August 6, 2020

To,

The Corporate Relations Department
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

The Corporate Relations Department
Department of Corporate Services
BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001.

Re: Scrip Code 542602; Scrip Code 958770 and 959074 (NCD's) and Scrip Symbol "EMBASSY"

Subject: Outcome of the Meeting of the Board of Directors of the Manager held on August 06, 2020

Dear Sir/Madam,

We wish to inform you that the Board of Directors of Embassy Office Parks Management Services Private Limited, Manager to Embassy Office Parks REIT ("**Embassy REIT**") at its meeting held on Thursday, August 06, 2020 through Audio-Visual Electronic Communication has, *inter-alia*:

1. Approved the Unaudited Condensed Standalone Financial Results and Unaudited Condensed Consolidated Financial Results of Embassy REIT for the quarter ended June 30, 2020;

2. Declared distribution of Rs. 4,498.81 million/Rs. 5.83 per Unit for the quarter ended June 30, 2020. The distribution comprises Rs. 1,651.36 million/Rs. 2.14 per Unit in the form of interest, less applicable taxes, if any, Rs. 277.80 million/Rs. 0.36 per Unit in the form of dividend and Rs. 2,569.65 million/Rs. 3.33 per Unit in the form of proceeds of amortization of SPV level debt;

3. Accepted the resignation of Mr. Ramesh Periasamy (A26247), Company Secretary of the Company and Compliance Officer for Embassy REIT w.e.f close of business on August 6, 2020. The Board of Directors placed on record their sincere appreciation for the invaluable contribution made by Mr. Ramesh Periasamy; and

4. Appointed Ms. Deepika Srivastava (A23654) as the Company Secretary of the Company and Compliance Officer of Embassy REIT and KMP of the Company w.e.f. commencement of business on August 7, 2020. A brief profile of Ms. Deepika Srivastava is enclosed as **Annexure I**. The Board welcomed Ms. Deepika Srivastava as the Company Secretary and Compliance Officer.

Additionally, kindly note that we have enclosed:

1. Unaudited Condensed Standalone Financial Results and the Unaudited Condensed Consolidated Financial Results of Embassy REIT for the quarter ended June 30, 2020 and the Limited Review

Reports of the Statutory Auditors thereon. The abovementioned documents have also been uploaded on our website at www.ir.embassyofficeparks.com;

2. Copy of the press release in connection with the Unaudited Condensed Standalone Financial Results and the Unaudited Condensed Consolidated Financial Results for the quarter ended June 30, 2020 in compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same has also been uploaded on our website at www.ir.embassyofficeparks.com; and

3. Copy of the Earning Presentation for quarter ended June 30, 2020 comprising Business and Financial Results of Embassy REIT for the quarter ended June 30, 2020. The same has also been uploaded on our website at www.ir.embassyofficeparks.com;

We also wish to inform you that record date for the distribution to Unitholders for the quarter ended June 30, 2020 will be August 14, 2020 and the payment of distribution will be made on or before August 21, 2020.

The meeting commenced at 10:30 AM and concluded at 3:10 PM.

Kindly take the above on record.

Thank you.

Yours sincerely,

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

Aravind Maiya

Chief Financial Officer

Annexure I

Brief Profile of Ms. Deepika Srivastava

Ms. Deepika Srivastava is a qualified Company Secretary with graduate degrees in Law and Commerce, and a post-graduate degree in Sociology. She has also completed an Executive General Management Program from IIM, Bangalore. Ms. Deepika brings over 12 years of rich experience handling statutory and compliance functions for listed companies.

Her previous stint was with Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited) and prior to this she has been part of compliance teams at Mount Everest Mineral Water Limited, Paramount Cosmetics (I) Ltd and Escorts Limited.

She specializes in Companies Act and other Securities Laws and was most recently involved as a key member in a business demerger in her previous role. Ms. Deepika's expertise also extends to mergers, post-merger compliances, international commercial arbitration, and related areas.

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

Aravind Maiya
Chief Financial Officer

Review Report

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

Introduction

1. We have reviewed the accompanying unaudited condensed consolidated interim Ind AS financial statements of Embassy Office Parks REIT (the “REIT”), its subsidiaries and a Joint venture (together referred as “the Group”), which comprise the unaudited condensed consolidated balance sheet as at June 30, 2020, the unaudited condensed statement of Profit and Loss, including other comprehensive income, unaudited condensed statement of Cash Flows and the unaudited condensed statement of changes in Unitholder’s equity for the quarter ended June 30, 2020 and a summary of the significant accounting policies and select explanatory information (together hereinafter referred to as the “Condensed Consolidated Interim Ind AS Financial Statements”).

2. The Condensed Consolidated Interim Ind AS Financial Statements are the responsibility of the Manager and has been approved by the Board of Directors of the Manager. The Condensed Consolidated Interim Ind AS Financial Statements are prepared in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 “Interim Financial Reporting”, as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder (“REIT Regulations’’). Our responsibility is to issue a conclusion on the Condensed Consolidated Interim Ind AS Financial Statements based on our review.

Scope of Review

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

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

Sl. No	Name of the entities
A	**Parent Entity**
1	Embassy Office Parks REIT
B	**Subsidiaries**
1	Embassy Office Parks Private Limited
2	Manyata Promoters Private Limited (‘MPPL’)
3	Umbel Properties Private Limited
4	Embassy-Energy Private Limited
5	Galaxy Square Private Limited
6	Quadron Business Park Private Limited
7	Qubix Business Park Private Limited
8	Oxygen Business Park Private Limited
9	Earnest Towers Private Limited
10	Vikhroli Corporate Park Private Limited
11	Indian Express Newspapers (Mumbai) Private Limited
12	Embassy Pune Techzone Private Limited
C	**Jointly Controlled 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, as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India.

Emphasis of Matter

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

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

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

Sd/-
per Adarsh Ranka
Partner
Membership No.: 209567

UDIN: 20209567AAAAEH2213

Place: Bengaluru, India
Date: August 6, 2020

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

EMBASSY OFFICE PARKS

	Note	As at 30 June 2020 (Unaudited)	As at 31 March 2020 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	20,532.22	20,698.93
Capital work-in-progress	4	2,616.67	2,334.07
Investment property	5	193,489.04	194,076.48
Investment property under development	8	2,071.08	1,773.39
Goodwill	6	50,289.37	50,289.37
Intangible assets	7	4,963.05	5,001.36
Equity accounted investee	9	24,229.45	24,091.36
Financial assets			
- Loans	11	666.26	668.71
- Other financial assets	12	1,335.59	1,188.54
Non-current tax assets (net)	13	1,489.19	1,554.70
Other non-current assets	14	16,447.30	16,475.64
Total non-current assets		**318,129.22**	**318,152.55**
Current assets			
Inventories	15	12.32	12.82
Financial assets			
- Investments	10	256.48	12,273.59
- Trade receivables	16	250.18	242.25
- Loans	17	51.50	51.49
- Cash and cash equivalents	18A	13,425.40	3,249.16
- Other bank balances	18B	67.56	169.79
- Other financial assets	19	349.98	399.46
Other current assets	20	397.63	351.22
Total current assets		**14,811.05**	**16,749.78**
Total assets		**332,940.27**	**334,902.33**
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	21	229,120.96	229,120.96
Other equity	22	(9,217.50)	(5,943.12)
Total equity		**219,903.46**	**223,177.84**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	23	57,309.92	56,170.51
- Other financial liabilities	24	2,775.16	3,118.65
Provisions	25	4.16	5.25
Deferred tax liabilities (net)	26	40,197.95	40,407.38
Other non-current liabilities	27	454.64	386.70
Total non-current liabilities		**100,741.83**	**100,088.49**
Current liabilities			
Financial liabilities			
- Trade payables	28		
- total outstanding dues of micro and small enterprises		2.96	2.48
- total outstanding dues of creditors other than micro and small enterprises		173.18	252.27
- Other financial liabilities	29	11,228.83	10,562.79
Provisions	30	1.78	2.37
Other current liabilities	31	803.06	781.58
Current tax liabilities (net)	32	85.17	34.51
Total current liabilities		**12,294.98**	**11,636.00**
Total equity and liabilities		**332,940.27**	**334,902.33**

Significant accounting policies 2

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

As per our report of even date attached

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 06 August 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 06 August 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 06 August 2020

Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Consolidated Statement of Profit And Loss
(all amounts in Rs. millions unless otherwise stated)

	Note	For the quarter ended 30 June 2020 (Unaudited)	For the quarter ended 31 March 2020 (Audited)**	For the quarter ended 30 June 2019 (Unaudited)	For the year ended 31 March 2020 (Audited)
Income and gains					
Revenue from operations	33	5,162.26	5,433.61	5,351.04	21,449.22
Interest	34	284.59	191.28	144.31	477.35
Other income	35	45.47	211.06	46.00	513.00
Total Income		**5,492.32**	**5,835.95**	**5,541.35**	**22,439.57**
Expenses					
Cost of materials consumed	36	1.09	32.56	20.39	118.94
Employee benefits expense	37	59.71	97.23	94.14	377.17
Operating and maintenance expenses	38	54.11	112.08	186.80	627.46
Repairs and maintenance	40	285.74	304.14	304.84	1,215.38
Valuation expenses		2.21	0.92	2.36	9.74
Audit fees		10.39	0.92	9.90	43.20
Insurance expenses		14.29	15.20	16.42	66.74
Investment management fees	45	175.12	183.42	172.01	700.94
Trustee fees		0.79	0.76	0.74	2.96
Legal and professional fees		137.03	91.76	96.60	383.94
Other expenses	39	244.48	374.91	268.03	1,246.33
Total Expenses		**984.96**	**1,213.90**	**1,172.23**	**4,792.80**
Earnings before finance costs, depreciation, amortisation, impairment loss and tax		**4,507.36**	**4,622.05**	**4,369.12**	**17,646.77**
Finance costs	41	1,372.54	1,204.94	832.39	3,803.54
Depreciation expense	42	1,139.10	1,221.93	1,338.02	5,120.00
Amortisation expense	42	39.50	41.27	53.28	161.24
Impairment loss	3, 6	-	1,775.98	-	1,775.98
Profit before share of profit of equity accounted investee and tax		**1,956.22**	**377.93**	**2,145.43**	**6,786.01**
Share of profit after tax of equity accounted investee		245.38	280.55	394.69	1,169.33
Profit before tax		**2,201.60**	**658.48**	**2,540.12**	**7,955.34**
Tax expense:					
Current tax	43	387.17	480.90	369.37	1,361.39
Deferred tax charge/ (credit)	43	(77.71)	180.59	158.07	(11.27)
Minimum alternate tax credit entitlement (MAT)	43	(150.25)	(439.29)	(207.69)	(1,050.12)
MAT written off/ (written back)	43	-	(141.79)	-	-
		159.21	**80.41**	**319.75**	**300.00**
Profit for the period/ year		**2,042.39**	**578.07**	**2,220.37**	**7,655.34**
Items of other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurements of defined benefit liability, net of tax		-	0.16	-	0.16
Total comprehensive income attributable to Unitholders for the period/ year		**2,042.39**	**578.23**	**2,220.37**	**7,655.50**
Earnings per Unit	44				
Basic		2.65	0.75	2.88	9.92
Diluted		2.65	0.75	2.88	9.92

** Refer note 53.

Significant accounting policies 2

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

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 06 August 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 06 August 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 06 August 2020

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

	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
	(Unaudited)	(Audited)**	(Unaudited)	(Audited)
Cash flow from operating activities				
Profit before share of profit of equity accounted investees and tax	1,956.22	377.93	2,145.43	6,786.01
Adjustments for :				
Non-cash and other adjustments				
Depreciation expense	1,139.10	1,221.93	1,338.02	5,120.00
Amortisation expense	39.50	41.27	53.28	161.24
Assets no longer required, written off	4.19	2.90	4.69	11.16
Allowance for credit loss	-	0.59	0.26	0.85
Liabilities no longer required written back	(4.59)	(13.29)	-	(13.29)
Leasing commission paid	-	-	(5.33)	(41.86)
Profit on sale of mutual funds	(24.18)	(163.41)	(10.76)	(359.96)
Finance costs	1,372.54	1,204.94	832.39	3,803.54
Interest income	(272.97)	(191.28)	(130.81)	(451.04)
Fair value loss/(gain) on investment measured at FVTPL	3.00	20.78	(18.45)	6.71
Impairment loss recognised	-	1,775.98	-	1,775.98
Operating profits before working capital changes	**4,212.81**	**4,278.34**	**4,208.72**	**16,799.34**
Working capital adjustments				
- Inventories	0.50	(0.01)	(11.47)	(7.40)
- Trade receivables	(0.87)	47.11	(109.33)	126.60
- Loans and other financial assets (current and non-current)	(111.13)	227.95	607.60	731.70
- Other assets (current and non-current)	(49.64)	75.13	(284.87)	52.94
- Trade payables	(74.02)	126.81	(173.27)	(153.83)
- Other financial liabilities (current and non-current)	171.81	343.98	588.17	977.70
- Other liabilities and provisions (current and non-current)	87.74	(233.83)	119.34	(183.01)
Cash generated from operating activities before taxes	**4,237.20**	**4,865.48**	**4,944.89**	**18,344.04**
Taxes (paid)/ refunds received (net)	(252.46)	(326.79)	(331.51)	(1,429.28)
Cash generated from operating activities	**3,984.74**	**4,538.69**	**4,613.38**	**16,914.76**
Cash flow from investing activities				
(Investments)/ redemption of deposits with banks (net)	119.94	830.92	2,244.66	2,760.20
(Investments)/ redemption in mutual funds (net)	11,570.39	2,781.03	(4,235.49)	(9,251.09)
Investment in debentures	-	-	(2,500.00)	(2,500.00)
Repayment of investment in debentures	467.90	458.10	686.38	1,775.62
Payment for purchase of Investment Property and Property, Plant and Equipment and intangibles including Capital Work-in-progress and Investment Property under Development	(887.71)	(1,574.92)	(2,183.64)	(11,797.81)
Payment for business acquisition	-	-	(3,450.00)	(3,450.00)
Dividend received	90.00	365.00	-	535.00
Interest received	276.30	233.30	96.98	485.66
Net cash flow generated from / (used in) investing activities	**11,636.82**	**3,093.43**	**(9,341.11)**	**(21,442.42)**
Cash flow from financing activities				
Interest paid	(284.35)	(330.30)	(364.65)	(1,562.48)
Repayments of borrowings	(48.29)	(3,435.46)	(69,966.60)	(73,462.66)
Proceeds from borrowings (net off issue expenses)	340.15	2,998.47	29,639.95	48,947.26
Transaction costs related to issue of units	-	(30.00)	(2,263.41)	(2,378.63)
Cash used in distribution to Unitholders (including taxes on account of distribution by SPV's)	(5,316.59)	(4,707.20)	-	(13,526.72)
Finance Lease payments	-	(20.37)	-	(20.37)
Security deposits (given)/received	1.00	-	-	30.00
Net cash (used in) / generated from financing activities	**(5,308.08)**	**(5,524.86)**	**(42,954.71)**	**(41,973.60)**
Net increase/ (decrease) in cash and cash equivalents	**10,313.48**	**2,107.26**	**(47,682.44)**	**(46,501.26)**
Cash and cash equivalents at the beginning of the period / year	3,111.49	1,004.23	49,612.75	49,612.75
Cash and cash equivalents at the end of the period / year	**13,424.97**	**3,111.49**	**1,930.31**	**3,111.49**

(all amounts in Rs. millions unless otherwise stated)

EMBASSY OFFICE PARKS

	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
	(Unaudited)	(Audited)**	(Unaudited)	(Audited)
Components of cash and cash equivalents (refer note 18A)				
Cash in hand	1.01	1.12	1.45	1.12
Balances with banks				
- in current accounts	5,992.02	3,225.16	601.16	3,225.16
- in escrow accounts	16.94	2.62	166.10	2.62
- in fixed deposits	7,415.00	20.00	1,161.60	20.00
Book overdraft	-	(137.41)	-	(137.41)
	13,424.97	**3,111.49**	**1,930.31**	**3,111.49**

** Refer note 53.

Significant accounting policies (Refer Note 2)

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

As per our report of even date attached

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 06 August 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 06 August 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 06 August 2020

EMBASSY OFFICE PARKS

A.

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

B. Other equity

Particulars	**Retained Earnings**
Balance as on 1 April 2019	**(94.47)**
Add: Profit for the year ended 31 March 2020	7,655.34
Add: Other Comprehensive Income for the year ended 31 March 2020	0.16
Less: Distribution to Unitholders for the quarter ended 30 June 2019*	(4,166.99)
Less: Distribution to Unitholders for the quarter ended 30 September 2019*	(4,630.00)
Less: Distribution to Unitholders for the quarter ended 31 December 2019*	(4,707.16)
Balance as at 31 March 2020	**(5,943.12)**
Balance as on 1 April 2020	**(5,943.12)**
Add: Profit for the quarter ended 30 June 2020	2,042.39
Less: Distribution to Unitholders for the quarter ended 31 March 2020*	(5,316.77)
Balance as at 30 June 2020	**(9,217.50)**

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

As per our report of even date attached

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 06 August 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 06 August 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 06 August 2020

(all amounts in Rs. millions unless otherwise stated)

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

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

Sl No	Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
1	Cash flows received from SPVs and investment entity in the form of:				
	• Interest	1,709.81	1,942.20	1,819.29	7,823.93
	• Dividends (net of applicable taxes)	288.00	177.85	-	289.97
	• Repayment of Shareholder Debt	2,662.12	3,244.91	2,409.91	11,012.23
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-	-	-	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:	-	-	-	-
	• Applicable capital gains and other taxes	-	-	-	-
	• Related debts settled or due to be settled	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-
4	Add: Any other income of the Trust and not captured herein	34.58	55.09	13.60	167.05
5	Less: Any other expense accruing at the Trust level and not captured herein	(20.83)	(17.26)	-	(23.40)
6	Less: Any fees, including but not limited to:				
	• Trustee fees	(0.80)	(0.76)	(0.74)	(2.96)
	• REIT Management Fees	(58.61)	(56.02)	(42.00)	(214.81)
	• Valuer fees	(2.21)	(0.92)	(2.36)	(9.74)
	• Legal and professional fees	(106.07)	(23.85)	(11.44)	(102.89)
	• Trademark license fees	(0.35)	(0.36)	-	(1.42)
	• Secondment fees	(0.35)	(0.36)	-	(1.42)
7	Less: Debt servicing				
	• Interest on external debt	-	-	-	-
	• Repayment of external debt	-	-	-	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(10.31)	(6.13)	(5.76)	(70.62)
	Net Distributable Cash Flows	**4,494.98**	**5,314.39**	**4,180.50**	**18,865.92**

Notes:

1 The Board of Directors of the Manager to the Trust, in their meeting held on 6 August 2020, have declared distribution to Unitholders of Rs.5.83 per unit which aggregates to Rs.4,498.81 million for the quarter ended 30 June 2020. The distributions of Rs.5.83 per unit comprises Rs.2.14 per unit in the form of interest payment, Rs.0.36 per unit in the form of dividend and the balance Rs.3.33 per unit in the form of amortization of SPV debt.

