India) Private Limited • Crisil Limited • HCL Technologies Limited • KPIT Technologies Limited • L&T Infotech Limited • Persistent Systems Limited

Name of the Asset SPV	Name of the Tenant
	• Sciformix Technologies Private Limited • Tata Technologies Limited
Manyata Promoters Private Limited	• Alcatel-Lucent India Limited • ANSR Global Corporation Private Limited • Cerner HealthCare Solutions Private Limited • Cognizant Technology Solutions India Private Limited • IBM India Private Limited • Legato Health Technologies LLP • Lowe's Services India Private Limited • Nokia Solutions & Network India Private Limited • Nvidia Graphics Private Limited • Target Corporation India Private Limited
Embassy Office Parks Private Limited	• Access Healthcare services Private Limited • Flextronics Technologies (India) Private Limited • State Street HCL Services (India) Private Limited • IBM India Private Limited • Infosys BPM Limited • Larsen & Toubro Infotech Limited • Mercedes - Benz Research and Development India Private Limited • Nice Interactive Solutions (India) Private Limited • Nitor Infotech Private Limited • Tech Mahindra Limited

Additionally, for the top 10 tenants of Embassy REIT, please refer to page 24 of this report.

For the lease maturity profile of each Asset SPV, please refer to page 25 of this report.

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

Please refer to page 30 of this report

3 Updated valuation report by the valuer taking into account any material developments during the previous half-year

Please refer to page 215 of this report

4 Details of changes during the year (read as half-year) pertaining to:

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

There has been no addition or divestment of assets in the half year ended September 30, 2019.

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

Please refer to pages 215 to 253 of this report for Gross Asset Valuation and page 139 for NAV respectively, being the first half yearly valuation undertaken post listing on April 1, 2019.

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

Please refer to page 27 of this report with respect to the new leases in the half year ended September 30, 2019. The occupancy of Embassy REIT as of September 30, 2019 was 94.7% as against the occupancy of 94.3% as of the start of this half year. The WALE of Embassy REIT is set forth on page 25. The current list of key tenants is set forth on page 24.

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

Please refer to page 117 of this report with respect to borrowings on a standalone basis as on September 30, 2019 and page 180 of this report with respect to borrowings on a consolidated basis, as on September 30, 2019.

Please refer to page 180 of this report with respect to repayment of borrowings on a consolidated basis, as on September 30, 2019. On the standalone basis, as on September 30, 2019, the repayment of borrowings was NIL.

e. Change in the Sponsor, manager, trustee, valuer, directors of the Trustee/manager/sponsor, etc as on September 30, 2019

There was no change in the Sponsor, Manager and Trustee during the half year ended September 30, 2019. Mr. Manish Gupta, partner iVAS Partners has been appointed as the valuer of Embassy REIT pursuant to a resolution passed by circulation on June 28, 2019 and approved by the unitholders at their annual meeting held on July 25, 2019. CBRE South Asia Private Limited was the valuer as on March 31, 2019 and has currently been appointed to provide value assessment services to Embassy REIT.

The below table indicates the change of Directors in Trustee/Manager/Sponsor for the half-year ended September 30, 2019

Entity	Nature of Change
Axis Trustee Services imited ("TRUSTEE") 1. Mr. Ganesh Sankaran	Appointed as Director
Embassy Office Parks Management Services Private Limited (" MANAGER") 1. Mr. Asheesh Mohta	Appointed as Alternate Director to Mr.Robert Christopher Heady
Embassy Property Developments Private Limited ("EMBASSY SPONSOR")	No change in the Composition of Directors
BRE/Mauritius Investments ("BLACKSTONE SPONSOR")	No change in the Composition of Directors

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

Not applicable

g. Any other material change during the year

Not applicable

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

Please refer to page 30 of this report

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

Debt Analysis

as of 30-Sep-2019

Debt Maturity Schedule (₹ mn)

Description	Rating	Fixed/ Floating	Total Facility	Balance Facility	Outstanding Principal	Amortized Cost (30-Sep-2019)	Interest Rate	Maturity Date	Principal Repayment Schedule					
									FY20	FY21	FY22	FY23	FY24 & Beyond	Total
At REIT														
Embassy Office Parks REIT Series I NCD (Tranche I)	CRISIL AAA/Stable	Fixed	30,000	-	30,000	30,880	9.4%	Jun-22[1]	-	-	-	30,000	-	30,000
At SPV														
Deferred Payment Liability (EEPL)	-	Fixed	6,854	-	6,586	7,140	12.72%	Feb-33	96	212	241	273	5,763	6,586
Term Loan (Embassy Manyata)	ICRA AA/ Stable	Floating	3,397	1,400	1,997	1,997	8.85%	Aug-22	17	34	34	1,912	-	1,997
Construction Finance	CRISIL AA/ Stable	Floating	2,002	-	2,002	2,002	9.80%	Mar-20	2,002	-	-	-	-	2,002
Others[2]	-	-	NM	-	35	35	9.20%	-	6	15	15			35
Total			**42,252**	**1,400**	**40,620**	**42,053**	**9.89%**		**2,121**	**261**	**289**	**32,185**	**5,763**	**40,620**

Gross Debt (₹ mn)	42,053
Less: Cash and Cash Equivalents (₹ mn)	1,585
Less: Short Term Treasury Investments[3] (₹ mn)	1,809
Net Debt (₹ mn)	**38,660**

Leverage Ratios

as of 30-Sep-2019

Particulars	30-Sep-19	30-Sep-18
Gross Debt to GAV[4]	13%	NA
Net Debt to TEV	11%	NA
Gross Debt to EBITDA[5]	2.5x	NA
Net Debt to EBITDA[5]	2.3x	NM
Interest Coverage Ratio (including capitalised interest)	4.4x	2.0x
Interest Coverage Ratio (excluding capitalised interest)	5.8x	2.3x

[1] Embassy REIT has 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) subject to terms of the Debenture Trust Deed

[2] Others includes vehicle loan

[3] Includes short term liquid funds, fixed deposits etc net of 2Q FY2020 distribution of ₹4,630mn

[4] Gross Asset Value (GAV) considered per September 2019 valuation undertaken by Mr. Manish Gupta, Partner, iVAS Partners in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually

[5] EBITDA has been annualized for comparability purpose

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

Please refer to the table in para 6 above for the debt maturity profile.

With respect to debt covenants please refer to pages 117 and 181 of this report.

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

Please refer to pages 201 and 202 of this report

9 & 10 Past performance of the REIT with respect to unit price, distributions and yield for the last 5 years, as applicable and Unit price quoted on the Designated Stock Exchanges at the beginning and end of the financial year, the highest and lowest unit price and the average daily volume traded during the financial year

Embassy REIT Trading Snapshot

Key Statistics		NSE	BSE	Combined
Unit price				
Opening as of Apr 1, 2019	₹	308.00	300.00	-
Closing as of Sept 30, 2019	₹	401.54	401.00	-
52-week high	₹	416.00	435.00	-
52-week low	₹	308.00	300.00	-
Market capitalization				
₹ billions		309.85	309.44	-
$ billions		4.43	4.42	-
Average daily trading volume (ADTV)				
Units		4,25,416	48,904	4,74,321
₹ millions		153.42	17.97	171.39
$ millions		2.19	0.26	2.45
Units outstanding	Unit millions	-	-	771.67
Public float	Unit millions	-	-	158.33

Notes:

(1) Data as of September 30, 2019 since listing

(2) NSE & BSE refers to stock exchange were units are listed whereas combined refers to summation or totality

11 Related party transactions

a. Refer to page 205 of this report which contains details of all related party transactions entered into by the Embassy REIT and its SPVs during the quarter and half year ended 30 September 2019 (excluding transactions between Embassy REIT and its SPVs which are eliminated on consolidation).

b. Refer to page 121 of this report which contains details of all related party transactions entered into by Embassy REIT including monies lent by Embassy REIT to its holding company and its SPVs.

12 Details of fund raising during the Half-year:

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

Further on May 03, 2019, the Debenture Committee of the Board of Directors of Embassy Office Parks Management Services Private Limited, Investment Manager of Embassy Office Parks REIT has approved the allotment of 30,000 Secured Non-Convertible Debentures of ₹1,000,000/- (Rupees Ten Lakhs only) each aggregating to ₹30,000,000,000/- (Rupees Three Thousand Crores only) on a private placement basis under Tranche A as per the terms and conditions as mentioned in the Information Memorandum for the said issue.

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

13 Brief details of material and price sensitive information

Not applicable

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

Legal and Other information

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

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

I. Material litigation and regulatory action pertaining to the Portfolio

For the purpose of this section, details of all pending material litigation and regulatory action pertaining to the Portfolio have been disclosed. Other than as disclosed below, there are no pending material litigations or regulatory actions pertaining to the Portfolio as of September 30, 2019:

A. Embassy Manyata

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

B. Hilton at Embassy Golflinks

A third party has filed a suit against GLSP, UPPL Mac Charles (India) Limited and others in 2003 before the City Civil Court, Bengaluru, seeking specific performance of an agreement for sale for 94,000 square feet of land forming part of the larger parcel of land admeasuring 5 acres and 23 guntas situated at Challaghatta village. The court dismissed the suit in 2008. The plaintiff has challenged such dismissal in 2009 before the High Court of Karnataka in an appeal. GLSP and UPPL have been arraigned as respondents in the appeal.

C. Express Towers

(a) IENMPL has filed a writ petition against the Government of Maharashtra and the Collector, Mumbai in 2003 before the Bombay High Court, challenging the demand against IENMPL for payment of increased transfer charges in relation to a sub-lease. While transfer charges amounting to ₹0.12 million annually for 61 years as per GoI's letter were levied in 2001, the transfer charges were revised to ₹2.34 million in the same year by the Collector, Bombay. In 2004, the Bombay High Court passed an order staying the operation of demand for increased transfer charges, subject to IENMPL continuing to pay the original transfer charges. IENMPL has also undertaken that in the event of dismissal of petition they shall pay the demanded increased transfer charges.

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

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

D. Embassy Golflinks

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

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

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

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

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

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

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

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

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

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

For the purpose of pending civil/ commercial matters against Embassy REIT (Asset SPVs and Investment Entity), Associates of Embassy REIT (excluding the Manager, the Sponsors, their respective Associates and the Blackstone Sponsor Group) matters exceeding ₹187.70 million (being 1% of the consolidated income as of March 31, 2019) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of Embassy REIT has been disclosed.

Other than as disclosed below, there are no pending criminal litigation, regulatory actions or material civil/ commercial matters against any of the Asset SPVs or the Investment Entity or the Associates of Embassy REIT (excluding the Manager, the Sponsors, their respective Associates and the Blackstone Sponsor Group) as of September 30, 2019. Further, there is no litigation against Embassy REIT as of September 30, 2019.

A. MPPL

(a) Regulatory Proceedings

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

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

(b) Other Material Litigation

Certain third parties have filed a petition against MPPL and others before an arbitral tribunal in 2018, where such third parties have prayed for an award directing MPPL and others, in accordance with a memorandum of agreement entered into between the third parties and MPPL to pay, (i) ₹90 million along with interest at 18% per annum from September 3, 2008 to date of realisation (ii) ₹7.52 million as interest on delayed payment of ₹70 million calculated for specified periods mentioned therein, and (iii) ₹19.39 million as interest on delayed payment of ₹40 million calculated for specified periods mentioned therein. An order was passed on September 07, 2018 allowing part of the claim.

B. EEPL

Regulatory Proceedings

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

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

Other Material Litigation

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

Certain other matters

(a) In relation to Embassy Energy, ISPL has identified 465.77 acres of land for Embassy Energy. The approval obtained by EEPL from the Government of Karnataka for the establishment of Embassy Energy requires that the land is purchased and the solar project is established only after obtaining conversion of the use of the land for non-agricultural purposes. EEPL is required to obtain approval from the local authorities to purchase the land for the solar project under Section 109 of the Karnataka Land Reforms Act, 1961 which is deemed conversion of agricultural land and no further approvals are necessary. EEPL directly or through land aggregators has executed agreements for sale and powers of attorney with various land owners for 465.77 acres of land. Applications for approval under Section 109 have been made for 464.51 acres of land and such approvals have been received for 265.20 acres. EEPL has executed sale deeds in respect of 254.47 acres of land. Of the 254.47 acres of land for which sale deeds have been executed, (i) payment of conversion fine and (ii) mutation of records for 33 acres of land is pending.

C. GLSP

Regulatory Proceedings

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

D. IENMPL

Certain other matters

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

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

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

III. Material litigation and regulatory action pending against Embassy Sponsor

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

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

Other than as disclosed below, there is no pending criminal litigation, regulatory actions or material civil/ commercial matters against Embassy Sponsor as of September 30, 2019.

Criminal Litigation

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

Regulatory Proceedings

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

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

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

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

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

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

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

Other than as disclosed below, there is no pending criminal litigation, regulatory actions or material civil/ commercial matters against the Associates of Embassy Sponsor as of September 30, 2019.

Regulatory Proceedings

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

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

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

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

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

Other Material Litigation

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

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

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

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

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

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

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

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

As of September 30, 2019, Blackstone Sponsor, its Associates and Blackstone Sponsor Group do not have any regulatory actions, criminal matters, or material civil/commercial litigation, i.e., in excess of USD 1.6 million (being 5% of the income of the Blackstone Sponsor for the calendar year ended December 31, 2018) pending against them.

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

As of September 30, 2019, the Manager and its Associates (to the extent that such Associates are not Associates of the Sponsors) do not have any regulatory actions, criminal matters, or other material civil/ commercial litigation pending against them. For the purposes of civil/commercial matters against the Manager and its Associates (to the extent that such Associates are not Associates of the Sponsors), matters involving amounts exceeding 5% of the revenue of the Manager for the Financial Year 2019 have been considered material.

VII. Material litigation and regulatory action pending against the Trustee

As of September 30, 2019, the Trustee does not have any regulatory actions, criminal matters, or material civil/commercial litigation, i.e., in excess of ₹3.5 million (being 5% of the income of the profit after tax of the Trustee for the Financial Year 2019) pending against it.

VIII. Taxation Proceedings

Details of all direct tax, indirect tax and property tax matters against the Relevant Parties as of September 30, 2019 are as follows:

Nature of the case	Number of cases	Amount involved (in ₹ million)
Embassy REIT (Asset SPVs)**		
Direct Tax	38	923.27
Indirect Tax	16	593.14
Property Tax	2	3212.76
Total	**56**	**4729.17**
Embassy Sponsor		
Direct Tax	15	271.04
Indirect Tax	3	309.63
Property Tax	Nil	Nil
Total	**18**	**580.67**
Blackstone Sponsor		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**
Manager		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**
Blackstone Sponsor Group		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**
Associates of the Manager*		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**
Associates of Embassy Sponsor		
Direct Tax	43	249.28
Indirect Tax	22	728.69
Property Tax	Nil	Nil
Total	**65**	**977.97**
Associates of the Blackstone Sponsor#		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**
Trustee		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**

* Excludes Associates of the Sponsors

\# Excludes the Blackstone Sponsor Group

** Excludes the Investment entity, against which there currently 11 cases amounting to ₹391.58 in respect of direct taxes, 5 cases amounting to ₹202.45 in respect of indirect taxes and no cases in respect of property taxes.

EMBASSY

15 Risk factors

Risk Factors-Embassy Office Parks REIT

Risk related to our organisation and structure	
1	The Portfolio has certain liabilities, which liabilities if realised may impact the trading price of the units, our profitability and our ability to make distributions.
2	We have recently incurred external debt at Embassy REIT level. Additionally, we may incur further debt and a significant amount of such future debt may be utilised in the operation and development of our business. Consequently, our cash flows and operating results could be adversely affected by required repayments or related interest and other risks of our debt financing. Our inability to service debt may impact distributions to Unitholders
3	We do not provide any assurance or guarantee of any distributions to the Unitholders. We may not be able to make distributions to Unitholders and the level of distributions may decrease. Our historical distributions may not be indicative of future distributions.
4	The REIT Regulations impose restrictions on the investments made by us and require us to adhere to certain investment conditions, which may limit our ability to acquire and/or dispose of assets or explore new opportunities. Further, the regulatory framework governing real estate investment trusts in India is new and untested.
5	The holding and financing structure of the Portfolio may not be tax efficient

Risks Related to our business and industry	
1	Our business is dependent on the Indian economy and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have a material adverse effect on our business.
2	We have a limited operating history and may not be able to operate our business successfully or generate sufficient cash flows to make or sustain distributions.
3	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.
4	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.
5	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.
6	The Independent Auditor's Report on projections of revenue from operations, net operating income, earnings before interest, tax, depreciation and amortization, cash flow from operating activities and net distributable cash flows (if any) and the underlying assumptions contain restrictions with respect to the purpose of the report and, use of the report by investors in the United States.
7	As GLSP does not qualify as an Asset SPV under the REIT Regulations, it is not required to comply with the mandatory distribution requirements under the REIT Regulations.
8	The valuation reports obtained for our Portfolio are based on various assumptions and may not be indicative of the true value of our assets.
9	We may be required to record significant changes to the earning in the future when we review our Portfolio for potential impairment.
10	Our contingent liability could adversely affect our financial condition, results of operations and cash flows.
11	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
12	Compliance with, and changes in, applicable laws (including without limitation environmental laws and regulations) could adversely affect the development of our properties and our financial condition.
13	If we are unable to maintain relationships with other stakeholders in our Portfolio, our financial conditions and results of operation may be adversely affected.
14	We are exposed to a variety of risks associated with safety, security and crisis management.
15	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.
16	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.
17	Some of our Portfolio Assets are located / has been historically located on land leased from the Government of Maharashtra, MMRDA, MIDC and NOIDA. The relevant Asset SPVs are required to comply with the terms and conditions provided in the respective lease agreements with such government bodies, failing which MMRDA, MIDC or NOIDA, as the case may be, may, impose penalties, terminate the lease or take over the premises.

Risks Related to our Business and Industry (Contd.)	
18	We have entered into material related party transactions, the terms of which may be unfavorable to us or could involve conflicts of interest. The Manager may face conflicts of interests in choosing our service providers, and certain service providers may provide services to the Manager, Embassy Sponsor or the Blackstone Sponsor Group on more favorable terms than those payable by us.
19	Our solar operations are dependent on the regulatory and policy environment affecting the renewable energy sector in India.
20	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.
21	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.
22	The title and development rights or other interests over land where the Portfolio are located may be subject to legal uncertainties and defects, which may interfere with our ownership of the Portfolio and result in us incurring costs to remedy and cure such defects.
23	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.
24	There may be conflicts of interests between the Manager, Embassy Sponsor, the Blackstone Sponsor Group, the Blackstone Sponsor, the Trustee and/or their respective associates/affiliates.
25	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
26	We may invest in under construction real estate projects which may be adversely affected by delay in completion and cost overruns.
27	The audit report of our Statutory Auditors on the Consolidated Financial Statements may contain certain qualifications and matters of emphasis.
28	Our Portfolio Assets and the Investment Entity may be subject to increases in direct expenses and other operating expenses. Renovation work, repair and maintenance or physical damage to the Portfolio Assets and / or the assets of the Investment Entity may disrupt our operations and collection of rental income or otherwise result in an adverse impact on our financial condition and results of operation.
29	We may be subject to certain restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets. The terms of such financing may limit our ability to make distributions to the Unitholders.
30	The Blackstone Sponsor has not entered into a deed of right of first offer in respect of any assets operated by the Blackstone Sponsor Group or other entities of the Blackstone Sponsor Group which could lead to potential conflicts of interest.
31	The ROFO Deed entered into with Embassy Sponsor is subject to various terms and conditions.
32	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.
33	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.
34	We may not able to maintain adequate insurance to cover all losses we may incur in our business operations.
35	There is outstanding litigation and regulatory actions involving Embassy Sponsor and its Associate that may adversely affect our business.
36	Our business may be adversely affected by the illiquidity of real estate investments
37	Lease deeds with some of our tenants are not adequately stamped or registered, and consequently, we may be unable to successfully litigate over the said agreements in the future and penalties may be imposed on us.
38	Security and IT risks may disrupt our business, result in losses or limit our growth.
39	Foreign Account Tax Compliance withholding may affect payments on the Units for investors
40	We expect to be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in materially adverse U.S. federal income tax consequences to U.S. investors in our Units.

15 Risk factors

Risk Factors-Embassy Office Parks REIT (Contd.)

Risks related to our relationships with the Sponsors and the Manager	
1	We and parties associated with us are required to maintain the eligibility conditions specified under Regulation 4 of the REIT Regulations as well as the Certificate of Registration on an ongoing basis. We may not be able to ensure such ongoing compliance by Embassy Sponsor, the Blackstone Sponsor, the Manager, the Blackstone Sponsor Group and the Trustee, which could result in the cancellation of our registration.
2	Our Sponsors will be able to exercise significant influence over certain of our activities and the interests of the Sponsors may conflict with the interests of other Unitholders or the interests of the Sponsors may conflict with each other.
3	Conflicts of interest may arise out of common business objectives shared by the Manager, Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group and us.
4.	Certain principals and employees may be involved in and have a greater financial interest in the performance of other real estate investments, projects and businesses of Embassy Group or Blackstone and such activities may create conflicts of interest in making investment decisions on our behalf.
5	We depend on the Manager and its personnel for our success. We may not find a suitable replacement for the Manager if the Investment Management Agreement is terminated or if key personnel cease to be employed by the Manager or otherwise become unavailable to us.
6	We depend on the Manager to manage our business and assets, and our results of operations, financial condition and ability to make distributions may be harmed if the Manager fails to perform satisfactorily, for which our recourse may be limited.

Risks related to India	
1	Due to the REIT Regulations, it may be difficult for public Unitholders to remove the Trustee as Embassy Sponsor and the Blackstone Sponsor Group collectively hold a majority of the Units.
2	Our performance is linked to the stability of policies and the political situation in India.
3	Any downgrading of India's sovereign debt rating by a domestic or international rating agency could materially and adversely affect our ability to obtain financing and, in turn, our business and financial performance.
4	Significant differences exist between Ind AS and other accounting principles, such as IFRS, Indian GAAP and U.S. GAAP, which may be material to your assessment of our financial condition, results of operations and cash flows.
5	It may not be possible for Unitholders to enforce foreign judgments.
6	Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations and growth prospects.
7	Investors may be subject to Indian taxes arising out of capital gains on the sale of Units.
8	Land is subject to compulsory acquisition by the government and compensation in lieu of such acquisition may be inadequate.
9	We may be subject to the Competition Act, which may require us to receive approvals from the Competition Commission of India (CCI) prior to undertaking certain transactions.
10	Our ability to raise funding is dependent on our ability to raise capital through a fresh issue of Units and or our ability to raise debt on acceptable terms. Guidelines and regulations in respect of follow-on offerings of Units by REITs have not yet been issued and as such, the processes and conditions to be followed at the time of a capital raising through fresh issue of Units are unclear. Further, debt securities issued by us may not qualify as eligible securities that can be held by certain types of investors, and certain lenders may be unable to extend loans to us due to regulatory and other restrictions, which may make it more difficult for us to raise funds and may increase the cost of borrowings.

Risks related to the ownership of the Units	
1	Trusts such as us may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.
2	We are subject to ongoing reporting requirements as a listed entity. These reporting requirements and other obligations of real estate investment trusts post-listing are still evolving. Accordingly, the level of ongoing disclosures made to and the protections granted to Unitholders may be more limited than those made to or available to the shareholders of a company that has listed its equity shares upon a recognised stock exchange in India.
3	Fluctuations in the exchange rate of the Indian Rupee with respect to other currencies will affect the foreign currency equivalent of the value of the Units and any distributions.
4	Unitholders are unable to request for the redemption of their Units.
5	Embassy REIT does not have any similar and comparable listed peer which is involved in the same line of business for comparison of performance and, therefore, investors must rely on their own examination of Embassy REIT for the purpose of investment.
6	The Units may experience price and volume fluctuations and there may not be an active or liquid market for the Units.
7	There can be no assurance on the trading price of the Units and the price of the Units may decline.
8	Any future issuance of Units by us or sale of Units by Embassy Sponsor, Blackstone Sponsor Group or any of other significant Unitholders may materially and adversely affect the trading price of the Units.
9	Our rights and the rights of the Unitholders to recover claims against the Manager or the Trustee are limited.
10	NAV per Unit may be diluted if further issues are priced below the current NAV per Unit.
11	Compliance with the European Union Directive on Alternative Investment Fund Managers may increase administrative and regulatory burdens on the Manager and us.

16 Information of the contact person of the REIT

MR. RAMESH PERIASAMY
Company Secretary & Compliance Officer
Royal Oaks, Embassy Golflinks Business Park,
Off Intermediate Ring Road, Bangalore-560071
Ph: T: +9180 3322 2222 F: +9180 3322 2223

17 Financial statements for the half year; (Standalone and consolidated)

Please refer to page 90 of this report

18 Any other material events during the half-year

Not applicable

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 Real Estate Investment Trust)
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 Real Estate Investment Trust (the "REIT") which comprise the unaudited condensed standalone balance sheet as at September 30, 2019, 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, 2019, and the unaudited condensed statement of changes in Unit holders equity for the half year ended September 30, 2019 and the Statement of Net Distributable Cash Flows of the REIT for the half year ended September 30, 2019 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"). The Condensed Standalone Interim Ind AS Financial Statements are prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circular'); Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI Circular. Attention is drawn to the fact that the standalone figures for the corresponding quarter ended September 30, 2018 and comparative half year ended September 30, 2018 and March 31, 2019, as reported in these Condensed Standalone Interim Ind AS Financial Statements have been approved by the Manager's Board of Directors, but have not been subjected to review.

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. 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 is limited primarily to inquiries of Manager personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and the relevant requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with the SEBI Circular, to the extent applicable.

Other Matters

5. The comparative financial information 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 Condensed Standalone Interim Ind AS Financial Statements, have been audited by the predecessor auditor who had audited the standalone financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated August 12, 2019 expressed an unmodified opinion.

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

per **Adarsh Ranka**
Partner
Membership No.: 209567
UDIN: 19209567AAAAFG1494

Place: Bengaluru, India
Date: November 11, 2019

EMBASSY

Condensed Standalone Balance Sheet

(all amounts in ₹ million unless otherwise stated)

	Note	As at September 30, 2019 (unaudited)	As at March 31, 2019 (audited)	As at April 1, 2018 (audited)
ASSETS				
Non-current assets				
Financial assets				
- Investments	3	187,449.64	187,449.64	-
- Loans	4	63,692.73	4,712.93	-
Non-current tax assets (net)	5	9.64	-	-
Total non-current assets		**251,152.01**	**192,162.57**	**-**
Current assets				
Financial assets				
- Investments	6	6,737.41	-	-
- Cash and cash equivalents	7	47.33	42,818.53	-
- Loans	8	700.00	-	-
- Other financial assets	9	6.98	-	-
Other current assets	10	50.12	-	-
Total current assets		**7,541.84**	**42,818.53**	**-**
Total assets		**258,693.85**	**234,981.10**	**-**
EQUITY AND LIABILITIES				
EQUITY				
Unit capital	11	229,120.96	229,039.26	-
Other equity	12	(1,473.20)	(94.47)	-
Total equity		**227,647.76**	**228,944.79**	**-**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	13	30,879.90	-	-
Total non-current liabilities		**30,879.90**	**-**	**-**
Current liabilities				
Financial liabilities				
- Trade payables	14			
- total outstanding dues of micro and small enterprises		-	-	-
- total outstanding dues of creditors other than micro and small enterprises		49.48	-	-
- Other financial liabilities	15	116.71	6,036.31	-
Total current liabilities		**166.19**	**6,036.31**	**-**
Total equity and liabilities		**258,693.85**	**234,981.10**	**-**
Significant accounting policies	2			

The 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
Firm's registration number: 101049W/E300004

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

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: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

Condensed Standalone Statement of Profit and Loss

(all amounts in ₹ million unless otherwise stated)

	Note	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019*
		(unaudited)	(unaudited)	(unaudited)	(unaudited refer Note 29)	(unaudited refer Note 29)	(audited)
Income and gains							
Dividend		112.12	-	112.12	-	-	-
Interest	16	2,121.99	1,832.12	3,954.11	-	-	-
Other income	17	51.88	10.18	62.06	-	-	-
Total Income		**2,285.99**	**1,842.30**	**4,128.29**	**-**	**-**	**-**
Expenses							
Valuation expenses		2.36	2.36	4.72	-	-	-
Audit fees		3.30	0.30	3.60	-	1.19	1.19
Insurance expenses		-	-	-	-	-	-
Management fees		61.45	42.00	103.45	-	-	-
Trustee fees		0.74	0.74	1.48	-	-	-
Legal and professional fees		3.59	11.14	14.73	-	-	-
Other expenses	18	3.17	-	3.17	-	93.28	93.28
		74.61	**56.54**	**131.15**	**-**	**94.47**	**94.47**
Earnings/(loss) before finance costs, depreciation, amortisation and income tax		**2,211.38**	**1,785.76**	**3,997.14**	**-**	**(94.47)**	**(94.47)**
Finance costs	19	696.35	468.66	1,165.01	-	-	-
Depreciation and amortisation expense		-	-	-	-	-	-
Profit/(loss) before income tax		**1,515.03**	**1,317.10**	**2,832.13**	**-**	**(94.47)**	**(94.47)**
Tax expense:	20						
Current tax		38.96	4.91	43.87	-	-	-
Deferred tax charge		-	-	-	-	-	-
		38.96	**4.91**	**43.87**	**-**	**-**	**-**
Profit/ (loss) for the period/ year		**1,476.07**	**1,312.19**	**2,788.26**	**-**	**(94.47)**	**(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 period/year		**1,476.07**	**1,312.19**	**2,788.26**	**-**	**(94.47)**	**(94.47)**
Earning per unit - refer Note 21							
Basic		1.91	1.70	3.61	-	(5.22)	(5.22)
Diluted		1.91	1.70	3.61	-	(5.22)	(5.22)
Significant accounting policies	2						

The 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
Firm's registration number: 101049W/E300004

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

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: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

Condensed Standalone Statement of Cash Flows

(all amounts in ₹ million unless otherwise stated)

	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited refer Note 29)	(unaudited refer Note 29)	(audited)
Cash flows from operating activities						
Profit/(loss) before income tax	1,515.03	1,317.10	2,832.13	-	(94.47)	(94.47)
Adjustments:						
Interest income	(2,121.99)	(1,832.12)	(3,954.11)	-	-	-
Net changes in fair value of financial assets	3.64	(9.42)	(5.78)	-	-	-
Dividend	(112.12)	-	(112.12)	-	-	-
Gain/(loss) on liquid mutual funds	(55.02)	-	(55.02)	-	-	-
Finance costs	696.35	468.66	1,165.01	-	-	-
Operating cash flows before working capital changes	**(74.11)**	**(55.78)**	**(129.89)**	**-**	**(94.47)**	**(94.47)**
Changes in:						
Other current assets	(23.68)	(26.44)	(50.12)	-	-	-
Other current and non-current liabilities and provisions	(42.02)	42.02	-	-	-	-
Other current financial liabilities	(28.39)	(32.92)	(61.31)	-	125.97	125.97
Other financial assets	(6.30)	-	(6.30)	-	-	-
Trade payables	49.18	0.30	49.48	-	-	-
Cash (used in)/generated from operation	**(125.32)**	**(72.82)**	**(198.14)**	**-**	**31.50**	**31.50**
Income taxes paid, net	(47.75)	(5.76)	(53.51)			-
Net cash (used in)/generated from operating activities	**(173.07)**	**(78.58)**	**(251.65)**	**-**	**31.50**	**31.50**
Cash flow from investing activities						
Loans given to subsidiaries (SPVs)	(1,890.00)	(64,675.60)	(66,565.60)	-	(4,681.93)	(4,681.93)
Loans repaid by subsidiaries (SPVs)	2,906.30	3,980.00	6,886.30	-	-	-
Investment in subsidiary (SPV)	-	(3,450.00)	(3,450.00)	-	-	-
Investment in debentures of joint venture	-	(2,500.00)	(2,500.00)	-	-	-
Redemption of debentures issued by joint venture	439.10	429.91	869.01	-	-	-
Interest received	2,121.31	1,832.12	3,953.43	-	-	-
Dividend received	112.12	-	112.12	-	-	-
Redemption/(Investments) in mutual funds, (net)	322.01	(5,367.63)	(5,045.62)	-	-	-
Net cash generated from/(used in) investing activities	**4,010.84**	**(69,751.20)**	**(65,740.36)**	**-**	**(4,681.93)**	**(4,681.93)**

Condensed Standalone Statement of Cash Flows

(all amounts in ₹ million unless otherwise stated)

	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited refer Note 29)	(unaudited refer Note 29)	(audited)
Cash flow from financing activities						
Proceeds from issue of units	-	-	-	-	47,499.96	47,499.96
Expenses incurred towards Initial Public Offering	(63.68)	(2,263.41)	(2,327.09)	-	-	-
Proceeds from Issue of Non-convertible debentures	-	30,000.00	30,000.00	-	-	-
Non-convertible debentures issue expenses (Net of reimbursements)	74.94	(360.05)	(285.11)	-	-	-
Distribution to unit holders	(4,166.99)	-	(4,166.99)	-	-	-
Security deposits given	-	-	-	-	(31.00)	(31.00)
Net cash (used in)/generated from financing activities	**(4,155.73)**	**27,376.54**	**23,220.81**	**-**	**47,468.96**	**47,468.96**
Net increase/(decrease) in cash and cash equivalents	**(317.96)**	**(42,453.24)**	**(42,771.20)**	**-**	**42,818.53**	**42,818.53**
Cash and cash equivalents at the beginning of the year/period	365.29	42,818.53	42,818.53	-	-	-
Cash and cash equivalents at the end of the period/year	**47.33**	**365.29**	**47.33**	**-**	**42,818.53**	**42,818.53**
Cash and cash equivalents comprise:						
Cash on hand	-	-	-	-	-	-
Balances with banks						
- in current accounts	47.33	315.99	47.33	-	0.50	0.50
- in escrow accounts	-	49.30	-	-	42,818.03	42,818.03
Cash and cash equivalents at the end of the period/year (refer note 7)	**47.33**	**365.29**	**47.33**	**-**	**42,818.53**	**42,818.53**

Note: The Trust has issued Units in exchange for investments in SPVs during previous year ended March 31, 2019. The same has not been reflected in Standalone Statement of Cash Flows since these were non-cash transactions.