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

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

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

For the quarter ended 30 June 2020 for distribution

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	EPTPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	122.64	966.80	(40.53)	(106.27)	110.03	43.85	107.62	12.50	(254.15)	65.03	5.64	(0.02)	1,033.14
	Adjustment:													
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:													
	• Depreciation, amortisation and impairment	91.59	382.92	86.30	55.45	50.35	22.25	62.91	69.67	75.06	14.34	35.77	-	946.61
	• Assets written off or liabilities written back	-	2.73	-	-	-	-	(3.13)	-	-	-	-	-	(0.40)
	• Current tax charge as per statement of profit and loss	43.38	201.63	-	0.33	44.80	22.83	40.41	6.62	-	12.77	0.56	-	373.33
	• Deferred tax	51.08	62.64	(15.32)	(37.66)	(3.36)	0.15	(2.39)	8.74	(50.56)	5.91	(3.91)	-	15.32
	• MAT adjustments as per statement of profit and loss	(43.75)	(88.91)	-	-	-	-	-	(6.62)	-	(10.97)	-	-	(150.25)
	• Ind AS adjustments not considered in any other item above	2.76	(96.55)	1.28	-	10.77	3.16	2.42	(23.82)	1.19	(10.38)	13.42	-	(95.75)
3	Add: Interest on shareholders debt charged to statement of profit and loss	136.93	733.48	187.65	53.78	9.43	70.58	103.90	117.88	379.91	89.74	140.17	-	2,023.45
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(18.60)	240.49	10.28	(28.80)	(4.01)	11.92	(0.91)	65.05	(34.10)	6.15	18.97	0.01	266.45
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(14.45)	(25.28)	-	-	-	-	(8.56)	-	-	-	-	(48.29)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(36.99)	(101.28)	9.12	0.04	(29.49)	(19.64)	(32.19)	21.40	(28.87)	(14.22)	(10.04)	-	(242.16)
	Total Adjustments (B)	**226.40**	**1,322.70**	**254.03**	**43.14**	**78.49**	**111.25**	**171.02**	**250.36**	**342.63**	**93.34**	**194.94**	**0.01**	**3,088.31**
	Net distributable Cash Flows C = (A+B).	**349.04**	**2,289.50**	**213.50**	**(63.13)**	**188.52**	**155.10**	**278.64**	**262.86**	**88.48**	**158.37**	**200.58**	**(0.01)**	**4,121.45**

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

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

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

For the quarter ended 31 March 2020 for distribution

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	EPTPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	464.93	919.03	13.57	(57.09)	153.88	21.67	43.93	77.62	(1,440.75)	49.40	(31.32)	-	214.87
	Adjustment:													
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:													-
	• Depreciation, amortisation and impairment	92.62	357.23	86.32	56.17	50.39	21.93	77.00	57.42	1,363.39	14.36	35.28	-	2,212.12
	• Assets written off or liabilities written back	1.19	(7.20)	-	(2.91)	-	-	(0.64)	(2.72)	-	-	-	-	(12.28)
	• Current tax charge as per statement of profit and loss	109.26	167.99	0.99	0.35	75.71	33.40	53.52	12.22	(1.87)	9.81	11.32	-	472.70
	• Deferred tax	82.10	145.74	6.62	(18.19)	(3.49)	(2.21)	24.18	27.05	(89.16)	3.79	49.26	-	225.68
	• MAT adjustments as per statement of profit and loss	(207.06)	(280.31)	(3.46)	-	(76.07)	-	-	(12.22)	5.42	(7.39)	-	-	(581.09)
	• Ind AS adjustments not considered in any other item above	(1.79)	19.23	(0.56)	-	6.16	12.40	(4.03)	61.85	15.41	9.20	34.28	-	152.15
3	Add: Interest on shareholders debt charged to statement of profit and loss	158.59	735.73	188.81	54.01	9.60	74.13	104.90	94.34	379.92	92.45	143.01	-	2,035.49
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	199.60	238.52	(44.79)	33.68	24.58	50.62	(39.24)	31.59	4.14	22.26	33.90	-	554.86
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 *	-	(15.59)	(24.49)	-	-	-	-	(50.90)	-	-	-	-	(90.98)
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)	(28.91)	(140.11)	-	(1.21)	(24.74)	(17.22)	(32.19)	(17.27)	(29.75)	(14.17)	(14.85)	-	(320.41)
	Total Adjustments (B)	**405.60**	**1,221.23**	**209.44**	**121.90**	**62.14**	**173.05**	**183.50**	**201.36**	**1,647.50**	**130.31**	**292.20**	**-**	**4,648.24**
	Net distributable Cash Flows C = (A+B).	**870.53**	**2,140.26**	**223.01**	**64.81**	**216.02**	**194.72**	**227.43**	**278.98**	**206.75**	**179.71**	**260.88**	**-**	**4,863.11**

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

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

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

For the quarter ended 30 June 2019 for distribution

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	EPTPL	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	-	-	-	-	-	-	-	-	-	-	-	-	-
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)	**487.60**	**991.93**	**253.55**	**90.75**	**161.40**	**151.46**	**285.73**	**274.41**	**515.41**	**116.37**	**88.52**	**-**	**3,417.13**
	Net distributable Cash Flows C = (A+B).	**603.56**	**1,672.04**	**275.45**	**42.35**	**211.79**	**184.97**	**298.92**	**294.51**	**283.76**	**171.58**	**112.30**	**-**	**4,151.23**

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

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

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

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

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	EPTPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	758.86	3,375.36	44.27	(151.15)	462.44	124.74	200.83	153.83	(2,101.31)	239.58	181.64	-	3,289.09
	Adjustment:													
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:													
	• Depreciation, amortisation and impairment	354.71	1,390.13	345.24	231.93	201.05	87.74	451.53	222.31	1,596.55	57.29	147.21	-	5,085.69
	• Assets written off or liabilities written back	6.35	(6.43)	-	(2.91)	-	-	(0.39)	(2.72)	-	-	-	-	(6.10)
	• Current tax charge as per statement of profit and loss	122.95	661.16	9.95	2.36	122.52	89.72	147.63	43.49	-	47.32	20.29	-	1,267.39
	• Deferred tax	103.42	484.73	15.26	(44.30)	33.98	(3.48)	6.52	83.02	(218.17)	20.54	65.03	-	546.55
	• MAT adjustments as per statement of profit and loss	(109.25)	(781.68)	(9.95)	-	(116.07)	-	-	(43.49)	48.11	(37.79)	-	-	(1,050.12)
	• Ind AS adjustments not considered in any other item above	(89.45)	32.82	(1.28)	-	(40.30)	15.25	(31.95)	14.82	6.05	10.73	(134.66)	-	(217.97)
3	Add: Interest on shareholders debt charged to statement of profit and loss	685.73	2,420.32	284.09	220.76	66.13	305.21	414.38	483.41	1,506.86	383.46	582.17	-	7,352.52
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	665.19	1,246.17	120.12	40.51	181.36	61.26	(112.37)	108.70	175.69	15.67	(29.24)	-	2,473.06
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(271.51)	(93.48)	-	-	-	-	(50.90)	-	-	-	-	(415.89)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):													
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(126.99)	(610.55)	(21.58)	(7.38)	(102.51)	(84.09)	(136.03)	(82.16)	(132.69)	(53.20)	(24.09)	-	(1,381.27)
	Total Adjustments (B)	**1,612.66**	**4,565.16**	**648.37**	**440.97**	**346.16**	**471.61**	**739.32**	**776.48**	**2,982.40**	**444.02**	**626.71**	**-**	**13,653.86**
	Net distributable Cash Flows C = (A+B).	**2,371.52**	**7,940.52**	**692.64**	**289.82**	**808.60**	**596.35**	**940.15**	**930.31**	**881.09**	**683.60**	**808.35**	**-**	**16,942.95**

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

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

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

(all amounts in Rs. millions unless otherwise stated)

1. Organisation structure

The interim condensed consolidated financial statements (‘Condensed Consolidated Financial Statements’) comprise condensed financial statements of Embassy Office Parks REIT (the ‘Trust’ or the ‘Embassy REIT’), 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'), Indian Express Newspapers (Mumbai) Private Limited (‘IENMPL') and Embassy Pune Techzone Private Limited ('EPTPL') (individually referred to as ‘Special Purpose Vehicle’ or ‘SPV’ and together referred to as ‘Embassy Office Parks Group’) and a Joint Venture namely Golflinks Software Park Private Limited ('GLSP') (also referred to as the Investment Entity). The SPVs are Companies domiciled in India.

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

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

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

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

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

Details of SPVs is provided below:

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

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

EPTPL	Development and leasing of office space and related interiors, located in Pune.	Embassy Office Parks Private Limited (100%)

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

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

2. Significant accounting policies

2.1 Basis of preparation of condensed consolidated financial statements

The Condensed Consolidated Financial Information (hereinafter referred to as the "Condensed Consolidated Financial Statements") of the Embassy Office Parks Group comprises the Consolidated Balance Sheet as at 30 June 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Unitholders' Equity and a summary of significant accounting policies and other explanatory information for the quarter ended 30 June 2020. The Condensed Consolidated Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 6 August 2020. The Condensed Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time read including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("the REIT regulations"); Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. Also, refer Note 21(a) on classification of Unitholders fund.

The Condensed Consolidated Financial Statements are presented in Indian Rupees in Millions, except when otherwise indicated.

Statement of compliance to Ind-AS

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

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

Basis of Consolidation

(i) Subsidiaries

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

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

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 joint ventures are recognised as a reduction in the carrying amount of the investment.

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

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

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

2. Significant accounting policies (continued)

2.1 Basis of preparation of condensed consolidated financial statements (continued)

Basis of Business Combination

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

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

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

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

2.2 Summary of significant accounting policies

a) Functional and presentation currency

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

b) Basis of measurement

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

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

c) Use of judgments and estimates

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

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

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

i) Business combinations

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

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

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

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

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

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

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

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

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

i) Fair valuation and disclosures and impairment of non-financial assets being investment properties and property plant and equipment - The fair value of investment properties and property, plant and equipment are reviewed regularly by management with reference to independent property valuations and market conditions existing at half yearly basis. The independent valuers are independent appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Judgment is also applied in determining the extent and frequency of independent appraisals.

Refer note 2.2 (j) as regards estimates and assumptions involved in impairment assessment of non-financial assets being investment properties and property plant and equipment.

2.2 Summary of significant accounting policies (continued)

c) Use of judgments and estimates (continued)

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

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

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

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

d) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

e) Measurement of fair values

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

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

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

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.

(all amounts in Rs. millions unless otherwise stated)

2.2 Summary of significant accounting policies (continued)

f) Investment property

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

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

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

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

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

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

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

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

g) Property, plant and equipment and intangible assets

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

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

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

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

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

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

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

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

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

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

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

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

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

2.2 Summary of significant accounting policies (continued)

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

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

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

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

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

h) Non-current assets held for sale

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

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

i) Inventory

Stores and operating supplies

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

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

j) Impairment of non-financial assets

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

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

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

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

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

k) Foreign currency transactions

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

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

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

l) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- Amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt instrument;
- Fair value through other comprehensive income (FVOCI) – equity instrument; or
- Fair value through profit or loss (FVTPL)

2.2 Summary of significant accounting policies (continued)

l) Financial instruments (continued)

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.

2.2 Summary of significant accounting policies (continued)

l) Financial instruments (continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

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

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

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

2.2 Summary of significant accounting policies (continued)

n) Impairment of financial assets (continued)

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

The Embassy Office Parks Group considers a financial asset to be default when:
- the borrower is unlikely to pay its credit obligations to the Embassy Office Parks Group in full, without recourse by the Embassy Office Parks Group to actions such as realising security (if any is held); or

- the financial asset is 180 days or more past due without any security

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

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

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

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

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

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

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

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

q) Leases

Embassy Office Parks Group as a lessee

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

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

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

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.

2.2 Summary of significant accounting policies (continued)

q) Leases (continued)

Embassy Office Parks Group as a lessor

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for other elements on the basis of their relative fair values.

ii. Assets held under leases

Leases in which the Embassy Office Parks Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term. The lease term is the non-cancellable period together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Embassy Office Parks Group is reasonably certain that the tenant will exercise that option. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Embassy Office Parks Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Embassy Office Parks Group's net investment in the leases.

iii. Initial direct costs

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

r) Revenue recognition

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

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

i) Rental income from investment properties

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

ii) Income from finance lease

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

iii) Revenue from Room Rentals

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

iv) Revenue from contract with customers

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

b) ***Revenue from Food, beverages and banquets***

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

c) ***Other operating income***

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

v) Recognition of dividend and interest income

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

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

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

s) Employee benefits

Defined contribution plan

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

Gratuity

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

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

2.2 Summary of significant accounting policies (continued)

s) Employee benefits (continued)

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 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.

2.2 Summary of significant accounting policies (continued)

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.

z) Distribution Policy:

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

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

- not less than 90% of the NDCF of the SPVs are required to be distributed to the Embassy Office Parks REIT, in proportion to its shareholding in the SPV, subject to applicable provisions of the Companies Act, 2013.

- 100% of the cash flows received by the Holding Company from the underlying SPVs are required to be distributed to the Embassy Office Parks REIT, and not less than 90% of the NDCF generated by the Holding Company on its own shall be distributed to the Embassy Office Parks REIT, subject to applicable provisions of the Companies Act, 2013.

- The aforesaid net distributable cash flows are made available to Embassy Office Parks REIT in the form of (i) Interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the SPV's/Holding Company, (ii) Principal repayment of Shareholder Debt, (iii) Dividend declared by the SPVs/Holding Company and received by Embassy Office Parks REIT and (iv) Proceeds from sale of any Embassy REIT assets.

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

2.2 Summary of significant accounting policies (continued)

aa) Cash distribution to Unitholders

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

ab) Consolidated Statement of Cash flows

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

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

ac) Earnings per unit

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

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

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

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

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(all amounts in Rs. millions unless otherwise stated)

EMBASSY OFFICE PARKS

3 Property, plant and equipment

Reconciliation of carrying amounts for the quarter ended 30 June 2020

Particulars	Land-freehold (refer note ii)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Gross block (cost or deemed cost)										
At 1 April 2019	**6,087.66**	**7,057.90**	**7,137.51**	**485.32**	**448.83**	**17.26**	**11.51**	**11.62**	**37.89**	**21,295.50**
Additions for the year	452.41	9.98	4.77	0.72	0.11	1.20	6.38	0.02	2.52	**478.11**
Deletion	-	-	-	(0.06)	-	-	-	(0.81)	-	**(0.87)**
At 31 March 2020	**6,540.07**	**7,067.88**	**7,142.28**	**485.98**	**448.94**	**18.46**	**17.89**	**10.83**	**40.41**	**21,772.74**
At 1 April 2020	**6,540.07**	**7,067.88**	**7,142.28**	**485.98**	**448.94**	**18.46**	**17.89**	**10.83**	**40.41**	**21,772.74**
Additions for the quarter	-	-	0.24	-	-	-	-	-	-	**0.24**
Deletion	-	-	-	-	-	-	-	-	-	-
At 30 June 2020	**6,540.07**	**7,067.88**	**7,142.52**	**485.98**	**448.94**	**18.46**	**17.89**	**10.83**	**40.41**	**21,772.98**
Accumulated depreciation										
At 1 April 2019	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	129.88	403.48	79.09	57.38	11.08	10.96	10.83	4.98	**707.68**
Impairment loss (refer note iii)	84.00	235.36	27.34	5.38	12.35	0.25	0.01	-	1.44	**366.13**
At 31 March 2020	**84.00**	**365.24**	**430.82**	**84.47**	**69.73**	**11.33**	**10.97**	**10.83**	**6.42**	**1,073.81**
At 1 April 2020	**84.00**	**365.24**	**430.82**	**84.47**	**69.73**	**11.33**	**10.97**	**10.83**	**6.42**	**1,073.81**
Charge for the quarter	-	31.44	107.22	19.53	6.69	0.48	0.32	-	1.27	**166.95**
At 30 June 2020	**84.00**	**396.68**	**538.04**	**104.00**	**76.42**	**11.81**	**11.29**	**10.83**	**7.69**	**1,240.76**
Carrying amount (net)										
As at 31 March 2020	**6,456.07**	**6,702.64**	**6,711.46**	**401.51**	**379.21**	**7.13**	**6.92**	-	**33.99**	**20,698.93**
As at 30 June 2020	**6,456.07**	**6,671.20**	**6,604.48**	**381.98**	**372.52**	**6.65**	**6.60**	-	**32.72**	**20,532.22**

Notes:

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 Group. The Group has also aligned its method of depreciation to straight-line method across its SPV's.

ii. The solar plant has been constructed on 465.77 acres of land, the title for 254.47 acres is registered in name of the group and balance 211.30 acres is in process of registration and is scheduled for completion by 31 March 2021.

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

iv. Accumulated Depreciation as at 30 June 2020 includes impairment loss of Rs.366.13 million (31 March 2020: Rs.366.13 million).

4 Capital work-in-progress

Particulars	As at 30 June 2020	As at 31 March 2020
MPPL-Hilton Hotel (Front Parcel) *	2,616.67	2,334.07
	2,616.67	**2,334.07**

* forms part of MPPL CGU.

Note:

Borrowing cost capitalised

The amount of borrowing cost capitalised during the quarter ended 30 June 2020 is Rs.61.95 million (31 March 2020: Rs.183.28 million). The rate used to determine the amount of borrowing costs eligible for capitalisation at a capitalisation rate which is the SPV specific "Weighted Average Borrowing Cost (WABC)".

(all amounts in Rs. millions unless otherwise stated)

5 Investment property

Reconciliation of carrying amounts for the quarter ended 30 June 2020

Particulars	**Land-freehold**	**Land-leasehold (Refer notes)**	**Buildings**	**Plant and machinery**	**Furniture and fixtures**	**Electrical equipment**	**Office equipment**	**Vehicle**	**Computer**	**Total**
Gross block (cost or deemed cost)										
At 1 April 2019	**63,847.70**	**38,361.49**	**75,824.71**	**8,224.86**	**1,315.90**	**1,922.06**	**44.33**	**5.23**	**2.69**	**189,548.97**
Additions for the year	1,050.92	312.10	5,858.46	1,227.42	180.31	348.61	2.10	0.08	8.57	**8,988.57**
Disposals	-	-	-	(39.66)	(5.65)	-	(3.01)	-	(0.42)	**(48.74)**
Adjustments (refer note i and vi)	10,284.81	(10,446.41)	-	161.60	-	-	-	-	-	-
At 31 March 2020	**75,183.43**	**28,227.18**	**81,683.17**	**9,574.22**	**1,490.56**	**2,270.67**	**43.42**	**5.31**	**10.84**	**198,488.80**
At 1 April 2020	**75,183.43**	**28,227.18**	**81,683.17**	**9,574.22**	**1,490.56**	**2,270.67**	**43.42**	**5.31**	**10.84**	**198,488.80**
Additions for the quarter	23.10	-	220.30	67.54	65.72	8.05	-	-	-	**384.71**
Disposals										-
At 30 June 2020	**75,206.53**	**28,227.18**	**81,903.47**	**9,641.76**	**1,556.28**	**2,278.72**	**43.42**	**5.31**	**10.84**	**198,873.51**
Accumulated depreciation										
At 1 April 2019	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	483.74	2,106.20	947.20	360.10	487.10	22.82	3.48	1.68	**4,412.32**
At 31 March 2020	-	**483.74**	**2,106.20**	**947.20**	**360.10**	**487.10**	**22.82**	**3.48**	**1.68**	**4,412.32**
At 1 April 2020	-	**483.74**	**2,106.20**	**947.20**	**360.10**	**487.10**	**22.82**	**3.48**	**1.68**	**4,412.32**
Charge for the quarter	-	90.23	501.83	256.55	55.79	66.44	0.83	0.06	0.42	**972.15**
At 30 June 2020	-	**573.97**	**2,608.03**	**1,203.75**	**415.89**	**553.54**	**23.65**	**3.54**	**2.10**	**5,384.47**
Carrying amount (net)										
As at 31 March 2020	**75,183.43**	**27,743.44**	**79,576.97**	**8,627.02**	**1,130.46**	**1,783.57**	**20.60**	**1.83**	**9.16**	**194,076.48**
As at 30 June 2020	**75,206.53**	**27,653.21**	**79,295.44**	**8,438.01**	**1,140.39**	**1,725.18**	**19.77**	**1.77**	**8.74**	**193,489.04**

Notes:

i **MPPL** - During the previous year ended 31 March 2020, cost of freehold land of Rs.161.60 million has been transferred to Karnataka Power Transmission Corporation Limited (KPTCL) along with the 220 KVA substation constructed at Embassy Manyata. Since these are enabling assets to the overall Park, the cost of land has been transferred to plant and machinery and being depreciated over the useful life of the substation.

ii. **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 Rs.909.46 million towards regularization and conversion of the land. Subsequently, the Collector, Mumbai pursuant to its order dated August 23, 2019, after regularising the usage of the said Property, approved the conversion of such land from occupancy class II and leasehold land into occupancy class I land that is freehold land, under the Maharashtra Land Revenue (Conversion of Occupancy Class II and Leasehold Lands into Occupancy Class I Lands) Rules, 2019. Out of the aforementioned Rs.909.46 million, a sum of Rs.756.41 million has been capitalized as a part of land and the balance has been capitalized towards building. Further, an amount of Rs.10,446.41 million, being the carrying cost of such land, has been reclassified from leasehold to freehold land.

vii. **QBPL:** The leasehold land for Embassy Quadron is taken from MIDC for a lease term of 95 years. The lease expires in October 2100. As per the lease agreement the Company can renew the lease for a further period of 95 years.

viii. Post acquisition of the SPV's, Group has revisited the useful life of the investment properties and aligned the same across the group. The 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 amounting to Rs.12.94 million (31 March 20: Rs.440.22 million) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).