The 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
Firm's registration number: 101049W/E300004

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

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: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

EMBASSY

Condensed Standalone Statement of changes in Unit holder's Equity

(all amounts in ₹ million unless otherwise stated)

A. Unit Capital

Balance as on April 1, 2018	-
Add: Units issued during the year - refer Note: 11	231,499.60
Less: Issue expenses	(2,460.34)
Balance as at March 31, 2019	**229,039.26**
As at April 1, 2019	229,039.26
Add: Reversal of issue expenses no longer payable	81.70
Balance as at September 30, 2019	**229,120.96**

B. Other equity

Particulars	Retained Earnings	Total
Balance as on April 1, 2018	**-**	**-**
Profit/(loss) for the year	(94.47)	(94.47)
Balance as at March 31, 2019	**(94.47)**	**(94.47)**
Balance as on April 1, 2019	**(94.47)**	**(94.47)**
Profit for the half-year ended September 30, 2019	2,788.26	2,788.26
Less: Distribution to unitholders for the quarter ended June 30, 2019*	(4,166.99)	(4,166.99)
Balance as at September 30, 2019	**(1,473.20)**	**(1,473.20)**

* 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 in relation to loans given by REIT to SPVs.

As per our report of even date attached

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

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: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

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

(all amounts in ₹ million unless otherwise stated)

Sl No	Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019
		(unaudited)	(unaudited)	(unaudited)
1	Cash flows received from SPVs and investment entity in the form of:			
	• Interest	2,121.29	1,819.29	3,940.58
	• Dividends (net of applicable taxes)	112.12	-	112.12
	• Repayment of Shareholder Debt	2,495.40	2,409.91	4,905.31
	• 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	54.26	13.60	67.86
5	Less: Any other expense at the Trust level, and not captured herein	(3.17)	-	(3.17)
6	Less: Any fees, including but not limited to:			
	• Trustee fees	(0.74)	(0.74)	(1.48)
	• REIT Management Fees	(61.45)	(42.00)	(103.45)
	• Valuer fees	(2.36)	(2.36)	(4.72)
	• Legal and professional fees	(5.47)	(11.44)	(16.91)
	• Trademark license fees	(0.71)	-	(0.71)
	• Secondment fees	(0.71)	-	(0.71)
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)	(47.75)	(5.76)	(53.51)
	Net Distributable Cash Flows	**4,660.71**	**4,180.50**	**8,841.21**

Notes:

1 The Board of Directors of the Manager to the Trust, in their meeting held on 11 November 2019, have declared distribution to unitholders of ₹ 6 per unit which aggregates to ₹ 4,630 million for the quarter ended September 30, 2019. The distributions of ₹ 6 per unit comprises ₹ 2.7 per unit in the form of interest payment, ₹ 0.14 per unit in the form of dividend and the balance ₹ 3.16 per unit in the form of amortisation of SPV debt. Along with distribution of ₹ 5.40 per unit for the quarter ended June 30, 2019 the cumulative distribution for half year ended September 30, 2019 aggreegates to ₹ 11.40 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 April 1, 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

As per our report of even date attached

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

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: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

Notes

to the Condensed Standalone Financial Statements

1. Trust Information

Embassy Property Developments Private Limited ('EPDPL') and BRE/Mauritius Investments ('BMI') collectively known as (the 'Sponsors' or the 'Co-Sponsors') have set up the Embassy Office Parks REIT (or the " Embassy REIT" or the "Trust") on March 30, 2017 at Bengaluru, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a Trust Deed dated March 30, 2017 as amended on September 11, 2018. The Embassy REIT was registered with SEBI on August 3, 2017 as a real estate investment trust (REIT) under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 having registration number IN/REIT/17-18/0001. Pursuant to a letter dated August 21, 2018, SEBI took on record the addition of the Blackstone Sponsor to the sponsors of the Embassy REIT. The Trustee to Embassy Office Parks REIT is Axis Trustee Services Limited (the 'Trustee') and the Manager for Embassy Office Parks REIT is Embassy Office Parks Management Services Private Limited (the 'Manager' or 'EOPMSPL').

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

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

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

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

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

Notes
to the Condensed Standalone Financial Statements

Name of the SPV	Activities	Shareholding (in percentage) upto March 21, 2019	Shareholding (in percentage) from March 22, 2019
EOPPL	Development and leasing of office space and related interiors (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks investment company for the Embassy Office Parks REIT.	Embassy Property Developments Private Limited (EPDPL): 50.00% EPDPL together with Jitendra Virwani: 0.00% (1 Share) SG Indian Holding (NQ) Co I Pte. Limited: 49.75% SG Indian Holding (NQ) Co II Pte. Limited: 0.03% SG Indian Holding (NQ) Co III Pte. Limited: 0.22%	Embassy Office Parks REIT: 100%
MPPL	Development and leasing of office space and related interiors (Manyata Embassy Business Park), located at Bengaluru.	EOPPL: 35.77% BRE/Mauritius Investments: 36.97% Reddy Veeranna: 27.00% Suguna Reddy: 0.26%	EOPPL: 35.77% Embassy Office Parks REIT: 64.23%
UPPL	Development, rental and maintenance of serviced residences (Hilton residences).	EPDPL: 58% D M Estates Private Limited: 29% Golflinks Properties Private Limited: 13%	Embassy Office Parks REIT: 100%
EEPL	Generation and supply of solar power to the office spaces of SPVs of the Embassy Office Parks REIT located in Bengaluru.	EOPPL: 80% EPDPL: 10% Rana George: 10%	Embassy Office Parks REIT: 20% EOPPL: 80%
GSPL	Development and leasing of office space and related interiors and maintenance of such assets (Galaxy Business Park), located in Noida.	BREP GML Holding (NQ) Pte. Limited.: 79.62% BREP VII GML Holding (NQ) Pte. Limited.: 19.89% BREP Asia SBS GML Holding (NQ) Limited.: 0.38% BREP VII SBS GML Holding (NQ) Limited.: 0.11%	Embassy Office Parks REIT: 100%
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Quadron Business Park), located in Pune.	BRE/Mauritius Investments II: 99.99% Kunal Shah: 0.01%	Embassy Office Parks REIT: 100%
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	India Alternate Property Limited: 95.23% Premsagar Infra Reality Private Limited: 2.51% Hiranandani Properties Private Limited: 2.26%	Embassy Office Parks REIT: 100%
QBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Qubix Business Park), located in Pune.	BREP NTPL Holding (NQ) Pte. Limited.: 79.62% BREP VII NTPL Holding (NQ) Pte. Limited.: 19.89% BREP VII SBS NTPL Holding (NQ) Limited.: 0.38% BREP VII NTPL Holding (NQ) Limited.: 0.11%	Embassy Office Parks REIT: 100%
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%

Name of the SPV	Activities	Shareholding (in percentage) upto March 21, 2019	Shareholding (in percentage) from March 22, 2019
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%

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 as at September 30, 2019, 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, 2019, the Standalone Statement of Changes in Unitholder's Equity and a summary of significant accounting policies and select explanatory information for the half year ended September 30, 2019. The Condensed Standalone Financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on November 11, 2019.

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 read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circular'); Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI Circular.

Embassy Office Parks REIT has prepared condensed standalone financial statements which comply with Ind AS applicable for period ending on September 30, 2019, 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 condensed standalone financial statements, Embassy Office Parks REIT's opening balance sheet was prepared as at April 1, 2018, which is the date of transition to Ind AS. There were no adjustments made by the Trust in restating Indian GAAP financial statements, and accordingly disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

The Condensed Standalone Financial Statements are presented in Indian Rupees in million, except when otherwise indicated.

Statement of compliance to Ind-AS

These Condensed Standalone Financial Statements for the quarter and half year ended September 30, 2019 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" read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), to the extent not inconsistent with SEBI Circular.

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to the Condensed Standalone Financial Statements

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) Judgements in preparing Condensed Standalone Financial Statements – refer note 2.1

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)

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.

e) Measurement of fair values

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

- In the principal market for the asset or liability; or

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

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

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

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

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

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

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

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

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

f) Impairment of non-financial assets

The Embassy Office Parks REIT assesses, at each reporting date, whether there is an indication that a non-financial asset other than 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. Goodwill is tested annually for impairment.

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

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

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

g) Foreign currency transactions

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

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

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

h) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Embassy Office Parks REIT's Management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;

- prepayment and extension features; and

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

A prepayment feature is consistent with the solely payment of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par

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amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

i) Compound financial instruments

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

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

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

j) Impairment of financial assets

Financial assets

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

- financial assets measured at amortised cost; and

- financial assets measured at FVTOCI- debt investments

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

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

- significant financial difficulty of the borrower or issuer

- a breach of contract such as a default or being past due for 180 days or more

- the restructuring of a loan or advance by the Embassy Office Parks REIT on terms that the Embassy Office Parks REIT would not consider otherwise

- it is probable that the borrower will enter bankruptcy or other financial reorganisation or

- the disappearance of an active market for a security because of financial difficulties

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

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Embassy Office Parks REIT considers reasonable and supportable information that is relevant and availability 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.

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the difference between the cash flows due to the Embassy Office Parks REIT and the cash flows that the Embassy Office Parks REIT expects to receive).

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

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

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

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

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

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

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

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Embassy Office Parks 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 recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Embassy Office Parks REIT as a lessor

i. ***Determining whether an arrangement contains a lease***

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

ii. ***Assets held under leases***

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

iii. ***Initial direct costs***

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

Transition to Ind AS 116

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

There has been no significant impact in view of adoption of Ind AS 116 for the Quarter and half year ended September 30, 2019. Further, the applicability of Ind AS 116 did not affect the revenue/reserves of the Company reported during earlier year. Ind AS 116 requires extensive disclosures. However, considering that the application did not have impact on the REIT, no further disclosure have been made.

The Trust is not a lessor or lessee for any lease contracts as at September 30, 2019.

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.

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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.

(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 laws that have been enacted or substantively enacted at the reporting date.

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

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

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

r) Provisions and contingencies

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

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

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

s) Operating segments

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

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

The Embassy Office Parks REIT recognises a liability to make cash distributions to unit holders when the distribution is authorised, and a legal

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obligation has been created. As per the REIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Manager. A corresponding amount is recognised directly in equity.

w) Standalone Statement of Cash flows

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

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

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

y) Earnings before finance costs, depreciation, amortisation 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, amortisation and income tax on the basis of profit/(loss) from continuing operations. In its measurement, the Embassy Office Parks REIT does not include depreciation and amortisation expense, finance costs and tax expense.

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Notes
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(all amounts in ₹ million unless otherwise stated)

Non-current assets

3 Non-current investments

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Trade, unquoted, Investments in subsidiaries (at cost) (refer note i below)			
- 8,703,248 (March 31, 2019: 8,703,248) equity shares of Embassy Office Parks Private Limited of ₹10 each, fully paid up	62,768.25	62,768.25	-
- 727,538 (March 31, 2019: 727,538) equity shares of Manyata Promoters Private Limited of ₹10 each, fully paid up	48,790.52	48,790.52	-
- 271,611 (March 31, 2019: 271,611) equity shares of Qubix Business Park Private Limited of ₹10 each, fully paid up	5,595.08	5,595.08	-
- 1,884,747 (March 31, 2019: 1,884,747) equity shares of Oxygen Business Park Private Limited of ₹10 each, fully paid up	12,308.89	12,308.89	-
- 185,604,589 (March 31, 2019: 185,604,589) equity shares of Earnest Towers Private Limited of ₹10 each, fully paid up	12,138.78	12,138.78	-
- 6,134,015 (March 31, 2019: 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of ₹10 each, fully paid up	10,710.94	10,710.94	-
- 124,561 (March 31, 2019: 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of ₹10 each, fully paid up	6,463.79	6,463.79	-
- 130,022 (March 31, 2019: 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of ₹10 each, fully paid up	6,747.17	6,747.17	-
- 2,129,635 (March 31, 2019: 2,129,635) equity shares of Quadron Business Park Private Limited of ₹10 each, fully paid up	13,689.26	13,689.26	-
- 107,958 (March 31, 2019: 107,958) equity shares of Galaxy Square Private Limited of ₹100 each, fully paid up	4,662.50	4,662.50	-
- 405,940,204 (March 31, 2019: 405,940,204) equity shares of Umbel Properties Private Limited of ₹10 each, fully paid up	2,841.67	2,841.67	-
- 1,999 (March 31, 2019: 1,999) equity shares of Embassy Energy Private Limited of ₹10 each, fully paid up	732.79	732.79	-
	187,449.64	**187,449.64**	**-**

Note: i. The Trust has issued Units as consideration to acquire these investments wherein the tradable REIT Unit has been valued at ₹ 300 each.

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

Name of Subsidiary	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Embassy Office Parks Private Limited	100.00%	100.00%	-
Manyata Promoters Private Limited*	64.23%	64.23%	-
Umbel Properties Private Limited	100.00%	100.00%	-
Embassy Energy Private Limited **	19.99%	19.99%	-
Earnest Towers Private Limited	100.00%	100.00%	-
Indian Express Newspapers (Mumbai) Private Limited	100.00%	100.00%	-
Vikhroli Corporate Park Private Limited	100.00%	100.00%	-
Qubix Business Park Private Limited	100.00%	100.00%	-
Quadron Business Park Private Limited	100.00%	100.00%	-
Oxygen Business Park Private Limited	100.00%	100.00%	-
Galaxy Square Private Limited	100.00%	100.00%	-

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

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

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(all amounts in ₹ million unless otherwise stated)

4 Loans

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Loan to subsidiaries- refer Note 23	63,661.23	4,681.93	-
Security deposits			
- others	31.50	31.00	-
	63,692.73	**4,712.93**	**-**

Security: Unsecured

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

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

5 Non-current tax assets (net)

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Advance tax, net of provision for tax	9.64	-	-
	9.64	**-**	**-**

6 Current investments

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Non-trade, Unquoted, Investment in mutual funds			
Aditya Birla Sunlife Liquid Fund - Growth Option	411.47	-	-
HDFC Liquid Fund-Growth Option	34.08	-	-
ICICI Prudential Liquid Fund-Growth Option	350.00	-	-
IDFC Cash Fund - Growth Direct Plan	2,252.96	-	-
Axis Liquid Fund - Growth Plan	2,057.91	-	-
Trade, unquoted investments measured at amortised cost			
- Investment in Debentures - (refer note (i) below)			
- of a joint venture entity - refer Note 23, 25 and 26 2,500 (March 31, 2019: Nil) 8.5% debentures of ₹ 1 million each (current portion).	1,630.99	-	
	6,737.41	**-**	**-**
Investment measured at amortised cost	**1,630.99**	**-**	**-**
Investment measured at fair value through profit or loss	**5,106.42**	**-**	**-**
Investments measured at fair value through other comprehensive income	-	-	-
Aggregate amount of impairment recognised	-	-	-

i 1. 2500 (March 31, 2019: Nil) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of ₹10,00,000.00 each. Outstanding as on September 30, 2019 ₹1,630.99 million (March 31, 2019:Nil).

(all amounts in ₹ million unless otherwise stated)

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 ₹ 160.00 million each and 17th instalment of ₹ 98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

7 Cash and cash equivalents

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Cash on hand	-	-	-
Balances with banks			
- in current accounts	47.33	0.50	-
- in escrow accounts*	-	42,818.03	-
	47.33	**42,818.53**	**-**

* Represents the balance ₹Nil (March 31, 2019: ₹42,818.03 million) from proceeds of initial public offer of REIT units (Total proceeds ₹ 47,499.96 million).

8 Loans

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Loan to subsidiaries- refer Note 23	700.00	-	-
	700.00	**-**	**-**

Security: Unsecured

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

9 Other financial assets

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Interest accrued but not due- refer Note 23	0.68	-	-
Other receivables	6.30	-	-
	6.98	**-**	**-**

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(all amounts in ₹ million unless otherwise stated)

10 Other current assets

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Advance for supply of goods and rendering of services	-	-	-
Balances with government authorities	48.64	-	-
Prepaid expenses- refer Note 23	1.48	-	-
	50.12	**-**	**-**

11 Unit Capital

Unit Capital	No. in million	Amount
As at April 1, 2018	-	-
Units issued during the year		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	158.33	47,499.96
- in exchange for equity interest in SPVs (refer note iii below)	613.34	183,999.64
Less: Issue expenses (Refer note below)	-	(2,460.34)
As at March 31, 2019	**771.67**	**229,039.26**
As at April 1, 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
Closing balance as at September 30, 2019	**771.67**	**229,120.96**

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital as at March 31, 2019 in accordance with Ind AS 32 Financial Instruments: Presentation. Further, during the half year ended September 30, 2019, excess provision no longer payable, has been reversed amounting to ₹ 81.70 million.

(a) Terms/rights attached to Units

(i) The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Units is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Investment Manager approves dividend distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays dividends in Indian Rupees. Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of Embassy Office Parks REIT for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders funds could have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated December 29, 2016 and No. CIR/IMD/DF/141/2016 dated December 26, 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 December 26, 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 unit holders is recognised as liability when the same is approved by the Investment Manager.

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

(all amounts in ₹ million unless otherwise stated)

(iii) Embassy Office Parks REIT has acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of ₹ 300 each as per the table below.

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

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

Name of the share holder	As at September 30, 2019		As at March 31, 2019	
	No. of Units	% holding	No. of Units	% holding
Embassy Property Developments Private Limited	115,484,802	14.97	115,484,802	14.97
SG Indian Holding (Nq) Co I Pte Limited.	104,094,966	13.49	104,094,966	13.49
BRE Mauritius Investments	93,610,755	12.13	93,610,755	12.13
Veeranna Reddy	65,472,582	8.48	65,472,582	8.48
BRE/Mauritius Investments II	45,630,850	5.91	45,630,850	5.91
India Alternate Property Limited	39,446,986	5.11	39,446,986	5.11

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

12 Other Equity

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Retained earnings*	2,693.79	(94.47)	-
Less: Distribution to unit holders	(4,166.99)	-	-
	(1,473.20)	**(94.47)**	**-**

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

Retained earnings*

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

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(all amounts in ₹ million unless otherwise stated)

13 Borrowings

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Secured			
30,000 (March 31, 2019: Nil) EMBASSY REIT Series I NCD 2019, face value of ₹ 1,000,000 each (net of issue expenses, at amortised cost)	30,879.90	-	-
	30,879.90	**-**	**-**

Note:

(i) During the year, the Trust issued 30,000 (March 31, 2019- Nil) listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019, debentures having face value of ₹ 1 million each amounting to ₹ 30,000.00 million with an Internal Rate of return (IRR) of 9.4% and will mature on June 2, 2022.

The NCD described above are listed on the Bombay Stock Exchange on May 3, 2019.

Security terms

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

1. A sole and exclusive first ranking charge created by MPPL on the (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres and 1.631 acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park".
2. A sole and exclusive first ranking pledge created by the REIT and EOPPL over their total shareholding in the SPV's namely Qubix, ETPL, VCPPL, Galaxy 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 at the end of 37 months from the date of allotment, i.e. June 2, 2022.
2. These debentures have a redemption premium of 9.4% IRR compounded annually.
3. In case of downgrading of credit rating, the IRR shall be increased 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 be restored/decreased 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 is being redeemed.

(all amounts in ₹ million unless otherwise stated)

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

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

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

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

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

Particulars	As at and for the half year ended September 30, 2019
Asset cover ratio (refer a below)	9.62%
Debt-equity ratio (refer b below)	0.14
Debt-service coverage ratio (refer c below)	3.43
Interest-service coverage ratio (refer d below)	3.43
Net worth (refer e below)	227,647.76

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 Finance costs and Tax/(Finance costs + Principal Repayments made during the year)

d) Interest Service Coverage Ratio = Earnings before Finance costs 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

Current liabilities

14 Trade payables

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Trade payable			
- Total outstanding dues to micro and small enterprises	-	-	-
- Total outstanding dues other than micro and small enterprises			
- to related party - refer Note 23	48.29	-	-
- to others	1.19	-	-
	49.48	**-**	**-**

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(all amounts in ₹ million unless otherwise stated)

15 Other financial liabilities

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Other liabilities			
- to related party*	63.50	462.98	-
- to others**	53.21	5,573.33	-
	116.71	**6,036.31**	**-**

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

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

16 Interest Income

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Interest income						
- on fixed deposits	-	12.84	12.84	-	-	-
- on debentures (refer note 23)	40.90	50.09	90.99	-	-	-
- on inter corporate deposit (refer note 23)	2,081.09	1,769.19	3,850.28	-	-	-
	2,121.99	**1,832.12**	**3,954.11**	**-**	**-**	**-**

17 Other income

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Gain/(loss) on liquid mutual funds *	51.38	9.42	60.80	-	-	-
Miscellaneous	0.50	0.76	1.26	-	-	-
	51.88	**10.18**	**62.06**	**-**	**-**	**-**

*Includes net changes in fair value of mutual funds for quarter ended September 30, 2019 of ₹ (3.64) million and for half year ended September 30, 2019 ₹ 5.78 million.

18 Other expenses

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Bank charges	0.02	-	0.02	-	-	-
Rates and taxes	0.14	-	0.14	-	-	-
Travelling and conveyance	0.17	-	0.17	-	-	-
Printing and stationery	0.10	-	0.10	-	-	-
Selling and marketing expenses	2.30	-	2.30	-	93.28	93.28
Miscellaneous expenses	0.44	-	0.44	-	-	-
	3.17	**-**	**3.17**	**-**	**93.28**	**93.28**

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(all amounts in ₹ million unless otherwise stated)

19 Finance costs

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Interest expense						
- Accrual of premium on redemption of debentures	696.35	468.66	1,165.01	-	-	-
	696.35	**468.66**	**1,165.01**	**-**	**-**	**-**

Note: The debentures will be redeemed on 02 June 2022. (Refer note 13)

20 Tax expense

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Current tax	38.96	4.91	43.87	-	-	-
	38.96	**4.91**	**43.87**	**-**	**-**	**-**

21 Earnings Per Unit (EPU)

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

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

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Profit/(loss) after tax for calculating basic and diluted EPU	1,476.07	1,312.19	2,788.26	-	(94.47)	(94.47)
Weighted average number of Units (No. in million)	771.67	771.67	771.67	-	18.10	18.10
Earnings Per Unit						
- Basic (Rupees/unit)	1.91	1.70	3.61	-	(5.22)	(5.22)
- Diluted (Rupees/unit)	1.91	1.70	3.61	-	(5.22)	(5.22)

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to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

22 Commitments and contingencies

a) Contingent liabilities

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Bank guarantees	20.00	20.00	-

Note: Trust has given an irrevocable and unconditional bank guarantee to National Stock Exchange (NSE) for ₹ 20.00 million in lieu of the balance of security deposit required to be provided by the issuer to NSE, as security for due performance and fulfillment by the issuer of its engagements, commitments, operations, obligations or liabilities as an issuer. The issuer (Trust) has requested NSE to act as the "Designated Stock Exchange" in terms of SEBI (Real Estate Investment Trusts) Regulations, 2014 for completion of proposed public issue. Providing a security deposit and bank guarantee are the conditions precedent for NSE to agree to function as Designated Stock Exchange.

b) Statement of capital and other commitments

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Capital and other commitments	-	-	-

23 Related party disclosures

I. List of related parties as at September 30, 2019 (refer notes below)

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities:
Embassy Property Developments Private Limited – Co-Sponsor
Embassy Property Developments Private Limited
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

(all amounts in ₹ million unless otherwise stated)

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

Directors	Key management personnel
Jitendra Virwani	Michael David Holland - CEO (w.e.f 6 August 2018)
Tuhin Parikh	Rajesh Narayan Kaimal - CFO (w.e.f 6 August 2018)
Vivek Mehra	Periasamy Ramesh - Company Secretary (w.e.f 7 January 2019)
Ranjan Ramdas Pai	
Anuj Puri (w.e.f 6 August 2018)	
Punita Kumar Sinha (w.e.f 6 August 2018)	
Robert Christopher Heady (w.e.f 6 August 2018)	
Aditya Virwani (w.e.f 6 August 2018)	
Asheesh Mohta - Director (w.e.f: 28 June 2019, alternate to Robert Christopher Heady)	

(i) Name of Subsidiary (SPV)

Embassy Office Parks Private Limited
Manyata Promoters Private Limited
Umbel Properties Private Limited
Embassy Energy Private Limited
Earnest Towers Private Limited
Indian Express Newspapers (Mumbai) Private Limited
Vikhroli Corporate Park Private Limited
Qubix Business Park Private Limited
Quadron Business Park Private Limited
Oxygen Business Park Private Limited
Galaxy Square Private Limited

B Names of other related parties with whom transactions have taken place

Embassy One Developers Private Limited
Embassy Shelters Private Limited
Mac Charles (India) Limited

(ii) Transactions during the period/year

Particulars	For the quarter ended September 30, 2019	For the quarter ended 30 June 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended 31 March 2019
Unsecured loans given to						
Quadron Business Park Private Limited	180.00	7,329.00	7,509.00	-	4,681.93	4,681.93
Embassy Office Parks Private Limited	-	5,858.30	5,858.30	-	-	-
Manyata Promoters Private Limited	-	28,423.10	28,423.10	-	-	-
Qubix Business Park Private Limited	-	3,179.90	3,179.90	-	-	-
Oxygen Business Park Private Limited	-	4,030.30	4,030.30	-	-	-
Earnest Towers Private Limited	-	779.30	779.30	-	-	-
Vikhroli Corporate Park Private Limited	-	4,726.70	4,726.70	-	-	-

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(all amounts in ₹ million unless otherwise stated)

Particulars	For the quarter ended September 30, 2019	For the quarter ended 30 June 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended 31 March 2019
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	2,954.00	3,764.00	-	-	-
Embassy Energy Private Limited	400.00	-	400.00			
Short term construction loan given						
Manyata Promoters Private Limited	-	3,050.00	3,050.00			
Oxygen Business Park Private Limited	500.00	-	500.00	-	-	-
Investment in debentures						
Golflinks Software Parks Private Limited	-	2,500.00	2,500.00	-	-	-
Redemption of investment in debentures						
Golflinks Software Parks Private Limited	439.10	429.91	869.01	-	-	-
Unsecured loans repaid by						
Embassy Office Parks Private Limited	450.00	110.00	560.00	-	-	-
Manyata Promoters Private Limited	1,120.00	1,250.00	2,370.00	-	-	-
Qubix Business Park Private Limited	65.00	80.00	145.00	-	-	-
Oxygen Business Park Private Limited	17.00	60.00	77.00	-	-	-
Earnest Towers Private Limited	129.30	190.00	319.30	-	-	-
Galaxy Square Private Limited	70.00	90.00	160.00	-	-	-
Indian Express Newspapers (Mumbai) Private Limited	25.00	200.00	225.00	-	-	-
Umbel Properties Private Limited	50.00	-	50.00	-	-	-
Vikhroli Corporate Park Private Limited	130.00	-	130.00	-	-	-
Short term construction loan repaid by						
Manyata Promoters Private Limited	750.00	2,000.00	2,750.00	-	-	-
Oxygen Business Park Private Limited	100.00	-	100.00			

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(all amounts in ₹ million unless otherwise stated)

Particulars	For the quarter ended September 30, 2019	For the quarter ended 30 June 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended 31 March 2019
Investment in equity shares of SPVs						
Embassy Office Parks Private Limited	-	-	-	-	62,768.25	62,768.25
Manyata Promoters Private Limited	-	-	-	-	48,790.52	48,790.52
Quadron Business Park Private Limited	-	-	-	-	13,689.26	13,689.26
Oxygen Business Park Private Limited	-	-	-	-	12,308.89	12,308.89
Earnest Towers Private Limited	-	-	-	-	12,138.78	12,138.78
Vikhroli Corporate Park Private Limited	-	-	-	-	10,710.94	10,710.94
Qubix Business Park Private Limited	-	-	-	-	5,595.08	5,595.08
Galaxy Square Private Limited	-	-	-	-	4,662.50	4,662.50
Umbel Properties Private Limited	-	-	-	-	2,841.67	2,841.67
Indian Express Newspapers (Mumbai) Private Limited	-	-	-	-	13,210.97	13,210.97
Embassy Energy Private Limited	-	-	-	-	732.79	732.79
Margin money kept on behalf of Trust						
Embassy Office Parks Management Services Private Limited	-	-	-	-	20.00	20.00
Secondment fees						
Embassy Office Parks Management Services Private Limited	0.35	0.35	0.71	-	-	-
Management fees						
Embassy Office Parks Management Services Private Limited	61.45	42.00	103.45	-	-	-
Trademark license fees						
Embassy Shelters Private Limited	0.35	0.35	0.71	-	-	-
Trustee fee expenses						
Axis Trustee Services Limited	0.74	0.74	1.48	-	-	-
Miscellaneous Expenses						
Mac Charles (India) Limited	0.48	-	0.48	-	-	-
Travelling and conveyance						
Quadron Business Park Private Limited	0.02	-	0.02	-	-	-

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Particulars	For the quarter ended September 30, 2019	For the quarter ended 30 June 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended 31 March 2019
Initial receipt from Co-sponsor - received/ (repaid)						
Embassy Property Development Private Limited	-	-	-	-	0.50	0.50
Interest received						
Quadron Business Park Private Limited	378.43	363.62	742.04	-	-	-
Embassy Office Parks Private Limited	179.84	180.56	360.41	-	-	-
Manyata Promoters Private Limited	885.74	612.58	1,498.31	-	-	-
Qubix Business Park Private Limited	97.53	98.01	195.54	-	-	-
Oxygen Business Park Private Limited	130.74	119.75	250.49	-	-	-
Earnest Towers Private Limited	18.31	24.02	42.33	-	-	-
Vikhroli Corporate Park Private Limited	148.92	145.69	294.61	-	-	-
Galaxy Square Private Limited	77.35	78.59	155.94	-	-	-
Umbel Properties Private Limited	56.56	55.33	111.89	-	-	-
Indian Express Newspapers (Mumbai) Private Limited	106.99	91.05	198.03	-	-	-
Embassy Energy Private Limited	0.68	-	0.68			
Interest received on debentures						
Golflinks Software Parks Private Limited	40.89	50.09	90.99	-	-	-
Reimbursement of expenses						
Embassy Office Parks Private Limited	-	-	-	-	174.79	174.79
Manyata Promoters Private Limited	-	-	-	-	5.96	5.96
Qubix Business Park Private Limited	-	-	-	-	9.33	9.33
Oxygen Business Park Private Limited	-	-	-	-	9.11	9.11
Earnest Towers Private Limited	-	-	-	-	3.96	3.96
Vikhroli Corporate Park Private Limited	-	-	-	-	7.65	7.65
Quadron Business Park Private Limited	-	-	-	-	7.90	7.90
Galaxy Square Private Limited	-	-	-	-	9.10	9.10

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Particulars	For the quarter ended September 30, 2019	For the quarter ended 30 June 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended 31 March 2019
Umbel Properties Private Limited	-	-	-	-	10.30	10.30
Embassy Energy Private Limited	-	-	-	-	6.15	6.15
Indian Express Newspapers (Mumbai) Private Limited	-	-	-	-	20.19	20.19
Embassy One Developers Private Limited	-	-	-	-	9.54	9.54
Embassy Office Parks Management Services Private Limited	47.70	-	47.70	-	157.50	157.50
Dividend Received						
Embassy Energy Private Limited	6.00	-	6.00	-	-	-
Indian Express Newspapers (Mumbai) Private Limited	7.87	-	7.87	-	-	-
Oxygen Business Park Private Limited	98.25	-	98.25	-	-	-
Deposits paid on behalf of Trust						
Embassy Office Parks Private Limited	-	-	-	-	31.00	31.00
Issue of Unit capital						
Embassy Property Development Private Limited	-	-	-	-	34,645.44	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	-	-	-	31,228.49	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	-	-	-	20.24	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	-	-	-	135.39	135.39
BRE/Mauritius Investments	-	-	-	-	28,083.23	28,083.23
India Alternate Property Limited	-	-	-	-	11,834.10	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	-	-	-	7,770.49	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	-	-	-	1,941.58	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	-	-	-	38.24	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	-	-	-	10.66	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	-	-	-	8,548.39	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	-	-	-	2,130.08	2,130.08

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(all amounts in ₹ million unless otherwise stated)

Particulars	For the quarter ended September 30, 2019	For the quarter ended 30 June 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended 31 March 2019
BREP Asia SBS HCC Holding (NQ) Limited.	-	-	-	-	20.36	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	-	-	-	12.10	12.10
BRE/Mauritius Investments II	-	-	-	-	13,689.26	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	-	-	-	4,454.94	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	-	-	-	1,112.97	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	-	-	-	21.13	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	-	-	-	6.04	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	-	-	-	9,798.86	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	-	-	-	2,448.42	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	-	-	-	48.25	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	-	-	-	13.36	13.36
BREP GML Holding (NQ) Pte. Limited.	-	-	-	-	3,712.50	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	-	-	-	927.45	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	-	-	-	17.54	17.54
BREP VII SBS GML Holding (NQ) Limited	-	-	-	-	5.01	5.01

(iii) Closing balances

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unsecured loan receivable (non-current)			
Quadron Business Park Private Limited	12,190.93	4,681.93	-
Embassy Office Parks Private Limited	5,298.30	-	-
Manyata Promoters Private Limited	26,053.10	-	-
Qubix Business Park Private Limited	3,034.90	-	-
Oxygen Business Park Private Limited	3,953.30	-	-
Earnest Towers Private Limited	460.00	-	-
Vikhroli Corporate Park Private Limited	4,596.70	-	-
Galaxy Square Private Limited	2,389.80	-	-
Umbel Properties Private Limited	1,745.20	-	-
Indian Express Newspapers (Mumbai) Private Limited	3,539.00	-	-
Embassy Energy Private Limited	400.00	-	-

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(all amounts in ₹ million unless otherwise stated)

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Short term construction loan			
Manyata Promoters Private Limited	300.00	-	-
Oxygen Business Park Private Limited	400.00	-	-
Investment in Debentures (current)			
Golflinks Software Parks Private Limited	1,630.99	-	-
Investment in equity shares of subsidiary			
Embassy Office Parks Private Limited	62,768.25	62,768.25	-
Manyata Promoters Private Limited	48,790.52	48,790.52	-
Quadron Business Park Private Limited	13,689.26	13,689.26	-
Oxygen Business Park Private Limited	12,308.89	12,308.89	-
Earnest Towers Private Limited	12,138.78	12,138.78	-
Vikhroli Corporate Park Private Limited	10,710.94	10,710.94	-
Qubix Business Park Private Limited	5,595.08	5,595.08	-
Galaxy Square Private Limited	4,662.50	4,662.50	-
Umbel Properties Private Limited	2,841.67	2,841.67	-
Indian Express Newspapers (Mumbai) Private Limited	13,210.97	13,210.97	-
Embassy Energy Private Limited	732.79	732.79	-
Interest accrued but not due			
Embassy Energy Private Limited	0.68	-	-
Pre-paid expenses			
Axis Trustee Services Limited	1.48	-	-
Other Liabilities			
Embassy Office Parks Private Limited	-	205.79	-
Manyata Promoters Private Limited	-	5.96	-
Qubix Business Park Private Limited	-	9.33	-
Oxygen Business Park Private Limited	-	9.11	-
Earnest Towers Private Limited	-	3.96	-
Vikhroli Corporate Park Private Limited	-	7.65	-
Quadron Business Park Private Limited	-	7.90	-
Galaxy Square Private Limited	-	9.10	-
Umbel Properties Private Limited	-	10.30	-
Embassy Energy Private Limited	-	6.15	-
Indian Express Newspapers (Mumbai) Private Limited	8.52	20.19	-
Embassy One Developers Private Limited	-	9.54	-
Embassy Office Parks Management Services Private Limited	54.28	157.50	
Embassy Shelters Private Limited	0.71	-	-
Trade Payables			
Embassy Office Parks Management Services Private Limited	47.81	-	-
Mac Charles (India) Limited	0.48	-	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Private Limited	20.00	20.00	-
Initial refundable receipt from Co-sponsor			
Embassy Property Development Private Limited	-	0.50	-

Notes

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(all amounts in ₹ million unless otherwise stated)

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto March 31, 2019	Unutilised amount as at March 31, 2019	Actual utilisation upto September 30, 2019	Unutilised amount as at September 30, 2019
Partial or full repayment or pre-payment of bank/financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of the Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes including issue expenses	5,718.07	-	5,718.07	5,718.07	-
Total	**47,500.00**	**4,681.93**	**42,818.07**	**47,500.00**	**-**

25 Financial instruments:

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

Particulars	Carrying value September 30, 2019	Fair Value September 30, 2019	Carrying value March 31, 2019	Fair Value March 31, 2019
Financial assets				
Fair value through profit and loss				
Investments in mutual funds	5,106.42	5,106.42	-	-
Amortised cost				
Investments	1,630.99	-	-	-
Loans	64,392.73	-	4,712.93	-
Cash and cash equivalents	47.33	-	42,818.53	-
Other financial assets	6.98	-	-	-
Total assets	**71,184.45**	**5,106.42**	**47,531.46**	**-**
Financial liabilities				
Amortised cost				
Borrowings	30,879.90	-	-	-
Other financial liabilities	116.71	-	6,036.31	-
Trade payables	49.48	-	-	-
Total liabilities	**31,046.09**	**-**	**6,036.31**	**-**

The management has assessed that fair value of cash and cash equivalents, fixed deposits, trade receivables, inter-corporate deposits taken and given, borrowings, 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).

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(all amounts in ₹ million unless otherwise stated)

Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	September 30, 2019	5,106.42	5,106.42	-	-
Investment in mutual funds	March 31, 2019	-	-	-	-

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

There were no transfers between Level 1, Level 2 or Level 3 during the year ended September 30, 2019 and March 31, 2019.

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.

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto September 30, 2019	Unutilised amount as at September 30, 2019
Partial or full repayment or pre-payment of bank/financial institution debt of certain SPVs	29,150.00	29,150.00	-
General purposes including issue expenses	850.00	850.00	-
Total	**30,000.00**	**30,000.00**	**-**

27 The Condensed Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards 34 “Interim Financial Reporting” read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 (‘Ind AS’), to the extent not inconsistent with SEBI Circular. Accordingly, Embassy Office Parks REIT has prepared condensed standalone financial statements which comply with Ind AS applicable for half year ended September 30, 2019, 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 condensed standalone financial statements, Embassy Office Parks REIT’s opening balance sheet was prepared as at April 1, 2018, which is the date of transition to Ind AS. Further, the accompanying Condensed Standalone Financial Statements half year ended September 30, 2019 may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2020.

Notes
to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

28 Distributions

The Board of Directors of the Manager has declared a distribution per unit of ₹ 6 to the Unitholders of the REIT for the second quarter 1 July 2019 to September 30, 2019 in their Board meeting held on November 11, 2019. The distributions of ₹ 6 per unit comprises ₹ 2.7 per unit in the form of interest payment, ₹ 0.14 per unit in the form of dividend and the balance ₹ 3.16 per unit in the form of amortisation of SPV debt.

Along with distribution of ₹ 5.40 per unit for the quarter ended June 30, 2019 the cumulative distribution for half year ended September 30, 2019 aggregates to ₹ 11.40 per unit.

29 The figures for the corresponding quarter and half year ended September 30, 2018 and comparative half year ended March 31, 2019, as reported in these Condensed Standalone Financial Statements have been compiled by the management and approved by the Board of Directors to give a true and fair view of the results in accordance with Ind AS. This information has not been subject to any limited review or audit.

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

The 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
Firm's registration number: 101049W/E300004

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

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: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

Review Report

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

Introduction

1. We have reviewed the accompanying unaudited condensed consolidated interim Ind AS financial statements of Embassy Office Parks Real Estate Investment Trust (the "REIT"), its subsidiaries and a Joint venture (together referred as "the Group"), which comprise the unaudited condensed consolidated balance sheet as at September 30, 2019, 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, 2019, and the unaudited condensed statement of changes in Unit Holder's equity for the half year ended September 30, 2019 and the Statement of Net Assets at fair value as at September 30, 2019 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows of the REIT and each of its subsidiaries for the half year ended September 30, 2019 and a summary of the significant accounting policies and select explanatory information (together hereinafter referred to as the "Condensed Consolidated Interim Ind AS Financial Statements"). The Condensed Consolidated Interim Ind AS Financial Statements are prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circular'); Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI Circular. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended September 30, 2018 and comparative half year ended September 30, 2018 and March 31, 2019, as reported in these Condensed Consolidated Interim Ind AS Financial Statements have been approved by the Manager's Board of Directors, but have not been subjected to review.

2. The Condensed Consolidated Interim Ind AS Financial Statements are the responsibility of the Manager and has been approved by the Board of Directors of the Manager. Our responsibility is to issue a conclusion on the Condensed Consolidated Interim Ind AS Financial Statements based on our review.

Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Condensed Consolidated Interim Ind AS Financial Statements is free of material misstatement. A review is limited primarily to inquiries of Manager personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. The Condensed Consolidated Interim Ind AS Financial Statements includes the financial information of the following entities:

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

Conclusion

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

Interim Ind AS Financial Statements have not been prepared in all material respects in accordance with the requirements of Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and the relevant requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with the SEBI Circular, to the extent applicable.

Emphasis of Matter

6. We draw attention to note 48(iv) to the Condensed Consolidated Interim Ind AS Financial Statements which refers to the uncertainty in relation to the pending case in the Honourable High Court of Karnataka as at September 30, 2019 against the demand order to pay a sum of ₹ 2,739.50 million (including interest and penalty demanded) towards the differential property tax payable by MPPL for the period 2008-09 to 2015-16. Pending outcome of such legal matter no provision has been made in these Condensed Consolidated Interim Ind AS Financial Statements.

7. We draw attention to note 48(iv) to the Condensed Consolidated Interim Ind AS Financial Statements which refers to the uncertainty in relation to the pending case before The Joint Commissioner, BBMP as at September 30, 2019, against the demand order to pay an outstanding sum of ₹ 473.27 million towards the difference of property tax based on the total survey report of certain buildings of MPPL. Pending outcome of such legal matter no provision has been made in these Condensed Consolidated Interim Ind AS Financial Statements.

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

Other Matters

8. The comparative financial information of the Group for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018, prepared in accordance with Ind AS, included in these Condensed Consolidated Interim Ind AS Financial Statements, have been audited by the predecessor auditor who had audited the consolidated financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening consolidated balance sheet dated August 12, 2019 expressed an unmodified opinion.

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

per **Adarsh Ranka**
Partner
Membership No.: 209567
UDIN: 19209567AAAAFH4765

Place: Bengaluru, India
Date: November 11, 2019

EMBASSY

Condensed Consolidated Balance Sheet

(all amounts in ₹ million unless otherwise stated)

	Note	As at September 30, 2019 (unaudited)	As at March 31, 2019 (audited)	As at April 1, 2018 (audited)
ASSETS				
Non-current assets				
Property, plant and equipment	3	21,260.86	21,295.50	-
Capital work-in-progress	4	1,857.85	1,220.52	-
Investment property	5	188,889.50	189,548.97	-
Investment property under development	8	6,348.11	3,797.25	-
Goodwill	6	51,699.22	51,699.22	-
Other intangible assets	7	4,940.65	5,018.78	-
Equity accounted investee	9	24,001.03	23,574.23	-
Financial assets				
- Investments	10	-	489.29	-
- Loans	12	592.08	583.63	-
- Other financial assets	13	1,194.93	2,216.54	-
Non-current tax assets (net)	14	1,550.71	1,418.90	-
Other non-current assets	15	11,293.11	11,190.69	-
Total non-current assets		**313,628.05**	**312,053.52**	**-**
Current assets				
Inventories	16	11.14	5.42	-
Financial assets				
- Investments	11	7,209.17	1,455.58	-
- Trade receivables	17	366.24	335.86	-
- Loans	18	166.64	955.96	-
- Cash and cash equivalents	19A	1,584.57	49,612.75	-
- Other bank balances	19B	860.79	1,455.99	-
- Other financial assets	20	819.89	750.21	-
Other current assets	21	587.96	322.50	
Total current assets		**11,606.40**	**54,894.27**	**-**
Total assets		**325,234.45**	**366,947.79**	**-**
EQUITY AND LIABILITIES				
EQUITY				
Unit capital	22	229,120.96	229,039.26	-
Other equity	23	281.30	(94.47)	-
Total equity		**229,402.26**	**228,944.79**	**-**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	24	39,130.08	68,033.29	-
- Other financial liabilities	25	3,509.24	2,781.04	-
Provisions	27	6.59	5.08	-
Deferred tax liabilities (net)	26	40,999.92	41,424.39	-
Other non-current liabilities	28	576.00	642.14	-
Total non-current liabilities		**84,221.83**	**112,885.94**	**-**
Current liabilities				
Financial liabilities				
- Borrowings	29	-	3,171.09	-
- Trade payables	30			
- total outstanding dues of micro and small enterprises		-	-	-
- total outstanding dues of creditors other than micro and small enterprises.		266.06	421.87	-
- Other financial liabilities	31	10,486.87	20,778.67	-
Provisions	32	-	3.01	-
Other current liabilities	33	853.04	708.84	-
Current tax liabilities (net)	34	4.39	33.58	-
Total current liabilities		**11,610.36**	**25,117.06**	**-**
Total equity and liabilities		**325,234.45**	**366,947.79**	**-**
Significant accounting policies	2			

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

As per our report of even date attached

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

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: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

Condensed Consolidated Statement of Profit and Loss

(all amounts in ₹ million unless otherwise stated)

	Note	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018*	For the half year ended March 31, 2019*	For the year ended March 31, 2019
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Income and gains							
Revenue from operations	35	5,206.04	5,351.04	10,557.08	-	-	-
Interest	36	87.00	144.31	231.31	-	-	-
Other income	37	87.96	46.00	133.96	-	-	-
Total Income		**5,381.00**	**5,541.35**	**10,922.35**	**-**	**-**	**-**
Expenses							
Cost of materials consumed	38	29.67	20.39	50.06	-	-	-
Employee benefits expense	39	83.96	94.14	178.10	-	-	-
Operating and maintenance expenses	40	168.36	186.80	355.16	-	-	-
Repairs and maintenance	42	314.39	304.84	619.23	-	-	-
Valuation expenses		2.36	2.36	4.72	-	-	-
Audit fees		14.69	9.90	24.59	-	1.19	1.19
Insurance expenses		18.11	16.42	34.53	-	-	-
Management fees	47	176.05	172.01	348.06	-	-	-
Trustee fees		0.74	0.74	1.48	-	-	-
Legal and professional fees		78.41	96.60	175.01	-	-	-
Other expenses	41	300.35	268.03	568.38	-	93.28	93.28
		1,187.09	**1,172.23**	**2,359.32**	**-**	**94.47**	**94.47**
Earnings/(loss) before finance costs, depreciation, amortisation and income tax		**4,193.91**	**4,369.12**	**8,563.03**	**-**	**(94.47)**	**(94.47)**
Finance costs	43	822.64	832.39	1,655.03	-	-	-
Depreciation and amortisation expense	44	1,444.32	1,391.30	2,835.62	-	-	-
Profit/(loss) before share of profit of equity accounted investee and income tax		**1,926.95**	**2,145.43**	**4,072.38**	**-**	**(94.47)**	**(94.47)**
Share of profit after tax of equity accounted investee		247.61	394.69	642.30	-	-	-
Profit/(loss) before income tax		**2,174.56**	**2,540.12**	**4,714.68**	-	**(94.47)**	**(94.47)**
Tax expense:							
Current tax	45	227.01	369.37	596.38	-	-	-
Deferred tax charge/ (credit)	45	(440.69)	158.07	(282.62)	-	-	-
Minimum Alternate Tax (MAT)	45	(84.90)	(207.69)	(292.59)	-	-	-
MAT written off	45	150.75	-	150.75			
		(147.83)	**319.75**	**171.92**	**-**	**-**	**-**
Profit/(loss) for the period/year		**2,322.39**	**2,220.37**	**4,542.76**	**-**	**(94.47)**	**(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/(loss) for the period/year		**2,322.39**	**2,220.37**	**4,542.76**	**-**	**(94.47)**	**(94.47)**
Earning per Unit	46						
Basic		3.01	2.88	5.89	-	(5.22)	(5.22)
Diluted		3.01	2.88	5.89	-	(5.22)	(5.22)
* Refer note 59							
Significant accounting policies	2						

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

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

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)

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

EMBASSY

Condensed Consolidated Statement of Cash Flows

(all amounts in ₹ million unless otherwise stated)

	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018*	For the half year ended March 31, 2019*	For the year ended March 31, 2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Cashflow from operating activities						
Profit/ (loss) before share of profit of equity accounted investees and income tax	1,926.95	2,145.43	4,072.38	-	(94.47)	(94.47)
Adjustments for :						
Non-cash and other adjustments						
Depreciation and amortisation expense	1,444.32	1,391.30	2,835.62	-	-	-
Assets no longer required, written off	0.27	4.69	4.96	-	-	-
Allowance for credit loss	-	0.26	0.26	-	-	-
Leasing commission paid	(36.53)	(5.33)	(41.86)	-	-	-
Profit on sale of investments	(75.76)	(10.76)	(86.52)	-	-	-
Finance costs	822.65	832.39	1,655.04	-	-	-
Interest income	(82.19)	(130.81)	(213.00)	-	-	-
Fair value loss/(gain) on investment measured at FVTPL	5.20	(18.45)	(13.25)	-	-	-
Operating profits before working capital changes	**4,004.91**	**4,208.72**	**8,213.63**	**-**	**(94.47)**	**(94.47)**
Working capital adjustments						
- Inventories	5.76	(11.47)	(5.71)	-	-	-
- Trade receivables	73.73	(109.33)	(35.60)	-	-	-
- Loans and other financial assets (current and non-current)	(71.28)	607.60	536.32	-	-	-
- Other assets (current and non-current)	55.42	(284.87)	(229.45)	-	-	-
- Trade payables	17.46	(173.27)	(155.81)	-	-	-
- Other financial liabilities (current and non-current)	27.11	588.17	615.28	-	125.97	125.97
- Other liabilities and provisions (current and non-current)	(42.78)	119.34	76.56	-	-	-
Cash generated from operating activities before taxes	**4,070.33**	**4,944.89**	**9,015.22**	**-**	**31.50**	**31.50**
Taxes paid (net of refunds)	(403.04)	(331.51)	(734.55)	-	-	-
Cash generated from operating activities	**3,667.29**	**4,613.38**	**8,280.67**	**-**	**31.50**	**31.50**
Cash flow from investing activities						
(Investments)/ redemption of deposits with banks	(407.95)	2,244.66	1,836.71	-	-	-
(Investments)/ redemption in mutual funds	924.28	(4,457.82)	(3,533.54)	-	-	-
(Investments)/ repayment of investment in debentures	(39.70)	(1,591.29)	(1,630.99)	-	-	-
Payment for purchase of Investment Property and Property, Plant and Equipment and intangibles	(2,372.31)	(2,183.64)	(4,555.95)	-	-	-
Payment for business acquisition	-	(3,450.00)	(3,450.00)	-	(4,681.93)	(4,681.93)
Dividend received	170.00	-	170.00	-	-	-
Interest received	65.18	96.98	162.16	-	-	-
Net cash flow used in investing activities	**(1,660.50)**	**(9,341.11)**	**(11,001.61)**	**-**	**(4,681.93)**	**(4,681.93)**

Condensed Consolidated Statement of Cash Flows

(all amounts in ₹ million unless otherwise stated)

	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018*	For the half year ended March 31, 2019*	For the year ended March 31, 2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Cash flow from financing activities						
Interest paid	(334.44)	(364.65)	(699.09)	-	-	-
Proceeds/ (repayments) of long-term borrowings	2,160.48	(39,966.60)	(37,806.12)	-	-	-
Proceeds from issue of units	-	-	-	-	47,499.96	47,499.96
Transaction costs related to issue of units	(63.68)	(2,263.41)	(2,327.09)	-	-	-
Non-convertible debentures issue expenses (Net of reimbursements)	74.94	(360.05)	(285.11)	-	-	-
Distribution to unitholder's (including taxes on account of distribution by SPV's)	(4,189.83)	-	(4,189.83)	-	-	-
Security deposits given	-	-	-	-	(31.00)	(31.00)
Net cash (used in) / generated from financing activities	**(2,352.53)**	**(42,954.71)**	**(45,307.24)**	**-**	**47,468.96**	**47,468.96**
Net increase/ (decrease) in cash and cash equivalents	**(345.74)**	**(47,682.44)**	**(48,028.18)**	**-**	**42,818.53**	**42,818.53**
Cash and cash equivalents at the beginning of the period/ year	1,930.31	49,612.75	49,612.75	-	-	-
Cash balance acquired due to business combination	-	-	-	-	6,794.22	6,794.22
Cash and cash equivalents at the end of the period / year	**1,584.57**	**1,930.31**	**1,584.57**	**-**	**49,612.75**	**49,612.75**
Components of cash and cash equivalents (refer note 19A)						
Cash in hand	0.92	1.45	0.92	-	0.48	0.48
Balances with banks						
- in current accounts	1,036.19	601.16	1,036.19	-	3,449.14	3,449.14
- in escrow accounts	81.33	166.10	81.33	-	45,580.11	45,580.11
- in fixed deposits	466.13	1,161.60	466.13	-	583.02	583.02
	1,584.57	**1,930.31**	**1,584.57**	**-**	**49,612.75**	**49,612.75**

* refer note 59

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

Note: The Trust has issued Units in exchange for investments in SPVs during the year ended March 31, 2019. The same has not been reflected in Consolidated Statement of Cash Flows since these were non-cash transactions.

As per our report of even date attached

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

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)

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

Condensed Consolidated Statement of Changes in Unitholders' Equity

(all amounts in ₹ million unless otherwise stated)

A. Unit Capital

Balance as on April 1, 2018	-
Add: Units issued during the year (refer note 22)	231,499.60
Less: Issue expenses	(2,460.34)
Balance as at March 31, 2019	**229,039.26**
Balance as on April 1, 2019	**229,039.26**
Add: Reversal of issue expenses no more payable	81.70
Balance as at September 30, 2019	**229,120.96**

B. Other equity

Particulars	**Retained Earnings**
Balance as on April 1, 2018	-
Profit/ (loss) for the year	(94.47)
Balance as at March 31, 2019	**(94.47)**
Balance as on April 1, 2019	**(94.47)**
Profit for the half-year ended September 30, 2019	4,542.76
Less: Distributions to unitholders for the quarter ended June 30, 2019*	(4,166.99)
Balance as at September 30, 2019	**281.30**

* 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
Firm's registration number: 101049W/E300004

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)

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

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

(all amounts in ₹ million unless otherwise stated)

A) Statement of Net Assets at fair value

			₹ in million	
			As at September 30, 2019	
S. No	Particulars	Unit of measurement	Book Value	Fair value
A	Assets	₹ in million	325,234.45	385,149.30
B	Liabilities	₹ in million	95,832.23	95,832.23
C	Net Assets (A-B)	₹ in million	**229,402.22**	**289,317.07**
D	No. of units	Numbers	771,665,343	771,665,343
E	NAV (C/D)	₹	297.28	374.93

Notes:

1) **Measurement of fair values:**

The fair value of investment property, Investment property under development (including capital advances), Property, Plant and Equipment (relating to the hotel property in UPPL and the Solar power plant in EEPL); Capital Work-in-progress (relating to the proposed hotel to be developed in MPPL) and the investment in GLSP as at September 30, 2019 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 (prime vs secondary), tenant credit quality and lease terms.

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

(all amounts in ₹ million unless otherwise stated)

2) Property wise break up of Fair value of Assets as at September 30, 2019 is as follows:

₹ in million

Particulars	Fair value of Investment Property, Investment property under development, Property, plant and equipment and Capital work-in-progress*	Other assets at book value (***)	Total assets	Total Liabilities to be considered	Asset wise NAV	Book value of Assets
100% owned assets						
MPPL	139,047.00	3,103.74	142,150.74	10,815.89	131,334.85	115,709.14
EOPPL	21,325.00	1,090.73	22,415.73	1,578.79	20,836.94	19,985.82
UPPL	5,045.00	287.31	5,332.31	730.93	4,601.38	5,079.93
EEPL	10,519.00	1,754.25	12,273.25	7,607.90	4,665.35	11,220.06
GSPL	8,914.00	202.81	9,116.81	480.53	8,636.28	6,255.23
ETPL	14,912.00	186.75	15,098.75	594.26	14,504.49	10,472.08
OBPL	20,657.00	494.99	21,151.99	2,879.95	18,272.04	14,424.06
QBPPL	9,962.00	265.94	10,227.94	271.00	9,956.94	9,167.87
QBPL	28,461.00	2,130.37	30,591.37	11.64	30,579.73	24,173.22
VCPPL	17,256.00	221.09	17,477.09	634.89	16,842.20	13,056.08
IENPL	18,590.00	254.04	18,844.04	928.55	17,915.49	14,542.23
REIT	-	57,147.70	57,147.70	69,297.90	(12,150.20)	57,147.70
Total	**294,688.00**	**67,139.72**	**361,827.72**	**95,832.23**	**265,995.49**	**301,233.42**
Investment in GLSP**	23,321.58	-	23,321.58	-	23,321.58	24,001.03
	318,009.58	**67,139.72**	**385,149.30**	**95,832.23**	**289,317.07**	**325,234.45**

* Fair values of investment property, investment property under development, property, plant and equipment, capital work in progress and investment in GLSP as at September 30, 2019 as disclosed above are solely based on the fair valuation report of the independent valuer appointed under the REIT Regulations.

For the purpose of fair valuation of assets, the Embassy Office Parks Group has fair valued its Investment property, Investment property under development (including capital advances), Property, Plant and Equipment (relating to the hotel property in UPPL and the Solar power plant in EEPL); Capital Work-in-progress (relating to the proposed hotel to be developed in MPPL) and the investment in GLSP.

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

*** Assets at fair value include Goodwill of ₹ 51,699.22 million on book value basis. The Goodwill of ₹ 51,699.22 million mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values using an approach as more fully described in Note 50 as well as the requirement to recognise deferred tax liability of ₹ 38,495.70 million, calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases.

As per our report of even date attached

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

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)

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

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

(all amounts in ₹ million unless otherwise stated)

B) Statement of Total Returns at Fair value

₹ in million

S. No	Particulars	For the half year ended September 30, 2019
A	Total comprehensive Income	4,542.76
B	Add : Changes in fair value not recognised in total comprehensive income (refer Note 1 below)	2,254.49
C (A+B)	**Total Return**	**6,797.25**

Note:

1 In the above statement, changes in fair value for the half-year ended September 30, 2019 has been computed based on the difference in fair values of Investment Property, Investment property under development, Property, Plant and Equipment (relating to the hotel property in UPPL and the Solar power plant in EEPL); Capital Work-in-progress (relating to the proposed hotel to be developed in MPPL and investment in GLSP) as at September 30, 2019 (reviewed) as compared with the values as at March 31, 2019 (unreviewed) net of cash spent on construction during the period. The fair values of the afore-mentioned assets as at September 30, 2019 (reviewed) and March 31, 2019 (unreviewed) are solely based on the valuation report of the independent valuer appointed under the REIT Regulations.

As per our report of even date attached

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

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)

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

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

(all amounts in ₹ million unless otherwise stated)

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

(i) Embassy Office Parks REIT - Standalone

Sl No	Particulars	For the quarter ended September 30, 2019 (unaudited)	For the quarter ended June 30, 2019 (unaudited)	For the half year ended September 30, 2019 (unaudited)
1	Cash flows received from SPVs and investment entity in the form of:			
	• Interest	2,121.29	1,819.29	3,940.58
	• Dividends (net of applicable taxes)	112.12	-	112.12
	• Repayment of Shareholder Debt	2,495.40	2,409.91	4,905.31
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-	-	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:	-	-	-
	• Applicable capital gains and other taxes	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-
	• Directly attributable transaction costs	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-
4	Add: Any other income of the Trust and not captured herein	54.26	13.60	67.86
5	Less: Any other expense at the Trust level and not captured herein	(3.17)	-	(3.17)
6	Less: Any fees, including but not limited to:			
	• Trustee fees	(0.74)	(0.74)	(1.48)
	• REIT Management Fees	(61.45)	(42.00)	(103.45)
	• Valuer fees	(2.36)	(2.36)	(4.72)
	• Legal and professional fees	(5.47)	(11.44)	(16.91)
	• Trademark license fees	(0.71)	-	(0.71)
	• Secondment fees	(0.71)	-	(0.71)
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)	(47.75)	(5.76)	(53.51)
	Net Distributable Cash Flows	**4,660.71**	**4,180.50**	**8,841.21**

Notes:

1 The Board of Directors of the Manager to the Trust, in their meeting held on November 11, 2019, have declared distribution to unitholders of ₹ 6 per unit which aggregates to ₹ 4,630 million for the quarter ended September 30, 2019. The distributions of ₹ 6 per unit comprises ₹ 2.7 per unit in the form of interest payment, ₹ 0.14 per unit in the form of dividend and the balance ₹ 3.16 per unit in the form of amortization of SPV debt. Along with distribution of ₹ 5.40 per unit for the quarter ended June 30, 2019 the cumulative distribution for half year ended September 30, 2019 aggregates to ₹ 11.40 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 April 1, 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

As per our report of even date attached

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

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: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

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

(all amounts in ₹ million unless otherwise stated)

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

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

For the quarter ended September 30, 2019 for distribution

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	127.80	800.01	(0.99)	(12.32)	77.53	27.76	53.01	28.44	(281.98)	69.83	108.08	997.15
	Adjustment:												
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:												
	• Depreciation, amortisation and impairment	87.25	344.96	86.31	58.30	50.95	25.27	119.51	32.41	67.74	(0.88)	12.27	884.11
	• Assets written off or liabilities written back	0.27	-	-	-	-	-	-	-	-	-	-	0.27
	• Current tax charge as per statement of profit and loss	(52.03)	144.94	(6.28)	0.39	21.30	15.00	19.14	10.41	0.10	12.25	-	165.22
	• Deferred tax	(91.33)	73.96	1.97	(5.17)	33.64	(1.30)	(5.42)	26.99	(23.59)	10.53	(0.69)	19.59
	• MAT adjustments as per statement of profit and loss	155.02	(128.76)	15.24	-	-	-	-	(10.41)	43.98	(9.22)	-	65.85
	• Ind AS adjustments not considered in any other item above	(31.91)	35.53	(4.12)	-	(25.68)	4.13	(6.07)	10.08	(3.02)	(1.87)	(54.42)	(77.36)
3	Add: Interest on shareholders debt charged to statement of profit and loss	179.84	634.92	0.68	56.44	18.31	77.35	106.99	130.74	379.23	97.53	148.92	1,830.96
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-

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

(all amounts in ₹ million unless otherwise stated)

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	Total
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	318.83	292.74	(95.80)	11.61	58.84	15.52	(137.16)	(63.10)	38.83	(10.62)	(15.75)	413.93
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	-	(20.46)	-	-	-	-	-	-	-	-	(20.46)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(41.57)	(199.75)	(7.85)	(2.03)	(28.99)	(22.52)	(33.76)	(24.09)	(34.17)	(12.53)	28.33	(378.92)
	Total Adjustments (B)	**524.37**	**1,198.53**	**(30.31)**	**119.55**	**128.37**	**113.45**	**63.23**	**113.03**	**469.10**	**85.18**	**118.66**	**2,903.17**
	Net distributable Cash Flows C = (A+B).	**652.17**	**1,998.54**	**(31.30)**	**107.23**	**205.90**	**141.21**	**116.23**	**141.47**	**187.12**	**155.00**	**226.74**	**3,900.32**

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

(all amounts in ₹ million unless otherwise stated)

For the quarter ended June 30, 2019 for distribution

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	115.96	680.10	21.90	(48.40)	50.39	33.51	13.19	20.10	(231.65)	55.21	23.78	734.10
	Adjustment:												
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:												
	• Depreciation, amortisation and impairment	87.30	344.51	86.31	60.97	48.69	19.70	178.51	80.28	86.28	29.59	58.71	1,080.85
	• Assets written off or liabilities written back	4.69	-	-	-	-	-	-	-	-	-	-	4.69
	• Current tax charge as per statement of profit and loss	57.21	198.35	6.28	0.75	13.31	21.42	46.07	8.37	-	12.70	-	364.46
	• Deferred tax	72.64	152.05	7.23	(7.57)	-	(0.79)	(7.31)	10.31	(26.34)	(0.43)	20.58	220.37
	• MAT adjustments as per statement of profit and loss	(57.21)	(126.90)	(6.28)	-	-	-	-	(8.37)	-	(8.93)	-	(207.69)
	• Ind AS adjustments not considered in any other item above	(7.46)	(15.22)	3.63	-	16.47	(0.32)	(15.51)	(25.81)	0.03	(1.58)	(99.99)	(145.76)
3	Add: Interest on shareholders debt charged to statement of profit and loss	180.56	443.97	-	55.33	24.02	78.59	91.05	119.75	363.62	98.01	145.69	1,600.59
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-

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

(all amounts in ₹ million unless otherwise stated)

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	Total
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	177.45	352.24	191.18	(16.93)	81.12	51.27	31.79	112.78	126.63	1.01	(18.84)	1,089.70
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(242.04)	(22.27)	-	-	-	-	-	-	-	-	(264.31)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction		-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(27.58)	(115.03)	(12.53)	(1.80)	(22.21)	(18.41)	(38.87)	(22.90)	(34.81)	(14.00)	(17.63)	(325.77)
	Total Adjustments (B)	**487.61**	**991.93**	**253.56**	**90.75**	**161.40**	**151.46**	**285.73**	**274.40**	**515.41**	**116.37**	**88.51**	**3,417.13**
	Net distributable Cash Flows C = (A+B).	**603.57**	**1,672.04**	**275.46**	**42.34**	**211.79**	**184.97**	**298.92**	**294.51**	**283.76**	**171.58**	**112.29**	**4,151.23**

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

(all amounts in ₹ million unless otherwise stated)

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

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	243.76	1,480.11	20.91	(60.73)	127.92	61.26	66.20	48.54	(513.63)	125.04	131.86	1,731.24
	Adjustment:												
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:												
	• Depreciation, amortisation and impairment	174.55	689.47	172.62	119.27	99.64	44.97	298.02	112.69	154.03	28.70	70.98	1,964.94
	• Assets written off or liabilities written back	4.96	-	-	-	-	-	-	-	-	-	-	4.96
	• Current tax charge as per statement of profit and loss	5.18	343.30	-	1.14	34.61	36.42	65.21	18.78	0.10	24.94	-	529.68
	• Deferred tax	(18.69)	226.01	9.21	(12.73)	33.64	(2.09)	(12.72)	37.30	(49.93)	10.10	19.88	239.98
	• MAT adjustments as per statement of profit and loss	97.81	(255.66)	8.96	-	-	-	-	(18.78)	43.98	(18.15)	-	(141.84)
	• Ind AS adjustments not considered in any other item above	(39.37)	20.31	(0.49)	-	(9.21)	3.82	(21.58)	(15.73)	(3.00)	(3.45)	(154.41)	(223.11)
3	Add: Interest on shareholders debt charged to statement of profit and loss	360.41	1,078.89	0.68	111.77	42.33	155.94	198.03	250.49	742.85	195.54	294.61	3,431.54
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-

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

(all amounts in ₹ million unless otherwise stated)

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	Total
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	496.28	644.97	95.38	(5.32)	139.96	66.79	(105.38)	49.68	165.47	(9.61)	(34.59)	1,503.63
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(242.04)	(42.73)	-	-	-	-	-	-	-	-	(284.77)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(69.15)	(314.78)	(20.38)	(3.83)	(51.20)	(40.93)	(72.63)	(46.99)	(68.98)	(26.53)	10.70	(704.70)
	Total Adjustments (B)	**1,011.98**	**2,190.47**	**223.25**	**210.30**	**289.77**	**264.92**	**348.95**	**387.44**	**984.52**	**201.54**	**207.17**	**6,320.31**
	Net distributable Cash Flows C = (A+B).	**1,255.74**	**3,670.58**	**244.16**	**149.57**	**417.69**	**326.18**	**415.15**	**435.98**	**470.88**	**326.58**	**339.03**	**8,051.55**

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction funding from REIT to SPV's upon ultimate availment of external credit facility are not considered for NDCF computation.