(all amounts in Rs. millions unless otherwise stated)

6 Goodwill

As at 30 June 2020 and 31 March 2020

SPV	Consideration transferred for business combination	Fair value of net assets	Impairment loss	Net carrying value
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	487.14	202.73
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	922.71	3,565.02
VCPPL	10,710.94	6,445.82	-	4,265.12
Total	**187,449.65**	**135,750.43**	**1,409.85**	**50,289.37**

As a result of the valuation conducted during the year ended 31 March 2020 by iVAS Partners, independent external property valuer appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE South Asia Private Limited, an impairment of Rs.1,409.85 million was recognized in the Statement of Profit and Loss against Goodwill and an impairment of Rs.366.13 million was recognized in the Statement of Profit and Loss against property, plant and equipment, totalling to Rs.1,775.98 million as impairment loss during the previous year ended 31 March 2020. Impairment charge mainly relates to the hospitality segment and more specifically UPPL (Hilton Hotel), and hospitality segment of QBPL (Four Seasons). The Hotel CGU is composed mainly of property, plant and equipment. The impairment charge arose in the Hotel CGU due to slower ramp up of occupancy coupled with the current economic conditions due to Covid-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the “value in use” and the” fair value less cost to sell” in accordance with Ind AS 36.

7 Intangible assets

Reconciliation of carrying amounts for the quarter ended 30 June 2020

Particulars	Power Purchase Agreement	Right to use trade mark	Computer software	Total
Gross Block				
At 1 April 2019	**3,348.00**	**1,647.91**	**22.87**	**5,018.78**
Addition during the year	-	133.97	9.85	**143.82**
At 31 March 2020	**3,348.00**	**1,781.88**	**32.72**	**5,162.60**
At 1 April 2020	**3,348.00**	**1,781.88**	**32.72**	**5,162.60**
Addition during the quarter	-	-	1.19	**1.19**
At 30 June 2020	**3,348.00**	**1,781.88**	**33.91**	**5,163.79**
Accumulated amortisation				
At 1 April 2019	-	-	-	-
Amortisation for the year	145.56	-	15.68	**161.24**
At 31 March 2020	**145.56**	-	**15.68**	**161.24**
At 1 April 2020	**145.56**	-	**15.68**	**161.24**
Amortisation for the quarter	36.48	-	3.02	**39.50**
At 30 June 2020	**182.04**	-	**18.70**	**200.74**
Carrying amount (net)				
As at 31 March 2020	**3,202.44**	**1,781.88**	**17.04**	**5,001.36**
As at 30 June 2020	**3,165.96**	**1,781.88**	**15.21**	**4,963.05**

(all amounts in Rs. millions unless otherwise stated)

8 Investment property under development (IPUD)

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

SPV/ Hold Co	Particulars	As at 30 June 2020	As at 31 March 2020
Base build			
OBPL	Tower 1	182.59	164.66
EOPPL	Hudson block	204.09	183.19
EOPPL	Ganges block	142.37	118.13
Infrastructure and Upgrade Projects			
MPPL	Flyover	907.95	629.48
MPPL	Master plan upgrade	336.88	393.68
EOPPL	Master plan upgrade	254.06	228.13
QBPL	Master plan upgrade	37.55	37.50
Multiple	Various	5.59	18.62
		2,071.08	**1,773.39**

9 Equity accounted investee

Particulars	As at 30 June 2020	As at 31 March 2020
Investment in joint venture		
Golflinks Software Park Private Limited	24,229.45	24,091.36
	24,229.45	**24,091.36**
Goodwill on acquisition included as a part of carrying cost	10,449.36	10,449.36

	As at 30 June 2020	As at 31 March 2020
Percentage ownership interest	50%	50%
Fair value of net assets on Purchase Price Allocation	26,247.74	26,247.74
Embassy Office Parks Group's share of net assets (50%)	13,123.87	13,123.87
Carrying amount of interest (including goodwill)	24,229.45	24,091.36

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(all amounts in Rs. millions unless otherwise stated)

10 Current investments

Particulars	As at 30 June 2020	As at 31 March 2020
Trade, unquoted, at amortised cost		
Investment in debentures of joint venture (refer note 49) and (i) below 2,500 (31 March 2020: 2,500) 8.5% debentures	256.48	724.38
Non-trade investments measured at fair value through profit and loss		
Unquoted, Investment in mutual funds		
HDFC Liquid Fund - Growth Option	-	1,950.71
IDFC Cash Fund - Growth Option	-	390.14
ICICI Prudential Liquid Fund - Growth Option	-	1,350.76
Axis Liquid Fund - Growth Option	-	1,914.03
SBI Liquid Fund - Growth Option	-	1,629.14
Tata Liquid Fund - Growth Option	-	1,233.24
HDFC Overnight Fund - Growth Option	-	255.01
IDFC Overnight Fund - Growth Option	-	1,810.13
Axis Liquid Fund Overnight Fund - Growth Option	-	165.94
ICICI Prudential Overnight Fund - Growth Option	-	850.11
	256.48	**12,273.59**

2,500 (31 March 2020 : 2,500) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of Rs.10,00,000 each. Outstanding as on 30 June 2020 Rs.256.48 million (31 March 2020: Rs.724.38 million).

Terms:

- Interest Rate : 8.50% p.a. on monthly outstanding balance.
- Security : The debentures are secured by first ranking exclusive security interest over Torrey Pines building.
- Redemption : Debentures shall be redeemed in 16 monthly instalments (principal and interest) of Rs.160.00 million each and 17th instalment of Rs.98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

Investment measured at amortised cost	**256.48**	**724.38**
Investment measured at fair value through profit and loss	**-**	**11,549.21**

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(all amounts in Rs. millions unless otherwise stated)

Non-current financial assets

11 Non-current Loans

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Unsecured, considered good		
Security deposits		
- related party (refer note 49)	10.55	10.50
- others	655.71	658.21
	666.26	**668.71**

12 Other financial assets

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Unsecured, considered good		
Fixed deposits with banks*	655.31	673.02
Unbilled revenue (refer note 49)	674.54	506.91
Receivable under finance lease	5.74	8.61
	1,335.59	**1,188.54**
* Includes fixed deposits held as lien against debt taken and margin money for bank guarantee	626.23	670.06

13 Non-current tax assets (net)

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Advance tax, net of provision for tax	1,489.19	1,554.70
	1,489.19	**1,554.70**

14 Other non-current assets

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Unsecured, considered good		
Advance paid for co-development of property, including development rights on land (refer note 51) *	14,066.60	13,998.26
Other capital advances		
- related party (refer note 49)	216.06	222.56
- others	1,240.33	1,333.74
Balances with government authorities	169.96	164.03
Paid under protest to government authorities (refer note 46)	676.26	676.26
Prepayments (refer note 49)	78.09	80.79
	16,447.30	**16,475.64**

* Advance paid for co-development of property, includes borrowing cost capitalised during the period amounting to Rs. Nil (for the year ended 31 March 2020: Rs.344.42 million) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).

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

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Stock of consumables	12.32	12.82
	12.32	**12.82**

16 Trade receivables

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Unsecured		
Considered good *	250.18	242.25
Credit impaired	16.02	16.02
Less: Allowances for impairment losses	(16.02)	(16.02)
	250.18	**242.25**

*Includes trade receivables from related parties amounting to Rs.10.9 million (31 March 2020: Rs.57.03 million) (refer note 49)

(all amounts in Rs. millions unless otherwise stated)

17 Current Loans

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Unsecured, considered good		
Security deposits		
- related party (refer note 49)	50.00	50.00
- others	1.50	1.49
	51.50	**51.49**

18A Cash and cash equivalents

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Cash on hand	1.01	1.12
Balances with banks		
- in current accounts*	5,992.02	3,225.16
- in escrow accounts		
- Balances with banks for unclaimed distributions	0.43	0.26
- Others	16.94	2.62
- in deposit accounts with original maturity of less than three months	7,415.00	20.00
	13,425.40	**3,249.16**

* Balance in current accounts includes cheques on hand as at 30 June 2020 amounting to Rs.1,981.50 million (31 March 2020: Rs.2,121.94 million).

18B Other bank balances

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Balances with banks		
- in fixed deposit accounts with original maturity greater than three months and maturity less than twelve months from the reporting date*	67.56	169.79
	67.56	**169.79**
*Deposit for availing letter of credit facilities	67.56	169.79

19 Other financial assets

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Unsecured, considered good		
Interest accrued but not due		
- on fixed deposits	7.33	7.53
- on statutory deposits	44.89	40.39
- on others	1.05	4.35
Unbilled revenue (refer note 49)	212.28	256.91
Unbilled maintenance charges	58.08	59.45
Receivable under finance lease	11.49	16.88
Other receivables		
- related parties (refer note 49)	4.10	7.94
- others	10.76	6.01
	349.98	**399.46**

20 Other current assets

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Unsecured, considered good		
Advance for supply of goods and rendering of services		
- to related parties (refer note 49)	2.84	2.78
- to others	40.80	51.32
Balances with government authorities	91.61	149.93
Prepayments (refer note 49)	249.13	134.21
Other advances	13.25	12.98
	397.63	**351.22**

21 Unit Capital

Unit Capital	No in Million	Amount
As at 1 April 2019	**771.67**	**229,039.26**
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
Closing balance as at 31 March 2020	**771.67**	**229,120.96**
As at 1 April 2020	**771.67**	**229,120.96**
Closing balance as at 30 June 2020	**771.67**	**229,120.96**

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

(a) Terms/ rights attached to Units

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

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

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

Name of the Unitholder	As at 30 June 2020		As at 31 March 2020	
	No of Units	**% holding**	**No of Units**	**% holding**
Embassy Property Developments Private Limited	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Limited	88,333,166	11.45%	104,094,966	13.49%
BRE Mauritius Investments	84,621,955	10.97%	93,610,755	12.13%
Veeranna Reddy	49,847,582	6.46%	65,472,582	8.48%
BRE/ Mauritius Investments II	39,700,450	5.14%	45,630,850	5.91%
India Alternate Property Limited	31,193,186	4.04%	39,446,986	5.11%

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

22 Other Equity*

Particulars	As at 30 June 2020	As at 31 March 2020
Reserves and Surplus		
Retained earnings	(9,217.50)	(5,943.12)
	(9,217.50)	**(5,943.12)**

*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.

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(all amounts in Rs. millions unless otherwise stated)

23 Borrowings

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Secured		
Non-convertible debentures		
- Embassy REIT Series I NCD 2019 - Tranche I (refer note i)	33,109.92	32,351.16
- Embassy REIT Series I NCD 2019 - Tranche II (refer note i)	6,818.61	6,667.66
Terms loans		
- from banks (refer note iii)	11,284.99	10,978.43
- vehicle loans	11.10	30.60
Deferred payment liability (refer note ii)	6,085.30	6,142.66
	57,309.92	**56,170.51**

Notes:

(i) In May 2019, the Trust issued 30,000 listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019 (Tranche I), debentures having face value of Rs.1 million each amounting to Rs.30,000.00 million with an Internal Rate of Return (IRR) of 9.4% and will mature on 2 June 2022. In November 2019, the Trust further issued 6,500 such debentures (Tranche II) with an Internal Rate of Return (IRR) of 9.05% and with same terms and conditions as Tranche I.

The Tranche I and Tranche II NCD described above were listed on the Bombay Stock Exchange on 15 May 2019 and 28 November 2019 respectively.

Security terms

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

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase 1) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as “Mfar Manyata Tech Park”. The above charge excludes L1 - Office block, consisting of 4,77,949 sq.ft of super built up area along with the undivided share of the lands and future development / construction on Blocks designated as F1 and L4 that MPPL may undertake in the Project "Embassy Manyata Business Park" along with the remaining undivided share of such land.

2. A sole and exclusive first ranking pledge created by the REIT and EOPPL over their total shareholding in the SPV's namely QBPPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPVs".

3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables of the Trust.

4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.

5. A negative pledge on all assets of each secured SPV except MPPL.

Redemption terms:

1. These debentures are redeemable by way of bullet payment on 2 June 2022.

2. Tranche I debentures have a redemption premium of 9.4% IRR compounded annually and Tranche II debentures have a redemption premium of 9.05% IRR compounded annually.

3. In case of downgrading of credit rating , the IRR shall increase by 0.25% - 1.25% over and above the applicable IRR calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the IRR shall restore/decrease by 0.25% - 1.00% over and above the applicable IRR calculated from the date of change of rating.

4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between May 2021 to May 2022) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures being redeemed.

(ii) Deferred payment liability

EEPL SPV has entered into a deferred payment agreement with IL&FS Solar Power Limited for Rs.6,853.90 million (as at 30 June 2020: Rs.7,347.80 millon, 31 March 2020: Rs.7,278.74 million), for the purpose of financing the construction and development of a solar photovoltaic electricity generation facility with a minimum capacity of 100 MW AC. The debt carries interest at an IRR of 12.72% with a fixed EMI.

Security terms

1. Exclusive first charge by way of deposit of title deeds on the project land in accordance with the mortgage documentation.

2. Charge over the entire moveable properties (both present and future) of the Embassy Energy SPV, in relation to the project (including without limitation all tangible and intangible assets).

3. The above deferred payment liability is also secured by a guarantee given by EOPPL, Holding Co., to Embassy Office Parks REIT.

Redemption terms:

The liability is repayable in 180 months equal instalments starting from April 2018 and to be settled by February 2033. Pursuant to mutual agreement with IL&FS Solar Power Limited, only 50% of EMI are payable to them till the registration of agreed 465.77 acres of land is completed in favor of Embassy Energy SPV. As at end of 30 June 2020, the land registered is 254.47 acres. EEPL has accordingly paid 50% of principal and interest and the balance is withheld.

In accordance with the deferred payment agreement, the Group issued a prepayment offer to IL&FS Solar Power Limited (‘lender’) in respect of outstanding debt amounting to Rs.7,347.80 million as of 30 June 2020 (31 March 2020: Rs.7,278.74 million). While the offer has been in-principle accepted by the lender, the lender is awaiting final approval by National Company Law Tribunal, Mumbai as the lender and its group entities are under a resolution process, pending which, the deferred payment liability has been classified as non-current liability.

(all amounts in Rs. millions unless otherwise stated)

23 Borrowings (continued)

(iii) (a) HSBC Limited [balance as at 30 June 2020: Rs.3,348.52 million (31 March 2020: Rs.3,361.58 million)]

First ranking mortgage of undivided share of land and building thereon (L1) situated at Embassy Manyata, Bengaluru.

First charge over the entire lease rental receivables from tenant pertaining to building (L1) situated at Embassy Manyata, Bengaluru.

Reserve account to be maintained equal to three months repayment obligations with the lender.

Repayment and interest terms	As at 30 June 2020	As at 31 March 2020
Repayable in 36 monthly instalments. The debt carries interest of MCLR + 0.35%	3,348.52	3,361.58

(b) State Bank of India [balance as at 30 June 2020: Rs.4,725.43 million (31 March 2020: Rs.4,381.10 million)]

First ranking exclusive mortgage of undivided share of land admeasuring 8.26 acres (Front Parcel) situated at Embassy Manyata, Bengaluru.

First charge over entire cash flows, receivable, book debts, and revenues from the projects to be constructed at the land admeasuring 8.26 acres (Front Parcel) situated at Embassy Manyata, Bengaluru.

First charge on the Trust and Retention Account and other accounts established and maintained pursuant to Trust and Retention Account Agreement.

Repayment and interest terms	As at 30 June 2020	As at 31 March 2020
Repayable by way of single bullet repayment in 18 months from date of commercial operations but not later than September 30, 2023. The debt carries interest of MCLR + 1.25%	4,725.43	4,381.10

(c) HSBC Limited [balance as at 30 June 2020: Rs.3,381.77 million (31 March 2020: Rs.3,389.99 million)]

First charge over the entire cash flows of Tower 2 and Tower 3 of Embassy Oxygen, Noida, Uttar Pradesh till full liquidation of the borrowings / credit facilities along with interest and charges.

Equitable mortgage over underlying Tower 2 & Tower 3 building of Embassy Oxygen situated at Plot No. 7, Sector 144, Noida Uttar Pradesh India.

Repayment and interest terms	As at 30 June 2020	As at 31 March 2020
Repayable in 120 monthly instalments, bullet repayment for remainder at the end of 10th year. The debt carries interest of MCLR + 0.15%	3,381.77	3,389.99

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(all amounts in Rs. millions unless otherwise stated)

24 Other financial liabilities

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Lease deposits (refer note 49)	2,323.58	2,360.50
Lease liability	314.90	302.58
Payable for purchase of fixed assets	136.68	455.57
	2,775.16	**3,118.65**

25 Provisions

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Provision for employee benefits		
- gratuity	4.16	5.25
	4.16	**5.25**

26 Deferred tax liabilities (net)

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Minimum Alternate Tax credit entitlement	(4,147.02)	(4,015.29)
Deferred tax liabilities (net)	44,344.97	44,422.67
	40,197.95	**40,407.38**

27 Other non-current liabilities

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Deferred lease rental	434.52	378.21
Advances from customers	20.12	8.49
	454.64	**386.70**

28 Trade payables

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Trade payable		
- total outstanding dues to micro and small enterprises	2.96	2.48
- total outstanding dues other than micro and small enterprises		
- to related parties (refer note 49)	57.98	115.94
- to others	115.20	136.33
	176.14	**254.75**

29 Other financial liabilities

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Current maturities of long-term debt		
- from banks	186.76	154.25
- deferred payment liability	1,262.50	1,136.08
Security deposits		
- related party (refer note 49)	185.00	185.00
Lease deposits (refer note 49)	7,411.74	7,137.07
Book overdraft	-	137.41
Capital creditors for purchase of fixed assets		
- to related party (refer note 49)	48.02	14.73
- to others	1,307.76	975.66
- Lease liability	14.69	20.35
Unclaimed dividend for 2019-20	0.44	0.26
Other liabilities		
- to related party (refer note 49)	225.58	172.62
- to others	586.34	629.36
	11,228.83	**10,562.79**

(all amounts in Rs. millions unless otherwise stated)

30 Provisions

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Provision for employee benefits		
- gratuity	1.78	0.03
- compensated absences	-	2.34
	1.78	**2.37**

31 Other current liabilities

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Unearned income	38.08	44.09
Advances received from customers (refer note 49)	337.12	291.43
Statutory dues	167.34	193.92
Deferred lease rentals	260.52	252.14
	803.06	**781.58**

32 Current tax liabilities (net)

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Provision for income-tax, net of advance tax	85.17	34.51
	85.17	**34.51**

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(all amounts in Rs. millions unless otherwise stated)

33 Revenue from operations

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Facility rentals	4,215.04	4,045.26	4,287.58	16,689.99
Income from finance lease	2.90	0.29	0.85	2.28
Room rentals	12.47	149.07	137.12	647.40
Revenue from contracts with customers				
Maintenance services	338.58	447.59	447.96	1,777.43
Sale of food and beverages	4.22	108.42	64.34	391.89
Income from generation of renewable energy	404.94	462.40	388.37	1,566.25
Other operating income				
- hospitality	1.26	16.15	21.41	103.40
- others	182.85	204.43	3.39	270.58
	5,162.26	**5,433.61**	**5,351.04**	**21,449.22**

34 Interest income

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
- on debentures (refer note 49)	6.04	10.91	26.58	73.72
- on fixed deposits	94.19	5.88	67.96	139.80
- on security deposits	1.71	0.39	30.69	46.86
- on other statutory deposits	4.50	5.42	5.37	21.77
- on income-tax refund	11.62	-	13.50	26.31
- others	166.53	168.68	0.20	168.89
	284.59	**191.28**	**144.31**	**477.35**

35 Other income

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Net changes in fair value of financial assets	-	-	18.45	18.45
Liabilities no longer required written back	4.59	12.17	-	13.29
Profit on sale of mutual funds	24.18	163.41	10.76	359.96
Miscellaneous	16.70	35.48	16.79	121.30
	45.47	**211.06**	**46.00**	**513.00**

36 Cost of materials consumed

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Purchases	0.59	32.57	31.30	126.34
Add: Increase/(decrease) in inventory	0.50	(0.01)	(10.91)	(7.40)
	1.09	**32.56**	**20.39**	**118.94**

37 Employee benefits expense *

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Salaries and wages	54.48	80.71	72.98	295.88
Contribution to provident and other funds	0.19	2.26	5.45	17.62
Staff welfare	5.04	14.26	15.71	63.67
	59.71	**97.23**	**94.14**	**377.17**

* refers to employee benefits expense of the hospitality segment (also refer note 48)

38 Operating and maintenance expenses

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Power and fuel (net)	54.11	108.76	181.53	609.16
Operating consumables	-	3.32	5.27	18.30
	54.11	**112.08**	**186.80**	**627.46**

39 Other expenses

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Property tax (net)	179.13	194.98	170.05	704.01
Rates and taxes	16.08	11.72	7.95	37.90
Marketing and advertising expenses	19.64	33.85	10.16	77.31
Assets and other balances written off	4.19	2.90	4.69	11.16
Allowances for credit loss	-	0.59	0.26	0.85
Bank charges	0.71	5.05	4.29	19.42
Brokerage and commission	0.58	4.94	5.78	24.10
Net changes in fair value of financial assets	3.00	20.78	-	25.16
Travel and conveyance	2.56	5.67	6.93	25.78
Corporate Social Responsibility (CSR) contribution	0.01	47.75	8.00	85.91
Miscellaneous expenses	18.58	46.68	49.92	234.73
	244.48	**374.91**	**268.03**	**1,246.33**

(all amounts in Rs. millions unless otherwise stated)

40 Repairs and maintenance

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Repairs and maintenance				
- common area maintenance	175.05	188.76	172.40	735.75
- buildings	15.49	5.65	41.72	76.19
- machinery	63.52	63.61	64.88	253.51
- others	31.68	46.12	25.84	149.93
	285.74	**304.14**	**304.84**	**1,215.38**

41 Finance costs (net of capitalisation) **

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Interest expense				
- on borrowings from banks and financial institutions	189.71	104.55	190.03	310.15
- on deferred payment liability	205.79	207.81	212.46	840.19
- on lease deposits	75.88	53.00	87.15	312.09
- on lease liabilities	5.83	7.79	-	31.20
- accrual of premium on redemption of debentures *	895.33	831.79	342.76	2,309.91
	1,372.54	**1,204.94**	**832.39**	**3,803.54**

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

** Gross interest expense is Rs.1,447.43 million and Rs.1,050.65 million and interest capitalised is Rs.74.89 million and Rs.218.25 million for the quarter ended 30 June 2020 and 30 June 2019 respectively.