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

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

As per our report of even date attached

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

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: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

Notes
to the Condensed Consolidated Financial Statements

1. Organisation structure

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

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

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

Embassy Office Parks REIT acquired the 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 ₹ 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 SPVs (directly or indirectly, through their holding companies) have been transferred from the respective shareholders to the Trust.

Details of the SPVs is provided below:

Name of the SPV	Activities	Shareholding (in percentage) upto 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 Group.	Embassy Property Developments Private Limited (EPDPL): 50.00% EPDPL together with Jitendra Virwani: 0.00% (1 Share) SG Indian Holding (NQ) Co I Pte. Ltd: 49.75% SG Indian Holding (NQ) Co II Pte. Ltd: 0.03% SG Indian Holding (NQ) Co III Pte. Ltd: 0.22%	Embassy Office Parks REIT : 100%
MPPL	Development and leasing of office space and related interiors (Embassy Manyata), located at 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%

Name of the SPV	Activities	Shareholding (in percentage) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
UPPL	Development, rental and maintenance of serviced residences (Hilton hotel).	EPDPL: 58% D M Estates Private Limited: 29% Golflinks Properties Private Limited: 13%	Embassy Office Parks REIT : 100%
EEPL	Generation and supply of solar power mainly to the office spaces of Embassy Office Parks Group located in Bangalore.	EOPPL: 80% EPDPL: 10% Rana George: 10%	EOPPL: 80% Embassy Office Parks REIT : 20%
GSPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Galaxy), located in Noida.	BREP GML Holding (NQ) Pte. Ltd.: 79.62% BREP VII GML Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS GML Holding (NQ) Ltd.: 0.38% BREP VII SBS GML Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Quadron), located in Pune.	BRE/Mauritius Investments II: 99.99% Kunal Shah: 0.01%	Embassy Office Parks REIT : 100%
QBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Qubix), located in Pune.	BREP NTPL Holding (NQ) Pte. Ltd.: 79.62% BREP VII NTPL Holding (NQ) Pte. Ltd.: 19.89% BREP VII SBS NTPL Holding (NQ) Ltd.: 0.38% BREP VII NTPL Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
OBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Oxygen), located in Noida.	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.: 79.61% BREP VII SG Oxygen Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS Oxygen Holding (NQ) Ltd.: 0.39% BREP VII SBS Oxygen Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	India Alternate Property Limited: 95.23% Premsagar Infra Reality Private Limited: 2.51% Hiranandani Properties Private Limited: 2.26%	Embassy Office Parks REIT : 100%
VCPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy 247), located in Mumbai.	BREP Asia HCC Holding (NQ) Pte Ltd.: 79.81% BREP VII HCC Holding (NQ) Pte Ltd.: 19.89% BREP Asia SBS HCC Holding (NQ) Ltd.: 0.19% BREP VII SBS HCC Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
IENMPL	Development and leasing of office` space and related interiors and maintenance of such assets (Express Towers), located in Mumbai.	Panchshil Techpark Private Limited: 51.07% BREP Asia SG Indian Holding (NQ) Co II Pte Limited: 37.27% BREP VII SG Indian Holding (NQ) Co II Pte Limited: 9.31% Shekhar Gupta jointly with Ms. Neelam: 2.11% BREP Asia SBS Holding (NQ) Co. XI Ltd.: 0.18% BREP VII SBS Holding (NQ) Co. XI Ltd.: 0.05%	Embassy Office Parks REIT : 100%

Notes
to the Condensed Consolidated Financial Statements

2. Significant accounting policies

2.1 Basis of preparation of condensed consolidated financial statements

The Condensed Consolidated Financial Statements of the Embassy Office Parks Group comprises the Consolidated Balance Sheet, the Statement of Net assets at fair value as at 30 September 2019, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Statement of Cash Flow, the Statement of Net Distributable Cash flows of the REIT and each of the underlying SPV's for the quarter and half year ended 30 September 2019, the Consolidated Statement of Changes in Unitholders' 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 2019. The Condensed Consolidated Financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 11 November 2019. The Condensed Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circular'); Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI Circular.

Embassy Office Parks Group has prepared condensed consolidated financial statements which comply with Ind AS applicable for period ending on 30 September 2019, 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 condensed consolidated financial statements, Embassy Office Parks Group's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS. Since no consolidated financial statements were prepared under the Companies (Accounts) Rules, 2014 (Previous GAAP), disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

The Condensed Consolidated Financial Statements are presented in Indian Rupees in million, except when otherwise indicated.

Statement of compliance to Ind-AS

These Condensed Consolidated Financial Statements for the quarter and half year ended 30 September 2019 are the financial statements of the Embassy Office Parks Group and have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS')), to the extent not inconsistent with SEBI Circular.

The Condensed Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except for the change in policy for recognition of leases under Ind AS 116 as referred in note 2.2(q). The financial statements of all the SPVs and the Trust used for the purpose of consolidation are drawn up to the same reporting date i.e. period ended on 30 September 2019.

Basis of Consolidation

(i) Subsidiaries

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

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

a) The Condensed Consolidated Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 – Consolidated Financial Statements, to the extent applicable.

b) Goodwill is recognised in the Condensed Consolidated Financial Statements at the excess of cost of investment over share of fair value of net assets acquired on the date of acquisition.

c) The financial statements of the Embassy Office Parks Group are consolidated on a line-by-line basis and intragroup balances and transactions for assets and liabilities, equity, income, expenses and cash flows between entities of the Embassy Office Parks Group are eliminated in full upon consolidation.

d) Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the equity attributable to shareholders of the Company. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

(ii) Interests in joint arrangements

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

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

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

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

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

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

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

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

During the year ended 31 March 2018, the statutory auditors of GLSP had modified their audit for non-compliance with Section 185 of the Companies Act, 2013 in respect of a loan aggregating ₹ 190.00 million provided by GLSP to a private company which had common directors. The loan was repaid during the year ended 31 March 2019 and the non-compliance was duly rectified.

Basis of Business Combination

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

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable

Notes
to the Condensed Consolidated Financial Statements

assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

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

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

2.2 Summary of significant accounting policies

a) Functional and presentation currency

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

b) Basis of measurement

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

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

c) Use of judgments and estimates

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

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

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

i) Business combinations and impairment of Goodwill

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

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Embassy Office Parks Group's cash-generating units that are expected to benefit from the combination. In performing such impairment assessments, management compared the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill had been allocated with their respective 'value in use' computed based on discounted cash flow method, to determine if any

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Notes
to the Condensed Consolidated Financial Statements

impairment loss should be recognized. The discounted cash flow method involves estimating future cash flows, growth rates and discount rates which require significant management judgement - Note 2.2 (j)

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

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

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

v) Judgements in preparing Condensed Consolidated Financial Statements– Note 2.1

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment during the quarter and half year ended 30 September 2019 is included in the following notes-

i) Determining fair value of Investment Properties- The fair value of investment properties is reviewed regularly by management with reference to independent property valuations and market conditions existing at half yearly basis. The independent valuers are independent appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Judgment is also applied in determining the extent and frequency of independent appraisals

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

iii) Valuation of financial instruments –Note 2.2 (m)

iv) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(u)(ii).

d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

Notes
to the Condensed Consolidated Financial Statements

e) Measurement of fair values

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

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

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

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

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

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

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

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

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

f) Investment properties

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

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

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

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

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

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

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

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

g) Property, plant and equipment and intangible assets

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

Intangible assets are recorded at their acquisition cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

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

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

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

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

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

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

Power purchase agreement is one of the essential contracts required for a small power generating company with limited production capacity and marketability. Since sales with the customer take the form of a contract,

Notes
to the Condensed Consolidated Financial Statements

the power purchase agreement meets the contractual criteria for recognition. This agreement provides ongoing and repeat business for the company and provides a platform for the company to reach profitability.

The initial useful life of the power purchase agreements is estimated to be 25 years based on the contract period.

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

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

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

Pro-rata depreciation is provided on all fixed assets purchased or sold during the year.

h) Non-current assets held for sale

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

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

i) Inventory

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

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

j) Impairment of non-financial assets

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

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

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination. Goodwill is tested for impairment on an annual basis and more often, if there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's CGU expected to benefit from the synergies arising from the business combination.

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

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

k) Foreign currency transactions

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

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

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

l) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Embassy Office Parks Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

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

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

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

m) Compound financial instruments

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

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

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

n) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

o) Embedded derivatives

When the Embassy Office Parks Group becomes a party to a hybrid contract with a

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host that is not an asset within the scope of Ind AS 109 Financial Instruments, it identifies whether there is an embedded derivative. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

p) Financial guarantee contracts

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

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

When guarantees in relation to 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.

q) Leases

Policy applicable with effect from 1 April 2019

Embassy Office Parks Group as a lessee

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

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

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

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

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

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

Embassy Office Parks Group as a lessor

i. Determining whether an arrangement contains a lease

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

ii. ***Assets held under leases***

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

iii. ***Initial direct costs***

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

Transition to Ind AS 116

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

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

Embassy Office Parks Group as a lessor

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

Embassy Office Parks Group as lessee

Ind AS 116 requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance lease under Ind AS 17.

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

On transition, the Embassy Office Parks Group recognised a lease liability measured at the present value of the remaining lease payments.

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

r) Revenue recognition

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

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

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

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

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

iv) **Revenue from contract with customers**

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

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

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

v) **Recognition of dividend and interest income**
Dividend income is recognised in profit and loss on the date on which the Embassy Office Parks Group's right to receive payment is established.

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

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

s) Employee benefits

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

Gratuity
A defined benefit plan is a post-employment benefit plan other than a defined contribution

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

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

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

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

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

t) Borrowing costs

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

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

u) Taxation

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

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

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset

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and settle the liability on a net basis or simultaneously.

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

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

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

- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Embassy Office Parks Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- Taxable temporary differences arising on initial recognition of goodwill.

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

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

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

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

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

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

v) Provisions and contingencies

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

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

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

w) Operating segments

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

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

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

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

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

Certain income (such as interest, dividend and other income) and certain expenses (such as Other expenses excluding Direct operating expenses, depreciation, amortization, impairment and finance cost) are not specifically allocable to segments and accordingly these expenses are adjusted against the total income of the Embassy Office Parks Group.

x) Errors and estimates

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

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

y) Cash and cash equivalents

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

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z) Cash distribution to unit holders

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

aa) Consolidated Statement of Cash flows

Consolidated 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 Group are segregated.

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

ab) Earnings per unit

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

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

ac) Earnings before finance costs, depreciation, amortisation and income tax

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

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

3 Property, plant and equipment

Reconciliation of carrying amounts for the half year ended September 30, 2019

Particulars	Land-freehold (refer note ii)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Gross block (cost or deemed cost)										
At April 1, 2018	-	-	-	-	-	-	-	-	-	-
Additions due to business combination*	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
Deletion	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	**6,087.66**	**7,057.90**	**7,137.51**	**485.32**	**448.83**	**17.26**	**11.51**	**11.62**	**37.89**	**21,295.50**
At April 1, 2019	**6,087.66**	**7,057.90**	**7,137.51**	**485.32**	**448.83**	**17.26**	**11.51**	**11.62**	**37.89**	**21,295.50**
Addition for the half-year ended	317.87	-	0.78	0.72	-	0.22	2.99	-	0.39	322.97
Deletion	-	-	-	0.06	-	-	-	0.84	-	0.90
At September 30, 2019	**6,405.53**	**7,057.90**	**7,138.29**	**485.98**	**448.83**	**17.48**	**14.50**	**10.78**	**38.28**	**21,617.57**
Accumulated depreciation										
At April 1, 2018	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	-	-	-	-	-	-	-	-	-	-
At April 1, 2019	-	-	-	-	-	-	-	-	-	-
Charge for the half-year ended	-	65.03	201.75	39.56	28.72	8.46	5.34	5.43	2.43	356.71
At September 30, 2019	**-**	**65.03**	**201.75**	**39.56**	**28.72**	**8.46**	**5.34**	**5.43**	**2.43**	**356.71**
Carrying amount (net)										
As at March 31, 2019	**6,087.66**	**7,057.90**	**7,137.51**	**485.32**	**448.83**	**17.26**	**11.51**	**11.62**	**37.89**	**21,295.50**
As at September 30, 2019	**6,405.53**	**6,992.87**	**6,936.54**	**446.42**	**420.11**	**9.02**	**9.16**	**5.35**	**35.85**	**21,260.86**

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

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

ii. The solar plant has been constructed on 465.77 acres of land, the title for 254.47 acres is registered in name of EEPL and balance 211.30 acres is in process of registration. The aggregate value for balance portion of land (211.30 acres) is ₹ 134.55 million and will be capitalised upon registration.

4 Capital work-in-progress

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
MPPL- Hotel (Front Parcel)	1,857.85	1,220.52	-
	1,857.85	**1,220.52**	**-**

(all amounts in ₹ million unless otherwise stated)

5 Investment property

Reconciliation of carrying amounts for the half year ended September 30, 2019

Particulars	Land-freehold	Land-leasehold (Refer notes)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Vehicle	Computer	Total
Gross block (cost or deemed cost)										
At April 1, 2018	-	-	-	-	-	-	-	-	-	-
Additions due to business combination*	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
Disposals										-
At March 31, 2019	**63,847.70**	**38,361.49**	**75,824.71**	**8,224.86**	**1,315.90**	**1,922.06**	**44.33**	**5.23**	**2.69**	**189,548.97**
At April 1, 2019	**63,847.70**	**38,361.49**	**75,824.71**	**8,224.86**	**1,315.90**	**1,922.06**	**44.33**	**5.23**	**2.69**	**189,548.97**
Additions	1,050.86	312.10	375.47	2.63	15.25	5.93	0.41	-	0.01	1,762.66
Disposals	-	-	-	(14.55)	(3.31)	(5.02)	-	-	(0.41)	(23.29)
Adjustments (refer note i and vi)	10,284.81	(10,446.41)	-	161.60	-	-	-	-	-	(0.00)
At September 30, 2019	**75,183.37**	**28,227.18**	**76,200.18**	**8,374.54**	**1,327.84**	**1,922.97**	**44.74**	**5.23**	**2.29**	**191,288.34**
Accumulated depreciation										
At April 1, 2018	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	-	-	-	-	-	-	-	-	-	-
Charge for the half-year ended	-	298.01	1,180.11	470.40	187.57	241.16	17.41	3.35	0.83	2,398.84
At September 30, 2019	**-**	**298.01**	**1,180.11**	**470.40**	**187.57**	**241.16**	**17.41**	**3.35**	**0.83**	**2,398.84**
Carrying amount (net)										
As at March 31, 2019	**63,847.70**	**38,361.49**	**75,824.71**	**8,224.86**	**1,315.90**	**1,922.06**	**44.33**	**5.23**	**2.69**	**189,548.97**
As at September 30, 2019	**75,183.37**	**28,227.18**	**75,020.07**	**7,904.14**	**1,140.27**	**1,681.81**	**27.33**	**1.88**	**1.46**	**188,889.50**

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

Notes

to the Condensed Consolidated Financial Statements

i **MPPL -** The Embassy Manyata SPV had entered into land lease agreement with Karnataka Industrial Area Development Board (KIADB) for a period of 10 years from the lease date. As per the lease agreement KIADB could sell the land to MPPL at any time during the tenure of the lease or on expiry of the lease period for an additional consideration, if any which had to be decided at the time of entering into sale agreement. Considering that the title to the said land was to be transferred to MPPL under the agreement, it had classified the land as a finance lease and no depreciation was charged on the same. During the year ended March 31, 2019, the said land has been converted into freehold land by executing a sale agreement. Further, during the half year ended September 30, 2019, cost of freehold of ₹ 161.60 million has been transferred to Karnataka Power Transmission Corporation Limited (KPTCL) along with the 220 KVA substation constructed at Embassy Manyata. Since these are enabling assets to the overall Park the cost of land has been transferred to plant & machinery and being depreciated over the useful life of the substation.

ii. **EOPPL:** The leasehold land for Embassy Techzone is taken from Maharashtra Industrial Development Corporation ('MIDC') on a lease for a period of 95 years. The lease expires in July 2100.

iii. **OBPPL:** The leasehold land for Embassy Oxygen is taken from New Okhla Industrial Development Authority ('NOIDA') on lease for a lease period of 90 years. The lease expires in September 2097.

iv. **ETPL:** The leasehold land for First International Financial Centre is taken from Mumbai Mahanagar Regional Development Authority ('MMRDA') on a lease for a period of 80 years. The lease expires in June 2088.

v. **GSPL:** The leasehold land for Embassy Galaxy is taken from NOIDA on a lease for a period of 90 years. The lease expires in June 2095.

vi. **IENMPL:** The leasehold land for Express Towers is taken from the Government of Maharashtra on a lease of 99 years (from 1963-64). The lease expires in August 2063. However, pursuant to recent Maharashtra State notification in March 2019, IENMPL made an application to the office of the Collector, Mumbai City, seeking conversion of the land on which the building known as "Express Towers" stands, from occupancy class II land that is leasehold land into occupancy class I land, that is, freehold land, by a letter dated April 1, 2019. Pursuant to various orders passed by the office of the Collector, IENMPL has made an aggregate payment of ₹ 909.46 million towards regularization and conversion of the land. Subsequently, the Collector, Mumbai pursuant to its order dated August 23, 2019, after regularising the usage of the said Property, approved the conversion of such land from occupancy class II and leasehold land into occupancy class I land that is freehold land, under the Maharashtra Land Revenue (Conversion of Occupancy Class II and Leasehold Lands into Occupancy Class I Lands) Rules, 2019. Out of the aforementioned ₹ 909.46 million, a sum of ₹ 756.41 has been capitalized as a part of land and the balance has been capitalized towards building.

vii. **QBPL:** The leasehold land for Embassy Quadron is taken from MIDC for a lease term of 95 years. As per the lease agreement the Company can renew the lease for a further period of 95 years. Further, the SPV entered into Business Transfer Agreement (BTA) with Embassy One Developer Pvt Ltd on 11 March 2019. through Business Transfer Agreement. QBPL has purchased assets and liabilities for Hotel Business and Commercial Business from Embassy One Developer Pvt Ltd . Refer note no 49.

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

ix. Investment property comprises of commercial buildings and other assets forming part of the buildings, that is leased to third parties. The license agreement entered into with tenants may or may not contain an initial non-cancellable period. Subsequent renewals of these license agreements are negotiated with the tenants and historically the average renewal period ranges between three and five years.

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

xi. The plant and machinery and furniture and fixtures are physically attached to the buildings and form an integral part thereof, hence they are considered as investment property.

xii. Additions to investment property and investment property under development include borrowing cost at a capitalisation rate which is the SPV specific "Weighted Average Borrowing Cost" (WABC).

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

6 Goodwill (refer note 2.1 b, note 49 and note 50)

As at September 30, 2019 and March 31, 2019

SPV	Consideration Transferred	Fair value of net assets	Goodwill
MPPL	48,790.52	37,774.36	11,016.16
EOPPL	62,768.25	50,854.97	11,913.28
EEPL	732.79	464.95	267.84
UPPL	2,841.67	2,151.80	689.87
ETPL	12,138.78	9,239.55	2,899.23
GSPL	4,662.50	2,700.39	1,962.11
IENMPL	13,210.97	7,139.40	6,071.57
OBPPL	12,308.89	5,779.40	6,529.49
QBPPL	5,595.08	3,998.26	1,596.82
QBPL	13,689.26	9,201.53	4,487.73
VCPPL	10,710.94	6,445.82	4,265.12
Total	**187,449.65**	**135,750.43**	**51,699.22**

7 Other intangible assets

Reconciliation of carrying amounts for the half year ended September 30, 2019

Particulars	Power Purchase Agreement*	Right to use trade name	Computer software	Total
Gross Block				
At 1April 2018	-	-	-	-
Additions due to business combination *	3,348.00	1,647.91	22.87	5,018.78
At March 31, 2019	**3,348.00**	**1,647.91**	**22.87**	**5,018.78**
At 1April 2019	**3,348.00**	**1,647.91**	**22.87**	**5,018.78**
Addition during the period	-	-	1.94	1.94
At September 30, 2019	**3,348.00**	**1,647.91**	**24.81**	**5,020.72**
Accumulated amortisation				
At April 1, 2019	-	-	-	-
Amortisation for the period	72.79	-	7.28	80.07
Adjustments	-		-	-
At September 30, 2019	**72.79**	**-**	**7.28**	**80.07**
Carrying amount (net)				
As at March 31, 2019	**3,348.00**	**1,647.91**	**22.87**	**5,018.78**
As at September 30, 2019	**3,275.21**	**1,647.91**	**17.53**	**4,940.65**

* refer note 50

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Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

8 Investment property under development (IPUD):

IPUD mainly comprises upcoming buildings in various properties. The details are as follows:

SPV	Nature	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Base build				
MPPL	Front Parcel NXT block	2,626.13	1,680.97	-
MPPL	Other blocks	82.44	-	-
OBPL	Tower 2	1,812.83	1,099.28	-
EOPPL	Hudson block	67.72	42.56	-
EOPPL	Ganges block	20.64	16.45	
Infrastructure Upgrades				
MPPL	Flyover	423.24	71.53	-
MPPL	Master plan upgrade	788.65	593.14	-
EOPPL	Master plan upgrade	233.60	101.39	-
VCPPL	Façade work	218.98	175.92	-
Others	Others	73.88	16.01	-
		6,348.11	**3,797.25**	**-**

9 Equity accounted investee

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Investment in joint venture			
Golflinks Software Park Private Limited - 10,000 (March 31, 2019 - 10,000) equity share of ₹ 10 each, fully paid up	24,001.03	23,574.23	-
	24,001.03	**23,574.23**	**-**
Goodwill on acquisition included as a part of carrying cost	10,449.36	10,449.36	-
Percentage ownership interest	50%	50%	-
Fair value of net assets on Purchase Price Allocation	27,457.57	26,247.74	-
Embassy Office Parks Group's share of net assets (50%)	13,728.78	13,123.87	-
Carrying amount of interest (including goodwill)	24,001.03	23,574.23	-

10 Non-current investments

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Trade, unquoted, at amortised cost			
Investment in preference shares			
Manyata Projects Private Limited 15,698,440 (March 31, 2019: 15,698,440) 0.01% optionally convertible redeemable preference shares of ₹ 10 each, fully paid-up	156.98	156.98	
Less: Impairment	(156.98)	(156.98)	
Non-trade investments measured at fair value through profit and loss			
Unquoted			
Investment in mutual funds **			
SBI Magnum Instacash Fund-Growth Option	-	313.96	-
IDFC Cash Fund - Growth Direct Plan	-	175.33	-
	-	**489.29**	**-**

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

Investments measured at amortised cost	-	-	-
Investments measured at fair value through profit or loss	-	489.29	-
Aggregate amount of impairment recognised	156.98	156.98	-

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to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

11 Current investments

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Trade, unquoted, at amortised cost			
Investment in debentures of joint venture (refer note 53) and (i) below	1,630.99	-	-
2,500 (March 31, 2019: Nil) 8.5% debentures of ₹ 1 million each (current portion).			
Non-trade investments measured at fair value through profit and loss			
Unquoted, Investment in mutual funds			
HDFC Liquid Fund - Growth Option	100.34	285.05	-
ICICI Prudential Liquid Fund - Growth Option	560.73	285.61	-
Aditya Birla Sunlife Liquid Fund - Growth Option	475.59	-	-
Franklin India Liquid Fund - Growth Option	59.63	-	-
SBI Liquid Fund Regular - Growth Option	-	722.39	-
SBI Liquid Fund Direct - Growth Option	5.17	-	-
SBI Magnum Instacash Fund - Growth Option	7.76	14.78	-
Axis Liquid Fund - Growth Option	2,057.91	-	-
Reliance Liquid Fund - Growth Option	0.10	-	-
SBI Magnum Insta Cash Fund - Growth Option	36.26	147.75	-
IDFC Cash Fund - Growth Option	2,274.69	-	-
	7,209.17	**1,455.58**	**-**

i) 2,500 (March 31, 2019 : Nil) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of ₹ 10,00,000 each. Outstanding as on September 30, 2019 ₹ 1,630.99 million (March 31, 2019:Nil).

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

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

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

Investment measured at amortised cost	1,630.99	-	-
Investment measured at fair value through profit or loss	5,578.19	1,455.58	-

Non-current financial assets

12 Loans

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Security deposits			
- others	592.08	583.63	-
	592.08	**583.63**	**-**

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

13 Other financial assets

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Fixed deposits with banks*	902.55	2,144.06	-
Unbilled revenue (refer note 53)	191.52	-	-
Interest accrued but not due			
- from fixed deposits	7.71	8.90	-
Receivable under finance lease	19.33	63.58	-
Other receivables	73.82	-	
	1,194.93	**2,216.54**	**-**

* Includes fixed deposits held as lien against loan availed and margin money for bank guarantee:	902.55	2,098.06	-

14 Non-current tax assets (net)

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Advance tax, net of provision for tax	1,550.71	1,418.90	-
	1,550.71	**1,418.90**	**-**

15 Other non-current assets

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Advance paid for co-development of a property, including development rights on land (refer note 53)	9,046.36	8,774.00	-
Other capital advances			
- related party (refer note 53)	463.68	340.32	-
- others	816.33	1,073.62	-
Balances with government authorities	210.46	237.68	-
Paid under protest to government authorities (refer note 48)	674.48	674.51	-
Prepayments	81.80	90.56	-
	11,293.11	**11,190.69**	**-**

Note: The amount includes fair value of advance paid (₹ 8,774 million) to Embassy Property Developments Private Limited ('EPDPL') under various composite agreements. As per the said composite agreements, MPPL shall pay an amount of ₹ 6,550 million to EPDPL as consideration for co-development of a bare shell building for MPPL (M3 block). Aforesaid ₹ 6,550 million is towards development consideration, one time lease premium, development fee and construction of bare shell building.

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

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Stock of consumables	11.14	5.42	-
	11.14	**5.42**	**-**

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to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

17 Trade receivables

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unsecured			
Considered good (refer note 53)	366.24	335.86	-
Credit impaired	42.45	42.58	-
Less: Allowances for impairment losses	(42.45)	(42.58)	-
	366.24	**335.86**	**-**

18 Loans

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Security deposits			
- related party (refer note 53)	165.36	953.64	-
- others	1.28	2.32	-
	166.64	**955.96**	**-**

19A Cash and cash equivalents

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Cash on hand	0.92	0.48	-
Balances with banks			
- in current accounts	1,036.19	3,449.14	-
- in escrow accounts*	81.33	45,580.11	-
- in deposit accounts with original maturity of less than three months	466.13	583.02	-
	1,584.57	**49,612.75**	**-**

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

19B Other bank balances

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Balances with banks			
- in fixed deposit accounts with original maturity greater than three months and maturity less than twelve months from the reporting date	860.79	1,455.99	-
	860.79	**1,455.99**	**-**
Deposit for availing letter of credit facilities	295.68	750.17	-
Deposit are lien marked towards the performance guarantee of EEPL towards Karnataka renewable energy development Limited (KREDL) and Karnataka Power Transmission Corporation Limited (KPTCL).	1.00	1.00	-

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

20 Other financial assets

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Interest accrued but not due			
- on fixed deposits	19.89	21.63	-
- on statutory deposits	29.48	31.97	-
- on others	13.44	2.03	-
Unbilled revenue (refer note 53)	361.94	192.33	-
Unbilled maintenance charges	99.67	71.54	-
Receivable under finance lease	37.29	73.94	-
Other receivables			-
- related parties (refer note 53)	237.77	225.22	-
- others	20.41	131.55	-
	819.89	**750.21**	**-**

21 Other current assets

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Advance for supply of goods and rendering of services			
- to others	28.22	22.08	-
Balances with government authorities	193.49	212.65	-
Prepayments (refer note 53)	353.20	85.66	-
Other advances	13.05	2.11	-
	587.96	**322.50**	**-**

22 Unit Capital

A. Unit Capital

	No in million	Amount
As at April 1, 2018	-	-
Units issued during the year		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	158.34	47,499.96
- in exchange for equity interest in SPVs (refer note iii below)	613.33	183,999.64
Less: Issue expenses (refer note below)	-	(2,460.34)
Closing balance as at March 31, 2019	**771.67**	**229,039.26**
As at April 1, 2018	**771.67**	**229,039.26**
Units issued during the year	-	-
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
Closing balance as at September 30, 2019	**771.67**	**229,120.96**

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital as at March 31, 2019 in accordance with Ind AS 32 - Financial Instruments: Presentation. Further, during the half year ended September 30, 2019, excess provision no longer payable, has been reversed amounting to ₹ 81.70 million.

Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

(a) Terms/rights attached to Units

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

Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to Unitholders not less than 90% of the net distributable cash flows of Embassy Office Parks REIT for each financial year. Accordingly, a portion of the Unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December2016andNo.CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the Unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 26 December 2016 dealing with the minimum disclosures for key financial statements. Consistent with Unitholders' funds being classified as equity, the distributions to Unitholders is presented in Statement of Changes in Unitholders' Equity and not as finance cost. In line with the above, the dividend payable to Unitholders is recognised as liability when the same is approved by the Investment Manager.

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

(iii) Embassy Office Parks REIT acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of ₹ 300 each as per the table below.

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

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(all amounts in ₹ million unless otherwise stated)

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

Name of the share holder	As at September 30, 2019		As at March 31, 2019	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Pvt Ltd.	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Ltd.	104,094,966	13.49%	104,094,966	13.49%
BRE Mauritius Investments	93,610,755	12.13%	93,610,755	12.13%
Veeranna Reddy	65,472,582	8.48%	65,472,582	8.48%
BRE/Mauritius Investments II	45,630,850	5.91%	45,630,850	5.91%
India Alternate Property Limited	39,446,986	5.11%	39,446,986	5.11%
	463,740,941	**60.10%**	**463,740,941**	**60.10%**

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

23 Other Equity*

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
(i) Reserves and Surplus			
Retained earnings	281.30	(94.47)	-
	281.30	**(94.47)**	**-**

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

Retained earnings

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

24 Borrowings*

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Secured			
Non-convertible debentures			
- Embassy REIT Series I NCD 2019 (refer note i)	30,879.89	-	-
Terms loans			
- from banks (refer note iii)	1,962.62	41,269.59	-
- from financial institutions	-	16,850.86	-
- vehicle loans	35.47	42.02	-
Overdraft facility (Asset backed loan)	-	3,514.31	-
Deferred payment liability (refer note ii)	6,252.10	6,354.83	-
Obligation under finance lease	-	1.68	-
	39,130.08	**68,033.29**	**-**

* Balances as at March 31, 2019 includes certain loans/ borrowings secured by way of assignment/ charge/ hypothecation/ mortgage of certain project receivables, underlying land, building and movable property, plant and equipment and investment property for certain SPVs. These loans have been settled during the half year ended September 30, 2019.