42 Depreciation and amortisation

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Depreciation of property, plant and equipment	166.95	171.89	155.10	707.68
Depreciation of investment property	972.15	1,050.04	1,182.92	4,412.32
Amortisation of intangible assets	39.50	41.27	53.28	161.24
	1,178.60	**1,263.20**	**1,391.30**	**5,281.24**

43 Tax expense#

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Current tax*	387.17	480.90	369.37	1,361.39
Deferred tax charge	(77.71)	180.59	158.07	(11.27)
Minimum Alternate Tax credit entitlement (MAT)**	(150.25)	(439.29)	(207.69)	(1,050.12)
MAT written off/ (written back)	-	(141.79)	-	-
	159.21	**80.41**	**319.75**	**300.00**

* includes dividend distribution tax of Rs.22.83 million payable by SPVs on dividend distributed to Group for the year ended 31 March 2020. Also includes current tax adjustments relating to earlier years of Rs.42.32 million for the year ended 31 March 2020.

** including MAT credit entitlement relating to earlier years of Rs.373.69 million for the year ended 31 March 2020.

The Government of India had introduced the Taxation Laws (Amendment) Ordinance, 2019 (“Ordinance”), announcing changes to corporate tax rates in the Income Tax Act, 1961, with effect from April 1, 2019. Existing Companies had 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). Embassy Office Parks Group based on its internal assessment had provisionally decided to opt for concessional income tax rate for certain of its SPVs. Further, as clarified by Central Board of Direct Taxes, Minimum Alternate Tax credit balance for such SPVs amounting to Rs.141.79 million had been written off to the Consolidated Statement of Profit and Loss for the period ended 31 December 2019. Further, based on the amendments to the Finance Bill, 2020 dated 27 March 2020, such SPV’s have not opted for such concessional tax rate under Section 115BAA of the IT Act. Accordingly, for the quarter ended 31 March 2020, the additional current tax expense amounts to Rs.151.32 million, MAT write off as stated above of Rs.141.79 million had been reinstated and additional deferred tax liability of Rs.212.70 million had been recorded during the quarter ended 31 March 2020.

44 Earnings Per Unit (EPU)

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

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

	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Profit after tax for calculating basic and diluted EPU	2,042.39	578.07	2,220.37	7,655.34
Weighted average number of Units (No. in millions)	771.67	771.67	771.67	771.67
Earnings Per Unit				
- Basic (Rupees/unit)	2.65	0.75	2.88	9.92
- Diluted (Rupees/unit)*	2.65	0.75	2.88	9.92

* The Trust does not have any outstanding dilutive units

45 Management Fees

Property Management Fee

Pursuant to the Investment Management Agreement dated 12 June 2017 as amended, Manager is entitled to fees @ 3% of the collection of Facility Rentals per annum of the relevant property in respect to operations, maintenance, administration and management of the Holdco or the SPV, as applicable. The fees has been determined to meet the ongoing costs of the Manager to undertake the services provided to the Embassy REIT and its SPVs. Property Management fees for the quarter ended 30 June 2020 amounts to Rs.116.51 million. There are no changes during the period in the methodology for computation of fees paid to Manager.

REIT Management Fees

Pursuant to the Investment Management Agreement dated 12 June 2017, as amended, Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the REIT and its investments. REIT Management fees accrued for the quarter ended 30 June 2020 amounts to Rs.58.61 million. There are no changes during the period in the methodology for computation of fees paid to Manager.

Secondment fees

Pursuant to the Secondment Agreement dated 11 March 2019, Manager is entitled to fees of Rupees One Lakh (Rs.1,00,000) per month in respect certain employees of Manager being deployed to the Embassy office Parks REIT in connection with the operation and management of the assets of the Embassy REIT. Secondment Fees for the quarter ended 30 June 2020 amounts to Rs.0.35 million.There are no changes during the period in the methodology for computation of secondment fees paid to Manager.

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(all amounts in Rs. millions unless otherwise stated)

46 Commitments and contingencies

Particulars	As at 30 June 2020	As at 31 March 2020
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (Refer note i)	10,569.17	11,088.92
Contingent liabilities		
Claims not acknowledged as debt in respect of Income Tax matters (Refer note ii)	444.57	447.56
Claims not acknowledged as debt in respect of Service Tax matters (Refer note iii)	730.10	730.10
Claims not acknowledged as debt in respect of Property Tax matters (Refer note iv)	3,313.08	3,313.08
Others	(Refer notes v and vi)	

Based on information available as of date of reporting and basis expert opinion obtained by the Group, no provisions have been made for above claims during the period. The Group will continue to monitor developments to identify significant uncertainties and changed in estimates, if any, in future period.

Notes:

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

SPV	As at 30 June 2020	As at 31 March 2020
MPPL	9,146.14	9,519.23
OBPPL	57.30	51.78
EOPPL	1,268.52	1,423.43
Others	97.21	94.48
	10,569.17	**11,088.92**

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

SPV	As at 30 June 2020	As at 31 March 2020
MPPL	8.50	8.50
EOPPL	246.44	246.44
QBPL	77.60	77.60
QBPPL	3.76	3.76
OBPPL	69.83	72.82
IENMPL	38.44	38.44
	444.57	**447.56**

MPPL: (a) The SPV has received Section 153A assessment orders for AY 2009-10 to 2015-16 making additions under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing taxable income under the Income tax Act. The SPV has received demand orders to pay a sum of Rs.8.22 million for the assessment period. Appeals were filed before CIT(A) challenging the assessment orders. As at 30 June 2020, the CIT(A) has dismissed the appeals for AY 09-10, 11-12 and 12-13 upholding the assessment additions made. MPPL has challenged the CIT(A) orders and filed appeals before Income-tax Appellate Tribunal ['ITAT']. Accordingly, the SPV has disclosed Rs.8.22 million (31 March 2020: Rs.8.22 million) as contingent liability.

(b) The SPV was originally assessed u/s. 143(3) for AY 2009-10 apart from the assessment u/s. 153A as disclosed above in (a) for disallowance under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing the taxable income under the Income tax Act. The SPV has received outstanding demand orders to pay a sum of Rs.0.28 million. As at 30 June 2020 the appeal against order of ITAT is pending for hearing before Hon'ble High Court of Karnataka. Accordingly, the SPV has disclosed Rs.0.28 million (31 March 2020: Rs.0.28 million) as contingent liability.

EOPPL: a) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2016-17 and received assessment order dated 31 December 2018 with additions made u/s.14A of the Income Tax Act with a tax demand of Rs.172.28 million. The SPV has filed an appeal against the assessment order at the CIT (A) and has paid Rs.14.06 million under protest with balance demand stayed. Accordingly, the SPV has disclosed Rs.172.28 million (31 March 2020: Rs.172.28 million) as contingent liability.

b) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2017-18 and received assessment order dated 24 December 2019 with additions made u/s.14A of the Income Tax Act read with rule 8D of the Income-tax Rules and addition to the income based on reconciliation differences between Form 26AS and the books of accounts. Aggrieved by the assessment order, the SPV has filed an appeal with CIT(A). Accordingly, the SPV has disclosed Rs.74.17 million (31 March 2020: Rs.74.17 million) as contingent liability.

QBPL: a) The SPV was assessed under section 143(3) of the Income Tax Act and has received a demand notice of Rs 71.71 million for AY 2010-11, on account of denial of benefit under section 80IAB for certain incomes as claimed by the SPV. The CIT(A) has passed necessary order upholding the stand of the Assessing Officer. The SPV thereafter filed an appeal with ITAT against the said order of CIT(A). The ITAT has disposed the appeal in favor of the SPV. Subsequent to this, Income tax Department has moved to Hon'ble High Court of Mumbai against the ITAT order. Accordingly, the SPV has disclosed the above demand of Rs.71.71 million (31 March 2020: Rs.71.71 million) as a contingent liability.

b) The SPV was assessed for AY 2014-15 u/s. 143(3) of the Income Tax Act with disallowance of loan processing fees which was accepted by the SPV. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of Rs.5.89 million was received. While the said demand has been paid, the SPV has contested this demand and filed an appeal with CIT(A) against the said order. Accordingly, the SPV has disclosed the above demand of Rs.5.89 million (31 March 2020: Rs.5.89 million) as a contingent liability.

(all amounts in Rs. millions unless otherwise stated)

46 Commitments and contingencies (continued)

QBPPL: The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2015-16 with 14A disallowance, certain expense disallowances and short grant of TDS credit resulting in demand of Rs.3.76 million. An appeal against the assessment order was filed before CIT(A) and the same is in the process of being heard. Penalty proceedings have been initiated. Accordingly, the SPV has disclosed the above demand of Rs.3.76 million (31 March 2020: Rs.3.76 million) as a contingent liability.

OBPPL: a) The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2011-12 and received a tax demand notice of Rs. 69.83 million for Assessment Year 2011-12 wherein the Assessing Officer had disallowed the profit earned by the SPV on transfer of the land at a value which was in excess of its fair value and claimed as deduction under Section 80IAB. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal in favor of the SPV. Income Tax Department filed an appeal with ITAT against the order of CIT(A) which is currently pending for disposal. Accordingly, the SPV has disclosed the above demand of Rs.69.83 million (31 March 2020: Rs.69.83 million) as a contingent liability.

b) The SPV has received an assessment order u/s. 143(3) of the Income Tax Act for AY 2017-18 wherein the Assessing Officer has not given credit of withholding taxes in respect of merged entities. Subsequently, the SPV filed both an application for rectification for apparent error on record with the Assessing Officer and an appeal against the assessment order with CIT(A) . During the current period, the Assessing Officer has allowed the TDS credit through a rectification order issued in favor of the SPV and accordingly, the SPV has disclosed Rs. Nil (31 March 2020: Rs.2.99 million) as contingent liability.

IENMPL: (a) The SPV was reassessed u/s 147 read with section 143(3) of Income-tax Act, 1961 for the AY 2010-11 and addition on account of unexplained cash deposits was made u/s.69A of the Act, resulting in tax demand of Rs.2.98 million. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.2.98 million (31 March 2020: Rs.2.98 million) as contingent liability.

(b) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2011-12 and certain additions were made and accepted by the SPV. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of Rs.12.14 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.12.14 million (31 March 2020: Rs.12.14 million) as contingent liability.

(c) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2012-13 and certain additions were made and accepted by the SPV. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of Rs.14.07 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.14.07 million (31 March 2020: Rs.14.07 million) as contingent liability.

(d) The SPV received a tax demand notice of Rs.9.25 million for Assessment Year 2014-15 wherein the Assessing Officer had disallowed municipal tax paid claimed against Income from House property an additions made u/s.14A of the Income tax Act read with Rule 8D of the Income Tax Rules. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. Accordingly, the SPV has disclosed Rs.9.25 million (31 March 2020: Rs.9.25 million) as contingent liability.

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

SPV	As at 30 June 2020	As at 31 March 2020
MPPL	573.90	573.90
ETPL	64.73	64.73
GSPL	23.99	23.99
VCPPL	40.66	40.66
UPPL	26.82	26.82
	730.10	**730.10**

MPPL: (a) The SPV had received Order-in-original dated 23 December 2015 with a demand to pay a sum of Rs.522.04 million (including interest and penalty) from the Commissioner of Central Excise Bangalore-V Commissionerate towards incorrectly availed Cenvat credit during the period 1 April 2006 to 31 March 2012. Appeal has been filed before CESTAT dated 18 April 2016. The appeal is still pending before CESTAT and the amount of Rs.522.04 million (31 March 2020: Rs.522.04 million) is disclosed as contingent liability.

(b) The SPV had received an order dated 26 May 2011 from Assistant Commissioner of Commercial Taxes for rejecting the refund of Rs.51.86 million towards incorrectly availed VAT input credit during the period 1 April 2009 to 31 March 2010. Appeal was filed before Karnataka Appellate Tribunal (briefly "KAT") which allowed the refund in part. The SPV approached Hon'ble High Court of Karnataka which quashed the order passed by KAT and granted full refund. The State of Karnataka has filed an appeal in the Supreme Court against the High Court order. Accordingly, a sum of Rs.51.86 million (31 March 2020: Rs.51.86 million) has been disclosed as contingent liability.

ETPL: (a) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata for the period 2012-13 in respect of non-registration and non-payment of service tax under the category of 'Builder's Special Services' and not 'Construction of Immovable Property' service with regard to installation of parking equipment which is taxable as a service leading to ineligibility of abatement of Rs.10.01 million, irregular availment of credit of Rs.6.87 million and non-payment of service tax of Rs.0.96 million (along with penalty of equal amount). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of Rs.1.33 million to stay the recovery of the balance amount. The same has been paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the aforementioned demand and penalty amount of Rs.35.68 million (31 March 2020: Rs.35.68 million) has been disclosed as a contingent liability.

b) SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata in January 2020, demanding Rs.14.52 million in respect of denial of input tax credit during construction period for the financial years 2014-15 to 2016-17 (along with penalty of equal amount). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of Rs.1.09 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the period ended 30 June 2020, the SPV has disclosed the demand and penalty amount of Rs.29.05 million (31 March 2020: Rs.29.05 million) as contingent liability.

(all amounts in Rs. millions unless otherwise stated)

46 Commitments and contingencies (continued)

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

GSPL: The SPV had received an Order-in-Original passed by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Noida for the period FY 2007-08 to 2010-11 demanding Rs.11.99 million (along-with penalty of equal amount) in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of Rs 0.90 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the previous year FY 17-18, the SPV had received a favorable order and the said demand was annulled and the pre-deposit has been refunded; however, the Commissioner Excise has filed an appeal against the Order to Hon'ble High Court of Allahabad. Accordingly, the SPV has disclosed the demand and penalty amount of Rs.23.99 million (31 March 2020: Rs.23.99 million) as contingent liability.

VCPPL: The SPV has received an order issued by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Bombay demanding Rs 29.91 million along-with penalty of Rs.10.75 million in respect of inclusion of notional interest accrued on security deposit in the taxable value for the period FY 2012-2013 to 2014-2015. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of Rs 2.24 million to stay the recovery of the balance amount. The same was paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the said demand of Rs.40.66 million (31 March 2020: Rs.40.66 million) has been disclosed as contingent liability.

UPPL: a) The SPV had received show cause notices dated 3 July 2015 for demand due to irregular cenvat credit availed for Rs.23.04 million relating to period from 1 April 2011 to 31 March 2016. Responses have been filed in August 2017 and is pending before the Commissioner of Service Tax. Accordingly, the aforementioned demand of Rs.23.04 million (31 March 2020: Rs.23.04 million) is disclosed as contingent liability.

b) The SPV had received show cause notices dated 9 April 2019 for demand of Rs.3.78 million relating to period from 1 April 2014 to 30 June 2017 with respect to payment of salary and bonus to certain employees of the SPV which has not been considered as Management fees. Responses have been filed and is pending before the Commissioner of Service Tax. Accordingly, the aforementioned demand of Rs.3.78 million (31 March 2020: Rs.3.78 million) is disclosed as contingent liability.

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

SPV	As at 30 June 2020	As at 31 March 2020
MPPL	3,313.08	3,313.08
	3,313.08	**3,313.08**

MPPL: (a) The SPV has received a demand order dated 5 October 2015 to pay a sum of Rs. 2,739.49 million (including penalty and interest upto June 2016) towards the difference in property tax payable by the SPV, which difference arose on account of classification of the property under different schedules for the purpose of computing property taxes, for the period 2008-09 to 2015-16. The SPV is contesting that the concerned property being an industrial estate that has been developed as special economic zone must be classified as category XIV as per the notification issued under Karnataka Municipal Corporation Act, 1976 ('the Act') and Bruhat Bengaluru Mahanagar Palike Property Tax Rules, 2009 ('Rules'). Whereas, the Assistant Revenue Officer has been considering the concerned property under category VIII as per the notification issued under the Act and Rules. The SPV filed a writ petition against the demand order which has been dismissed by the Hon'ble High Court of Karnataka. The said court upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of writ petition, MPPL has based on external legal opinion filed an appeal before the aforementioned court and the same has been admitted by the court on 27 June 2016. The Hon'ble High Court restrained BBMP from taking any coercive action against the SPV and also directed BBMP to allow the SPV to make payment of property tax for the assessment year 2016-17. The matter is currently pending and as of the date of these financial statements, no further developments have taken place. Accordingly, this has been disclosed as a contingent liability. The SPV paid Rs.646.69 million (31 March 2020: Rs.646.69 million) under protest against the above demand.

(b) The SPV has also received demand notices dated 9 October 2017 to pay a sum of Rs. 760.07 million including penalty as of that date towards the differential property tax based on the total survey report for certain blocks for the period 2008-09 to 2017-18. An appeal had been filed before the Joint Commissioner, BBMP, Bytarayanapura, Bangalore ("Joint Commissioner") objecting the total survey report and property tax assessment notice arising therefrom. New demand notices dated 17 January 2019 were issued to pay a sum of Rs. 860.39 million (including penalty) towards the differential property tax for the period 2008-09 to 2017-18 and interest upto the date of payment as per the demand notices. The SPV submitted a letter to the Joint Commissioner dated 29 March 2019 referring to the appeals preferred by the SPV and had paid a sum of Rs. 286.80 million towards property tax demanded under protest. An order was passed by the Joint Commissioner dismissing the appeal preferred by the SPV. Against the order passed by the Joint Commissioner, MPPL has based on external legal opinion, filed a writ petition before the Hon'ble High Court of Karnataka on 3 August 2020 on various grounds, inter alia, that the rates BBMP has relied on to calculate property tax in the said demand notices dated 9 October 2017 has been already challenged in a writ appeal filed by the SPV and pending before Hon'ble High Court of Karnataka as mentioned in note iv(a) above. The said writ appeal has been admitted and the date of hearing is awaited. Accordingly a net contingent liability of Rs.573.59 million (31 March 2020: Rs.573.59 million) has been disclosed in these financial statements.

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 onward lending to certain parties and remanding the issue of disallowance on interest paid towards such loans. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all years put together is Rs.907.40 million. GLSP has filed an appeal before the Hon'ble High Court of Karnataka on these matters. GLSP has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability.