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(all amounts in ₹ million unless otherwise stated)

Notes:

(i) In May 2019, the Trust issued 30,000 (March 31, 2019: Nil) listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019, debentures having face value of ₹ 1 million each amounting to ₹ 30,000.00 million with a Internal Rate of Return (IRR) of 9.4% and will mature on June 2, 2022.

The NCD described above are listed on the Bombay Stock Exchange on May 3, 2019.

Security terms

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

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

2. A sole and exclusive first ranking pledge created by the REIT and EOPPL over their total shareholding in the SPV's namely Qubix, ETPL, VCPPL, Galaxy 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 at the end of 37 months from the date of allotment, i.e. June 2, 2022.

2. These debentures have a redemption premium of 9.4% IRR compounded annually.

3. In case of downgrading of credit rating , the IRR shall be increased 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 be restored/decreased 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 is being redeemed.

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

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

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019	Secured	-	-	June 2, 2022	June 2, 2022

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

Notes

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(all amounts in ₹ million unless otherwise stated)

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

Particulars	For the half year ended September 30, 2019
Asset cover ratio (refer a below)	13.10%
Debt -equity ratio (refer b below)	0.18
Debt-service coverage ratio (refer c below)	4.88
Interest-service coverage ratio (refer d below)	5.82
Net worth (refer e below)	229,402.26

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

a) Asset cover ratio* = Total borrowing/ Gross asset value as computed by independent valuers

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

c) Debt Service Coverage Ratio = Earnings before Finance cost and Tax/ (Finance cost (net of capitalisation and excluding interest on lease deposit) + Principal repayments made during the year)

d) Interest Service Coverage Ratio = Earnings before Finance cost and Tax/ Finance cost (net of capitalisation and excluding interest on lease deposit)

e) Net worth = Unit capital + Other equity

*Total borrowings = Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings

Unitholder's Equity = Unit Capital + Other equity

(ii) Deferred payment liability

EEPL SPV has entered into a deferred payment agreement with IL&FS Solar Power Limited for ₹ 6,853.90 million, for the purpose of financing the construction and development of a solar photovoltaic electricity generation facility with a minimum capacity of 100 MW AC.

The liability is repayable in 180 months equal instalments starting from April 2018 and to be settled by Feb 2033. The loan carries interest at an IRR of 12.72% with a fixed EMI.

(iii) HSBC Limited balance as at September 30, 2019: ₹ 1,996.62 million (March 31, 2019: ₹ Nil)

First ranking mortgage of undivided share of land and building thereon (L1) situated at Embassy Manyata.

First charge over the entire lease rental receivables from tenant pertaining to building (L1) situated at Embassy Manyata.

Reserve account to be maintained equal to three months repayment obligations with the lender.

₹ in million

Repayment and interest terms	As at September 30, 2019
Repayable in 36 monthly instalments. The loan carries interest of MCLR + 0.35%	**1,996.62**

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

25 Other financial liabilities

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Lease deposits (refer note 53)	3,064.17	2,734.68	-
Deposit from customers	83.10	-	
Lease liability (refer note 54)	303.69	-	-
Payable for purchase of fixed assets	58.28	46.36	-
	3,509.24	**2,781.04**	**-**

26 Deferred tax liabilities (net)

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Deferred tax liabilities (net)	40,999.92	41,424.39	-
	40,999.92	**41,424.39**	**-**

27 Provisions

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Provision for employee benefits			
- gratuity	4.36	3.01	-
- compensated absences	2.23	2.07	-
	6.59	**5.08**	**-**

28 Other non-current liabilities

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Deferred lease rental	550.49	611.63	-
Advances from customers	25.51	30.51	-
	576.00	**642.14**	**-**

29 Borrowings*

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Secured:			
Loans repayable on demand			
- construction loan from financial institution	-	2,344.63	-
Other short-term borrowings			
lease rental discounting loan from bank	-	826.46	-
	-	**3,171.09**	**-**

* Balances as at March 31, 2019 includes certain loans/ borrowings secured by way of assignment/ charge/ hypothecation/ mortgage of certain project receivables, underlying land, building and movable property, plant and equipment and investment property for certain SPVs. These loans have been settled during the half year ended September 30, 2019.

EMBASSY

Notes

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(all amounts in ₹ million unless otherwise stated)

30 Trade payables

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Trade payable			
- Total outstanding dues other than micro and small enterprises	152.42	408.16	-
- to related parties (refer note 53)	113.64	13.71	-
	266.06	**421.87**	**-**

31 Other financial liabilities

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Current maturities of long-term debt			
- from banks	2,001.73	5,335.61	-
- from financial institutions	34.00	1,930.45	-
- deferred payment liability	887.55	640.10	-
Security deposits			-
- related party (refer note 53)	185.00	185.00	-
Lease deposits	5,758.21	5,934.32	-
Capital creditors for purchase of fixed assets			-
- to related party (refer note 53)	2.19	50.94	-
- to others	641.51	451.15	-
- lease liability (refer note 54)	20.34	-	-
Deposits from customers	-	83.10	-
Other liabilities			-
- to related party (refer note 53)	141.10	186.87	-
- to others	815.24	5,981.13	-
	10,486.87	**20,778.67**	**-**

32 Provisions

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Provision for employee benefits			
- gratuity	-	1.73	-
- compensated absences	-	1.28	-
	-	**3.01**	**-**

33 Other current liabilities

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Unearned income	51.24	43.68	-
Advances received from customers	311.04	183.63	-
Statutory dues	180.38	212.86	-
Deferred lease rentals	310.38	268.68	-
	853.04	**708.84**	**-**

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(all amounts in ₹ million unless otherwise stated)

34 Current tax liabilities (net)

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Provision for income-tax, net of advance tax	4.39	33.58	-
	4.39	**33.58**	**-**

35 Revenue from operations

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Facility rentals	4,115.86	4,287.58	8,403.44	-	-	-
Income from finance lease	0.67	0.85	1.52	-	-	-
Room rentals	162.31	137.12	299.43	-	-	-
Revenue from contracts with customers						
Maintenance services	432.40	439.81	872.21	-	-	-
Sale of food and beverages	96.01	64.34	160.35	-	-	-
Income from generation of renewable energy	332.81	388.37	721.18	-	-	-
Other operating income						
- hospitality	47.50	21.41	68.92	-	-	-
- others	18.49	11.54	30.03	-	-	-
	5,206.04	**5,351.04**	**10,557.08**	**-**	**-**	**-**

36 Interest income

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
- on debentures (Refer note 53)	20.45	26.58	47.03	-	-	-
- on fixed deposits with bank	42.09	67.96	110.05	-	-	-
- on security deposits	14.16	30.69	44.85	-	-	-
- on other statutory deposits	5.49	5.37	10.86	-	-	-
- on Income-tax refund	4.81	13.50	18.31	-	-	-
- others	0.01	0.20	0.21	-	-	-
	87.00	**144.31**	**231.31**	**-**	**-**	**-**

37 Other income

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Net changes in fair value of financial assets	-	18.45	18.45	-	-	-
Liabilities no longer required written back	1.10	-	1.10	-	-	-
Profit on sale of mutual funds	75.76	10.76	86.52			
Miscellaneous	11.10	16.79	27.89	-	-	-
	87.96	**46.00**	**133.96**	**-**	**-**	**-**

(all amounts in ₹ million unless otherwise stated)

38 Cost of materials consumed

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Purchases	24.47	31.30	55.77	-	-	-
Add: Increase/(decrease) in inventory	5.20	(10.91)	(5.71)	-	-	-
	29.67	**20.39**	**50.06**	**-**	**-**	**-**

39 Employee benefits expense*

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Salaries and wages	63.65	72.98	136.63	-	-	-
Contribution to provident and other funds	4.61	5.45	10.06	-	-	-
Staff welfare	15.70	15.71	31.41	-	-	-
	83.96	**94.14**	**178.10**	**-**	**-**	**-**

* refers to employee benefits expense of the hospitality segment (also refer note 52)

40 Operating and maintenance expenses

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Power and fuel (net)	162.78	181.53	344.31	-	-	-
Operating consumables	5.58	5.27	10.85	-	-	-
	168.36	**186.80**	**355.16**	**-**	**-**	**-**

41 Other expenses

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Property tax (net)	160.96	162.79	323.75	-	-	-
Rates and taxes	7.08	7.95	15.03	-	-	-
Advertisement and business promotion	17.29	10.16	27.45	-	93.28	93.28
Assets and other balances written off	0.27	4.69	4.96	-	-	-
Allowances for credit loss	-	0.26	0.26	-	-	-
Bank charges	4.96	4.29	9.25	-	-	-
Brokerage and commission	6.15	5.78	11.93	-	-	-
Lease rent	9.24	9.25	18.49	-	-	-
Travel and conveyance	6.10	6.93	13.03	-	-	-
Corporate Social Responsibility (CSR) contribution	12.18	8.00	20.18	-	-	-
Miscellaneous expenses	76.12	47.93	124.05	-	-	-
	300.35	**268.03**	**568.38**	**-**	**93.28**	**93.28**

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to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

42 Repairs and Maintenance

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Repairs and maintenance						
- common area maintenance	193.71	172.40	366.11	-	-	-
- buildings	18.55	41.72	60.27	-	-	-
- machinery	67.69	64.88	132.57	-	-	-
- others	34.44	25.84	60.28	-	-	-
	314.39	**304.84**	**619.23**	**-**	**-**	**-**

43 Finance costs (net of capitalisation)#

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Interest expense						
- on borrowings from banks and financial institutions	6.42	190.03	196.45	-	-	-
- on deferred payment liability	211.02	212.46	423.48	-	-	-
- on lease deposits	97.57	87.15	184.72	-	-	-
- accrual of premium on redemption of debentures*	507.62	342.76	850.38	-	-	-
	822.64	**832.39**	**1,655.03**	**-**	**-**	**-**

* relates to accrual of premium on redemption of Embassy REIT Series I NCD 2019.
# Gross interest expense is ₹ 1,092.58 million and ₹ 2,143.24 million and interest capitalised is ₹ 269.95 million and ₹ 488.21 million for the quarter and half year ended September 30, 2019.

44 Depreciation and amortisation

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Depreciation of property, plant and equipment	201.61	155.10	356.71	-	-	-
Depreciation of investment property	1,215.92	1,182.92	2,398.84	-	-	-
Amortisation of intangible assets	26.79	53.28	80.07	-	-	-
	1,444.32	**1,391.30**	**2,835.62**	**-**	**-**	**-**

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(all amounts in ₹ million unless otherwise stated)

45 Tax expense#

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Current tax*	227.01	369.37	596.38	-	-	-
Deferred tax charge	(440.69)	158.07	(282.62)	-	-	-
Minimum Alternate Tax credit entitlement (MAT)	(84.90)	(207.69)	(292.59)	-	-	-
MAT written off	150.75	-	150.75	-	-	-
	(147.83)	**319.75**	**171.92**	**-**	**-**	**-**

* includes withholding tax of ₹ 22.83 million payable by SPV's on distribution to Embassy REIT Group for the quarter and half year ended September 30, 2019.

The Government of India has introduced the Taxation Laws (Amendment) Ordinance, 2019 ("Ordinance"), announcing key changes to corporate tax rates in the Income Tax Act, 1961, with effect from April 1, 2019. Existing Companies have been provided an option to pay income tax at a concessional rate of 22%, subject to conditions prescribed therein in the Ordinance. Further, the Minimum Alternate Tax rate has been reduced from 18.5% to 15% (excluding surcharge and cess). Management based on its internal assessment has decided to opt for concessional income tax rate for certain of its SPV's. Accordingly, the current tax/ Minimum alternate tax as well as deferred tax charge/ credit for the quarter and half year ended September 30, 2019 has been computed at such revised rates. Further, as clarified by Central Board of Direct Taxes, Minimum Alternate Tax credit balance for such SPVs amounting to ₹ 150.75 million has been charged to the consolidated statement of Profit and Loss for the quarter and half year ended September 30, 2019.

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

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

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Profit after tax for calculating basic and diluted EPU	2,322.39	2,220.37	4,542.76	-	(94.47)	(94.47)
Weighted average number of Units (No. in million)	771.67	771.67	771.67	-	18.10	18.10
Earnings Per Unit						
- Basic (Rupees/unit)	3.01	2.88	5.89	-	(5.22)	(5.22)
- Diluted (Rupees/ unit)*	3.01	2.88	5.89	-	(5.22)	(5.22)

* The Trust does not have any dilutive outstanding units

Notes

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(all amounts in ₹ million unless otherwise stated)

47 Management Fees

Property Management Fee

Pursuant to the Investment Management Agreement dated 12 June 2017 as amended, Investment Manager is entitled to fees @ 3% of the Facility Rentals per annum of the relevant property in respect to operations, maintenance, administration and management of the Holdco or the SPV, as applicable. The fees has been determined to meet the ongoing costs of the Investment Manager to undertake the services provided to the Embassy REIT and its SPVs. Property Management fees for the quarter and half year ended September 30, 2019 amounts to ₹ 114.60 million and ₹ 233.54 million (March 31, 2019: ₹ Nil). There are no changes during the period in the methodology for computation of fees paid to Investment Manager.

REIT Management Fees

Pursuant to the Investment Management Agreement dated 12 June 2017 as amended, Investment Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the REIT and its investments. REIT Management fees accrued for the quarter and half year ended September 30, 2019 amounts to ₹ 61.45 million and ₹ 103.45 million (March 31, 2019: ₹ Nil). There are no changes during the period in the methodology for computation of fees paid to Investment Manager.

Secondment fees

Pursuant to the Secondment Agreement dated 11 March 2019, Investment Manager is entitled to fees of Rupees One Lakh (₹ 1,00,000) per month in respect certain employees of Investment Manager being deployed to the Embassy office Parks REIT in connection with the operation and management of the assets of the Embassy REIT. Secondment Fees for the quarter and half year ended September 30, 2019 amounts to ₹ 0.35 million and ₹ 0.71 million (March 31, 2019 - ₹ Nil). There are no changes during the period in the methodology for computation of fees paid to Investment Manager.

48 Commitments and contingencies

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (Refer note i)	4,758.13	5,369.00	-
Contingent liabilities			
Claims not acknowledged as debt in respect of Income Tax matters (Refer note ii)	483.08	390.03	-
Claims not acknowledged as debt in respect of Service Tax matters (Refer note iii)	706.65	598.90	-
Claims not acknowledged as debt in respect of Property Tax matters (Refer note iv)	3,212.76	3,212.76	-
Others (Refer notes v and vi)			

Notes:

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

SPV	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
MPPL	3,692.87	3,859.26	-
OBPPL	438.42	893.77	-
EOPPL	448.48	424.23	-
Others	178.36	191.74	-
	4,758.13	**5,369.00**	**-**

(all amounts in ₹ million unless otherwise stated)

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

SPV	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
MPPL	26.13	0.28	-
EOPPL	172.28	172.28	-
QBPL	171.90	145.57	-
QBPPL	3.76	3.76	-
OBPPL	69.83	-	-
IENMPL	39.18	68.14	-
	483.08	**390.03**	**-**

MPPL: (a) MPPL has received assessment orders for AY 2008-09 to 2015-16 for disallowance under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing income under the Income tax Act. The SPV has received demand orders to pay a sum of ₹ 25.85 million. Appeal has been filed before CIT(A) . As at September 30, 2019 the appeal is pending for hearing. Accordingly the SPV has disclosed ₹ 25.85 million (March 31, 2019 : Nil) as contingent liability. (b) SPV has received assessment orders for AY 2009-10 for disallowance under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing income under the Income tax Act. The SPV has received outstanding demand orders to pay a sum of ₹ 0.28 million. As at September 30, 2019 the appeal against order of ITAT is pending for hearing before Hon'ble High Court of Karnataka. Accordingly the SPV has disclosed ₹ 0.28 million (March 31, 2019 : ₹ 0.28 million) as contingent liability.

EOPPL: During the year ended March 31, 2019, the SPV received a demand of ₹ 172.28 million pertaining to AY 2016-17 towards disallowance u/s 14 A. The SPV has filed an appeal against such order at the CIT (A) and has paid ₹ 14.06 million under protest. Accordingly the SPV has disclosed ₹ 172.28 million (March 31, 2019 : ₹ 172.28 million) as contingent liability.

QBPL (a): The SPV had received a demand notice of ₹ 71.71 million for AY 2010-11, which mainly comprised of disallowance of the deduction under section 80IAB for certain incomes as claimed by the SPV. The SPV contested this demand and had filed appeal before CIT(A). A part of said tax demand amounting to ₹ 54.00 million was adjusted against the refund for AY 2012-13. The CIT(A) has passed necessary order upholding the stand of the Assessing Officer. The SPV thereafter filed an appeal with the Income-tax Appellate Tribunal ['ITAT'] against the said order of CIT(A). During the year, the ITAT has disposed the appeal in favor of the SPV. Income tax Department has moved to Hon'ble High Court of Bombay against ITAT order. Accordingly, the SPV has disclosed the above net demand of ₹ 71.71 million (March 31, 2019: ₹ 71.00 million) as a contingent liability.

(b): The SPV had received a penalty order of ₹ 5.89 million for AY 2014-15 wherein the assessing officer had disallowed the loan processing fees. The SPV contested this penalty and filed an appeal with CIT(A) against the said order contesting that the SPV is eligible for deduction under section 80-IAB and such disallowance does not have any impact on total income as the SPV is paying income tax under section 115-JB of Income Tax Act. Accordingly, the SPV has disclosed the above demand of ₹ 5.89 million (March 31, 2019: ₹ 5.89 million) as a contingent liability.

QBPL: (c): The SPV had received an assessment order for AY 2013-14 wherein the assessing officer has raised a demand of ₹ 94.30 million , which was mainly on account of loan processing fee disallowed and income treated as income from house property, as against the head 'profits and gains from business or profession'. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. During the previous year, the CIT(A) has been disposed the appeal in favor of the SPV. Department has filed an appeal with ITAT. Accordingly the

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SPV has disclosed ₹ 94.30 million (March 31, 2019: Nil) as a contingent liability.

QBPPL: The SPV had received a penalty order of ₹ 3.76 million for AY 2014-15 wherein the assessing officer had disallowed certain expenditure under section 14A and made some adjustments to tax credits claimed and expensed claimed. The SPV has contested this penalty and filed an appeal with CIT(A) against the said order. Accordingly, the SPV has disclosed the above demand of ₹ 3.76 million (March 31, 2019: ₹ 3.76 million) as a contingent liability.

OBPPL: The SPV had received a tax demand notice of ₹ 69.83 million for Assessment Year 2011-12 wherein the Assessing Officer had disallowed the profit earned by the SPV on transfer of the land at a value which was in excess of its fair value and claimed as deduction under Section 80IAB. The SPV has contested this demand and has filed an appeal with the CIT(A) against the said order. The SPV has received an order whereby the case proceeding has been dismissed in favor of the SPV. Department has filed an appeal with ITAT against the order of CIT(A). Accordingly, the SPV has disclosed the above demand of ₹ 69.83 million (March 31, 2019: Nil) as a contingent liability.

IENMPL: The SPV has received income tax demands of ₹ 2.98 million for AY 2010-11 wherein the assessing officer had included incorrect addition on account of cash deposits. The SPV has received orders u/s 271(1)(c) of Income-tax Act, 1961 with regards to penalty on disallowance of asset management fees resulting into a tax demand of ₹ 12.14 million for AY 2011-12 and ₹ 14.07 million for AY 2012-13. The SPV has also received order u/s 143(3) with respect to disallowance of asset management fees and Section 14A disallowances resulting into a tax demand of ₹ 9.25 million for AY 2014-15 and disallowance of land revenue tax resulting in a tax demand of ₹ 0.74 million for the AY 2013-14. Accordingly the SPV has filed appeals against these assessment orders which are pending at CIT (A) and ITAT and these are disclosed as contingent liabilities.

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

SPV	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
MPPL	573.90	522.04	-
ETPL	40.26	12.30	-
GSPL	25.01	1.02	-
VCPPL	40.66	40.66	-
UPPL	26.82	22.88	-
	706.65	**598.90**	**-**

MPPL: (a) The SPV had received a demand order dated 23 December 2015 to pay a sum of ₹ 522.04 million (including interest and penalty) from the Commissioner of Central Excise Bangalore-V Commissionerate towards wrongly/irregularly availed Cenvat credit during the period April 1, 2006 to March 31, 2012. Appeal has been filed before CESTAT dated 18 April 2016. As at September 30, 2019 the appeal is still pending before CESTAT and the amount of ₹ 522.04 million is disclosed as contingent liability. (b) The SPV had received an order dated 26 May 2011 from Assistant Commissioner of Commercial Taxes for disallowing the refund of ₹ 51.86 million towards wrongly/irregularly availed VAT credit during the period April 1, 2009 to March 31, 2010. Appeal was filed before KAT which allowed the refund in part. The SPV approached Hon'ble High Court which quashed the order passed by KAT and granted full refund. The State of Karnataka has filled an appeal in the Supreme Court against the High Court order. Accordingly a sum of ₹ 51.86 million has been disclosed as contingent liability.

ETPL: (a) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata in respect of non registration and non payment of service tax under the category of 'Builder's Special Services' and not 'Construction of

Immovable Property' service with regard to installation of parking equipment which is taxable as a service leading to ineligibility of abatement ₹ 10.01 million, irregular availment of credit of ₹ 6.87 million and non-payment of service tax ₹ 0.96 million (along with penalty of equal amounts). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of ₹ 1.33 million to stay the recovery of the balance amount. The same has been paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the aforementioned demand and penalty amount of ₹ 35.66 million (March 31, 2019: ₹ 10.00 million) has been disclosed as a contingent liability.

(b) The Company has received an Order from Joint Commissioner, Service Tax - I, Kolkata demanding ₹ 2.30 million in respect of denial of credit on construction of building and various other activities which has been utilized against output service of 'Renting of Immovable Property' service for the period 2013-14 (along with penalty of equal amount). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of ₹ 0.2 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the previous years the SPV has received favorable order and the said demand was annulled, however the Assistant Commissioner (T&R) has filed an appeal against the Order to Central Excise and Service Tax Appellate Tribunal. Accordingly the SPV has disclosed demand and penalty amount of ₹ 4.60 million (March 31, 2019: ₹ 2.30 million) as contingent liability.

GSPL: (a) The SPV had received an Order-in-Original passed by the Deputy Commissioner, Service Tax, Division - III, Noida, demanding ₹ 1.02 million in respect of denial of CENVAT credit utilised on the basis of photocopy of invoices for the AY 2014-15. Against the aforesaid Order, the SPV has filed an appeal before the Commissioner (Appeals) - Customs, Excise & Service Tax (CESTAT) which directed the SPV to deposit ₹ 0.08 million and stayed the recovery of the balance amount. However the SPV has paid the aforesaid demand of ₹ 1.02 million in full under protest and such appeal is currently pending for disposal. Accordingly the aforementioned demand of ₹ 1.02 million (March 31, 2019: ₹ 1.02 million) is disclosed as contingent liability. (b) The SPV had received an order to pay service tax of ₹ 11.99 million on notional interest accrued on interest-free security deposits. The order was contested. The SPV had received a favorable order from the Allahabad CESTAT against which the Department has preferred an appeal with the High Court. Accordingly an amount (including penalty) of ₹ 23.99 million (March 31, 2019: Nil) has been disclosed as contingent liability.

VCPPL: The SPV has received a show cause cum demand notice issued by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Mumbai for FY 2012-13 and 2014-15 demanding ₹ 29.91 million in respect of inclusion of notional interest accrued on security deposit in the taxable value and penalty of ₹ 10.75 million. Against the aforesaid Order, the SPV has filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal. Currently this appeal is pending for disposal, the SPV has paid a pre-deposit charge of ₹ 2.01 million. Accordingly the said demand of ₹ 40.66 million (March 31, 2019: ₹ 40.66 million) has been disclosed as contingent liability.

UPPL: (a) The SPV had received show cause notices dated 3 July 2015 for demand on irregular cenvat credit availed for ₹ 23.04 million relating to period from April 1, 2011 to March 31, 2016. Responses have been filed in August 2017 and is pending before the Commissioner of Service Tax. Accordingly the aforementioned demand of ₹ 23.04 million (March 31, 2019: ₹ 22.88 million) is disclosed as contingent liability. (b) The SPV had received show cause notices dated 9 April 2019 for demand of ₹ 3.78 million relating to period from April 1, 2014 to June 30, 2017 with respect to payment of salary and bonus to certain employees of the SPV which has not been considered as Management fees. Responses have been filed and is pending before the Deputy Commissioner of Service Tax. Accordingly the aforementioned demand of ₹ 3.78 million (March 31, 2019: Nil) is disclosed as contingent liability.

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

SPV	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
MPPL	3,212.76	3,212.76	-
	3,212.76	**3,212.76**	**-**

MPPL:(a) The SPV has received a demand order dated 5 October 2015 to pay a sum of ₹ 2,739.49 million (including interest and penalty) towards the difference in property tax payable by the SPV, which difference arose on account of classification of the property under different schedules for the purpose of computing property taxes, for the period 2008-09 to 2015-16. The SPV is contesting that the concerned property being an industrial estate that has been developed as special economic zone must be classified as category XIV as per the notification issued under Karnataka Municipal Corporation Act, 1976 ('the Act') and Bruhat Bengaluru Mahanagar Palike Property Tax Rules, 2009 ('Rules'). Whereas, the Assistant Revenue Officer has been considering the concerned property under category VIII as per the notification issued under the Act and Rules. The SPV filed a writ petition against the demand order which has been dismissed by the Hon'ble High Court of Karnataka. The said court upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of writ petition, MPPL has filed an appeal before the aforementioned court and the same has been admitted by the court on 27 June 2016. The Hon'ble High Court restrained BBMP from taking any coercive action against the SPV and also directed BBMP to allow the SPV to make payment of property tax for the assessment year 2016-17. The matter is currently pending and as of the date of these financial statements, no further developments have taken place. Management has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability. The SPV paid ₹ 646.69 million (March 31, 2019: ₹ 646.69 million) under protest against the above demand. (b) The SPV has also received a demand order dated 9 Oct 2017 to pay a sum of ₹ 760.07 million (including interest and penalty) towards the differential property tax based on the total survey report for certain blocks. An appeal has been filed before the Joint Commissioner, BBMP, Bytarayanapura, Bangalore objecting the total survey report and property tax assessment notice arising therefrom. The same is pending for disposal. Management has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability. MPPL has paid ₹ 286.80 million against the above demand in the previous year. Hence, a net contingent liability of ₹ 473.27 million (March 31, 2019: ₹ 473.27 million) has been disclosed.

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

(a) GLSP (50% equity accounted investee - joint venture) Income Tax matters : (a) GLSP has received a Tribunal order for AY 2007-08 to 2013-14 upholding the taxability of interest income basis information in the Annual Information Return (for AY 2007-08 only), upholding the disallowance on interest paid towards loans allegedly used for on-lending to certain parties and remanding the issue of disallowance on interest paid towards such loans . There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all years put together is ₹ 907.40 million. GLSP has filed an appeal before the Hon'ble High Court of Karnataka on these matters. Management has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability. (b) GLSP has received a Tribunal order for AY 2005-06 to 2007-08, remanding back the case to CIT(A) with respect to the issue of disallowance on interest paid towards loans allegedly used for on-lending to certain parties. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all years put together is ₹ 15.40 million. (c) GLSP has received a CIT(A) order for AY 2014 -15, with respect to the issue of disallowance on interest paid towards loans allegedly used for on-lending to certain parties. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all years put together is ₹ 252.04 million. GLSP has filed an appeal before the ITAT on these matters.

(b) GLSP (50% equity accounted investee - joint venture) Service Tax matters : (a) GLSP has received demand orders dated 14 August 2011 and 11 December 2011 to pay a sum of ₹ 111.86 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period April 1, 2009 to March 31, 2011. Appeal has been filed before CESTAT. As at September 30, 2019 the appeal is pending before CESTAT for hearing. (b) GLSP has received demand orders dated 31 August 2010 to pay a sum of ₹ 90.49 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period June 2007 to March 2009. Appeal was filed before CESTAT and favorable order was received. Commissioner of Service Tax has filed an appeal before Hon'ble High Court of Karnataka and their application is pending for acceptance.

vi) Other matters

(a) VCPPL (Forfeiture of security deposit matters): Equant Technologies Services (India) Private Limited ("Equant') had filed a summary suit bearing No. 388 of 2012 with the Hon'ble Bombay High Court alleging that the SPV incorrectly terminated the letter of intent dated July 18, 2008 executed between the SPV and Equant for renting premises in Embassy 247 Park pursuant to which Equant paid to the SPV a security deposit of ₹ 40.32 million, which was withheld by the SPV on account of breach of agreed terms of the said letter of intent. The matter is currently under adjudication.

(b) EEPL - SPV has received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on 28 February 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent company of IL&FS Solar Power Limited ('ISPL'), which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorized as operational debts) aggregating up to ₹ 1,008.10 million are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the subcontractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated 1 March 2019, refuted all such claims inter alia on the basis that the payments are due from ISPL (and/ or its parent entity) to the sub-contractor and not from EEPL, and therefore the sub-contractor has no claim against EEPL. By its letters dated 18 March 2019, the subcontractor has responded to the letter from EEPL, denying all statements made by EEPL and reiterating that the unpaid amounts are due from EEPL, without prejudice to any action, including criminal, that may be taken under law including the IBC against EEPL, IEDCL, ISPL and certain representatives of these entities. The matter is currently pending resolution. Management based on this internal assessment on this matter has disclosed the same as a contingent liability.

EEPL : The Karnataka Electricity Regulatory Commission, Bengaluru (KERC) has issued orders in 2005, 2008 and 2014 granting exemption to all solar power generators in Karnataka that achieved commercial operation date between April 1, 2013 and March 31, 2018 from paying certain charges such

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as payment of wheeling and banking charges, cross subsidy surcharges, transmission losses and wheeling losses for a period of ten years from the date of commissioning. KERC has issued an order dated 14 May 2018 withdrawing the aforementioned exemption available to Karnataka's power generators, including EEPL.

The SPV commissioned the solar plant during the FY 2017-2018 and as per the old Regulation, the charges did not apply to the SPV for a period of 10 years. The SPV filed a writ petition with the Hon'ble High Court of Karnataka challenging the KERC Order and obtained an interim Stay Order dated 24 May 2018. BESCOM filed preliminary statement of objections and also filed application seeking recalling of interim order. The application seeking recalling of interim order has been rejected. The Hon'ble High Court has passed the judgment on 13 March 2019, thereby allowing the Writ Petition and has quashed the order dated 14 May 2018 passed by KERC. The SPV has filed the Caveat Petition for receiving notifications in case any suit / appeal is filed by any of the parties to the said petition. KERC has filed a common writ appeal against the order dated 13 March 2019. However, EEPL has not been made a party to the said appeal. In the event an adverse order is passed in the said appeal, EEPL may also be affected.

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

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

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49 Business Transfer Agreement (BTA) between QBPL and EODPL

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

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

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

50 Business Combination

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

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

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

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Note:

i Purchase consideration amounting to ₹ 71,078.44 million is towards issue of 209,227,490 units at ₹ 300 each. Further, an amount of ₹ 8,310.19 million is paid by SPV before the date of acquisition by Embassy Office Parks REIT, towards equity investment in MPPL of ₹ 8,309.11 million, in EEPL of ₹ 1 million and in GLSP of ₹ 0.08 million.

ii During the year ended March 31, 2019, QBPL had entered into Business Transfer Agreement (BTA) with EODPL on 11 March 2019 and completed the purchase of the assets and liabilities for Hospitality segment and Commercial offices segment from EODPL as per the BTA. QBPL borrowed ₹ 4,681.78 million from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired (₹ 3,279.74 million) and purchase consideration (₹ 4,681.93 million) amounting to ₹ 1,402.19 million has been recognised as goodwill as at March 31, 2019. This transaction is not a part of the goodwill on consolidation as shown in the table above

iii Purchase consideration includes assumption of liability of ₹ 3,450 million towards one of the erstwhile shareholders of the SPV. The liability has been settled in cash on 2 April 2019

Measurement of fair values

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

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

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Goodwill is attributable due to the acquisition price being dependent on the overall property valuation assuming a discounted cash flow method computed using future cashflows and other relevant assumptions as compared with the individual assets recorded at their fair values computed basis comparable approach or depreciated replacement cost basis. The acquisition was done on 22 March 2019 and thus is not assessed for impairment. Impairment assessment of goodwill will be done by the management annually for the year ending March 31, 2020.

51 Financial instruments - Fair values and risk measurement

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

Particulars	Carrying value September 30, 2019	Fair Value September 30, 2019	Carrying value March 31, 2019	Fair Value March 31, 2019
Financial assets				
Amortised cost				
Loans	758.72	-	1,539.59	-
Trade receivables	366.24	-	335.86	-
Cash and cash equivalents	1,584.57	-	49,612.75	-
Other bank balances	860.79	-	1,455.99	-
Other financial assets	2,014.82	-	2,966.75	-
Investments in debentures	1,630.99	-	-	-
Fair value through profit and loss				
Investments in mutual funds	5,578.18	5,578.18	1,944.87	1,944.87
Total assets	**12,794.31**	**5,578.18**	**57,855.82**	**1,944.87**
Financial liabilities				
Amortised cost				
Borrowings (including current maturities of long-term debt)	41,131.81	-	76,539.99	-
Lease deposits	8,822.38	-	8,669.01	-
Trade payables	266.06	-	421.87	-
Other financial liabilities	3,172.01	-	9,555.09	-
Total liabilities	**53,392.26**	**-**	**95,185.96**	**-**

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

B. Measurement of fair values

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

a) recognised and measured at fair value

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

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

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

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

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	September 30, 2019	5,578.18	5,578.18	-	-
Investment in mutual funds	March 31, 2019	1,944.87	1,944.87	-	-

Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the year ended March 31, 2019 and half year ended September 30, 2019.

Determination of fair values

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

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

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

52 Operating segment

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

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

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

a) **Commercial Offices segment:**

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

b) **Hospitality segment:**

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

c) **Other segment:**

NOI for other segments is defined as Revenue from operations (which includes income from generation of renewable energy) less direct operating expenses (which includes (i) Operating and maintenance expenses and (ii) Other expenses). Certain income (such as interest, dividend and other income) and certain expenses (such as Other expenses excluding Direct operating expenses, depreciation, amortization, impairment and finance cost) are not specifically allocable to segments and accordingly these expenses are adjusted against the total income of the Embassy Office Parks Group.

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to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

Particulars	Commercial Offices*				Hospitality*				Other Segment*				Total			
	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the year ended March 31, 2019	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the year ended March 31, 2019	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the year ended March 31, 2019	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the year ended March 31, 2019
Revenue from operations	4,562.47	4,738.22	9,300.69	-	310.76	224.45	535.21	-	332.81	388.37	721.18	-	5,206.04	5,351.04	10,557.08	-
Identifiable operating expenses	(534.77)	(553.32)	(1,088.09)	-	(257.81)	(238.45)	(496.26)	-	(29.67)	(30.89)	(60.56)	-	(822.25)	(822.66)	(1,644.90)	-
Net Operating Income (segment results for the period/ year)	**4,027.70**	**4,184.90**	**8,212.60**	**-**	**52.95**	**(14.00)**	**38.95**	**-**	**303.14**	**357.48**	**660.62**	**-**	**4,383.79**	**4,528.38**	**8,912.17**	**-**
Other operating expenses													(364.84)	(349.57)	(714.42)	(94.47)
Interest, dividend and other income													174.96	190.31	365.27	-
Earnings before finance costs, depreciation, amortisation and income tax excluding share of profit of equity accounted investees													**4,193.91**	**4,369.12**	**8,563.03**	**(94.47)**
Share of profit after tax of equity accounted investees													247.61	394.69	642.30	-
Depreciation and amortisation expenses													(1,444.32)	(1,391.30)	(2,835.62)	-
Finance costs													(822.64)	(832.39)	(1,655.03)	-
Profit/(loss) before income tax													**2,174.56**	**2,540.12**	**4,714.68**	**(94.47)**
Tax expense													147.83	(319.75)	(171.92)	-
Other Comprehensive Income													-	-	-	-
Total comprehensive income/(loss) for the period/year													**2,322.39**	**2,220.37**	**4,542.76**	**(94.47)**

* Above mentioned segment details for the half year ended March 31, 2019 and the half year ended September 30, 2018 are not provided since the amounts for these periods are Nil.

An analysis of SPV wise Segment Revenues and Segment Results is given below *

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

For the quarter ended September 30, 2019

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENMPL	Total
Segment Revenue:													
Commercial Office Segment	-	2,175.79	281.51	-	-	222.23	240.30	334.11	226.30	363.45	364.96	353.82	4,562.47
Hospitality Segment	-	-	-	244.60	-	-	-	-	-	66.16	-	-	310.76
Others	-	-	-	-	332.81	-	-	-	-	-	-	-	332.81
Total	**-**	**2,175.79**	**281.51**	**244.60**	**332.81**	**222.23**	**240.30**	**334.11**	**226.30**	**429.61**	**364.96**	**353.82**	**5,206.04**
Net Operating Income (segment results)													
Commercial Office Segment	-	2,042.98	260.13	-	-	161.66	219.13	236.92	189.96	290.27	315.08	311.57	4,027.70
Hospitality Segment	-	-	-	108.15	-	-	-	-	-	(55.20)	-	-	52.95
Others	-	-	-	-	303.14	-	-	-	-	-	-	-	303.14
Total	**-**	**2,042.98**	**260.13**	**108.15**	**303.14**	**161.66**	**219.13**	**236.92**	**189.96**	**235.07**	**315.08**	**311.57**	**4,383.79**

For the quarter ended June 30, 2019

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENMPL	Total
Segment Revenue:													
Commercial Office Segment	-	2,131.86	507.06	-	-	226.24	170.72	355.37	228.65	374.74	355.41	388.17	4,738.22
Hospitality Segment	-	-	-	205.80	-	-	-	-	-	18.65	-	-	224.45
Others	-	-	-		388.37	-	-	-	-	-	-	-	388.37
Total	**-**	**2,131.86**	**507.06**	**205.80**	**388.37**	**226.24**	**170.72**	**355.37**	**228.65**	**393.39**	**355.41**	**388.17**	**5,351.04**
Net Operating Income (segment results)													
Commercial Office Segment	-	1,974.74	466.96	-	-	169.88	148.96	271.85	192.55	297.33	308.20	354.43	4,184.90
Hospitality Segment	-	-	-	69.99	-	-	-	-	-	(83.99)	-	-	(14.00)
Others	-	-	-	-	357.48	-	-	-	-	-	-	-	357.48
Total	**-**	**1,974.74**	**466.96**	**69.99**	**357.48**	**169.88**	**148.96**	**271.85**	**192.55**	**213.34**	**308.20**	**354.43**	**4,528.38**

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

For the half year ended September 30, 2019

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENMPL	Total
Segment Revenue:													
Commercial Office Segment	-	4,307.65	788.57	-	-	448.47	411.02	689.48	454.95	738.19	720.37	741.99	9,300.69
Hospitality Segment	-	-	-	450.40	-	-	-	-	-	84.81	-	-	535.21
Others	-	-	-	-	721.18	-	-	-	-	-	-	-	721.18
Total	**-**	**4,307.65**	**788.57**	**450.40**	**721.18**	**448.47**	**411.02**	**689.48**	**454.95**	**823.00**	**720.37**	**741.99**	**10,557.08**
Net Operating Income (segment results)													
Commercial Office Segment	-	4,017.72	727.09	-	-	331.54	368.09	508.77	382.51	587.60	623.28	666.00	8,212.60
Hospitality Segment	-	-	-	178.14	-	-	-	-	-	(139.19)	-	-	38.95
Others	-	-	-	-	660.62	-	-	-	-	-	-	-	660.62
Total	**-**	**4,017.72**	**727.09**	**178.14**	**660.62**	**331.54**	**368.09**	**508.77**	**382.51**	**448.41**	**623.28**	**666.00**	**8,912.17**

For the year ended March 31, 2019

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENMPL	Total
Segment Revenue:													
Commercial Office Segment	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospitality Segment	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Operating Income (segment results)	-												
Commercial Office Segment	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospitality	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

* Above mentioned segment details for the half year ended March 31, 2019 and the quarter and half year ended September 30, 2018 are not provided since the amounts for these periods are Nil

(all amounts in ₹ million unless otherwise stated)

53 Related party disclosures

I. List of related parties

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities
Embassy Property Developments Private Limited - Co-Sponsor
Embassy Property Developments Private Limited
Embassy One Developers Private Limited
D M Estates Private Limited
Embassy Services Private Limited
Golflinks Properties Private Limited

BRE/ Mauritius Investments - Co-Sponsor

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

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

Directors
Jitendra Virwani (w.e.f 30 March 2017)
Tuhin Parikh (w.e.f 16 June 2015)
Vivek Mehra (w.e.f 9 June 2017)
Ranjan Ramdas Pai (w.e.f 9 June 2017)
Anuj Puri (w.e.f 6 August 2018)
Punita Kumar Sinha (w.e.f 6 August 2018)
Robert Christopher Heady (w.e.f 6 August 2018)
Aditya Virwani (w.e.f 6 August 2018)
Asheesh Mohta - Director (w.e.f: 28 June 2019, alternate to Robert Christopher Heady)

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

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

B. Joint Venture

Golflink Software Parks Private Limited

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

Vikas Telecom Private Limited
Dynasty Properties Private Limited
Snap Offices Private Limited (formerly known as Stylus Commercial Services Private Limited)
Udhyaman Investments Private Limited
Synergy Property Development Services Private Limited
Embassy Industrial Parks Private Limited
Golflinks Embassy Management Services LLP
Golflinks Park Management Services LLP
Wework India Management Private Limited
Embassy Shelters Private Limited
Manyata Builders Private Limited
Manyata Projects Private Limited
FIFC Condominium
Reddy Veeranna Constructions Private Limited
Embassy Construction Private Limited
K J George
Mac Charles (India) Limited

II. Related party transactions

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Property Management fees						
Embassy Office Park Management Services Private Limited	114.60	118.94	233.54	-	-	-
REIT Management fees						
Embassy Office Park Management Services Private Limited	61.45	42.00	103.45	-	-	-
Common area maintenance						
Embassy Services Private Limited	169.04	134.68	303.72	-	-	-
Embassy One Developers Private Limited	10.24	-	10.24	-	-	-
Golflinks Embassy Management Services LLP	6.03	6.03	12.06	-	-	-
FIFC Condominium	16.85	16.60	33.45	-	-	-
Business consultancy services (capitalised)						
Embassy Property Developments Private Limited	42.74	30.75	73.49	-	-	-
Recovery of Maintenance charges						
Wework India Management Private Limited	3.97	5.07	9.04	-	-	-

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Reimbursement of Electricity Charges						
Wework India Management Private Limited	2.19	2.33	4.52	-	-	-
Income from generation of renewable energy from the tenants of						
Vikas Telecom Private Limited	73.81	106.88	180.69	-	-	-
Embassy Property Developments Private Limited	32.60	22.07	54.67	-	-	-
Dynasty Properties Private Limited	12.25	9.79	22.04	-	-	-
Golflinks Software Park Private Limited	48.73	56.21	104.94	-	-	-
Security Deposit given/ (repaid) to/(by) related party						
Embassy Property Developments Private Limited	(165.36)	(660.79)	(826.15)	-	-	-
FIFC Condominium	(2.52)	-	(2.52)	-	-	-
Capital advances paid*						
Embassy Property Developments Private Limited	272.36	-	272.36	-	-	-
Reddy Veeranna Constructions Private Limited	6.50	-	6.50	-	-	-
Rental income						
Wework India Management Private Limited	21.59	21.59	43.18	-	-	-
Snap Offices Private Limited	9.20	9.21	18.41	-	-	-
Interest income						
Golflinks Software Park Private Limited	20.44	25.05	45.49	-	-	-
Embassy Services Private Limited	3.63	-	3.63	-	-	-
Reddy Veeranna Construction Private Limited	-	1.53	1.53	-	-	-
Project management consultancy fees (capitalised)						
Synergy Property Development Services Private limited	17.27	40.82	58.09	-	-	-

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Amount paid for civil works (capitalised)						
Synergy Property Development Services Private limited	89.00	450.28	539.28	-	-	-
Power and fuel expenses						
Embassy Services Private Limited	19.79	43.66	63.45	-	-	-
Legal and professional charges						
Embassy Services Private Limited	1.19	3.00	4.19	-	-	-
Security charges						
Embassy Services Private Limited	3.30	1.00	4.30	-	-	-
Trademark and license fees						
Embassy Shelters Private Limited	0.36	0.35	0.71	-	-	-
Revenue - Room rentals, sale of food and beverages						
Jitendra Virwani	0.12	-	0.12	-	-	-
Embassy Construction Private Limited	0.03	-	0.03	-	-	-
Embassy Industrial Parks Private Limited	0.01	0.06	0.07	-	-	-
Embassy Property Developments Private Limited	0.92	1.12	2.04	-	-	-
Embassy Services Private Limited	0.06	-	0.06	-	-	-
Embassy Office Park Management Services Private Limited	0.79	-	0.79	-	-	-
Vikas Telecom Private Limited	0.16	-	0.16	-	-	-
Investment in debentures						
Golflinks Software Parks Private Limited	-	2,500.00	2,500.00	-	-	-
Redemption of investment in debentures						
Golflinks Software Parks Private Limited	439.10	429.91	869.01	-	-	-
Secondment fees						
Embassy Office Parks Management Services Private Limited	0.36	0.35	0.71	-	-	-
Trustee fee expenses						
Axis Trustee Services Limited	0.74	0.74	1.48	-	-	-
Reimbursement of expenses						
Embassy One Developers Private Limited	-	-	-	-	9.54	9.54

EMBASSY

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
Embassy Services Private Limited	19.33	-	19.33	-	-	-
Embassy Office Parks Management Services Private Limited	47.70	-	47.70	-	157.50	157.50
Miscellaneous expenses						
Mac Charles (India) Limited	0.48	-	0.48	-	-	-
Initial receipt from Co-sponsor - received / (repaid)						
Embassy Property Development Private Limited	-	(0.50)	(0.50)	-	0.50	0.50
Issue of Unit capital (in exchange of the Investment in equity shares of SPVs)						
Embassy Property Development Private Limited	-	-	-	-	34,645.44	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	-	-	-	31,228.49	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	-	-	-	20.24	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	-	-	-	135.39	135.39
BRE/ Mauritius Investments	-	-	-	-	28,083.23	28,083.23
India Alternate Property Limited	-	-	-	-	11,834.10	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	-	-	-	7,770.49	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	-	-	-	1,941.58	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	-	-	-	38.24	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	-	-	-	10.66	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	-	-	-	8,548.39	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	-	-	-	2,130.08	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	-	-	-	20.36	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	-	-	-	12.10	12.10
BRE/Mauritius Investments II	-	-	-	-	13,689.26	13,689.26
BREP NTPL Holding (NQ) Pte. Limited.	-	-	-	-	4,454.94	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	-	-	-	1,112.97	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	-	-	-	21.13	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	-	-	-	6.04	6.04

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

Particulars	For the quarter ended September 30, 2019	For the quarter ended June 30, 2019	For the half year ended September 30, 2019	For the quarter and half year ended September 30, 2018	For the half year ended March 31, 2019	For the year ended March 31, 2019
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	-	-	-	9,798.86	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	-	-	-	2,448.42	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	-	-	-	48.25	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	-	-	-	13.36	13.36
BREP GML Holding (NQ) Pte. Limited.	-	-	-	-	3,712.50	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	-	-	-	927.45	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	-	-	-	17.54	17.54
BREP VII SBS GML Holding (NQ) Limited	-	-	-	-	5.01	5.01
Margin money kept on behalf of Trust						
Embassy Office Parks Management Services Private Limited	-	-	-	-	20.00	20.00

III. Related party balances

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Short-term loans			
Embassy Property Developments Private Limited	165.36	953.64	-
Trade payables			
Embassy Services Private Limited	52.12	-	-
Embassy Office Parks Management Service Private Limited	47.81	13.71	-
Mac Charles (India) Limited	0.48	-	-
Synergy Property Development Services Private Limited	0.44	-	-
FIFC Condominium	12.79	-	-
Unbilled revenue			
Vikas Telecom Private Limited	24.60	-	-
Embassy Property Developments Private Limited	11.48	-	-
Dynasty Properties Private Limited	3.96	-	-
Golflinks Software Parks Private Limited	17.96	-	-
Embassy Services Private Limited	68.07	-	-
Other current financial assets - other receivables from related party			
Embassy Office Parks Management Service Private Limited	4.51	-	-
Embassy Property Developments Private Limited	225.22	225.22	-
Manyata Builders Private Limited	5.52	-	-
FIFC Condominium	2.52	-	-

EMBASSY

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

Particulars	As at September 30, 2019	As at March 31, 2019	As at April 1, 2018
Other current financial liabilities			
Embassy Property Developments Private Limited	-	19.33	-
Embassy One Developers Private Limited	8.98	9.54	-
Embassy Shelters Private Limited	0.71	-	-
Embassy Services Private Limited	76.48	-	-
Embassy Office Parks Management Services Private Limited	54.28	158.00	-
FIFC Condominium	0.65	-	-
Current liabilities - payable for purchase of fixed assets			
Embassy Property Developments Private Limited	-	20.94	-
Reddy Veeranna Constructions Private Limited	-	30.00	-
Synergy Property Development Services Private limited	2.19	-	-
Other non-current assets - capital advance			
Embassy Shelters Private Limited	340.33	340.32	-
Reddy Veeranna Constructions Private Limited	6.50	-	-
Synergy Property Development Services Private limited	116.85	-	-
Other non-current assets - advance paid for purchase of development rights on a land and purchase of land			
Embassy Property Developments Private Limited *	9,046.36	8,774.00	-
Trade receivables			
Jitendra Virwani	0.37	0.39	-
K J George	8.12	8.12	-
Embassy Property Developments Private Limited	12.64	2.00	-
Vikas Telecom Private Limited	32.02	-	-
Embassy Services Private Limited	9.67	-	-
Wework India Management Private Limited	-	0.05	-
Golflinks Software Parks Private Limited	1.00	-	-
Embassy Office Parks Management Services Private Limited	0.02	-	-
Embassy Construction Private Limited	0.03	-	-
Embassy Industrial Parks Private Limited	0.03	-	-
Lease deposits			
Wework India Management Private Limited	7.20	7.20	-
Snap Offices Private Limited	0.48	-	-
Investment in Debentures			
Golflinks Software Parks Private Limited	1,630.99	-	-
Pre-paid expenses			
Axis Trustee Services Limited	1.48	-	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Private Limited	20.00	20.00	-
Corporate guarantee/ letter of undertaking received for loan taken			
Embassy Property Developments Private Limited	-	2,300.00	-
Initial refundable receipt from co-sponsor			
Embassy Property Developments Private Limited	-	0.50	-
Other current financial liabilities - Security deposit			
Vikas Telecom Private Limited	105.00	105.00	-
Golflinks Software Parks Private Limited	80.00	80.00	-

Notes
to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

MPPL and Embassy Property Developments Private Limited ('EPDPL') have entered into a co-development agreement whereby EPDPL shall develop bare shell building to be handed over to MPPL by December 2019 for a consideration of ₹ 6,550 million to EPDPL (including development consideration, one-time premium, cost of bare shell construction and development fee), of which ₹ 5,912.36 million has already been paid as of September 30, 2019. EPDPL is entitled to pay a compensation for any delay in delivery beyond December 2019. MPPL has also appointed EPDPL as the development manager, to convert the bare shell buildings to warm shell and obtain the occupancy certificate for the buildings by December 8, 2019. The estimated balance cost of the development is ₹ 1,706 million, payment of which is linked to construction milestones. The carrying cost in the consolidated financial statements of the above advance of ₹ 9,046.36 million as at September 30, 2019 includes one time fair valuation gain on purchase price allocation on acquisition by the REIT (refer note 50).

54 Transition to Ind AS 116

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

On transition, the Embassy Office Parks Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability measured on the transition date. Accordingly, a right-of-use asset of ₹ 312.13 million and a corresponding lease liability of ₹ 312.13 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.

Group as a lessor

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

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

	Balance as on transition date (April 1, 2019)	Depreciation for the period	Carrying amount as at September 30, 2019
Leasehold land	312.13	1.97	310.16
Total	**312.13**	**1.97**	**310.16**

Impact of application of Ind AS 116:

	Quarter ended September 30, 2019	Half year ended September 30, 2019
Increase in Depreciation	(0.98)	(1.97)
Increase in Interest on lease liabilities	(7.81)	(15.61)
Decrease in Rental expenses	0.84	10.18
Impact on Profit before tax	(7.95)	(7.40)

(all amounts in ₹ million unless otherwise stated)

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto March 31, 2019	Unutilised amount as at March 31, 2019	Actual utilisation upto September 30, 2019	Unutilised amount as at September 30, 2019
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of the Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes including issue expenses	5,718.07	-	5,718.07	5,718.07	-
Total	**47,500.00**	**4,681.93**	**42,818.07**	**47,500.00**	**-**

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto September 30, 2019	Unutilised amount as at September 30, 2019
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	29,150.00	29,150.00	-
General purposes including issue expenses	850.00	850.00	-
Total	**30,000.00**	**30,000.00**	**-**

57 Distributions

The Board of Directors of the Manager has declared a distribution per unit of ₹ 6 to the Unitholders of the REIT for the second quarter 1 July 2019 to September 30, 2019 in their Board meeting held on November 11, 2019. The distributions of ₹ 6 per unit comprises ₹ 2.7 per unit in the form of interest payment, ₹ 0.14 per unit in the form of dividend and the balance ₹ 3.16 per unit in the form of amortization of SPV debt. Along with distribution of ₹ 5.40 per unit for the quarter ended June 30, 2019 the cumulative distribution for half year ended September 30, 2019 aggregates to ₹ 11.40 per unit.

58 The Condensed Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards 34 "Interim Financial Reporting" read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), to the extent not inconsistent with SEBI Circular. Accordingly, Embassy Office Parks Group has prepared condensed consolidated financial statements which comply with Ind AS applicable for half year ended on September 30, 2019, 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 condensed consolidated financial statements, Embassy Office Parks Group's opening balance sheet was prepared as at April 1, 2018, which is the date of transition to Ind AS. Further, the accompanying Condensed Consolidated Financial Statements for the half year ended September 30, 2019 may require adjustment before constituting the final consolidated Ind AS financial statements as of and for the year ending March 31, 2020.

Notes
to the Condensed Consolidated Financial Statements

59 The REIT acquired the SPVs by issuing units to the erstwhile shareholders of the SPVs on March 22, 2019. The results of the SPVs have been consolidated accordingly and hence the numbers are not comparable. Further, the consolidated figures for the corresponding quarter and half year ended September 30, 2018 and comparative half year ended March 31, 2019, as reported in these Condensed Consolidated Financial Statements have been compiled by the management and approved by the Board of Directors to give a true and fair view of the results in accordance with Ind AS. This information has not been subject to any limited review or audit. The condensed consolidated financial statements of the Embassy Office Parks Group for the year ended March 31, 2019 have been audited by a firm of chartered accountants other than S R Batliboi & Associates LLP.

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: November 11, 2019

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: November 11, 2019

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: November 11, 2019

SUMMARY VALUATION REPORT

Embassy Office Parks Management Services Private Limited in its capacity as manager of The Embassy Office Parks REIT

EMBASSY MANYATA, BENGALURU
EXPRESS TOWERS, MUMBAI
EMBASSY 247, MUMBAI
FIRST INTERNATIONAL FINANCE CENTRE (FIFC), MUMBAI
EMBASSY TECHZONE, PUNE
EMBASSY QUADRON, PUNE
EMBASSY QUBIX, PUNE
EMBASSY OXYGEN, NOIDA
EMBASSY GALAXY, NOIDA
EMBASSY GOLFLINKS, BENGALURU
EMBASSY ONE, BENGALURU
HILTON AT EMBASSY GOLFLNKS, BENGALURU
EMBASSY ENERGY, BELLARY DISTRICT, KARNATAKA

DATE OF VALUATION: SEPTEMBER 30, 2019
DATE OF REPORT: NOVEMBER 4, 2019

Value Assessment Service

CBRE

Valuer under SEBI (REIT) Regulations, 2014

iVAS

1 Instruction

iVAS Partners has been instructed by **Embassy Office Parks Management Services Private Limited** (the '**Client**', the **'Instructing Party')** in its capacity as **manager of The Embassy Office Parks REIT** to advice upon the Market Value (MV) of properties comprising of commercial office real estate assets located across Bengaluru, Pune, Mumbai and Noida as well as affiliated facilities including a solar park, retail spaces and hotels (together herein referred as subject properties across the report).

CBRE has been instructed by the Client to be the 'Value Assessment Service Provider' for providing market intelligence to the 'Valuer' (Mr. Manish Gupta, iVAS Partners - SEBI Approved Valuer) and forecasting cash flows from the respective assets. The Valuer has utilized the market intelligence provided by CBRE and independently reviewed the cash flows to arrive at the Market Value of the respective assets as per the REIT regulations 2014. iVAS Partners and CBRE are collectively referred to as the Consultants for the purpose of this report.

The details of the subject properties under the purview of this valuation exercise are tabulated below:

Development Name	Location
Embassy Manyata	Bengaluru
Express Towers	Mumbai
Embassy 247	Mumbai
First International Finance Centre	Mumbai
Embassy Techzone	Pune
Embassy Quadron	Pune
Embassy Qubix	Pune
Embassy Oxygen	Noida
Embassy Galaxy	Noida
Embassy Golflinks	Bengaluru
Embassy One	Bengaluru
Hilton at Embassy Golflinks	Bengaluru
Embassy Energy	Bellary District, Karnataka

1.1 Purpose

The Valuer understands that the valuation is required by the Client for financial and investor reporting purposes.

1.2 Reliant Party

Reliant parties to this report shall mean Embassy Office Parks Management Services Private Limited (EOPMSPL), the Embassy Office Parks REIT ("Embassy REIT") and their Unit Holders and Axis Trustee Services Limited (the Trustee for the Embassy REIT) for the purpose (of the valuation) as highlighted in this report. The auditors would be extended reliance by the 'Consultants' but would extend no liability to the auditors.

The valuation will be prepared strictly and only for the use of the Reliant Party and for the Purpose specifically stated. The instructing party would make all reliant parties aware of the terms and conditions of this agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

1.3 Limitation of Liability

- The 'Consultants' provide the Services exercising due care and skill, but the 'Consultants' do not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the properties. Further, the 'Consultants' shall not accept liability for any errors, misstatements, omissions in the Report caused due to false, misleading or incomplete information or documentation provided to the 'Consultants' by the Instructing Party.

- CBRE extends liability to Manish Gupta (viz. the Valuer under SEBI REIT Regulations 2014) and the Valuer's Client (viz. the Reliant Party) for the market intelligence provided by CBRE. CBRE extends liability to the Reliant Party for the relevant scope for which it is engaged together with the preceding clause. CBRE's maximum aggregate liability for claims arising out of or in connection with market intelligence it provides under this contract shall not exceed the professional indemnity insurance obtained by it. As on the date of this letter the professional indemnity insurance maintained by CBRE is for Indian Rupees 56 Million.

- In the event that any of the Sponsor, Manager, Trustee, EOP REIT in connection with the report be subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Valuation Report, the Claim Parties will be entitled to require the 'Consultants' to be a necessary party/ respondent to such claim and the 'Consultants' shall not object to their inclusion as a necessary party/ respondent. If the 'Consultants' do not co-operate to be named as a necessary party/ respondent to such claims or co-operate in providing adequate/ successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the 'Consultants' in this regard and the Consultants' liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.

- The Consultants will neither be responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls etc.

1.4 Capability of Valuer and Value Assessment Service Provider

<u>Valuer under SEBI (REIT) Regulations, 2014: Mr. Manish Gupta, Partner: iVAS Partners</u>

Mr. Manish Gupta, Partner: iVAS Partners, is a SEBI Approved Valuer (Valuer Registration Number: IBBI/RV/02/2019/11505) and has over 11 years of experience in real estate industry with nearly 9 years of experience in providing real estate consulting and valuation services to a wide spectrum of Clients including financial institutions, private equity funds, developers, NBFCs, corporate houses and landowners.

<u>Value Assessment Service Provider: CBRE South Asia Pvt. Ltd.</u>

CBRE Advisory Services India is an integral part of CBRE Global Valuation & Advisory Services team. The Global VAS team comprises of over 1,500 professionals across approximately 280 offices globally and India Advisory Services team comprises of more than 280 professionals.

CBRE Advisory Services India have completed over 80,000 valuation and advisory assignments across varied asset classes spread across 20 states and 300+ cities. CBRE provides quality valuation, risk advisory and consulting services across a range of property types including residential, hospitality, retail, commercial, institutional, Special Economic Zone (SEZ), industrial, etc. CBRE derives global best practices while maintaining the complexities of Indian real estate markets and are ideally positioned to help solve any valuation related real estate challenge, ranging from single asset valuations to valuation of multi-market and multi-property portfolios.

Our dedicated and experienced professionals provide quality services from 9 offices across India (Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Gurgaon, Hyderabad, Pune and Ahmedabad). Our professionals have a varied qualification base such as Royal Institute of Chartered Surveyors (RICS) or IOV, IIV certified valuation professional, master planner, architect, MBA, CA, CFA, etc. and this entire multi-faceted experience helps us in achieving our commitment to provide the highest level of professional expertise to our clients.

CBRE Advisory Services India team has substantial experience with several institutional clients including financial institutions, real estate funds, private equity funds, developers, corporates, banks, NBFCs, etc.

1.5 Disclosures

The Consultants hereby certify that:

- Mr. Manish Gupta, Partner: iVAS Partners, Valuer Registration Number: IBBI/RV/02/2019/11505 (hereinafter referred to as the valuer), is eligible to be appointed as a valuer in terms of Regulation 2(1)(zz) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
- Neither CBRE nor iVAS Partners are an associate of the instructing party
- The Valuer has a minimum of five years of experience in the valuation of real estate
- The Valuer has not been involved with the acquisition or disposal within the last twelve months of any of the properties valued under this summary valuation report in the last twelve months
- The Valuer has adequate and robust internal controls to ensure the integrity of the valuation reports
- The Valuer has sufficient key personnel with adequate experience and qualification to perform services related to property valuation at all times
- The Valuer has sufficient financial resources to enable them to conduct their business effectively and meet their liabilities
- The Valuer has acquainted itself with all laws or regulations relevant to such valuation
- The valuation of assets undertaken is impartial, true and fair and in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
- The Valuer and any of its employees/ consultants involved in valuation of the REIT assets are not invested in units of the REIT or in the assets being valued till the time such person is designated as valuer of such REIT and not less than 6 months after ceasing to be valuer of the REIT
- The Valuer has conducted the valuation of the REIT assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise professional judgement
- The Valuer has acted with independence, objectivity and impartiality in performing the valuation
- The Valuer has discharged its duties towards the EOP REIT in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete the said assignment
- The Valuer shall not accept remuneration, in any form, for performing a valuation of the REIT assets from any person other than the EOP REIT or its authorised representatives.
- The Valuer shall before accepting any assignment from any related party to the EOP REIT, shall disclose to the EOP REIT, any direct or indirect consideration which the valuer may have in respect of such assignment
- The Valuer shall disclose to the trustee of the EOP REIT, any pending business transactions, contracts under negotiation and other arrangements with the Instructing Party or any other party whom the EOP REIT is contracting with and any other factors which may interfere with the Valuer's ability to give an independent and professional valuation of the property
- The Valuer shall not make false, misleading or exaggerated claims in order to secure assignments
- The Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information
- The Valuer shall not accept an assignment that includes reporting of the outcome based on predetermined opinions and conclusions required by the EOP REIT
- The valuation undertaken by the Valuer abides by international valuation standards and valuation standards as may be specified by the Institute of Chartered Accountants of India for valuation of real estate assets. Provided that in case of any conflict, standard specified by the Institute of Chartered Accountants of India shall prevail

- The Valuer notes that there are encumbrances, however, no options or pre-emptions rights in relation to the assets based on the title report prepared by King & Partridge, Shardul Amarchand Mangaldas & Co, Cyril Amarchand Mangaldas, Little & Company, Jayashree Sridhar and Law Shield (hereinafter collectively referred to as 'Legal Counsels')

1.6 Assumptions, Disclaimers, Limitations & Qualifications to Valuation

Valuation Subject to Change:	• The subject valuation exercise is based on prevailing market dynamics as on the date of valuation and does not take into account any unforeseeable developments which could impact the same in the future
Our Investigations:	• The Consultants are not engaged to carry out all possible investigations in relation to the subject properties. Where in our report the Consultants identify certain limitations to our investigations, this is to enable the reliant party to instruct further investigations where considered appropriate or where the Consultants recommend as necessary prior to reliance. The Consultants are not liable for any loss occasioned by a decision not to conduct further investigations
Assumptions:	• Assumptions are a necessary part of undertaking valuations. The Valuer adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The reliant parties accept that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation
Information Supplied by Others:	• The valuations are based on the information provided by the Instructing Party (Embassy Office Parks Management Services Private Limited). The same has been assumed to be correct and has been used for valuation exercise. Where it is stated in the report that another party has supplied information to the 'Consultants', this information is believed to be reliable but the 'Consultants' can accept no responsibility if this should prove not to be so
Future Matters:	• To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to the 'Consultants' at the date of this document. The 'Consultants' do not warrant that such statements are accurate or correct
Map and Plans:	• Any sketch, plan or map in this report is included to assist reader while visualizing the properties and assume no responsibility in connection with such matters
Site Details:	• Based on title due-diligence information provided by the Client, the Valuer understands that the subject properties are free from any encroachments and are available as on the date of the valuation
Property Title:	• For the purpose of this valuation exercise, the Valuer has relied on the Title Reports prepared by the Legal Counsels for each of the properties and has made no further enquiries with the relevant local authorities in this regard. The Valuer understands that the subject properties may have encumbrances, disputes and claims. The Valuer does not have the expertise or the preview to verify the veracity or quantify these encumbrances, disputes or claims. For the purpose of this valuation, the Valuer has assumed that the respective assets have title deeds that are clear and marketable.
Environmental Conditions:	• The Valuer have assumed that the subject properties are not contaminated and are not adversely affected by any existing or proposed environmental law and any processes which are carried out on the properties are regulated by environmental legislation and are properly licensed by the appropriate authorities
Town Planning:	• The current zoning of the subject properties has been adopted on the basis of review of various documents (title deeds) provided by the Instructing Party and the current land use maps for the subject region. The same has been considered for the purpose of this valuation exercise. Further, it has been assumed that the development on the subject properties adheres/ would adhere to the development regulations as prescribed by the relevant authorities. The Valuer has not made any enquiries with the relevant development authorities to validate the legality of the same.