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

46 Commitments and contingencies (continued)

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

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

d) During the year ended 31 March 2020, GLSP has received assessment order for AY 2017-18 for disallowance under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules, Disallowance of claim under section 80G of the Income Tax Act and addition to the income based on differences between Form 26AS and the books of accounts. GLSP has filed an appeal against the assessment order with CIT(A). Accordingly, GLSP has disclosed Rs.2.83 million (31 March 2020 : Rs.2.83 million) as contingent liability.

(b) GLSP (50% equity accounted investee - joint venture) Service Tax matters :

a) GLSP has received show cause notice and order-in-original dated 14 August 2011 and 11 December 2011 to pay a sum of Rs.111.86 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period 1 April 2009 to 31 March 2011. Appeal has been filed before CESTAT. As at 30 June 2020 the appeal is pending before CESTAT for hearing and accordingly the same is disclosed as a contingent liability by GLSP.

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

vi) Other matters

(a) VCPPL (Forfeiture of security deposit matters): Orange Business Services India Technology Private Limited, earlier known as Equant Technologies Services (India) Private Limited ("Equant') had filed a summary suit bearing No. 388 of 2012 with the Hon'ble High Court of Mumbai alleging that the SPV incorrectly terminated the letter of intent dated July 18, 2008 executed between the SPV and Equant for renting premises in Embassy 247 Park pursuant to which Equant paid to the SPV a security deposit of Rs.40.32 million, which was withheld by the SPV on account of breach of agreed terms of the said letter of intent. The matter is currently under adjudication.

(b) EEPL : SPV received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on 28 February 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent company of IL&FS Solar Power Limited ('ISPL'), which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorized as operational debts) aggregating up to Rs.1,008.10 million are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the subcontractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated 1 March 2019, refuted all such claims inter alia on the basis that the payments are due from ISPL (and/ or its parent entity) to the sub-contractor and not from EEPL, and therefore the sub-contractor has no claim against EEPL. By its letters dated 18 March 2019, the subcontractor has responded to the letter from EEPL, denying all statements made by EEPL and reiterating that the unpaid amounts are due from EEPL. The sub-contractor has thereafter filed an application under Section 9 of the Code before the Bengaluru bench of National Company Law Tribunal claiming debt of Rs.997.59 million and interest thereon against EEPL. During the year ended 31 March 2020, the third party sub-contractor vide a letter dated 2 January 2020 served the notice of hearing in the captioned matter for initiation of insolvency proceedings under section 9 of the IBC before the NCLT, Bengaluru pursuant to its order dated December 16, 2019. The petitioner has filed a claim as an operational creditor of IEDCL for an amount of Rs.1,008.10 million dues to the sub-contractor. The matter is in the preliminary hearing stage before the NCLT, Bengaluru and pending resolution. SPV intends to contest the claim before NCLT. SPV based on the external legal opinion obtained on this matter has disclosed the same as a contingent liability.

EEPL : The Karnataka Electricity Regulatory Commission, Bengaluru (KERC) has issued orders in 2005, 2008 and 2014 granting exemption to all solar power generators in Karnataka that achieved commercial operation date between April 1, 2013 and March 31, 2018 from paying certain charges such as payment of wheeling and banking charges, cross subsidy surcharges, transmission losses and wheeling losses for a period of ten years from the date of commissioning. KERC has issued an order dated 14 May 2018 withdrawing the aforementioned exemption available to Karnataka's power generators, including EEPL.

The SPV commissioned the solar plant during the FY 2017-2018 and as per the previous Regulation, the charges did not apply to the SPV for a period of 10 years. The SPV filed a writ petition with the Hon'ble High Court of Karnataka challenging the KERC Order and obtained an interim Stay Order dated 24 May 2018. BESCOM filed preliminary statement of objections and also filed application seeking recalling of interim order. The application seeking recalling of interim order was rejected. The Hon'ble High Court passed the judgment on 13 March 2019 allowing the Writ Petition and quashed the order dated 14 May 2018 passed by KERC. The SPV has filed Caveat Petition for receiving notifications in case any suit / appeal is filed by any of the parties to the said petition. KERC has filed a common writ appeal against the order dated 13 March 2019 against EEPL & Other. However, ESCOMS have also filed Writ Appeals against some of the petitioners, but no appeal has been filed against EEPL. In the event an adverse order is passed in the said appeal made by ESCOMS, EEPL may also be affected.

EEPL : The Karnataka Electricity Regulatory Commission has issued an order in 2018 pursuant to which banking facilities available to non-renewable energy certificate based renewable energy generators were reduced from a period of one year to six months, and restrictions were imposed on the extent of banked energy which could be withdrawn during the peak time of day. EEPL filed a writ petition against the Karnataka Electricity Regulatory Commission and others before the Hon'ble High Court of Karnataka. The Hon'ble High Court of Karnataka pursuant to an order dated August 9, 2018 granted an interim stay on the commission's order. Pursuant to an order dated July 24, 2019, the Hon'ble High Court of Karnataka has allowed the writ petition and quashed the order dated January 09, 2018 issued by the Karnataka Electricity Regulatory Commission with a direction to Karnataka Electricity Regulatory Commission to reconsider the matter. However, KERC has filed a common Writ Appeal against EEPL and others before the Division Bench of High Court and is currently pending disposal. No Appeal has been filed challenging the said order dated July 24, 2019 by virtue of which the Writ Petition of EEPL was allowed and the order dated January 9, 2018 of KERC was quashed.

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

(all amounts in Rs. millions unless otherwise stated)

47 Financial instruments - Fair values

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

Particulars	Carrying value 30 June 2020	Fair Value 30 June 2020	Carrying value 31 March 2020	Fair Value 31 March 2020
Financial assets				
Amortised cost				
Loans	717.76	-	720.20	-
Trade receivables	250.18	-	242.25	-
Cash and cash equivalents	13,425.40	-	3,249.16	-
Other bank balances	67.56	-	169.79	-
Other financial assets	1,685.57	-	1,588.00	-
Investments in debentures	256.48	-	724.38	-
Fair value through profit and loss				
Investments in mutual funds	-	-	11,549.21	11,549.21
Total assets	**16,402.95**	**-**	**18,242.99**	**11,549.21**
Financial liabilities				
Amortised cost				
Borrowings (including current maturities of long-term debt) - floating rates	11,482.85	-	11,163.28	-
Borrowings (including current maturities of long-term debt) - fixed rates	47,276.33	47,215.04	46,297.56	46,243.74
Lease deposits	9,735.32	-	9,497.57	-
Trade payables	176.14	-	254.75	-
Other financial liabilities	2,819.41	-	2,893.54	-
Total liabilities	**71,490.05**	**47,215.04**	**70,106.70**	**46,243.74**

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

B. Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:
a) recognised and measured at fair value
b) measured at amortised cost and for which fair values are disclosed in the financial statements.

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

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

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

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

Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1
Financial assets measured at fair value:			
FVTPL financial investments:			
Investment in mutual funds	30 June 2020	-	-
Investment in mutual funds	31 March 2020	11,549.21	11,549.21

Transfers between Level 1, Level 2 and Level 3

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

Determination of fair values

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

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

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

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

(all amounts in Rs. millions unless otherwise stated)

48 Operating segments

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

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

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

a) Commercial Offices segment:

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

b) Hospitality segment:

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

c) Other segment:

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

Certain income (such as interest, dividend and other income) and certain expenses (such as Other expenses excluding Direct operating expenses, depreciation, amortization, impairment and finance cost) are not specifically allocable to segments and accordingly these expenses are adjusted against the total income of the Embassy Office Parks Group.

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

Particulars	**Commercial Offices**				**Hospitality**				**Other Segment**				**Total**			
	For the quarter ended 30 June 2020	**For the quarter ended 31 March 2020**	**For the quarter ended 30 June 2019**	**For the year ended 31 March 2020**	**For the quarter ended 30 June 2020**	**For the quarter ended 31 March 2020**	**For the quarter ended 30 June 2019**	**For the year ended 31 March 2020**	**For the quarter ended 30 June 2020**	**For the quarter ended 31 March 2020**	**For the quarter ended 30 June 2019**	**For the year ended 31 March 2020**	**For the quarter ended 30 June 2020**	**For the quarter ended 31 March 2020**	**For the quarter ended 30 June 2019**	**For the year ended 31 March 2020**
Revenue from operations	4,739.37	4,687.19	4,738.22	18,709.58	17.95	284.01	224.45	1,173.39	404.94	462.41	388.37	1,566.25	5,162.26	5,433.61	5,351.04	21,449.22
Identifiable operating expenses	(433.47)	(484.95)	(553.32)	(2,081.97)	(129.39)	(302.53)	(238.45)	(1,067.99)	(30.86)	(27.74)	(30.89)	(129.72)	(593.72)	(815.22)	(822.66)	(3,279.68)
Net Operating Income (segment results for the period/ year)	**4,305.90**	**4,202.24**	**4,184.90**	**16,627.61**	**(111.44)**	**(18.52)**	**(14.00)**	**105.40**	**374.08**	**434.67**	**357.48**	**1,436.53**	**4,568.54**	**4,618.39**	**4,528.38**	**18,169.54**
Other operating expenses													(391.24)	(398.68)	(349.57)	(1,513.12)
Interest, dividend and other income													330.06	402.34	190.31	990.35
Earnings before finance costs, depreciation, amortisation, impairment loss and tax													**4,507.36**	**4,622.05**	**4,369.12**	**17,646.77**
Share of profit after tax of equity accounted investees													245.38	280.55	394.69	1,169.33
Depreciation and amortisation expenses													(1,178.60)	(1,263.20)	(1,391.30)	(5,281.24)
Impairment loss (Refer note 6)													-	(1,775.98)		(1,775.98)
Finance costs													(1,372.54)	(1,204.94)	(832.39)	(3,803.54)
Profit/ (loss) before tax													**2,201.60**	**658.48**	**2,540.12**	**7,955.34**
Tax expense													(159.21)	(80.41)	(319.75)	(300.00)
Other Comprehensive Income													-	0.16	-	0.16
Total comprehensive income/(loss) for the period/year													**2,042.39**	**578.23**	**2,220.37**	**7,655.50**

(all amounts in Rs. millions unless otherwise stated)

48 Operating segments (continued)

An analysis of SPV wise Segment Revenues and Segment Results is given below

For the quarter ended 30 June 2020

Particulars	**MPPL**	**EOPPL**	**UPPL**	**EEPL**	**GSPL**	**ETPL**	**OBPL**	**QBPPL**	**QBPL**	**VCPPL**	**IENMPL**	**ETPTL**	**Total**
Segment Revenue:													
Commercial Office Segment	2,462.90	331.90	-	-	205.59	261.47	363.82	212.43	277.77	256.94	366.55	-	4,739.37
Hospitality Segment	-	-	16.36	-	-	-	-	-	1.59	-	-	-	17.95
Others	-	-	-	404.94	-	-	-	-	-	-	-	-	404.94
Total	**2,462.90**	**331.90**	**16.36**	**404.94**	**205.59**	**261.47**	**363.82**	**212.43**	**279.36**	**256.94**	**366.55**	**-**	**5,162.26**
Net Operating Income (segment results)													
Commercial Office Segment	2,323.75	322.35	-	-	168.49	231.73	299.97	179.91	235.96	210.12	333.62	-	4,305.90
Hospitality Segment	-	-	(32.83)	-	-	-	-	-	(78.61)	-	-	-	(111.44)
Others	-	-	-	374.08	-	-	-	-	-	-	-	-	374.08
Total	**2,323.75**	**322.35**	**(32.83)**	**374.08**	**168.49**	**231.73**	**299.97**	**179.91**	**157.35**	**210.12**	**333.62**	**-**	**4,568.54**

For the quarter ended 31 March 2020

Particulars	**MPPL**	**EOPPL**	**UPPL**	**EEPL**	**GSPL**	**ETPL**	**OBPL**	**QBPPL**	**QBPL**	**VCPPL**	**IENMPL**	**ETPTL**	**Total**
Segment Revenue:													
Commercial Office Segment	2,305.74	336.71	-	-	196.65	258.14	327.48	221.21	358.78	305.13	377.35	-	4,687.19
Hospitality Segment	-	-	159.31	-	-	-	-	-	124.70	-	-	-	284.01
Others	-	-	-	462.41	-	-	-	-	-	-	-	-	462.41
Total	**2,305.74**	**336.71**	**159.31**	**462.41**	**196.65**	**258.14**	**327.48**	**221.21**	**483.48**	**305.13**	**377.35**	**-**	**5,433.61**
Net Operating Income (segment results)													
Commercial Office Segment	2,157.81	328.14	-	-	155.27	238.97	265.46	178.11	297.84	249.85	330.79	-	4,202.24
Hospitality Segment	-	-	46.31	-	-	-	-	-	(64.83)	-	-	-	(18.52)
Others	-	-	-	434.67	-	-	-	-	-	-	-	-	434.67
Total	**2,157.81**	**328.14**	**46.31**	**434.67**	**155.27**	**238.97**	**265.46**	**178.11**	**233.01**	**249.85**	**330.79**	**-**	**4,618.39**

For the quarter ended 30 June 2019

Particulars	**MPPL**	**EOPPL**	**UPPL**	**EEPL**	**GSPL**	**ETPL**	**OBPL**	**QBPPL**	**QBPL**	**VCPPL**	**IENMPL**	**ETPTL**	**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**

For the year ended 31 March 2020

Particulars	**MPPL**	**EOPPL**	**UPPL**	**EEPL**	**GSPL**	**ETPL**	**OBPL**	**QBPPL**	**QBPL**	**VCPPL**	**IENMPL**	**ETPTL**	**Total**
Segment Revenue:													
Commercial Office Segment	8,794.81	1,497.83	-	-	870.47	925.64	1,379.28	904.16	1,472.01	1,375.32	1,490.06	-	18,709.58
Hospitality Segment	-	-	825.62	-	-	-	-	-	347.77	-	-	-	1,173.39
Others	-	-	-	1,566.25	-	-	-	-	-	-	-	-	1,566.25
Total	**8,794.81**	**1,497.83**	**825.62**	**1,566.25**	**870.47**	**925.64**	**1,379.28**	**904.16**	**1,819.78**	**1,375.32**	**1,490.06**	**-**	**21,449.22**
Net Operating Income (segment results)													
Commercial Office Segment	8,225.28	1,411.28	-	-	661.53	841.45	1,054.29	752.21	1,177.72	1,176.47	1,327.38	-	16,627.61
Hospitality Segment	-	-	323.92	-	-	-	-	-	(218.52)	-	-	-	105.40
Others	-	-	-	1,436.53	-	-	-	-	-	-	-	-	1,436.53
Total	**8,225.28**	**1,411.28**	**323.92**	**1,436.53**	**661.53**	**841.45**	**1,054.29**	**752.21**	**959.20**	**1,176.47**	**1,327.38**	**-**	**18,169.54**

49 Related party disclosures

I. List of related parties

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

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

BRE/ Mauritius Investments - Co-Sponsor

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

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

Directors

Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri
Punita Kumar Sinha
Robert Christopher Heady
Aditya Virwani
Asheesh Mohta (w.e.f: 28 June 2019, alternate to Robert Christopher Heady)

KMPs

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

B. Joint Venture

Golflink Software Parks Private Limited

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

Vikas Telecom Private Limited
Dynasty Properties Private Limited
Snap Offices Private Limited
(formerly known as Stylus Commercial Services Private Limited)
Synergy Property Development Services Private Limited (upto 5 November 2019)
Embassy Industrial Parks Private Limited
Golflinks Embassy Management Services LLP
Golflinks Park Management Services LLP
Wework India Management Private Limited
Embassy Shelters Private Limited
Manyata Builders Private Limited (upto 21 March 2020)
Manyata Projects Private Limited (upto 21 March 2020)
FIFC Condominium
Reddy Veeranna Constructions Private Limited (upto 21 March 2020)
Embassy Construction Private Limited
Mac Charles (India) Limited
Lounge Hospitality LLP
EPDPL Coliving Operation LLP
EPDPL Coliving Private Limited
Embassy Projects Private Limited

(all amounts in Rs. millions unless otherwise stated)

49 Related party disclosures (contd.)

II. Related party transactions

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Property Management fees				
Embassy Office Park Management Services Private Limited	116.51	127.40	118.94	486.13
REIT Management fees				
Embassy Office Park Management Services Private Limited	58.61	56.02	42.00	214.81
Purchase of Intangible assets				
Embassy Office Park Management Services Private Limited	-	8.84	-	8.84
Purchase of Investment Property				
Reddy Veeranna Constructions Private Limited	-	4.51	-	4.51
Common area maintenance				
Embassy Services Private Limited	130.93	114.21	134.68	591.22
Golflinks Embassy Business Park Management Services LLP	6.39	6.02	6.03	24.11
FIFC Condominium	17.12	15.71	16.60	67.01
Repairs and maintenance- building				
FIFC Condominium	-	6.13	-	6.13
Business consultancy services (capitalised)				
Embassy Property Developments Private Limited	12.69	14.18	30.75	124.90
Reimbursement of tenant improvements				
Wework India Management Private Limited	65.72	-	-	-
Income from generation of renewable energy from the tenants of				
Vikas Telecom Private Limited	71.06	98.11	106.88	377.32
Embassy Property Developments Private Limited	6.72	15.83	22.07	87.55
Dynasty Properties Private Limited	1.79	7.39	9.79	39.32
Golflinks Software Park Private Limited	50.01	64.53	56.21	224.87
Security Deposit given/(repaid) to/(by) related party				
Embassy Property Developments Private Limited	-	-	(660.79)	(991.50)
Security deposits received				
Wework India Management Private Limited	105.44	-	-	-
Capital advances paid				
Embassy Property Developments Private Limited	68.34	252.92	-	4,884.97
Reddy Veeranna Constructions Private Limited	-	(3.30)	-	4.02
FIFC Condominium	-	9.71	-	9.71
Rental and maintenance income				
Wework India Management Private Limited	19.87	25.67	28.99	108.85
Snap Offices Private Limited	9.27	9.23	9.21	36.85
Interest income				
Golflinks Software Park Private Limited	6.04	10.91	26.58	73.72
Embassy Property Developments Private Limited	158.72	160.47	-	160.47
Reddy Veeranna Construction Private Limited	-	-	1.53	1.53
Other operating income				
Embassy Property Developments Private Limited	171.60	171.60	-	215.88
Golflinks Software Park Private Limited	11.25	7.50	-	45.00
Project management consultancy fees (capitalised)				
Synergy Property Development Services Private limited	-	-	40.82	91.53
Amount paid for civil works (capitalised)				
Synergy Property Development Services Private limited	-	-	450.28	539.28
Power and fuel expenses				
Embassy Services Private Limited	10.42	18.42	43.66	117.51
Reversal of impairment on investments				
Manyata Projects Private Limited	-	-	-	(156.98)
Investments written off				
Manyata Projects Private Limited	-	-	-	156.98

(all amounts in Rs. millions unless otherwise stated)

49 Related party disclosures (contd.)

II. Related party transactions

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Legal and professional charges				
Embassy Services Private Limited	5.90	4.78	3.00	18.65
Security charges				
Embassy Services Private Limited	4.78	2.34	1.00	12.94
Trademark and license fees				
Embassy Shelters Private Limited	0.35	0.36	0.35	1.42
Purchase of consumables				
Embassy One Developers Private Limited	-	16.81	0.35	16.81
Rates and taxes				
Embassy One Developers Private Limited	-	2.06	-	2.06
Revenue - Room rentals, sale of food and beverages				
Jitendra Virwani	0.01	1.21	-	2.34
Embassy Property Developments Private Limited	-	0.88	1.12	5.25
Embassy One Developers Private Limited	-	1.96	-	1.96
Vikas Telecom Private Limited	-	0.15	-	0.31
JV Holding Private Limited	-	0.03	-	0.04
Others	0.05	0.90	0.49	4.99
Investment in debentures				
Golflinks Software Parks Private Limited	-	-	2,500.00	2,500.00
Redemption of investment in debentures				
Golflinks Software Parks Private Limited	467.90	458.10	429.91	1,775.62
Secondment fees				
Embassy Office Parks Management Services Private Limited	0.35	0.36	0.35	1.42
Trustee fees				
Axis Trustee Services Limited	0.74	0.76	0.74	2.96
Miscellaneous expenses				
Mac Charles (India) Limited	-	-	-	0.48
Business Promotion expenses				
Lounge Hospitality LLP	-	-	-	0.06
Reimbursement of expenses (received)/ paid				
Embassy Services Private Limited	0.34	(6.65)	-	29.77
Embassy One Developers Private Limited	(1.29)	(6.26)	-	(6.26)
Embassy Office Parks Management Services Private Limited	1.09	1.97	-	53.87
Travel Expenses				
Embassy Services Private Limited	0.22	-	-	0.02
Initial refundable receipt from Co-sponsor - received / (repaid)				
Embassy Property Development Private Limited	-	-	(0.50)	(0.50)