Area:	•	The total leasable area considered for the purpose of this valuation exercise is based on the rent rolls/ Architect certificate provided by the Instructing Party. It must be noted that the above information has been provided by the Client and has been verified based on the approvals/ layout plans/building plans provided by the Client. However, the Valuer has not undertaken additional verification and physical measurement for the purpose of this valuation exercise
Condition & Repair:	•	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present which might adversely affect the current or future occupation, development or value of the property; the property is free from rot, infestation, structural or latent defect; no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts
Not a Structural Survey:	•	The Valuer state that this is a valuation report and not a structural survey
Legal:	•	Unless specifically disclosed in the report, the Valuer have not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the subject property.
Others:	•	Considering the unorganized nature of real estate markets in India, all comparable evidence (if any) provided in the valuation report has been limited to the basic details such as the area of asset, rate at which transacted, broad location, etc. other specific details would be provided only if the information is available in public domain
Other Assumptions:	•	Please note that all the factual information such as tenants' leasable area, lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the subject properties is based on the appropriate relevant documents provided by the Client and the same has been adopted for the purpose of this valuation exercise. While we have reviewed a few lease deeds on a sample basis, the Consultants do not take any responsibility towards authenticity of the rent rolls provided by the Client. Any change in the above information will have an impact on the assessed value and in that case the Valuer will have to relook at the assessed value. The relevant information sources are represented in section 2.5
	•	All measurements, areas and ages quoted in our report are approximate
	•	We are not advisors with respect to legal tax and regulatory matters for the transaction. No investigation of the respective Special Purpose Vehicles (SPVs) holding the assets' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility is assumed for matters of a legal nature
	•	Kindly note that we have undertaken a quarterly assessment of cash flows for the purpose of the valuations

2 Valuation Approach & Methodology

2.1 Scope of Valuation

The valuation exercise is aimed at the assessment of the Market Value (MV) of the subject property. In considering the value of the property, the Valuer have considered the guidelines laid out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS).

2.2 Basis of Valuation

The valuations have been conducted in accordance with the RICS Valuation – Global Standards 2017 (Red Book Incorporating the IVSC International Valuation Standards issued in June 2017, effective from 1 July 2017). The valuation exercise has been undertaken by appropriately qualified Valuers and would be aimed at assessing the Market Value of subject properties.

As per the Valuation and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS) the market value is defined as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

2.3 Approach and Methodology

The purpose of this valuation exercise is to estimate the Market Value (MV) of the subject properties. Market Value is derived through the following Methodologies:

2.3.1 Direct Comparison Approach

In **'Direct Comparison Approach'**, the subject property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). The comparable evidence gathered during research is adjusted for premiums and discounts based on property specific attributes to reflect the underlying value of the property.

2.3.2 Income Approach

The income approach is based on the premise that value of an income - producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of the income approach in real estate valuation namely, direct capitalization and discounted cash flow (DCF).

A. Direct Capitalization Method

Direct capitalization involves capitalizing a 'normalized' single - year net income estimated by an appropriate yield. This approach is best utilized with stable revenue producing assets, whereby there is little volatility in the net annual income.

B. Discounted Cash Flow Method

Using this valuation method, future cash flows from the property are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income associated with the property. These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate. A variation of the Discounted Cash Flow Method is illustrated below:

B.1. Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants – typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, the Valuer has considered the impact of such sub/ above market leases on the valuation of the subject property.

2.4 Approach and Methodology Adopted

A large number of leases at the subject properties were executed at rentals prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, tenants looking at spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rentals may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or sub markets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved, the value of the office component in the subject properties has been assessed through the Discounted Cash Flow Method using Rental Reversion and the value of the Solar Park and hotel component at the respective properties have been valued using Discounted Cash Flow Method. Further, the following steps have been adopted as part of the valuation for the respective subject properties (assets).

Asset-specific Review:

1. As the first step to the valuation of the asset, the rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, top 10 tenants have been reviewed from their lease terms perspective. For anchor tenants, discounts on marginal rent or additional lease-up timeframe have been adopted upon lease reversion.

2. Title documents and architect certificates were reviewed for validation of area details, ownership of the asset

Micro-market Review:

1. A detailed assessment of the site and surroundings has been undertaken with respect to the prevalent activities, change in dynamics impacting the values and the optimal use of the respective properties vis-à-vis their surrounding sub-market, etc. Further, a primary and secondary research exercise has been carried out in the catchment areas for the respective assets to ascertain the transaction activity of commercial, retail and hospitality developments. This has been achieved through interactions with various market players such as developers, real estate brokers, key office tenants, hospitality occupiers, etc. Peers to the assets were identified in terms of potential competition (both completed and under-construction/planned assets), comparable recent lease transactions witnessed in the micro-market were analysed along with the historical leasing and re-leasing history within the asset over the last 2 – 3 years. This was undertaken to assess the applicable market rent (applicable rental for the micro-market where the asset is located) and applicable marginal rental (the Consultants' view on rental for the asset – used for leasing vacant spaces as well as upon releasing).

2. The Consultants also analysed the historical leasing within the asset for anchor tenants to identify the discount that is extended to such tenants at the time of fresh leasing or lease renewals. Every lease deed of large anchor tenants were analysed and applicable discount to marginal rental was estimated for individual leases. For other tenants occupying relatively large space within the properties, the Valuer assumed the leases to revert to marginal rentals (duly escalated from the date of valuation) post expiry of the lease, factoring appropriate re-leasing time.

Cash Flow Projections:

1. The cash flows for the operational and under-construction/proposed area were projected separately to arrive at their respective value conclusion.

2. The Valuer has utilized the EBIDTA to arrive at the value of the subject properties. The following steps were undertaken to arrive at the value for operational and under-construction/proposed area respectively.

   The Valuer has projected future cash flows from the property based on existing lease terms for the operational area till the expiry of the leases or re-negotiation (using the variance analysis), whichever is earlier. Post which, the lease terms have been aligned with marginal rentals. For vacant area and under-construction/proposed area, the Valuer has projected the marginal rent led cash flows factoring appropriate lease-up time frame for vacant/under-construction/proposed area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for assessment of terminal value). These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate.

   For each lease, the following steps have been undertaken to assess the rental over a 10-year time horizon:

   a. **Step 1:** Project the rentals for identified tenancies up to the period of lease expiry, lock-in expiry, first escalation, second escalation, etc. whichever is applicable. In the event of unleased spaces, market-led rentals to be adopted with suitable lease-up time

   b. **Step 2:** Generating a marginal rental stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step

   c. **Step 3:** In the event the escalated contracted rental is above the marginal rent (viz. by 10% for Bengaluru/ Mumbai assets & 15% for Pune/ Noida assets), the contracted terms are discarded, and the terms are reverted to market. In the event the escalated contracted rent is below the marginal rent by the threshold highlighted above, the contracted terms are adopted going forward until the next lease review/ renewal. Intent of this step is to project the rental for respective leases until lease expiry as well as post expiry

   d. **Step 4:** Computing the monthly income based on rentals projected as part of Step 3 and translating the same to a quarterly income (for the next 10 years and 11th year – considered for calculation of terminal value)

3. Adjustments for other revenues and recurring operational expenses, fit-out income (if any – projected till first term expiry and discounted to present day – the same has been considered below the NOI and does not get capitalized) and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to factor potential rent free terms as well as outflows towards brokerage. For all assets, the Valuer has looked at the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset. For Embassy Manyata, Embassy Golflinks and Embassy Techzone, common area maintenance is managed by an external agency and

accordingly, no CAM margin has been considered during the course of operations. However, for assessing the exit cash flows, the Valuer has assumed that on a notional exit, market-led CAM charges and hence CAM margin would be accruable to a potential buyer and the same has been adopted during capitalization.

4. The net income on quarterly basis have been projected over the next 10 years and the 1 year forward income (for 11^{th} year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net income over the next 10 years along with the terminal value during the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the asset through this approach.

5. For the hospitality component, future cash flows from the property, were projected based on our assessment of ARRs and Occupancy. Adjustments for other revenues and recurring operational expenses, have been adopted in-line with prevalent market dynamics. The net income on quarterly basis have been projected over the next 10 years and the 1 year forward income (for 11^{th} year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net income over the next 10 years along with the terminal value during the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the asset.

2.5 Information Sources for Valuation

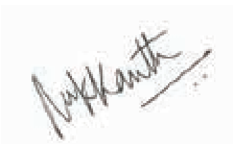
Property related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

2.6 Scope of Services for Value Assessment Service Provider

CBRE has been engaged by the Instructing Party to value assessment services and accordingly, would be responsible for the below scope as part of this exercise.

- Provide market intelligence to the Valuer on the following aspects:
    - Economic and Investment Overview
    - India Real Estate Overview
        - IT/ ITES Industry Dynamics
        - Key Office Markets
        - Outlook
    - For cities housing EOP REIT Assets
        - Key Office Markets
        - General market practices
        - Demand Supply for Key Office Markets & Rental Trends
        - Outlook
- Review rent roll and forecast cash flows from the respective assets for the Valuer to independently review and work towards assessing the valuation of each Asset

Official Signatory for Value Assessment Service Provider:



Name: Vamshi KK Nakirekanti | MRICS | FIE | FIV | CEng (India)
Designation: Executive Director, Head – Valuation and Advisory Services, India & South East Asia
Firm: CBRE South Asia Pvt Ltd

3 Value Summary

The following table highlights the summary of the market value of each property which is a part of the said EOP REIT portfolio as on September 30, 2019:

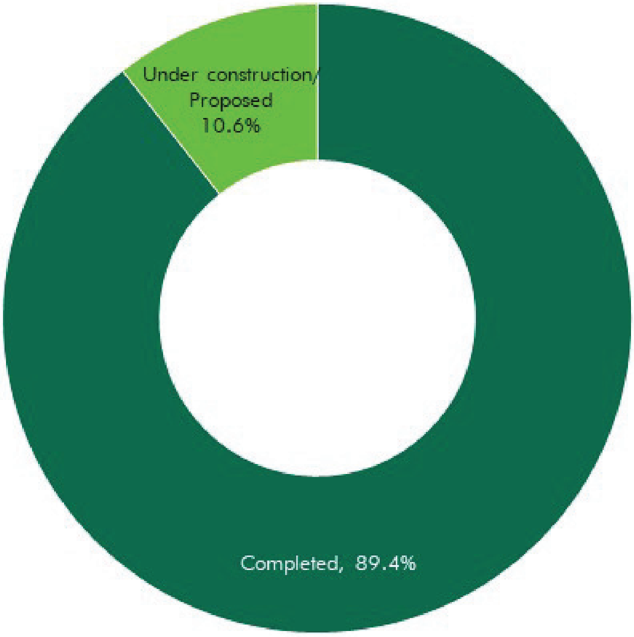
Property	Asset Type	Leasable Area	Market Value (INR mn)		
			Completed	Under construction (UC) / Proposed	Total
Embassy Manyata, Bengaluru	Mixed-use (Office (IT/ ITeS SEZ/ Non-SEZ^), Hotel, Retail, Convention Centre)	Completed office – 11.0 msf Proposed/ UC* office - 3.3 msf UC Hotel (5 star) - 266 keys UC Hotel (3 star) - 353 keys	113,662	25,385	**139,047**
Express Towers, Mumbai	Office (Non-SEZ)	Completed office - 0.5 msf	18,590	-	**18,590**
Embassy 247, Mumbai	Office (Non-SEZ)	Completed office - 1.2 msf	17,256	-	**17,256**
First International Financial Centre, Mumbai	Office (Non-SEZ)	Completed office - 0.4 msf	14,912	-	**14,912**
Embassy Techzone, Pune	Office (IT/ ITeS SEZ)	Completed office - 2.2 msf Proposed/ UC office - 3.3 msf	15,395	5,930	**21,325**
Embassy Quadron, Pune	Office (IT/ ITeS SEZ)	Completed office - 1.9 msf	14,609	-	**14,609**
Embassy Qubix, Pune	Office (IT/ ITeS SEZ)	Completed office - 1.5 msf	9,962	-	**9,962**
Embassy Oxygen, Noida	Office (IT/ ITeS SEZ)	Completed office - 1.9 msf Proposed/ UC office - 1.3 msf	15,107	5,550	**20,657**
Embassy Galaxy, Noida	Office (Non-SEZ)	Completed office - 1.4 msf	8,914	-	**8,914**
Embassy One, Bengaluru	Mixed-use (Office (Non-SEZ), Hotel, Retail)	Office & Retail - 0.3 msf Hotel (5 star) - 230 Keys	13,852	-	**13,852**
Hilton at Embassy Golflinks, Bengaluru	Hotel	Hotel (5 star) - 247 Keys	5,045	-	**5,045**
Embassy Energy, Bellary District, Karnataka	Solar park	Installed capacity of 130 MW DC (100 MW AC)	10,519	-	**10,519**
Total – 100% owned assets			**257,823**	**36,865**	**294,688**
Embassy Golflinks, Bengaluru	Office (Non-SEZ)	Completed office - 2.7 msf	52,863	-	**52,863[1]**
Total			**310,686**	**36,865**	**347,551**

[1] *Note: The valuation presented is for 100% interest in the asset. However, based on inputs provided by the Client, the REIT holds 50% of the interests in the asset (viz. INR 26,432 Mn)*

**UC -under construction, ^SEZ – Special Economic Zone*

CBRE IVAS

Market value break-up of assets valued for the Embassy REIT



Note: the value break-up is for a representation purpose and is purely based on the individual asset's valuation and is not reflective of the actual holding of the REIT (viz. at 100% of Embassy Golflinks).

Assumptions, Disclaimers, Limitations & Qualifications	This summary valuation report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use of the parties as mentioned in Section 1.2 of this summary report.
Prepared by:	
Official Signatories of the Valuer:	iVAS Partners

Manish

Name: Mr. Manish Gupta
Designation: Partner, iVAS Partners
Valuer Registration Number:
IBBI/RV/02/2019/11505

4 Assets

4.1 Embassy Manyata

Property Name: Embassy Manyata is a commercial office development located along Outer Ring Road, Nagavara, Bengaluru, Karnataka

Property Address: Nagavara Village, Kasaba Hobli, Bengaluru North Taluk, Bengaluru District and Rachenahalli and Thanisandra Villages, Krishnarajapuram Hobli, Bengaluru East Taluk, Bengaluru District, Karnataka

Land Area: Based on review of the title report (for Manyata Promoters Pvt Ltd and M3 Block respectively), the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 121.76 acres

Brief Description: The subject property is the second largest commercial office asset in India (in terms of scale), largest in Bengaluru and is a landmark in North Bengaluru. The property is accessible through the Nagavara Outer Ring Road emanating from Hebbal. Further, the subject development is strategically located in proximity to micro-markets of Thanisandra & Hennur Road which are amongst the fastest developing vectors in North Bengaluru.

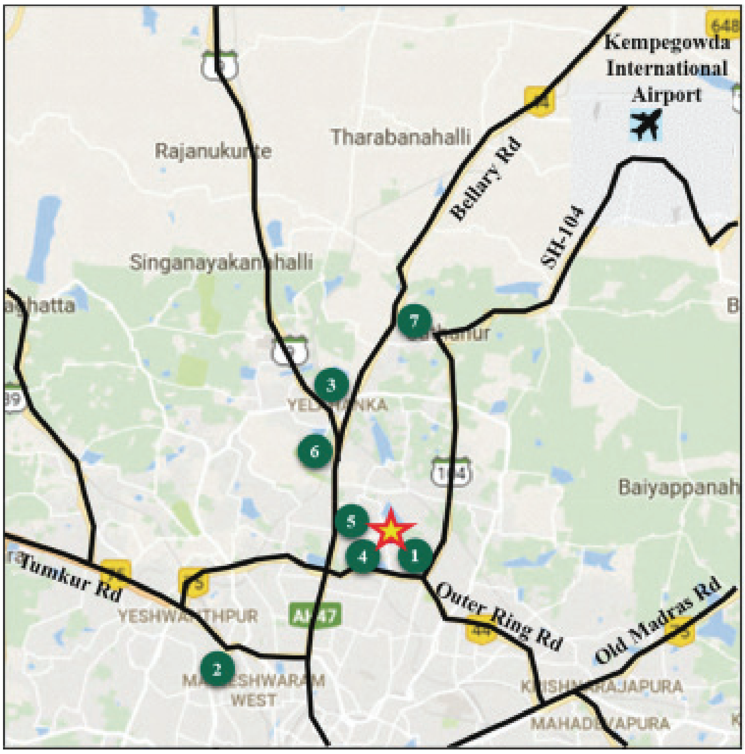
The subject property is located in close proximity to the Nagavara Outer Ring Road, which connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer Ring Road, Old Madras Road, etc. Further, it is located at a distance of 1-2 km from Nagavara Junction, 3-4 km from Hebbal Junction, 7-8 km from Yelahanka Junction, 11-14 km from MG Road (CBD) and 29-31 km from Kempegowda International Airport

Statement of Assets (sf): Based on review of various documents (such as rent roll, lease deeds, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 11.0 msf of completed leasable area out of which occupancy is approximately 99.3% (excluding committed area) as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Block	Total Area (sf)	Operational area (in sf)	Under Construction area (in sf)	Proposed Development area (in sf)
SEZ Area	10,052,568	8,347,511	997,057	708,000
Non – SEZ Area	4,098,982	2,610,165	781,267	707,550
Retail	58,083	-	58,083	
Total – Office/Retail	**14,209,633**	**10,957,676**	**1,836,407**	**1,415,550**
Hotel (including convention centre)	619 keys (Hotel - 722,678 Convention – 58,000)	-	619 keys (Hotel - 722,678 Convention – 58,000)	

Source: Architect certificates, rent roll, lease deeds; Note – office & retail refers to leasable area while hotel & convention refers to developable area

Location Map



#	Key Office Developments
★	Embassy Manyata
1	MFAR Manyata Tech Park
2	Brigade Gateway (WTC)
3	RMZ Galleria
4	Karle Town Centre
5	Kirloskar Business Park
6	NCC Urban Windsor
7	Hinduja Ecopolis

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR mn	21,033
Proposed project completion timelines (all blocks)	Quarter, Year	Q4, FY 2024
Revenue assumptions (as on Sep 30, 2019)		
Lease completion	Year	2024
In-place rent	INR psf/mth	57
Marginal rent – IT office component	INR psf/mth	85
Marginal rent – Non IT office component	INR psf/mth	98
Marginal rent – Retail component	INR psf/mth	111
Parking rent (Effective)	INR / bay/mth	3,750
ARR – 5 star hotel	INR / room / day	7,500
Stabilized Occupancy – 5 star hotel	%	70%
ARR – 3 star hotel	INR / room / day	5,000
Stabilized Occupancy – 3 star hotel	%	70%
Other financial assumptions		
Cap rate – commercial components	%	8.00%
Cap rate – hotel components	%	7.14% (viz. an EV-EBITDA multiple of 14)
WACC rate (operational)	%	12.30%
WACC rate (under-construction/proposed)	%	13.30%
WACC rate (hotel)	%	13.63%

Market Value: **INR 139,047 Mn**

4.2 Express Towers

Property Name: 'Express Towers' is an operational office asset located along Barrister Rajni Patel Marg, Nariman Point, Mumbai

Property Address: Barrister Rajni Patel Marg, Nariman Point, Mumbai

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 1.46 acres

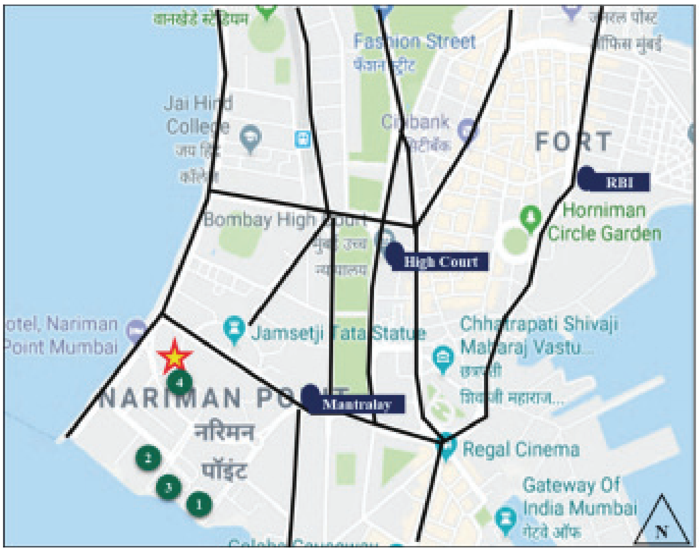
Brief Description: The subject property 'Express Towers' is an office asset situated in Nariman Point. The subject property is located opposite to the Oberoi Trident hotel. The G+25 floor storey structure was constructed in the late 1960s and has been refurbished in the past few years. Nariman Point is located at the southernmost tip of the Mumbai City, at a distance of approximately 1 - 2 km from the Churchgate Railway Station; approximately 25 - 28 km from the Domestic / International City Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 468,194 sf of completed leasable area, which is approximately 91.5% occupied as on the date of valuation. Also, the top 2 floors viz the 24th and 25th floor are not owned by Indian Express Newspapers (Mumbai) Pvt. Ltd (IENPL). Table below highlights the leasable area details for the subject development under the ownership of IENPL.

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	468,194	91.5%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	468,194	

Source: Architect certificate, Rent roll, lease deeds;

Location Map



#	Key Office Developments
★	Express Towers
1	Free Press House
2	Hoechst House
3	Maker Chambers VI
4	Mafatlal Centre

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost towards refurbishments	INR mn	57
Revenue assumptions (as on Sep 30, 2019)		
Lease completion	Year	FY 2021
In-place rent – Office Spaces	INR psf/mth	253^
Marginal Rent – Commercial office component	INR psf/mth	275
Other financial assumptions		
Cap rate – commercial components	%	7.50%
WACC rate (operational)	%	12.30%

^denotes the weighted average rentals for leased office/restaurant spaces

Market Value: **INR 18,590 Mn**

4.3 Embassy 247

Property Name: 'Embassy 247' is an operational office asset located along LBS Road, Gandhinagar, Vikhroli West, Mumbai

Property Address: LBS Marg, Vikhroli (W), Mumbai, Maharashtra.

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 7.27 acres

Brief Description: The subject property, "Embassy 247", is an operational office asset located along LBS Road in Gandhinagar, Vikhroli West, Mumbai. The development is divided in three towers viz. A, B & C. The towers A & C are identical of each other and have an elevation of 2 Basement + Ground + 11 upper floors. Tower B situated in between Tower A & C has an elevation of 2 Basement + Ground + 14 upper floors. Based on the site visit, it is understood that all the three towers are internally connected from basement to the 3rd floor and floors 10 and 11. The entire development has a total completed leasable area of approximately 1,186,150 sf. Of the total leasable area mentioned above, approximately 71,029 sf is currently vacant. The subject property is located in proximity to established residential and commercial locations within the city such as Bhandup, Kanjurmarg, Ghatkopar etc.

The subject property is located at a distance of approximately 28-30 km from the Central Business District of Mumbai (viz. Nariman Point), approximately 11-12 km from Domestic Airport, approximately 10-12 km from the Chhatrapati Shivaji International Airport Terminal, Mumbai etc.

Statement of Assets (sf): Based on information provided by the Client, the total completed leasable area considered for the purpose of this valuation is 1,186,150 sf. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	1,186,150	94.0%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	1,186,150	

Source: Architect certificate, Rent roll, lease deeds;

Location Map

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost towards refurbishments	INR mn	57
Revenue assumptions (as on Sep 30, 2019)		
Lease completion	Year	FY 2021
In-place rent	INR psf/mth	99^
Marginal rent – Commercial office component	INR psf/mth	105
Marginal rent – Retail component	INR psf/mth	78
Parking rent (Effective)	INR / bay/mth	2,500
Other financial assumptions		
Cap rate – commercial components	%	8.00%
WACC rate (operational)	%	12.30%

^denotes the weighted average rentals for leased office/retail and food-court spaces

Market Value: **INR 17,256 Mn**

4.4 First International Finance Centre (FIFC)

Property Name: First International Finance Centre is a commercial office development located on Bandra Kurla Complex Road, Bandra Kurla Complex, Mumbai, Maharashtra

Property Address: G-Block, Bandra Kurla Complex road, Bandra Kurla Complex, Mumbai, Maharashtra

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 1.99 Acres

Brief Description: The subject property, "First International Finance Centre", is an operational office asset located along BKC Road in G Block, Bandra Kurla Complex, Mumbai. This office asset has a total leasable area of approximately 658,390 sf. The development is operated as a condominium and is co-owned by two entities i.e., a leading bank and the Client. Based on review of the title report for the subject property, the Client has an ownership of approximately 360,947 sf of the total area and the same has been considered for the purpose for this valuation exercise (this area will be considered as the subject property hereinafter). The subject property is located in proximity to locations such as Kurla, Bandra, Santacruz etc., which are considered as established residential and commercial locations within the city.

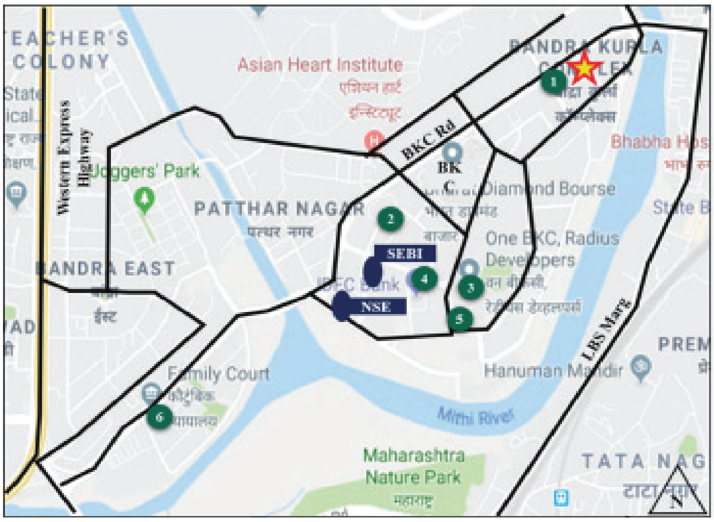
The subject property is located at a distance of approximately 20-22 km from the Central Business District of Mumbai (viz. Nariman Point), approximately 6-8 km from Domestic Airport, approximately 8-9 km from the Chhatrapati Shivaji International Airport Terminal, Mumbai etc.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, lease deeds, etc.), the subject property is an operational office asset with approximately 360,947 sf of completed leasable area out of which approximately 77.8% is leased as on the date of valuation. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	360,947	77.8%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	360,947	

Source: Architect certificate, Rent roll, lease deeds;

Location Map



#	Key Office Developments
★	First International Financial Centre (FIFC)
1	TCG Financial Centre
2	The Capital
3	One BKC
4	Raheja Tower
5	Godrej BKC
6	Maker Maxity

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost towards Refurbishment	INR mn	65
Revenue assumptions (as on Sep 30, 2019)		
Lease completion	Year	FY 2021
In-place rent	INR psf/mth	296^
Marginal rent – Office Component	INR psf/mth	290
Marginal rent – Retail	INR psf/mth	319
Other financial assumptions		
Cap rate – commercial components	%	7.75%
WACC rate (operational)	%	12.30%

^denotes the weighted average rentals for leased office/retail spaces

Market Value: **INR 14,912 Mn**

4.5 Embassy Techzone

Property Name: 'Embassy Techzone' is an operational office asset located in Phase 2, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No. 3/A and Plot No. 3/B, Rajiv Gandhi Infotech Park, Hinjewadi, Phase-II, Village Marunji, Taluka Mulshi, District Pune, Maharashtra

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 67.45 acres

Brief Description: 'Embassy Techzone', has been conceptualized as an office asset spread across a total land area of approximately 67.45 acres. The property is an office asset leased to various tenants and is also well equipped with number of facilities and amenities like food court, amphitheatre, intra park shuttles, gymnasium, multilevel car parking, sports ground, etc. The area details of the property are as follows:

Particulars	*Leasable area (in sf)*
Completed Leasable Area	2,160,055
Proposed Development Leasable Area	3,312,891
Total	**5,472,946**

Source: Client Inputs

'Embassy Techzone' is strategically located in Hinjewadi which is a prominent technology hub of Pune city. 'Embassy Techzone' is located at a distance of approximately 5 – 6 km from National Highway 48 (Connecting Mumbai – Pune – Bengaluru), 20 – 21 km from Pune CBD (Peth areas), 20 – 21 km from Pune Railway Station and approximately 26 – 27 km from Pune International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, lease deeds, Architect's Certificate, etc.), the Valuer understands that 'Embassy Techzone' is an operational office asset with approximately 2.2 msf of completed leasable area out of which occupancy is approximately 87.3% (excluding committed area) as on the date of valuation. Further, approximately 3.3 msf is currently under planning stage. Table below highlights the leasable area for individual blocks that form part of the subject development:

Component	Completed Leasable area (in sf)	Under Construction area (in sf)	Proposed Development area (in sf)
SEZ Office	2,151,630	-	3,273,202
Other ~ Food court, training centre, etc.	8,425	-	39,689
Total	**2,160,055**	**-**	**3,312,891**

Source: Rent roll, lease deeds, architect certificate provided by the Client;

Location Map

CBRE IVAS

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete (overall)	INR mn	14,578
Proposed project completion timelines	Year	FY 2026
Revenue assumptions (as on Sep 30, 2019)		
Lease completion	Year	FY 2026
In-place rent	INR psf/mth	48
Marginal rent – IT SEZ office component	INR psf/mth	48
Parking rent (Effective)	INR / bay/mth	1,500
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	12.30%
WACC rate (under-construction/proposed)	%	13.30%

Market Value: **INR 21,325 Mn**

4.6 Embassy Quadron

Property Name:	'Embassy Quadron' is a Commercial Office Business Park located in Phase 2, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra
Property Address:	Plot No. 28, Hinjewadi Phase II, Rajiv Gandhi Infotech Park, Pune, Maharashtra, 411057
Land Area:	Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 25.52 acres
Brief Description:	'Embassy Quadron', has been conceptualized as an IT SEZ office development leased to various domestic and multi-national IT/ ITeS tenants. The property is well equipped with number of facilities and amenities like enhanced landscapes, Q café food court, grocery stores, ATMs, indoor sports zone, gymnasium, crèche, two-wheeler and four-wheeler car parking spaces, etc. The property has been constructed in phased manner between 2008 to 2011. Some of the prominent tenants present in the development include Barclays Technologies, E-Clerx Services Pvt. Ltd., Cognizant, etc. The development currently includes four operational buildings (Q1 to Q4). Further, 'Embassy Quadron' is strategically located in Hinjewadi which is a prominent technology hub of Pune city. 'Embassy Quadron' is located at a distance of approximately 7 – 8 km from National Highway 48 (connecting Mumbai – Pune – Bengaluru), 22 – 23 km from Pune CBD (Peth areas), 22 – 23 km from Pune Railway Station and approximately 26 - 27 km from Pune International Airport.
Statement of Assets (sf):	Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the Valuer understands that 'Embassy Quadron' is an operational SEZ office asset with approximately 1.9 msf of completed leasable area out of which occupancy is approximately 91.4% as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Components	*Completed leasable area (in sf)*
Office	1,843,236
Retail	22,887
Food Court	28,551
Total	**1,894,674**

Source: Rent roll, lease deeds, architect certificate provided by the Client;

Location Map

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost towards refurbishments	INR mn	37
Revenue assumptions (as on Sep 30, 2019)		
Lease completion	Year	FY 2020
In-place rent	INR psf/mth	41
Marginal rent – IT SEZ office component	INR psf/mth	50
Parking rent (Effective)	INR / bay/mth	1,500
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	12.30%

Market Value: **INR 14,609 Mn**

4.7 Embassy Qubix

Property Name: 'Embassy Qubix' is a Commercial Office Business Park located in Phase 1, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No.2, Blue Ridge Township, Near Rajiv Gandhi Infotech Park – Phase I, Hinjewadi, Pune, Maharashtra 411057

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 25.16 acres

Brief Description: "Embassy Qubix", has been conceptualized as an IT SEZ office development leased to various domestic and multi-national technology tenants. The property is well equipped with number of facilities and amenities like enhanced landscapes, Q Court Courtyard, grocery stores, ATMs, two-wheeler and four-wheeler car parking spaces, etc. The property has been constructed in phased manner between 2010 to 2012. Some of the prominent tenants present in the development include Accenture, L&T, etc.

The development currently includes six operational buildings (IT 1 to IT 6).