(all amounts in Rs. millions unless otherwise stated)

49 Related party disclosures (contd.)

III. Related party balances

Particulars	As at 30 June 2020	As at 31 March 2020
Security deposits		
Embassy Services Private Limited	60.50	60.50
FIFC Condominium	0.05	-
Advance from customers		
Wework India Management Private Limited	-	1.92
Trade payables		
Embassy Services Private Limited	37.93	91.74
Embassy Office Parks Management Service Private Limited	-	4.66
Golflinks Embassy Business Park Management services LLP	8.37	2.01
FIFC Condominium	11.68	17.53
Unbilled revenue		
Vikas Telecom Private Limited	24.60	25.05
Embassy Property Developments Private Limited	-	8.92
Dynasty Properties Private Limited	-	3.73
Golflinks Software Parks Private Limited	22.10	24.12
Other current financial assets - other receivables from related party		
Embassy Office Parks Management Service Private Limited	0.53	-
Manyata Builders Private Limited	-	5.63
Embassy One Developers Private Limited	3.57	2.31
Other current financial liabilities		
Embassy One Developers Private Limited	-	0.05
Embassy Shelters Private Limited	0.35	-
Embassy Services Private Limited	172.12	115.48
Embassy Office Parks Management Services Private Limited	52.37	56.14
Axis Trustee Services Limited	0.74	-
FIFC Condominium	-	0.95
Other current financial liabilities - Security deposit		
Vikas Telecom Private Limited	105.00	105.00
Golflinks Software Parks Private Limited	80.00	80.00
Current liabilities - capital creditors		
Embassy Property Developments Private Limited	11.88	14.73
Wework India Management Private Limited	36.14	-
Other non-current assets - capital advance		
Embassy Shelters Private Limited	206.34	206.34
Reddy Veeranna Constructions Private Limited	-	6.51
FIFC Condominium	9.72	9.71
Other non-current assets - Prepayments		
FIFC Condominium	5.09	5.64
Other current assets - Advance for supply of goods and rendering of services		
FIFC Condominium	2.84	2.78
Other non-current assets - advance paid for co-development of property, including development rights on land		
Embassy Property Developments Private Limited (refer note 51)	14,066.60	13,998.26
Trade receivables		
Embassy Property Developments Private Limited	-	51.48
Embassy Services Private Limited	2.20	-
Embassy One Developers Private Limited	-	1.20
Golflinks Embassy Business Park Management Services LLP	-	1.86
Wework India Management Private Limited	0.51	0.17
VTV Infrastructure Management Private Limited	5.65	-
Others	2.54	2.32
Lease deposits		
Wework India Management Private Limited	112.64	7.20
Snap Offices Private Limited	4.82	4.82
Investment in Debentures		
Golflinks Software Parks Private Limited	256.48	724.38

50 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 6 August 2020, have declared distribution to Unitholders of Rs.5.83 per unit which aggregates to Rs.4,498.81 million for the quarter ended 30 June 2020. The distributions of Rs.5.83 per unit comprises Rs.2.14 per unit in the form of interest payment, Rs.0.36 per unit in the form of dividend and the balance Rs.3.33 per unit in the form of amortization of SPV debt.

51 Advance paid for co-development of property, including development rights of land (M3 Block A & B)

Manyata Promoters Private Limited ('MPPL') and Embassy Property Developments Private Limited ('EPDPL') entered into a co-development agreement on 8 March 2017 whereby EPDPL shall develop 1 msf M3 Block A bare shell building within Embassy Manyata campus and shall hand over to MPPL by agreed delivery date for a consideration of Rs.6,510 million to EPDPL, of which Rs.6,297 million has already been paid as of 30 June 2020 (Rs.5,600 million was paid as of 31 March 2019, Rs.629 million was paid during financial year 2019-20 and balance Rs.68 million was paid during the quarter ended 30 June 2020). Further, MPPL has appointed EPDPL as the development manager, to convert the bare shell buildings to warm shell for a development management fee of Rs.40 million to EPDPL along with an estimated cost of such conversion from bare shell to warm shell of Rs.1,706 million, of which Rs.40 million towards development management fees has already been paid as of 30 June 2020 and no amounts have been paid towards the warm shell conversion. In summary, EPDPL shall develop 1 msf M3 Block A warm shell building to be handed over to MPPL by agreed delivery date for a total consideration of Rs.8,256 million, of which Rs.6,377 million has already been paid as of 30 June 2020 and balance is to be disbursed linked to achievement of development milestones. EPDPL is obligated to obtain Occupancy Certificate (OC) for the buildings by December 2019. In case of any delay in obtaining the OC beyond the agreed delivery date, EPDPL is obligated to pay a rental compensation of Rs.57 million per month of delay to MPPL. As of date, the bare shell building is still being constructed and the estimated date of completion and obtaining occupancy certificate is now December 2022. During the quarter ended 30 June 2020, MPPL has received from EPDPL the agreed compensation of Rs.57 million per month as mentioned above.

The carrying cost in the consolidated financial statements of the above advance is Rs.9,810.75 million as at 30 June 2020 which includes one-time fair valuation gain on purchase price allocation on acquisition by the REIT.

During the year ended 31 March 2020, to further consolidate the M3 land parcel within Embassy Manyata campus, MPPL and EPDPL entered into another co-development agreement whereby EPDPL shall develop 0.6 msf M3 Block B bare shell building to be handed over to MPPL by agreed delivery date of 31 March 2022 for a total consideration of Rs.6,767 million to EPDPL, of which Rs.4,256 million has already been paid as of 30 June 2020 and balance is to be disbursed linked to achievement of development milestones. Further, MPPL has also appointed EPDPL as the development manager to obtain Occupancy Certificate (OC) for the buildings by March 2023. MPPL is obligated to pay a development management fees of Rs.20 million and an estimated cost of conversion of Rs.580 million to EPDPL of which no amounts have been paid as of date. In summary, EPDPL shall develop 0.6 msf M3 Block B warm shell building to be handed over to MPPL by agreed delivery date for a total consideration of Rs.7,367 million, of which Rs.4,256 million has already been paid as of 30 June 2020 and balance is to be disbursed linked to achievement of development milestones. Furthermore, as per the co-development agreement, during the period of construction, EPDPL is obligated to pay interest to MPPL on the amount of the Development Consideration disbursed by MPPL to EPDPL. During the quarter ended 30 June 2020, MPPL has received the agreed interest of Rs.159 million as per contract from EPDPL.

As per terms of both of these co-development agreements, consideration is contingent on pre-defined leasing timelines and Net Operating Income achieved.

52 The Board of Directors of the Manager in their meeting held on May 19, 2020 approved the composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL. The Scheme provides for:

a) The demerger, transfer and vesting of the Techzone business of EOPPL comprising Embassy TechZone Business Park (more specifically defined as the "TechZone Undertaking" in the Scheme) into EPTPL on a going concern basis, in consideration for which the Embassy Office Parks REIT (as shareholder of EOPPL) will be issued shares in EPTPL; followed by

b) Amalgamation of EOPPL into MPPL, on a going concern basis.

Upon the scheme becoming effective, MPPL will become a 100% Holdco of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL, 50% of the share capital of GLSP, while EPTPL will become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone, an existing asset of the Embassy Office Parks REIT. This would result in simplification of group structure and holding of MPPL in a single tier structure.

The Scheme is subject to receipt of necessary statutory and regulatory approvals under applicable laws, including the approval of National Company Law Tribunal (NCLT), Mumbai bench. The Scheme has been filed with NCLT on 20 June 2020 and is pending its approval as of date.

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 06 August 2020

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

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 06 August 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 06 August 2020

Review Report

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

Introduction

1. We have reviewed the accompanying unaudited condensed standalone interim Ind AS financial statements of Embassy Office Parks REIT (the “REIT”) which comprise the unaudited condensed standalone balance sheet as at June 30, 2020, the unaudited condensed statement of Profit and Loss, including other comprehensive income, unaudited condensed statement of Cash Flows and the unaudited condensed statement of changes in Unitholders equity for the quarter ended June 30, 2020 and a summary of the significant accounting policies and select explanatory information (together hereinafter referred to as the “Condensed Standalone Interim Ind AS Financial Statements”).

2. The Condensed Standalone Interim Ind AS Financial Statements are the responsibility of the Manager and has been approved by the Board of Directors of the Manager. The Condensed Standalone Interim Ind AS Financial Statements are prepared in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 “Interim Financial Reporting”, as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder (“REIT Regulations’’). Our responsibility is to issue a conclusion on the Condensed Standalone Interim Ind AS Financial Statements based on our review.

Scope of Review

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

Conclusion

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

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

Sd/-
per Adarsh Ranka
Partner
Membership No.: 209567

UDIN: 20209567AAAAEG5960

Place: Bengaluru, India
Date: August 6, 2020

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

	Note	As at 30 June 2020 (Unaudited)	As at 31 March 2020 (Audited)
ASSETS			
Non-current assets			
Financial assets			
- Investments	3	186,862.18	186,862.18
- Loans	4	63,554.20	65,143.57
Total non-current assets		**250,416.38**	**252,005.75**
Current assets			
Financial assets			
- Investments	5	256.48	3,933.45
- Cash and cash equivalents	6	4,532.15	2,845.45
- Loans	7	1,070.00	620.00
- Other financial assets	8	3.92	3.15
Other current assets	9	25.26	47.42
Total current assets		**5,887.81**	**7,449.47**
Total assets		**256,304.19**	**259,455.22**
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	10	229,120.96	229,120.96
Other equity	11	(12,834.77)	(8,784.65)
Total equity		**216,286.19**	**220,336.31**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	12	39,928.54	39,018.84
Total non-current liabilities		**39,928.54**	**39,018.84**
Current liabilities			
Financial liabilities			
- Trade payables	13		
- total outstanding dues of micro and small enterprises		-	-
- total outstanding dues of creditors other than micro and small enterprises		1.61	6.68
- Other financial liabilities	14	81.45	88.48
Other current liabilities	15	2.34	4.37
Current tax liabilities (net)	16	4.06	0.54
Total current liabilities		**89.46**	**100.07**
Total equity and liabilities		**256,304.19**	**259,455.22**
Significant accounting policies	2		

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

As per our report of even date attached

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

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)

Sd/-
***per* Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 06 August 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 06 August 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 06 August 2020

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

	Note	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
		(Unaudited)	(Audited *)	(Unaudited)	(Audited)
Income and gains					
Dividend		288.00	177.85	-	289.97
Interest	17	2,082.63	2,136.62	1,832.12	8,229.01
Other income	18	4.89	47.69	10.18	155.34
Total Income		**2,375.52**	**2,362.16**	**1,842.30**	**8,674.32**
Expenses					
Valuation expenses		2.21	0.92	2.36	9.74
Audit fees		2.48	0.36	0.30	7.64
Investment management fees	26	58.61	56.02	42.00	214.81
Trustee fees		0.80	0.76	0.74	2.96
Legal and professional fees		104.29	24.20	11.14	98.09
Other expenses	19	16.95	12.01	-	18.15
Total Expenses		**185.34**	**94.27**	**56.54**	**351.39**
Earnings before finance costs, depreciation, amortisation, impairment loss and tax		**2,190.18**	**2,267.89**	**1,785.76**	**8,322.93**
Finance costs	20	909.70	890.89	468.66	2,850.33
Impairment loss	3	-	587.46	-	587.46
Profit before tax		**1,280.48**	**789.54**	**1,317.10**	**4,885.14**
Tax expense:	21				
Current tax		13.83	8.29	4.91	71.17
		13.83	**8.29**	**4.91**	**71.17**
Profit for the quarter/ year		**1,266.65**	**781.25**	**1,312.19**	**4,813.97**
Items of other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurements of defined benefit liability, net of tax		-	-	-	-
Total comprehensive income for the quarter/ year		**1,266.65**	**781.25**	**1,312.19**	**4,813.97**
Earning per unit - refer note 22					
Basic		1.64	1.01	1.70	6.24
Diluted		1.64	1.01	1.70	6.24
Significant accounting policies	2				

*** Refer note 30**

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

As per our report of even date attached

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

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)

Sd/-
***per* Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 06 August 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 06 August 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 06 August 2020

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

EMBASSY
EMBASSY OFFICE PARKS

	For the quarter ended 30 June 2020 (Unaudited)	For the quarter ended 31 March 2020 (Audited *)	For the quarter ended 30 June 2019 (Unaudited)	For the year ended 31 March 2020 (Audited)
Cash flow from operating activities				
Profit before tax	1,280.48	789.54	1,317.10	4,885.14
Adjustments:				
Interest income	(2,082.63)	(2,136.62)	(1,832.12)	(8,229.01)
Net changes in fair value of financial assets	-	5.55	(9.42)	(1.72)
Dividend	(288.00)	(177.85)	-	(289.97)
Gain / (loss) on mutual funds	(4.89)	(53.25)	-	(152.36)
Impairment loss	-	587.46	-	587.46
Finance costs	909.70	890.89	468.66	2,850.33
Operating cash flow before working capital changes	**(185.34)**	**(94.28)**	**(55.78)**	**(350.13)**
Changes in:				
Other current assets	22.16	(46.68)	(26.44)	(47.42)
Other current and non-current liabilities and provisions	(2.03)	(17.86)	42.02	4.37
Other current financial liabilities	(7.21)	15.56	(32.92)	(37.75)
Other financial assets	(0.77)	-	-	(3.15)
Trade payables	(5.07)	3.43	0.30	6.68
Cash used in operations	**(178.26)**	**(139.83)**	**(72.82)**	**(427.40)**
Income taxes paid, net	(10.31)	(6.14)	(5.76)	(70.63)
Net cash used in operating activities	**(188.57)**	**(145.97)**	**(78.58)**	**(498.03)**
Cash flow from investing activities				
Loans given to subsidiaries	(711.00)	(3,050.00)	(64,675.60)	(76,285.60)
Loans repaid by subsidiaries	2,194.22	5,486.81	3,980.00	15,596.61
Investment in subsidiary	-	-	(3,450.00)	(3,450.00)
Investment in debentures issued by joint venture	-	-	(2,500.00)	(2,500.00)
Redemption of debentures issued by joint venture	467.90	458.10	429.91	1,775.62
Interest received	1,737.78	1,942.78	1,832.12	7,837.35
Dividend received	288.00	177.85	-	289.97
Redemption/ (Investments) in mutual funds (net)	3,213.96	1,599.27	(5,367.63)	(3,054.99)
Net cash generated from/(used in) investing activities	**7,190.86**	**6,614.81**	**(69,751.20)**	**(59,791.04)**
Cash flow from financing activities				
Expenses incurred towards Initial Public Offering	-	-	(2,263.41)	(2,378.64)
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)	-	(43.82)	29,639.95	36,168.51
Distribution to unitholders	(5,316.59)	(4,707.19)	-	(13,503.88)
Security deposits (given)/ repaid	1.00	-	-	30.00
Net cash (used in)/generated from financing activities	**(5,315.59)**	**(4,751.01)**	**27,376.54**	**20,315.99**
Net increase/ (decrease) in cash and cash equivalents	**1,686.70**	**1,717.83**	**(42,453.24)**	**(39,973.08)**
Cash and cash equivalents at the beginning of the quarter/ year	2,845.45	1,127.62	42,818.53	42,818.53
Cash and cash equivalents at the end of the quarter/ year	**4,532.15**	**2,845.45**	**365.29**	**2,845.45**
Cash and cash equivalents comprise:				
Balances with banks				
- in current accounts	4,531.71	2,845.19	315.99	2,845.19
- in escrow accounts	0.44	0.26	49.30	0.26
Cash and cash equivalents at the end of the quarter/ year (refer note 6)	**4,532.15**	**2,845.45**	**365.29**	**2,845.45**

Significant accounting policies (refer note 2)

*** Refer note 30**

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

As per our report of even date attached

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

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)

Sd/-
***per* Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 06 August 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 06 August 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 06 August 2020

(all amounts in Rs. million unless otherwise stated)

A. Unit Capital

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

B. Other equity

Particulars	Retained Earnings
Balance as at 1 April 2019	**(94.47)**
Add : Profit for the year ended 31 March 2020	4,813.97
Less: Distribution to Unitholders for the quarter ended 30 June 2019*	(4,166.99)
Less: Distribution to Unitholders for the quarter ended 30 September 2019*	(4,630.00)
Less: Distribution to Unitholders for the quarter ended 31 December 2019*	(4,707.16)
Balance as at 31 March 2020	**(8,784.65)**
Balance as at 1 April 2020	**(8,784.65)**
Add : Profit for the quarter ended 30 June 2020	1,266.65
Less: Distribution to Unitholders for the quarter ended 31 March 2020*	(5,316.77)
Balance as at 30 June 2020	**(12,834.77)**

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

As per our report of even date attached

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

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)

Sd/-
***per* Adarsh Ranka**
Partner
Membership number: 209567
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Director
DIN: 00027674
Place: Bengaluru
Date: 06 August 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 06 August 2020

(all amounts in Rs. million unless otherwise stated)

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

Sl No	Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
		(Unaudited)	(Audited *)	(Unaudited)	(Audited)
1	Cash flows received from SPVs and investment entity in the form of:				
	• Interest	1,709.81	1,942.20	1,819.29	7,823.93
	• Dividends (net of applicable taxes)	288.00	177.85	-	289.97
	• Repayment of Shareholder Debt	2,662.12	3,244.91	2,409.91	11,012.23
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-	-	-	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:	-	-	-	-
	• Applicable capital gains and other taxes	-	-	-	-
	• Related debts settled or due to be settled from sale	-	-	-	-
	• 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	34.58	55.09	13.60	167.05
5	Less: Any other expense accruing at the Trust level, and not captured herein	(20.83)	(17.26)	-	(23.40)
6	Less: Any fees, including but not limited to:				
	• Trustee fees	(0.80)	(0.76)	(0.74)	(2.96)
	• REIT Management Fees	(58.61)	(56.02)	(42.00)	(214.81)
	• Valuer fees	(2.21)	(0.92)	(2.36)	(9.74)
	• Legal and professional fees	(106.07)	(23.85)	(11.44)	(102.89)
	• Trademark license fees	(0.35)	(0.36)	-	(1.42)
	• Secondment fees	(0.35)	(0.36)	-	(1.42)
7	Less: Debt servicing				
	• Interest on external debt	-	-	-	-
	• Repayment of external debt	-	-	-	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(10.31)	(6.13)	(5.76)	(70.62)
	Net Distributable Cash Flows	**4,494.98**	**5,314.39**	**4,180.50**	**18,865.92**

*** Refer note 30**

Notes:

1 The Board of Directors of the Manager to the Trust, in their meeting held on 6 August 2020, have declared distribution to Unitholders of Rs.5.83 per unit which aggregates to Rs.4,498.81 million for the quarter ended 30 June 2020. The distributions of Rs.5.83 per unit comprises Rs.2.14 per unit in the form of interest payment, Rs.0.36 per unit in the form of dividend and the balance Rs.3.33 per unit in the form of amortization of SPV debt.

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

(all amounts in Rs. million unless otherwise stated)

1 Trust Information

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

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

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

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

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

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

Details of SPV’s are provided below.

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

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

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

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

GLSP	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bangalore	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)

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 30 June 2020, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flow, the Standalone Statement of Changes in Unitholder's Equity and a summary of significant accounting policies and select explanatory information for the quarter ended 30 June 2020. The Condensed Standalone Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 06 August 2020.

The Condensed Standalone Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued there under read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations'); Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the REIT regulations. Also refer Note 10(a) (i) on classification of Unitholders fund.

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

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

Statement of compliance to Ind-AS

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

2.2 Summary of significant accounting policies

a) Functional and presentation currency

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

b) Basis of measurement

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

c) Use of judgments and estimates

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

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

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

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

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

i) Valuation of financial instruments – Refer Note 2.2 (h)
ii) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(q)(ii)
iii) Estimation of uncertainties relating to the global health pandemic from COVID-19
The Trust has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its investments in SPVs including loans and other receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Trust, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Trust. The Trust has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet as at 30 June 2020 will be recovered. The impact of COVID-19 on the Trust's financial statements may differ from that estimated as at the date of approval of these Condensed Standalone financial statements.

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

d) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

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

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

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

2 Significant accounting policies (continued)

e) Measurement of fair values

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

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

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

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

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

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

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

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

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

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

f) Impairment of non-financial assets

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

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

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

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.

2 Significant accounting policies (continued)

h) Financial instruments (continued)

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

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

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

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

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

2 Significant accounting policies (continued)

h) Financial instruments (continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

i) Compound financial instruments

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

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

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

j) Impairment of financial assets

Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2 Significant accounting policies (continued)

j) Impairment of financial assets (continued)

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

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

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

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

k) Embedded derivatives

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

l) Financial guarantee contracts

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

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

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

m) Leases

Embassy Office Parks REIT as a lessee

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

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

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

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

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

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

Embassy Office Parks REIT as a lessor

i.Determining whether an arrangement contains a lease

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

ii. Assets held under leases

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

iii. Initial direct costs

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

2 Significant accounting policies (continued)

n) Revenue recognition

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

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

Recognition of dividend income, interest income

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

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

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

o) Investments in subsidiaries and joint ventures

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

p) Borrowing costs

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

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

q) Taxation

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

(i) <u>*Current tax:*</u>

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) <u>*Deferred tax:*</u>

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

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

- Taxable temporary differences arising on initial recognition of goodwill.

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

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

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

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

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

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

r) Provisions and contingencies

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

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

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

2 Significant accounting policies (continued)

s) Operating segments

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

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

t) Errors and estimates

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

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

u) Cash and cash equivalents

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

v) Cash distributions to Unitholders

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

w) Standalone Statement of Cash flows

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

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

x) Earnings per unit

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

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

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

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

z) Distribution Policy

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

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

- not less than 90% of the NDCF of the SPVs are required to be distributed to the Embassy Office Parks REIT, in proportion to its shareholding in the SPV, subject to applicable provisions of the Companies Act, 2013.

- 100% of the cash flows received by the Holding Company from the underlying SPVs are required to be distributed to the Embassy Office Parks REIT, and not less than 90% of the NDCF generated by the Holding Company on its own shall be distributed to the Embassy Office Parks REIT, subject to applicable provisions of the Companies Act, 2013.

- The aforesaid net distributable cash flows are made available to Embassy Office Parks REIT in the form of (i) interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the SPV’s/Holding Company, (ii) Principal repayment of Shareholder Debt, (iii) dividend declared by the SPVs/Holding Company and received by Embassy Office Parks REIT and (iv) Proceeds from sale of any Embassy REIT assets.

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

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(all amounts in Rs. million unless otherwise stated)

Non-current assets

3 Non-current investments

Particulars	As at 30 June 2020	As at 31 March 2020
Trade, unquoted, investments in subsidiaries (at cost)		
(refer note below and note 24)		
- 405,940,204 (31 March 2020 : 405,940,204) equity shares of Umbel Properties Private Limited of Rs.10 each, fully	2,841.67	2,841.67
Less: Provision for impairment *	(587.46)	(587.46)
	2,254.21	**2,254.21**
- 8,703,248 (31 March 2020 : 8,703,248) equity shares of Embassy Office Parks Private Limited of Rs.10 each, fully paid up	62,768.25	62,768.25
- 727,538 (31 March 2020 : 727,538) equity shares of Manyata Promoters Private Limited of Rs.10 each, fully paid up	48,790.52	48,790.52
- 271,611 (31 March 2020 : 271,611) equity shares of Qubix Business Park Private Limited of Rs.10 each, fully paid up	5,595.08	5,595.08
- 1,884,747 (31 March 2020 : 1,884,747) equity shares of Oxygen Business Park Private Limited of Rs.10 each, fully paid up	12,308.89	12,308.89
- 185,604,589 (31 March 2020 : 185,604,589) equity shares of Earnest Towers Private Limited of Rs.10 each, fully paid up	12,138.78	12,138.78
- 6,134,015 (31 March 2020 : 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of Rs.10 each, fully paid up	10,710.94	10,710.94
- 124,561 (31 March 2020 : 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.10 each, fully paid up	6,463.79	6,463.79
- 130,022 (31 March 2020 : 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.10 each, fully paid up	6,747.17	6,747.17
- 2,129,635 (31 March 2020 : 2,129,635) equity shares of Quadron Business Park Private Limited of Rs.10 each, fully paid up	13,689.26	13,689.26
- 107,958 (31 March 2020 : 107,958) equity shares of Galaxy Square Private Limited of Rs.100 each, fully paid up	4,662.50	4,662.50
- 1,999 (31 March 2020 : 1,999) equity shares of Embassy Energy Private Limited of Rs.10 each, fully paid up	732.79	732.79
	184,607.97	**184,607.97**
	186,862.18	**186,862.18**
Aggregate amount of impairment recognised	**587.46**	**587.46**

* The recoverable amount of the investments in subsidiary has been computed based on value in use calculation of the underlying properties, computed annual as at 31 March 2020. The value in use calculation is based on discounted cash flow model. As at 30 June 2020, an amount of Rs.587.46 million (31 March 2020: Rs.587.46 million) has been provided as impairment on investment in a subsidiary Company, Umbel Properties Private Limited, which is in the business of hospitality operations. The impairment charge arose in UPPL (Hilton @ Embassy Golflinks) mainly due to impact on occupancy given the economic conditions due to Covid-19 pandemic. In determining value in use for investment in Umbel Properties Private Limited, the cash flows were discounted at the rate of 12.63%.

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

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

Name of Subsidiary	As at 30 June 2020	As at 31 March 2020
Embassy Office Parks Private Limited *	100.00%	100.00%
Manyata Promoters Private Limited **	64.23%	64.23%
Umbel Properties Private Limited	100.00%	100.00%
Embassy Energy Private Limited ***	19.99%	19.99%
Earnest Towers Private Limited	100.00%	100.00%
Indian Express Newspapers (Mumbai) Private Limited	100.00%	100.00%
Vikhroli Corporate Park Private Limited	100.00%	100.00%
Qubix Business Park Private Limited	100.00%	100.00%
Quadron Business Park Private Limited	100.00%	100.00%
Oxygen Business Park Private Limited	100.00%	100.00%
Galaxy Square Private Limited	100.00%	100.00%

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

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

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

(all amounts in Rs. million unless otherwise stated)

4 Non-current loans

Particulars	As at 30 June 2020	As at 31 March 2020
Unsecured, considered good		
Loan to subsidiaries (refer note 24)	63,554.20	65,142.57
Security deposits		
- others	-	1.00
	63,554.20	**65,143.57**

Terms attached to loan to subsidiaries

Security: Unsecured

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

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

5 Current investments

Particulars	As at 30 June 2020	As at 31 March 2020
Non-trade, Unquoted, Investment in mutual funds		
HDFC Liquid Fund-Growth	-	1,010.72
HDFC Overnight Fund-Growth	-	255.01
ICICI Prudential Liquid Fund-Growth	-	1,350.77
IDFC Cash Fund - Growth	-	390.15
Axis Liquid Fund - Growth	-	202.42
Trade, unquoted investments measured at amortised cost		
- Investment in Debentures of a joint venture entity - refer note 24	256.48	724.38
2,500 (31 March 2020 : 2,500) 8.5% debentures		
	256.48	**3,933.45**
Investment measured at amortised cost	**256.48**	**724.38**
Investment measured at fair value through profit or loss	**-**	**3,209.07**
Investments measured at fair value through other comprehensive income	**-**	**-**
Aggregate amount of impairment recognised	**-**	**-**

Terms attached to Investment in Debentures of a joint venture entity

1. 2,500 (31 March 2020 : 2,500) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Park Private Limited with face value of Rs.1,000,000 each. Outstanding as on 30 June 2020 : Rs.256.48 million (31 March 2020 : Rs.724.38 million).
2. Interest Rate : 8.50% p.a. on monthly outstanding balance.
3. Security : The debentures are secured by first ranking exclusive security interest over Torrey Pines building.
4. Redemption : Debentures shall be redeemed in 16 monthly instalment (principal and interest) of Rs.160.00 million each and 17th instalment of Rs.98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

6 Cash and cash equivalents

Particulars	As at 30 June 2020	As at 31 March 2020
Balances with banks		
- in current accounts *	4,531.71	2,845.19
- in escrow accounts		
Balances with banks for unclaimed distributions	0.44	0.26
	4,532.15	**2,845.45**

* Balance in current accounts includes cheques on hand received from SPV's in respect of interest payments, principal repayments of loans and dividend payments for the quarter ended 30 June 2020 amounting to Rs.1,592.48 million (31 March 2020 : Rs.2,121.94 million)

(all amounts in Rs. million unless otherwise stated)

7 Current loans

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Unsecured, considered good		
Loan to subsidiaries (refer note 24)	1,070.00	620.00
	1,070.00	**620.00**

Terms attached to Loan to subsidiaries

Security: Unsecured

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

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

8 Other financial assets

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Other receivables		
- from related party (refer note 24)	3.33	-
- from others	0.59	3.15
	3.92	**3.15**

9 Other current assets

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Unsecured, considered good		
Advance for supply of goods and rendering of services	-	0.44
Balances with government authorities	8.82	8.82
Prepayments	16.44	38.16
	25.26	**47.42**

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10 Unit capital

Particulars	No in Million	Amount
As at 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
As at 31 March 2020	**771.67**	**229,120.96**
As at 1 April 2020	771.67	229,120.96
Units issued during the quarter	-	-
Balance as at 30 June 2020	**771.67**	**229,120.96**

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

(a) Terms/rights attached to Units

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

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

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

Name of the share holder	As at 30 June 2020		As at 31 March 2020	
	No of Units	**% holding**	**No of Units**	**% holding**
Embassy Property Developments Private Limited	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Limited	88,333,166	11.45%	104,094,966	13.49%
BRE Mauritius Investments	84,621,955	10.97%	93,610,755	12.13%
Veeranna Reddy	49,847,582	6.46%	65,472,582	8.48%
Bre/Mauritius Investments II	39,700,450	5.14%	45,630,850	5.91%
India Alternate Property Limited	31,193,186	4.04%	39,446,986	5.11%

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

11 Other equity

Particulars	As at 30 June 2020	As at 31 March 2020
Retained earnings *	(12,834.77)	(8,784.65)
	(12,834.77)	**(8,784.65)**

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

Retained earnings

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

(all amounts in Rs. million unless otherwise stated)

12 Borrowings

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Secured		
36,500 (31 March 2020 : 36,500) Embassy REIT Series I NCD 2019, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost)		
- Tranche I	33,109.93	32,351.18
- Tranche II	6,818.61	6,667.66
	39,928.54	**39,018.84**

Note:

(i) In May 2019, the Trust issued 30,000 listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019 (Tranche I), debentures having face value of Rs. 1 million each amounting to Rs. 30,000.00 million with an Internal Rate of Return (IRR) of 9.4% and will mature on 2 June 2022. In November 2019, the Trust further issued 6,500 such debentures (Tranche II) with an Internal Rate of Return (IRR) of 9.05% and with same terms and conditions as Tranche I.

The Tranche I and Tranche II NCD described above were listed on the Bombay Stock Exchange on 15 May 2019 and 28 November 2019 respectively.

Security terms

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

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase 1) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park". The above charge excludes L1 - Office block, consisting of 477,949 sq.ft of super built up area along with the undivided share of the lands and future development / construction on Blocks designated as F1 and L4 that MPPL may undertake in the Project "Embassy Manyata Business Park" along with the remaining undivided share of such land.

2. A sole and exclusive first ranking pledge created by the REIT and EOPPL over their total shareholding in the SPV's namely QBPPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPVs".

3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables.

4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.

5. A negative pledge on all assets of each secured SPV except MPPL.

Redemption terms:

1. These debentures are redeemable by way of bullet payment on 2 June 2022.

2. Tranche I debentures have a redemption premium of 9.4% IRR compounded annually and Tranche II debentures have a redemption premium of 9.05% IRR compounded annually.

3. In case of downgrading of credit rating , the IRR shall increase by 0.25% - 1.25% over and above the applicable IRR calculated from the date of change of rating. In case of any subsequent upgrading of credit rating , the IRR shall restore/decrease by 0.25% - 1.00% over and above the applicable IRR calculated from the date of change of rating.

4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between May 2021 to May 2022) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures being redeemed.

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(all amounts in Rs. million unless otherwise stated)

13 Trade payables

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Trade payable		
- Total outstanding dues to micro and small enterprises	-	-
- Total outstanding dues other than micro and small enterprises		
- to related party (refer note 24)	-	4.66
- to others	1.61	2.02
	1.61	**6.68**

14 Other financial liabilities

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Unclaimed distribution	0.44	0.26
Other liabilities		
- to related party (refer note 24)	53.37	55.46
- to others	27.64	32.76
	81.45	**88.48**

15 Other current liabilities

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Statutory dues	2.34	4.37
	2.34	**4.37**

16 Current tax liabilities (net)

Particulars	**As at 30 June 2020**	**As at 31 March 2020**
Provision for income-tax, net of advance tax	4.06	0.54
	4.06	**0.54**

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(all amounts in Rs. million unless otherwise stated)

17 Interest income

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Interest income				
- on fixed deposits	27.97	0.59	12.84	13.43
- on debentures (refer note 24)	12.09	21.90	50.09	144.38
- on loan to subsidiaries (refer note 24)	2,042.57	2,114.13	1,769.19	8,071.20
	2,082.63	**2,136.62**	**1,832.12**	**8,229.01**

18 Other income

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Gain / (loss) on mutual funds *	4.89	47.69	9.42	154.08
Miscellaneous	-	-	0.76	1.26
	4.89	**47.69**	**10.18**	**155.34**

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

19 Other expenses

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Bank charges	0.01	0.01	-	0.26
Rates and taxes	5.77	1.07	-	1.48
Travelling and conveyance	-	-	-	0.17
Marketing and advertisement expenses *	10.65	10.85	-	15.56
Miscellaneous expenses	0.52	0.08	-	0.68
	16.95	**12.01**	**-**	**18.15**

* Also refer note 24

20 Finance costs

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Interest expense				
- Accrual of premium on redemption of debentures *	909.70	890.89	468.66	2,850.33
	909.70	**890.89**	**468.66**	**2,850.33**

* Refer note 12

21 Tax expense

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Current tax	13.83	8.29	4.91	71.17
	13.83	**8.29**	**4.91**	**71.17**

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22 Earnings Per Unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the quarter/year attributable to Unitholders by the weighted average number of units outstanding during the quarter/year. Diluted EPU amounts are calculated by dividing the profit attributable to unitholders 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 following reflects the profit and unit data used in the basic and diluted EPU computation

Particulars	**For the quarter ended 30 June 2020**	**For the quarter ended 31 March 2020**	**For the quarter ended 30 June 2019**	**For the year ended 31 March 2020**
Profit after tax for calculating basic and diluted EPU	1,266.65	781.25	1,312.19	4,813.97
Weighted average number of Units (No. in million)	771.67	771.67	771.67	771.67
Earnings Per Unit				
- Basic (Rupees/unit)	1.64	1.01	1.70	6.24
- Diluted (Rupees/unit) *	1.64	1.01	1.70	6.24

* The Trust does not have any outstanding dilutive units.

23 Commitments and contingencies

a. Contingent liabilities

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

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

b. Statement of capital and other commitments

i) There are no capital commitments as at 30 June 2020 and 31 March 2020.

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

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EMBASSY OFFICE PARKS

24 Related party disclosures

I. List of related parties as at 30 June 2020

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

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

BRE/ Mauritius Investments - Co-Sponsor

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

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

Directors

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

Key management personnel

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

(i) Subsidiaries (SPV)

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

(ii) Joint Venture

Golflinks Software Park Private Limited

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

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

(all amounts in Rs. million unless otherwise stated)

24 Related party disclosures

C Transactions during the quarter/ year

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Unsecured loans given to				
Quadron Business Park Private Limited	-	-	7,329.00	7,509.00
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	200.00	250.00	779.30	1,029.30
Vikhroli Corporate Park Private Limited	61.00	-	4,726.70	4,766.70
Galaxy Square Private Limited	-	-	2,549.80	2,549.80
Umbel Properties Private Limited	-	-	1,795.20	1,795.20
Indian Express Newspapers (Mumbai) Private Limited	-	-	2,954.00	3,764.00
Embassy Energy Private Limited	-	-	-	6,400.00
Short term construction loan given				
Manyata Promoters Private Limited	300.00	-	3,050.00	3,050.00
Oxygen Business Park Private Limited	-	2,700.00	-	3,310.00
Embassy Office Parks Private Limited	150.00	100.00	-	620.00
Investment in debentures				
Golflinks Software Park Private Limited	-	-	2,500.00	2,500.00
Redemption of investment in debentures				
Golflinks Software Park Private Limited	467.90	458.10	429.91	1,775.62
Unsecured loans repaid by				
Embassy Office Parks Private Limited	195.33	703.75	110.00	1,674.34
Manyata Promoters Private Limited	1,553.39	1,365.89	1,250.00	4,843.37
Qubix Business Park Private Limited	68.61	87.23	80.00	299.91
Oxygen Business Park Private Limited	-	94.06	60.00	247.68
Earnest Towers Private Limited	178.99	250.23	190.00	739.62
Vikhroli Corporate Park Private Limited	60.55	91.64	-	268.88
Galaxy Square Private Limited	84.53	114.61	90.00	284.91
Umbel Properties Private Limited	-	7.47	-	69.40
Indian Express Newspapers (Mumbai) Private Limited	26.96	35.01	200.00	429.97
Embassy Energy Private Limited	25.86	36.92	-	378.53
Short term construction loan repaid by				
Manyata Promoters Private Limited	-	-	2,000.00	3,050.00
Oxygen Business Park Private Limited	-	2,700.00	-	3,310.00
Secondment fees				
Embassy Office Parks Management Services Private Limited	0.35	0.35	0.35	1.42
Investment management fees				
Embassy Office Parks Management Services Private Limited	58.61	56.02	42.00	214.81
Trademark license fees				
Embassy Shelters Private Limited	0.35	0.35	0.35	1.42
Trustee fee expenses				
Axis Trustee Services Limited	0.74	0.77	0.74	2.96
Marketing and advertisement expenses				
Lounge Hospitality LLP	-	-	-	0.06
Mac Charles (India) Limited	-	-	-	0.48
Travelling and conveyance				
Quadron Business Park Private Limited	-	-	-	0.02
Interest income				
Quadron Business Park Private Limited	379.93	379.97	363.62	1,506.91
Embassy Office Parks Private Limited	154.08	168.50	180.56	698.56
Manyata Promoters Private Limited	735.40	776.96	612.58	3,098.72
Qubix Business Park Private Limited	89.75	92.45	98.01	383.45
Oxygen Business Park Private Limited	117.88	121.72	119.75	510.82
Earnest Towers Private Limited	9.44	9.59	24.02	66.13
Vikhroli Corporate Park Private Limited	140.17	143.01	145.69	582.18
Galaxy Square Private Limited	70.58	74.13	78.59	305.21
Umbel Properties Private Limited	53.78	54.02	55.33	220.77
Indian Express Newspapers (Mumbai) Private Limited	103.90	104.96	91.05	414.35
Embassy Energy Private Limited	187.66	188.82	-	284.10

(all amounts in Rs. million unless otherwise stated)

24 Related party disclosures

C Transactions during the quarter/ year

Particulars	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020	For the quarter ended 30 June 2019	For the year ended 31 March 2020
Interest received on debentures				
Golflinks Software Park Private Limited	12.09	21.90	50.09	144.38
Dividend received				
Embassy Energy Private Limited	-	-	-	6.00
Indian Express Newspapers (Mumbai) Private Limited	147.00	87.85	-	95.72
Oxygen Business Park Private Limited	141.00	90.00	-	188.25
Expenses incurred by related party on behalf of the Trust				
Embassy Office Parks Management Services Private Limited	0.83	4.98	-	56.26
Expenses incurred by the Trust on behalf of related party				
Manyata Promoters Private Limited	0.82	-	-	-
Others	2.11	-	-	-
Guarantee given to bank for loan obtained by SPV				
Manyata Promoters Private Limited	-	-	-	8,400.00

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(all amounts in Rs. million unless otherwise stated)