Further, Embassy Qubix is strategically located in Hinjewadi which is a prominent technology hub of Pune city. Embassy Qubix is located at a distance of approximately 3 – 4 km from National Highway 48 (connecting Mumbai – Pune – Bengaluru), 18 – 19 km from Pune CBD (Peth areas), 19 – 20 km from Pune Railway Station and approximately 23 - 24 km from Pune International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the Valuer understands that "Embassy Qubix" is an operational SEZ office asset with approximately 1.5 msf of completed leasable area, which is 100% occupied as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	1,450,494	100%
Under Construction Blocks	-	NA
Proposed Development	-	NA
Total	**1,450,494**	

Source: Rent roll, lease deeds, architect certificate;

Location Map

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost towards refurbishments	INR mn	5
Revenue assumptions (as on Sep 30, 2019)		
Lease completion	Year	FY 2020
In-place rent	INR psf/mth	37^
Marginal rent – IT SEZ office component	INR psf/mth	48
Parking rent (Effective)	INR / bay/mth	1,500
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	12.30%

^denotes the weighted average rentals for leased office/retail spaces

Market Value: **INR 9,962 Mn**

4.8 Embassy Oxygen

Property Name: 'Embassy Oxygen' is an operational IT/ ITeS SEZ office development located at Sector 144, Noida, Uttar Pradesh

Property Address: Plot No. – 07, Sector 144, Noida, Uttar Pradesh, India

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 24.83 Acres

Brief Description: The subject property "Embassy Oxygen" is a partly operational office asset, leased to technology occupiers. The subject property is located at Sector 144, Noida in proximity to Noida – Greater Noida Expressway, which is an emerging commercial / residential vector of Noida. The property is a two side open plot with accessibility via approximately 45 m and 24 m wide roads. The subject property lies in proximity to various office assets such as Candor TechSpace, Assotech Business Cresterra, Advant Navis Business Park, Stellar 135, Express Trade Towers 2, etc.

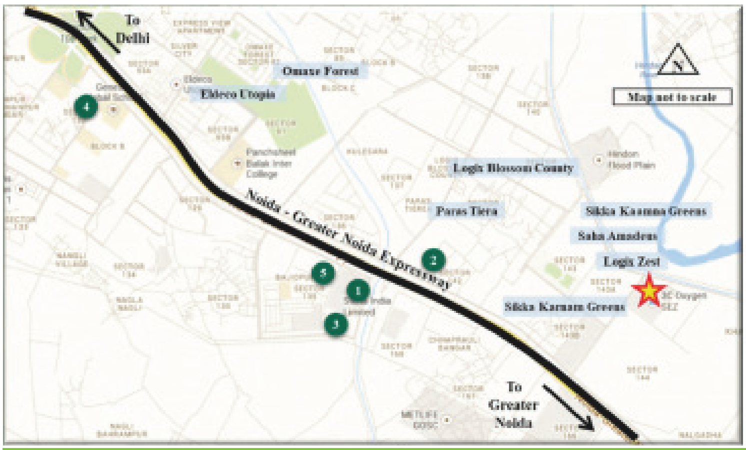
The subject property is located in close proximity to Noida – Greater Noida Expressway, which makes it easily accessible from other regions of NCR (National Capital Region) such as Delhi, Greater Noida, etc. Further, it is located at a distance of approximately 16 – 17 km from the established commercial hub of Noida viz. Sector-18, approximately 16 – 17 km from DND Flyway and approximately 38 – 39 km from Indira Gandhi International Airport, Delhi

Statement of Assets (sf): Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational SEZ office asset with approximately 1.9 msf of completed leasable area, out of which occupancy is approximately 85.3% as on the date of valuation. Table below highlights the leasable area for operational and under construction/ proposed blocks that form part of the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	1,946,523	85.3%*
Under Construction Blocks	579,000	NA**
Proposed Development	737,000	NA
Total	**3,262,523**	

Source: Architect Certificate, Rent roll, lease deeds provided by the Client
* Does not include committed area
** Approx. 50% pre-committed (including hard option) to '*Metlife Global Operations Support Center Private Limited'*

Location Map:



#	Key Office Developments
☆	Embassy Oxygen
1	Candor Techspace
2	Advant Navis Business Park
3	Assotech Business Cresterra
4	Express Trade Towers 2
5	Stellar 135

Key Assumptions:

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete (overall)	INR mn	3,704
Proposed project completion timelines (overall)	Quarter, Year	Q1, FY 2023
Revenue assumptions (as on Sep 30, 2019)		
Lease completion	Year	FY 2023
In-place rent	INR psf/mth	47
Marginal rent – IT SEZ office component	INR psf/mth	54
Other financial assumptions		
Cap rate	%	8.25%
WACC rate (operational)	%	12.30%
WACC rate (under-construction/proposed)	%	13.30%

Market Value: **INR 20,657 Mn**

4.9 Embassy Galaxy

Property Name: 'Embassy Galaxy' is an operational IT/ ITeS office development located at Sector 62, Noida, Uttar Pradesh

Property Address: A-44 & 45, Sector 62, Noida, Uttar Pradesh, India – 201309

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 9.88 Acres

Brief Description: The subject property "Embassy Galaxy" is an operational office asset, leased to technology occupiers. The subject property is located at Sector 62, Noida, which is an established commercial vector of Noida. The property is accessible by an internal road of Sector 62 (approximately 45 m wide). The subject property lies in proximity to various office assets such as 3C Green Boulevard, Stellar IT Park, Logix Cyber Park, Candor Techspace, etc.

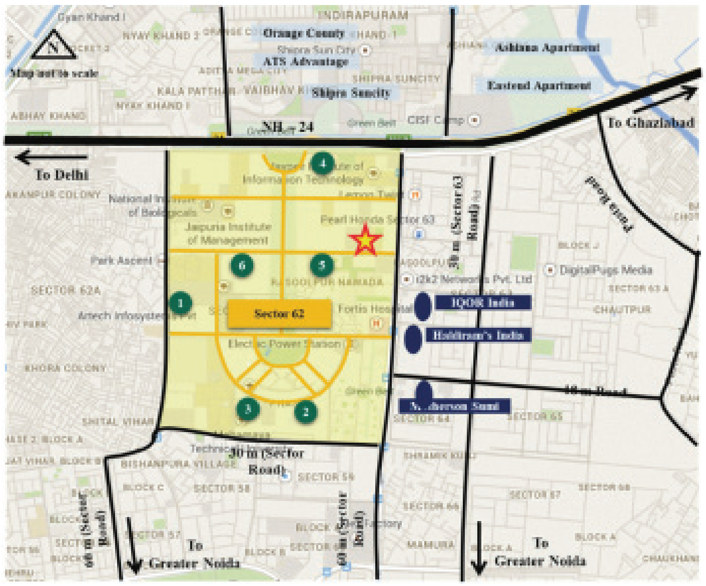
The subject property is located in close proximity to National Highway (NH) – 24, which makes it easily accessible from other regions of NCR (National Capital Region) such as Delhi, Ghaziabad, etc. Further, it is located at a distance of approximately 9 – 10 km from the established commercial hub of Noida viz. Sector-18, approximately 10 – 11 km from DND Flyway and approximately 31 – 32 km from Indira Gandhi International Airport, Delhi

Statement of Assets (sf): Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational office asset with approximately 1.4 msf of completed leasable area, which is approximately 99.9% leased as on the date of valuation. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	1,357,029	99.9%
Total	**1,357,029**	**99.9%**

Source: Architect certificate, Rent roll, lease deeds provided by the Client;

Location Map:



#	Key Office Developments
★	Embassy Galaxy
1	Candor Techspace
2	Logix Cyber Park
3	Stellar IT Park
4	Knowledge Boulevard
5	Green Boulevard
6	Okaya Center

Key Assumptions:

Particulars	Unit	Details
Construction assumptions		
Pending cost towards refurbishments	INR mn	7
Revenue assumptions (as on Sep 30, 2019)		
Lease completion	Year	NA (subject development is fully leased)
In-place rent	INR psf/mth	31
Marginal rent – IT office component	INR psf/mth	45
Other financial assumptions		
Cap rate	%	8.25%
WACC rate (operational)	%	12.30%

Market Value: **INR 8,914 Mn**

4.10 Embassy Golflinks

Property Name: Embassy Golflinks is an office asset located along Intermediate Ring Road, Bengaluru, Karnataka

Property Address: Challaghatta Village, Varthur Hobli, Mahadevapura, Bengaluru East Taluk, Bengaluru, Karnataka

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 37.11 acres.

Brief Description: The subject property, "Embassy Golflinks", is an operational office asset located along Intermediate Ring Road, Bengaluru. This office asset has a total leasable area of approximately 4.5 msf. The interest being valued corresponds to approximately 2.7 msf of office area which forms part of the economic interest of the Client. The larger development also includes an operational hotel (Hilton at Embassy Golflinks). The immediate surroundings of the subject property comprises of large aggregates of land owned by the Defence Services of the Country Karnataka Golf Association's operational golf course, Diamond District, DivyaSree Greens, Maruthi Infotech Park, etc. In addition, the subject property is located in proximity to locations such as Indiranagar, Koramangala etc., which are considered as established residential and commercial locations within the city.

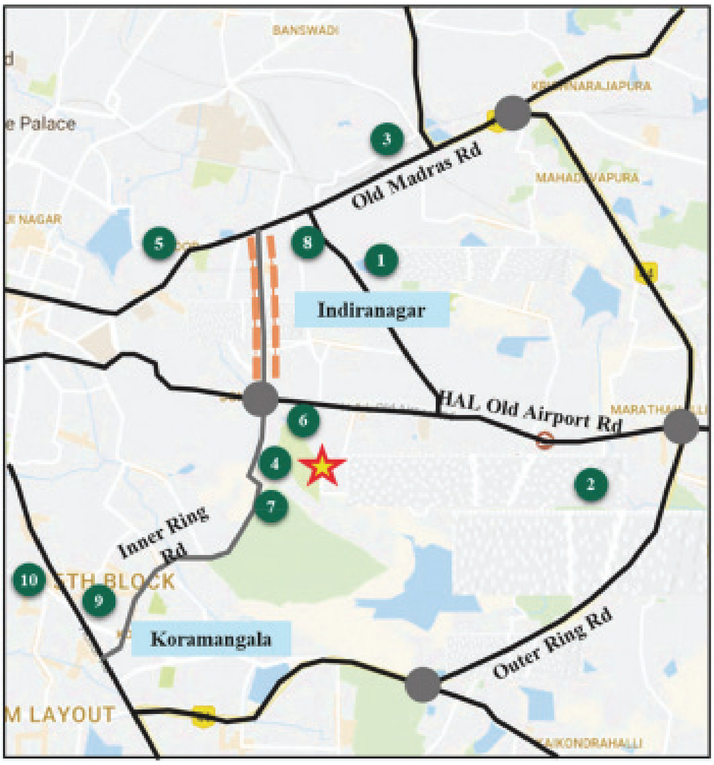
The subject property is located at a distance of approximately <1 km from the Domlur flyover, 1 – 2 km from Indiranagar, 2-3 km from Koramangala, 7-8 km from MG Road and approximately 43 - 45 km from Bengaluru International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 2.7 msf of completed leasable area and is 96.7% occupied as on the date of valuation. Table below highlights the leasable area for subject property that form part of the subject development:

Block	Leasable Area (sf)
Office Area (Operational)	2,737,442 (Occupancy – 96.7%)

Source: Rent roll, lease deeds, architect certificate provided by the Client

Location Map



#	Key Office Developments
★	Embassy Golflinks
1	Bagmane Tech Park
2	Divyasree Technopolis
3	RMZ Infinity
4	Divyasree Greens
5	RMZ Millenia
6	Diamond District
7	Maruthi Infotech
8	Mantri Cornerstone
9	Mantri Jupiter
10	Bren Optimus

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost towards refurbishments	INR mn	739
Revenue assumptions (as on Sep 30, 2019)		
In-place rent	INR psf pm	114
Marginal rent – office component	INR psf pm	146
Parking rent (Effective)	INR / bay/mth	4,500
Other financial assumptions		
Cap rate – commercial components	%	8.00%
WACC rate	%	12.30%

Market Value: **INR 52,863 Mn**

Note:

1. *The valuation presented is for 100% interest in the asset. However, based on inputs provided by the Client, the REIT hold 50% of the interests in the asset (viz. INR 26,432 Mn)*
2. *The above valuation excludes valuation of Hilton at Embassy Golflinks. The valuation of Hilton at Embassy Golflinks is presented in section 4.12*

4.11 Embassy One

Property Name: 'Embassy One' is a premium mixed-used development (High-end office, retail and hospitality components) located along, Bellary Road, Ganga Nagar, Bengaluru, Karnataka

Property Address: Bellary Road, Ganga Nagar, Bengaluru, Karnataka

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 5.62 acres (which includes residential component). The interest being valued as part of this assessment is an undivided share of 3.19 acres (for the office, retail and hospitality components).

Brief Description: The subject property is a premium mixed-used development comprising of commercial, retail and hospitality components. Subject property is located in a premium location in close proximity to the CBD, approximately 6-7 km from MG Road. The stretch between the CBD and Mekhri Circle is recognized as a premium residential and hospitality hub of Bengaluru. Subject location lies in close proximity to premium residential colonies of Sheshadripuram, Sadashiva Nagar, Dollars colony, Fraser Town, Jayamahal, etc., which house affluent population of businessmen community, ministers, etc. Further, the location is considered an established hub for premium hotels, housing prominent 5 star hotels such as Windsor Manor, Le Méridien, Lalit Ashok, & Taj Westend. Based on review of various documents (such as Architect's Certificate, approval documents, etc.), it is understood that as on date of valuation, the office, retail and hotel within the subject development are completed and the occupancy certificate for the same has been received. Further, the hotel (being operated by 'Four Seasons') became operational in Q1, FY 2020. As per information provided by the client, the Valuer understands that 4.8% of total area is leased as of date of valuation.

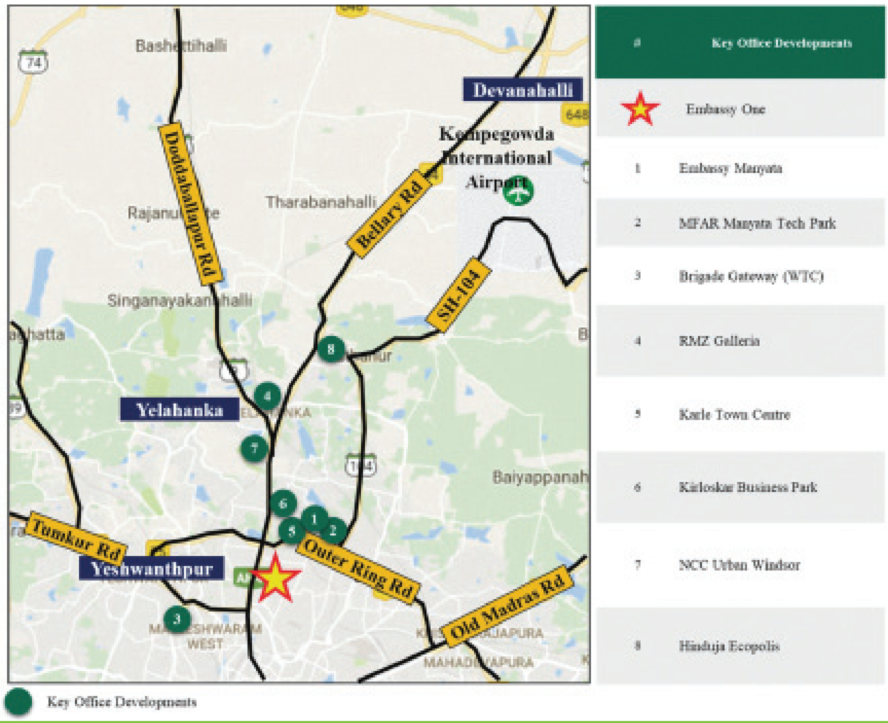
The subject property's location along the initial stretch of Bellary Road further adds to the attractiveness of the development. Bellary Road connects the city centre to the airport and also provides connectivity to all major hubs within Bengaluru City. Further, the subject property's proximity to the Hebbal Outer Ring Road, connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer ring road, Old Madras road, etc. Further, it is located at a distance of 1-2 km from Mekhri Circle, 3-4 km from Hebbal ORR Junction, 6-7 km from MG Road, 27-28 K from Bengaluru International Airport.

Statement of Assets (sf): Table below highlights the leasable area for individual blocks that form part of the subject development:

Block	No of Keys/ Leasable Area (sf)
Office	194,948
Retail	55,148
Hotel (Four Seasons at Embassy One)	230 keys
Total	**230 keys / 250,096**

Source: Architect certificate provided by the Client

Location Map



Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost towards refurbishments	INR mn	31
Revenue assumptions (as on Sep 30, 2019)		
Lease completion	Year	Q3, FY 2022
In-place rent	INR psf/mth	156
Marginal rent – Non IT office component	INR psf/mth	153
Marginal rent – Retail component	INR psf/mth	170
Parking rent (Effective)	INR / bay/mth	5,000
ARR – Four Seasons at Embassy One	INR / room / day	11,200
Stabilized Occupancy – Four Seasons at Embassy One	%	70%
Other financial assumptions		
Cap rate – commercial components	%	7.50%
Cap rate – hotel components	%	7.14% (viz. an EV-EBITDA multiple of 14)
WACC rate (operational)	%	12.30%
WACC rate (hotel)	%	12.63%

Market Value: **INR 13,852 Mn**

4.12 Hilton at Embassy Golflinks

Property Name: Hilton at Embassy Golflinks is an operational hospitality development as part of a larger office asset ‘Embassy Golflinks’ located along Intermediate Ring Road, Bengaluru, Karnataka

Property Address: Challaghatta Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru, Karnataka

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 3.58 acres

Brief Description: The subject property, Hilton at Embassy Golflinks, is an operational hospitality development located along Intermediate Ring Road, Bengaluru. The interest being valued corresponds to a developed area of 448,156 sf of hotel with 247 keys (operational since March 2014 and operated by Hilton). The immediate surroundings of the subject property comprise of large aggregates of land owned by the Defence Services of the Country Karnataka Golf Association’s operational golf course, Diamond District, DivyaSree Greens, Maruthi Infotech Park, etc. In addition, the subject property is located in proximity to locations such as Indiranagar, Koramangala etc., which are considered as established residential and commercial locations within the city. In addition to the subject property, the micro-market also comprises of other hotels such as The Leela, Taj Vivanta, Hyatt, The Paul, Ramada Encore, etc.

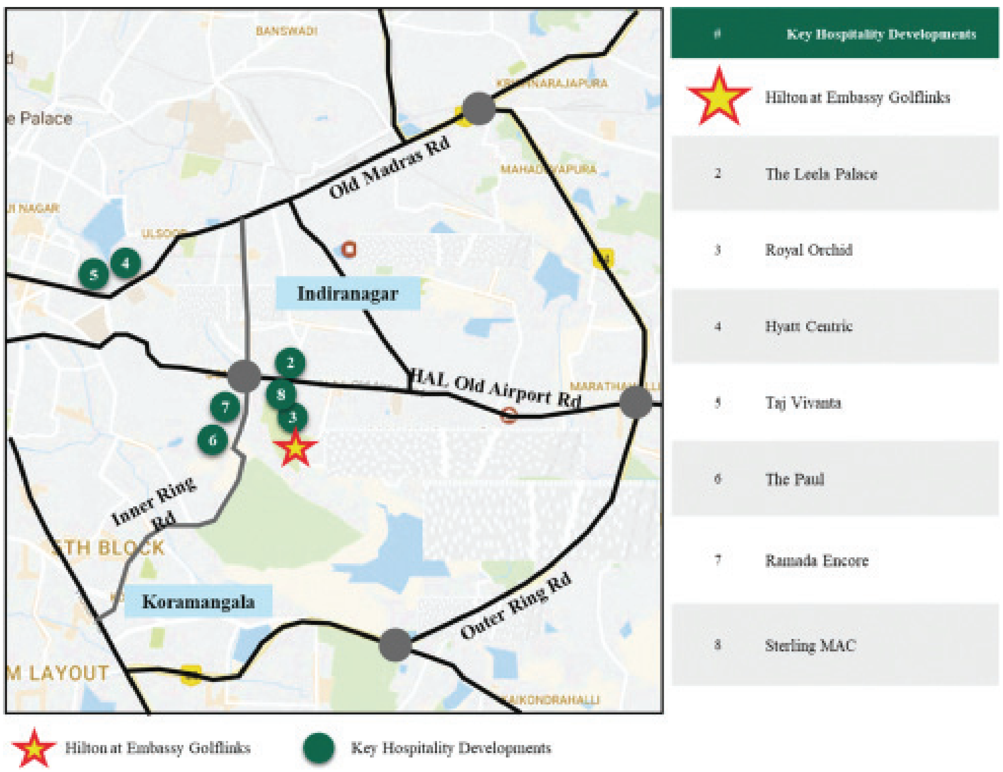
The subject property is located at a distance of approximately <1 km from the Domlur flyover, 1 – 2 km from Indiranagar, 2-3 km from Koramangala, 7-8 km from MG Road and approximately 43 - 45 km from Bengaluru International Airport.

Statement of Assets (sf): Based on the information provided by the client and the subject property is an operational hospitality development. Table below highlights the total operational area of the subject development:

Property	No of Keys
Hotel (Hilton at Embassy Golflinks)	247 keys (developed area - 448,156 sf)

Source: Architect certificate provided by the Client

Location Map



Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost towards refurbishments	INR Mn	144
Revenue assumptions (as on Sep 30, 2019)		
ARR – Hilton at Embassy Golflinks	INR / room / day	8,750
Stabilized Occupancy – Hilton at Embassy Golflinks	%	75
Other financial assumptions		
Cap rate – hotel components	%	7.14% (viz. an EV-EBITDA multiple of 14)
WACC rate	%	12.63%

Market Value: **INR 5,045 Mn**

4.13 Embassy Energy

Property Name: 'Embassy Energy' is a Solar PV electricity generation facility spread across Villages Ittigi, Mooregeri and Nellukudure, Bellary District, Karnataka

Property Address: Villages Ittigi and Mooregeri in Huvin Hadagali Taluka and Nellukudure in Hagri Bommanhalli Taluka, Bellary District, Karnataka

Land Area: The Valuer understands from the Client, title reports, site plans, letter highlighting Commercial Operations Date and site visit, that the park is spread over 465.77 Acres of which the land aggregation is in place by way of sale deed, Agreement to Sell (ATS) or General Power of Attorney (GPA), etc. The Valuer understands that currently only about 254.47 Acres is owned by the company by way of Sale Deed whereas the rest is under various stages of sale and conversion – below is a table which highlights the current status of the Land Aggregation. Further, the Valuer understands that physical possession of the land is with EEPL and/or its contractors and sub-contractors and that the solar park has been constructed on most of the land. It is assumed that the sale and conversion would be successful and any adverse impact has not been factored in the valuation

Particular	Area (acres)
Total extent of identified Land	465.77
Registered ATS and POA completed	465.77
Applied for approval u/s 109	464.51
Extent of land approved/recommended by DC u/s 109	442.54
Final approval received u/s 109	265.20
Sale Deed executed favouring EEPL	254.47

Brief Description: The subject property is an operational solar park under the ownership of **'Embassy-Energy Private Limited (EEPL)'**. The subject site is spread across three villages namely Ittigi, Mooregeri and Nellukudure in Bellary District. The subject location is situated at a distance of more than 300 km from Bengaluru City and is currently a nascent vector in terms of real estate activity. Being a peripheral location, the region is predominantly characterized by the presence of agricultural land parcels (with black cotton soil). However, a few solar parks are currently operational/ proposed at the subject location by prominent players such as Adani, ReNew, etc. The accessibility of the subject region is via State Highway – 45 (SH – 45).

On account of being accessible through the State Highway – 45 (SH – 45), the subject property enjoys good connectivity to neighbouring towns and villages. Further, it is located at a distance of approximately 3 – 4 km from the 220 KV Sub-station (Ittigi), approximately 3 – 4 km from Ittigi Village Centre, approximately 65 – 70 km from Davangere and approximately 300 – 310 km from MG Road (Bengaluru).

Based on review of power purchase agreements between EEPL and the power purchasers, the Valuer understands that the solar plant would supply electricity to the existing office parks / hotels of Embassy in Bengaluru. In lieu of the same, it is understood that EEPL has already signed power purchase agreements (PPAs) for 25 years with various entities for commercial and industrial category.

Further, based on the review of various documents provided by the Client, it is understood that EEPL has entered into a project development agreement with IL&FS Solar Power Limited, as per which IL&FS Solar Power Limited would set up the entire solar plant facility including land acquisition, development, design, engineering, procurement, construction, erection, testing and commissioning of the solar park. For the same, IL&FS Solar Power Limited will receive deferred payments from EEPL in equated monthly instalments for 15 years (180 months) from Commercial Operation Date (COD). Additionally, it is also understood that IL&FS Solar Power Limited would undertake the O&M services for the solar park facility for a period of 15 years from COD. For the same, EEPL would pay a lump sum operations and maintenance service fee (during the term of this agreement) to IL&FS Solar Power Limited in quarterly instalments.

Statement of Assets: Based on review of various documents (such as deferred payment agreement, project development agreement, commissioning certificates, Government Order, etc.), the solar park has an installed capacity of approximately 130 Mega Watts (MW) DC (output will be 100 MW AC), capable of generating at least 215 Million Units (MU) of electricity by the end of the first 12 months from the date on which it achieves COD and subject to plant stabilization. Table below highlights the details for the subject plant:

Particular	Detail
Capacity (MW) (A)	130 MW DC (100 MW AC)
Plant Load Factor (%) (B)	18.88%
Number of hours in a day (C)	24
Days in a year (D)	365
Total units generated (kWH) (A * B * C * D) * 1000	215 Million Units (MU) in kWH in Year 1

Source: Various documents/ inputs provided by the Client

As per the PPAs executed with various entities, the purchasers have agreed to purchase at least 85% of the contracted quantity **('minimum guaranteed offtake')** each tariff year, commencing from the commercial operation date until the end of the term.

Key Assumptions:

Particulars	Unit	Details
Development Timelines		
COD	Date	28th February 2018*
Revenue assumptions (as on Sep 30, 2019)		
BESCOM Tariff – Commercial	INR per kWH	9.00
BESCOM Tariff – Industrial	INR per kWH	7.40
Blended Tariff	**INR per kWH**	**8.36****
Other financial assumptions		
Useful Life	Years	25 years
Cost of Equity	%	13.50%

** 40% commenced operations on 23rd January 2018 and balance 60% on 28th February 2018*
*** In proportion of the distribution between commercial and industrial category consumers*

Market Value: **INR 10,519 Mn (includes debt of INR 6,586 Mn)**

Annexure (Key Assumptions and Value Summary)

	Leasable Area (msf)/ Keys/ MW			Discount Rate				GAV as of Sep'19 (Rs mm)		
Asset	Completed	Proposed/ U/C	Total	Completed	U/C	Cap Rate/ EBITDA Multiple	Rent/ ADR/Tariff Rate	Completed	Proposed/ U/C	Total
Commercial Assets										
Embassy Manyata	11.0	3.3	14.2	12.30%	13.30%	8.00%	85	113,662	22,306	135,968
Embassy Golflinks*	2.7	0.0	2.7	12.30%	NA	8.00%	146	26,432	-	26,432
Embassy One	0.3	0.0	0.3	12.30%	NA	7.50%	153	5,608	-	5,608
Express Towers	0.5	0.0	0.5	12.30%	NA	7.50%	275	18,590	-	18,590
Embassy 247	1.2	0.0	1.2	12.30%	NA	8.00%	105	17,256	-	17,256
FIFC	0.4	0.0	0.4	12.30%	NA	7.75%	290	14,912	-	14,912
Embassy Techzone	2.2	3.3	5.5	12.30%	13.30%	8.25%	48	15,395	5,930	21,325
Embassy Quadron	1.9	0.0	1.9	12.30%	NA	8.25%	50	14,609	-	14,609
Embassy Qubix	1.5	0.0	1.5	12.30%	NA	8.25%	48	9,962	-	9,962
Embassy Oxygen	1.9	1.3	3.3	12.30%	13.30%	8.25%	54	15,107	5,550	20,657
Embassy Galaxy	1.4	0.0	1.4	12.30%	NA	8.25%	45	8,914	-	8,914
Sub-Total (Commercial Offices)	**24.8**	**7.9**	**32.7**					**260,447**	**33,786**	**294,233**
Hospitality Asset										
Hilton at Embassy Golflinks	247 Keys	-	247 Keys	12.63%	-	14x	8,750	5,045	-	5,045
Four Seasons at Embassy One	230 Keys	-	230 Keys	12.63%	-	14x	11,200	8,244	-	8,244
Hilton at Embassy Manyata (5 Star)	-	266 Keys	266 Keys	-	13.63%	14x	7,500	-	2,064	2,064
Hilton at Embassy Manyata (3 Star)	-	353 Keys	353 Keys	-	13.63%	14x	5,000	-	1,016	1,016
Sub-Total (Hospitality)	**477 Keys**	**619 Keys**	**1096 Keys**					**13,289**	**3,079**	**16,368**
Others										
Embassy Energy	100MW	-	100MW	13.50%	-	NA	8.36	10,519	-	10,519
Sub-Total (Others)	**100MW**	**-**	**100MW**					**10,519**	**-**	**10,519**
Total	**24.8 msf/477 Keys/100MW**	**7.9 msf/619 Keys**	**32.7 msf/1096 Keys/100MW**					**284,255**	**36,865**	**321,120**
% Split								**89%**	**11%**	**100%**

Indicative of Embassy REIT's economic interest in the asset, viz. 50%

Key Definitions

This Half Yearly Report uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made under that provision. The words and expressions used in this Half Yearly Report, but not defined herein shall have the meaning ascribed to such terms under the REIT Regulations, the SEBI Guidelines, and the rules and regulations made thereunder.

Term	Description
Asset SPVs	Holdco and SPVs
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
BBMP	Bruhat Bengaluru Mahanagara Palike
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. 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
BSE	Bombay Stock Exchange Limited
CBRE	CBRE South Asia Private Limited
CBI	Central Bureau of Investigation
CSR	Corporate Social Responsibility
DG	Diesel Generator
DSRK	DSRK Holdings (Chennai) Private Limited
EEPL	Embassy Energy Private Limited
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
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	Manyata Embassy Business Park situated at Outer Ring Road, Nagavara, Bengaluru 560 045, Karnataka, India
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

Term	Description
Embassy Qubix	Qubix Business Park situated at Plot No. 2, Rajiv Gandhi Infotech Park Phase I, Hinjewadi, Pune 411 057, Maharashtra, India
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
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
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
GLSP or Investment Entity	Golflinks Software Park Private Limited
GoI	Government of India
GSPL	Galaxy Square Private Limited
Holdco or EOPPL	Embassy Office Parks Private Limited
IENMPL	Indian Express Newspapers (Mumbai) Private Limited
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards as defined in Section 133 of the Companies Act, 2013, including any amendments or modifications thereto
Indian GAAP	Previously generally accepted accounting principles in India that were notified by the MCA under the Companies (Accounting Standards) Rules, 2006, and amended pursuant to the relevant provisions of the Companies Act
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
KAT	Karnataka Appellate Tribunal
Manager or EOPMSPL	Embassy Office Parks Management Services Private Limited
MCGM	Municipal Corporation of Greater Mumbai
MIDC	Maharashtra Industrial Development Corporation
MMRDA	Mumbai Metropolitan Region Development Authority
MPPL	Manyata Promoters Private Limited
NAV	Net Asset Value
NBFC	Non Banking Financial Company
NOIDA	New Ohkla Industrial Development Authority
NSE	National Stock Exchange of India Limited
OBPPL	Oxygen Business Park Private Limited
Portfolio Assets	Assets directly or indirectly owned by the Embassy REIT as of the date of this Half Yearly Report, 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, and (xii) Embassy Galaxy
QBPL	Quadron Business Park Private Limited
QBPPL	Qubix Business Park Private Limited
REIT Regulations	The Securities And Exchange Board Of India (Real Estate Investment Trusts) Regulations, 2014
RBI	Reserve Bank of India
ROFO Deed	Deed of Right Of First Offer dated September 20, 2018 executed among the Embassy Sponsor, the Manager and the Trustee
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
Sponsors	The Embassy Sponsor and the Blackstone Sponsor
SPV(s)	Special purpose vehicles, as defined in Regulation 2(l)(zs) of the REIT Regulations, in this case being, MPPL, UPPL, EEPL, IENMPL, VCPPL, ETPL, QBPL, QBPPL, OBPPL and GSPL
Stock Exchanges	BSE and NSE
Trust Deed	Trust deed entered into between the Embassy Sponsor and the Trustee dated March 30, 2017 and the amendment to the trust deed entered into among the Embassy Sponsor, Blackstone Sponsor and the Trustee dated September 11, 2018
Trustee	Axis Trustee Services Limited
Unitholders	Any person or entity who holds Units of the Embassy REIT
Units	An undivided beneficial interest in the Embassy REIT, and such Units together represent the entire beneficial interest in the Embassy REIT
UPPL	Umbel Properties Private Limited
USD	United States Dollar
VCPPL	Vikhroli Corporate Park 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

Disclaimer

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