24 Related party disclosures

D Closing balances

Particulars	As at 30 June 2020	As at 31 March 2020
Unsecured loan receivable (non-current)		
Quadron Business Park Private Limited	12,873.65	12,582.58
Embassy Office Parks Private Limited	3,988.63	4,183.96
Manyata Promoters Private Limited	22,026.34	23,579.73
Qubix Business Park Private Limited	2,811.38	2,879.99
Oxygen Business Park Private Limited	3,782.62	3,782.62
Earnest Towers Private Limited	310.69	289.68
Vikhroli Corporate Park Private Limited	4,498.27	4,497.82
Galaxy Square Private Limited	2,180.36	2,264.89
Umbel Properties Private Limited	1,779.58	1,725.80
Indian Express Newspapers (Mumbai) Private Limited	3,307.07	3,334.03
Embassy Energy Private Limited	5,995.61	6,021.47
Short term construction loan		
Manyata Promoters Private Limited	300.00	-
Embassy Office Parks Private Limited	770.00	620.00
Other receivables		
Manyata Promoters Private Limited	0.97	-
Others	2.36	-
Other liabilities		
Embassy Office Parks Management Services Private Limited	52.28	55.46
Embassy Shelters Private Limited	0.35	-
Axis Trustee Services Limited	0.74	-
Trade payables		
Embassy Office Parks Management Services Private Limited	-	4.66
Investment in Debentures (current)		
Golflinks Software Park Private Limited	256.48	724.38
Investment in equity shares of subsidiaries		
Embassy Office Parks Private Limited	62,768.25	62,768.25
Manyata Promoters Private Limited	48,790.52	48,790.52
Quadron Business Park Private Limited	13,689.26	13,689.26
Oxygen Business Park Private Limited	12,308.89	12,308.89
Earnest Towers Private Limited	12,138.78	12,138.78
Vikhroli Corporate Park Private Limited	10,710.94	10,710.94
Qubix Business Park Private Limited	5,595.08	5,595.08
Galaxy Square Private Limited	4,662.50	4,662.50
Umbel Properties Private Limited *	2,254.21	2,254.21
Indian Express Newspapers (Mumbai) Private Limited	13,210.97	13,210.97
Embassy Energy Private Limited	732.79	732.79
** Net of provision for impairment of Rs.587.46 million (31 March 2020 : Rs.587.46 million).*		
Guarantee given to bank for loan obtained by SPV		
Manyata Promoters Private Limited	8,400.00	8,400.00

(all amounts in Rs. million unless otherwise stated)

25 Financial instruments :

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

Particulars	Carrying value 30 June 2020	Fair Value 30 June 2020	Carrying value 31 March 2020	Fair Value 31 March 2020
Financial assets				
Fair value through profit and loss				
Investments in mutual funds	-	-	3,209.07	3,209.07
Amortised cost				
Investments	256.48	-	724.38	-
Loans	64,624.20	-	65,763.57	-
Cash and cash equivalents	4,532.15	-	2,845.45	-
Other financial assets	3.92	-	3.15	-
Total assets	**69,416.75**	**-**	**72,545.62**	**3,209.07**
Financial liabilities				
Amortised cost				
Borrowings	39,928.54	39,867.24	39,018.84	38,984.00
Other financial liabilities	81.45	-	88.48	-
Trade payables	1.61	-	6.68	-
Total liabilities	**40,011.60**	**39,867.24**	**39,114.00**	**38,984.00**

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

Fair value hierarchy

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

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

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

b) Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

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

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

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

d) Determination of fair values

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

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

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

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

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26 Investment management fees

Pursuant to the Investment management agreement dated 12 June 2017, as amended, the Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the Trust and its investments. Investment management fees accrued for the quarter ended 30 June 2020 amounts to Rs.58.61 million (31 March 2020 : Rs.56.02 million). There are no changes during the quarter ended 30 June 2020 in the methodology for computation of fees paid to the Manager.

27 Secondment fees

Pursuant to the Secondment agreement dated 11 March 2019, the Manager is entitled to fees of Rupees One Lakh (Rs.1,00,000) per month in respect certain employees of the Manager being deployed to the Trust in connection with the operation and management of the assets of the Trust. Secondment fees for the quarter ended 30 June 2020 amounts to.Rs 0.35 million (31 March 2020 : Rs.0.35 million). There are no changes during the quarter ended 30 June 2020 in the methodology for computation of secondment fees paid to the Manager.

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

29 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 6 August 2020, have declared distribution to Unitholders of Rs.5.83 per unit which aggregates to Rs.4,498.81 million for the quarter ended 30 June 2020. The distributions of Rs.5.83 per unit comprises Rs.2.14 per unit in the form of interest payment, Rs.0.36 per unit in the form of dividend and the balance Rs.3.33 per unit in the form of amortization of SPV debt.

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

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

As per our report of even date attached

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

Sd/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 06 August 2020

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

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 06 August 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 06 August 2020

Embassy REIT Announces First Quarter FY2020-21 Results and Quarterly Distributions of ₹4,499 million

Bengaluru, India, August 6, 2020

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) ('**Embassy REIT'**), India's first listed REIT and the largest in Asia by area, reported results today for the first quarter ended June 30, 2020.

The Board of Directors of Embassy Office Parks Management Services Private Limited ('**EOPMSPL**'), Manager to Embassy REIT, at its Board Meeting held earlier today, declared a distribution of ₹4,499 million or ₹5.83 per unit. The record date for the distribution is August 14, 2020, and the distribution will be paid on or before August 21, 2020.

Mike Holland, Chief Executive Officer, said, "Amidst challenging market conditions, we are pleased to report a resilient set of results this quarter, marked by robust office rental collections, a healthy distribution payout, and our strong financial position. Embassy REIT continues to enable our occupiers to operate while keeping their employees safe. We remain well positioned to meet the anticipated increase in demand over the coming quarters for institutional grade office space, and to capitalize on the continued consolidation in office market given considerable future supply shrinkage."

Business Highlights

- Rental collections from office occupiers remained robust at 98.9%, with office rental collections at 99.2% for April 2020, 99.3% for May 2020 and 98.2% for June 2020 (as of August 5, 2020)
- Portfolio occupancy remained healthy at 92.2% on our 26.2 msf operating office portfolio, with same-store occupancy of 94.1%
- Leases signed for the quarter stood at 526k sf, including 201k sf of new leases at market rents, and 325k sf of renewals at 20% spreads to existing rentals
- Achieved rental increases of 14% on 1.8 msf from 22 office leases across portfolio

Financial Highlights

- Net Operating Income was ₹4,569 million, up 1% year-on-year mainly due to resilient commercial office revenues despite adverse impact of COVID-19 pandemic on the hospitality business
- Net Operating Income margin stood at 88%, up 400 bps year-on-year reflecting efficiencies of scale and rigorous expense management
- Distributions stood at ₹4,499 million or ₹5.83 per unit, representing a 100% payout ratio
- Balance sheet remains strong, with ample liquidity and low leverage of 16% Net Debt to TEV; existing cash and undrawn committed facilities totals ₹12.6 billion, and only 1.3% of total debt maturities till FY2022

Business Continuity Update

- Our priority remains delivering a safe workplace and business ecosystem for our occupiers and their employees; a daily average of 13,000 employees are operating from our properties across India
- Our properties remained open and complied with all government regulations to support the business continuity of our occupiers; over 90% of our 160+ corporate occupiers continue to operate their core business functions from our properties across India
- Our operations team continues to actively engage with occupiers to support their 'Return to Workplace' strategies
- Resumed construction activity on our 2.7 msf of ongoing on-campus development as well as operations on our 477 key operating hotels in June 2020 post lifting of lockdown restrictions

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly results and performance, that includes (i) reviewed condensed standalone and reviewed condensed consolidated financial statements for the quarter ended June 30, 2020, (ii) an earnings presentation covering 1Q FY2021 results, and (iii) supplemental operating and financial data book that is in line with leading reporting practices across global REITs. All these materials are available in the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Embassy REIT will host a conference call on August 6, 2020 at 18:30 hours Indian Standard Time to discuss the 1Q FY2021 results. A replay of the call will be available till August 21, 2020 on the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Disclaimer

This press release is prepared for general information purposes only. The information contained herein is based on management information and estimates. It is only current as of its date, has not been independently verified and may be subject to change without notice. Embassy Office Parks Management Services Private Limited ("the **Manager**") in its capacity as the Manager of the Embassy Office Parks REIT ("**Embassy REIT**"), and Embassy REIT make no representation or warranty, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness and completeness of the content hereof. Each recipient will be solely responsible for its own investigation, assessment and analysis of the market and the market position of Embassy REIT.

This press release contains forward-looking statements based on the currently held beliefs, opinions and assumptions of the Manager. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Embassy REIT or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, including the impact of COVID-19 on us, our occupiers and the Indian and global economies, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Manager disclaims any obligation to update these forward-looking statements to reflect future events or developments or the impact of events which cannot currently be ascertained, such as COVID-19. In addition to statements which are forward looking by reason of context, the words 'may', 'will', 'should', 'expects', 'plans', 'intends', 'anticipates', 'believes', 'estimates', 'predicts', 'potential' or 'continue' and similar expressions identify forward-looking statements.

This press release also contains certain financial measures which are not measures determined based on GAAP, Ind-AS or any other internationally accepted accounting principles, and the recipient should not consider such items as an alternative to the historical financial results or other indicators of Embassy REIT's cash flow based on Ind-AS or IFRS. These non-GAAP financial measures, as defined by the Manager, may not be comparable to similarly titled measures as presented by other REITs due to differences in the way non-GAAP financial measures are calculated. Even though the non-GAAP financial measures are used by management to assess Embassy REIT's financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and the recipient should not consider them in isolation or as substitutes for analysis of the Embassy REIT's financial position or results of operations as reported under Ind-AS.

About Embassy REIT

Embassy Office Parks is India's first publicly listed Real Estate Investment Trust (REIT). We own and operate a 33.3 million square feet (msf) portfolio of seven infrastructure-like office parks and four city-centre office buildings in India's best performing office markets of Bengaluru, Mumbai, Pune, and the National Capital Region (NCR). Embassy Office Parks' portfolio comprises 26.2 msf completed operating area, has an occupancy of 92.2% as of June 30, 2020, and is home to many of the world's leading companies as occupiers. The portfolio also comprises strategic amenities, including two operational business hotels, two under-construction hotels, and a 100MW solar park supplying renewable energy to park occupiers.

For more information please contact:

Ritwik Bhattacharjee
Head of Investor Relations
Email: ir@embassyofficeparks.com
Phone: +91 80 3322 2222

Embassy Office Parks REIT

1Q FY2021 Earnings Materials

August 6, 2020

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EMBASSY OFFICE PARKS

Press Release

EMBASSY OFFICE PARKS

Embassy REIT Announces First Quarter FY2020-21 Results and Quarterly Distributions of ₹4,499 million

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Press Release (Cont'd)

Business Continuity Update

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Table of Contents

I. Key Highlights

Embassy Manyata, Bengaluru

Business Highlights for 1Q FY2021

EMBASSY OFFICE PARKS

Despite COVID-19 outbreak, operating performance was resilient in Q1 with stable occupancy of 92.2%, robust rental collections of 98.9% and rental increases of 14% on 1.8 msf office leases

Business Continuity during COVID-19	▶ All business parks & buildings open for business throughout lockdown with complete on-ground support ▶ Implemented best-in-class safety measures across our properties, provided daily updates to occupiers ▶ Focused on facilitating business continuity and 'Return to Workplace' plans of our occupiers – 90% of occupiers had a portion of their workforce, totaling 13k employees, working from our parks
Leasing and Lease Management	▶ 526k sf of leases signed during the quarter, with advanced lease discussions / LOIs totaling 150k sf – Includes 201k sf of new lease-up at market rentals and 325k sf of renewals at 20% MTM spread ▶ Maintained healthy occupancy of 92.2% on 26.2 msf operating office portfolio – Same-store occupancy of 94.1% on 24.8 msf (June 2019 as base period) ▶ Achieved 14% rental escalations on 1.8 msf across 22 office leases ▶ Backfilled or renewed 400k sf or 21% of full year expiries at 17% MTM spreads
Development	▶ Resumed construction on 2.7 msf on-campus development, with labor ramp-up & financing availability ▶ Restarted infrastructure and amenity upgrade initiatives – Flyover, 619 key Hilton hotels and master-plan upgrade underway at Embassy Manyata, Bengaluru – Comprehensive asset upgrade initiative launched at Embassy Quadron, Pune
Asset Management	▶ Collected 98.9% of Q1 rents from office occupiers ▶ Occupancy at both operational hotels significantly impacted due to COVID-19 related travel restrictions ▶ Instituted cost savings programme across operating, hospitality and corporate overhead areas

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EMBASSY OFFICE PARKS

Financial Highlights for 1Q FY2021

NOI and EBITDA for Q1 was up 1% and 3% respectively year-on-year. Distributions stood at ₹4,499 mn with 100% payout ratio

	1Q FY2021 (mn)	1Q FY2020 (mn)	Variance %	Remarks
Revenue from Operations	**₹5,162**	**₹5,351**	**(4%)**	▶ Contracted lease escalations on 5.7 msf ▶ 57% pre-commitments in 1.4 msf new completions ▶ Decrease in hotel revenues due to temporary closure(2) ▶ One-off items(3) in PY; adjusted for these one-off items, Revenue for 1Q FY2021 was higher by 2% vs. 1Q FY2020
NOI	**₹4,569**	**₹4,528**	**+1%**	▶ Decrease in Revenue from Operations; offset by – Savings due to cost control initiatives, and – Lower hotel & power & fuel expenses due to shutdown
Margin (%)	***88%***	***85%***		
EBITDA	**₹4,507**	**₹4,369**	**+3%**	▶ Increase in NOI ▶ Interest Income on advance consideration for M3 Block B
Margin (%)	***87%***	***82%***		
Distribution	**₹4,499**	**₹4,167**	**+8%**	▶ Distributions of ₹4,499 mn or ₹5.83 per unit for 1Q FY2021 – Represents payout ratio of 100% of NDCF at REIT level
Payout ratio	**100.0%**	**99.7%**		

Notes:
(1) Above financial results exclude Revenue, NOI and EBITDA from Embassy GolfLinks since Embassy REIT owns 50% economic interest in GLSP. GLSP NOI in 1Q FY2021 was up 1% year-on-year
(2) Both operational hotels were temporarily closed in accordance with state government guidelines given COVID-19 lock-down and subsequently reopened in mid June 2020
(3) One-time surrender premium of ₹300 mn received from an occupier of Embassy TechZone during 1Q FY2020

EMBASSY OFFICE PARKS

Distribution for 1Q FY2021

Distribution for Q1 stood at ₹4,499 mn i.e. ₹5.83 per unit representing 100% payout ratio. Scheduled payment date is on or before August 21, 2020

Particulars	1Q FY2021
Distribution period	April – June 2020
Distribution amount (mn)	₹4,499
Outstanding units (mn)	772
Distribution per unit	₹5.83
- Interest	*₹2.14*
- Amortization of SPV level debt	*₹3.33*
- Dividend	*₹0.36*
Announcement date	August 6, 2020
Record date	August 14, 2020
Payment date	On or before August 21, 2020

Embassy REIT is committed to regular quarterly distribution to Unitholders with minimum 90% of Net Distributable Cash Flows (‘NDCF’) to be distributed

II. Overview

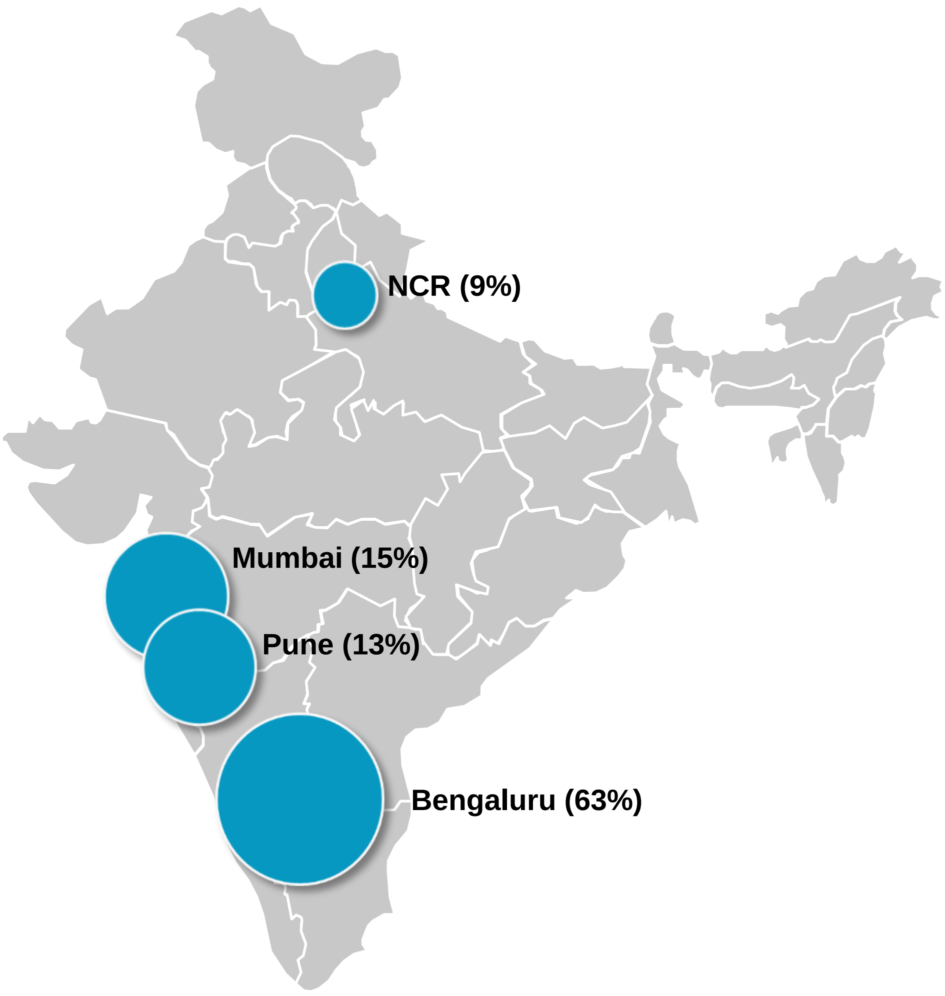
Express Towers, Mumbai

Who We Are: Quick Facts

EMBASSY OFFICE PARKS

We run a commercial office portfolio that serves as essential corporate infrastructure to global occupiers, including many Fortune 500 corporations

33.3 msf[(1)] Portfolio	**160+** Blue-chip occupiers	**92.2%** Occupancy
11 Commercial Offices	**1,096**[(1)] Hotel Keys	**100 MW** Solar Park
29% Mark-to-Market Upside	**48%** Gross Rents from Fortune 500 occupiers	**6.7 Years** WALE
₹5,162 mn 1Q FY2021 Revenue from Operations	**₹4,499 mn** 1Q FY2021 Distribution	**16%** Net Debt to TEV



Notes: City wise split by % of GAV per March 2020 valuation by independent valuer. Valuation exercise undertaken semi-annually. For further details refer notes on slide 54
(1) Includes completed, under construction and proposed future development

Seven Infrastructure-like Office Parks (31 msf)[1]

Embassy Manyata
Bengaluru (14.8 msf)

Embassy Quadron
Pune (1.9 msf)

Embassy GolfLinks
Bengaluru (2.7 msf)

Embassy TechZone
Pune (5.5 msf)

Embassy Oxygen
Noida (3.3 msf)

Embassy Galaxy
Noida (1.4 msf)

Embassy Qubix
Pune (1.5 msf)

Note:
(1) Includes completed, under construction and proposed future development

Four Prime City-center Offices (2.3 msf)

Express Towers
Mumbai (0.5 msf)

FIFC
Mumbai (0.4 msf)

Embassy 247
Mumbai (1.2 msf)

Embassy One
Bengaluru (0.3 msf)

What We Do: Our Strategy

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EMBASSY OFFICE PARKS

Maximize distribution and NAV per unit through organic growth and new acquisitions

1 Leasing

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

2 On-campus Development

- Deliver 7.1 msf on-campus development
- Proactive pre-leasing to de-risk new development
- Select infrastructure ancillary projects (hotels, flyovers etc.) to increase entry barriers
- Provide 'total business ecosystem'

3 Acquisitions

- Capitalize on fragmented office market and undertake value accretive acquisitions
- Pan-India acquisition potential from 3rd parties
- 43.2 msf of ROFO opportunity from Embassy Sponsor

4 Capital Management

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

Proactive asset management to drive value with strong corporate governance

Our Opportunity: India as the Global Technology Innovation Hub

EMBASSY OFFICE PARKS

India continues to attract global technology companies due to availability of highly educated and skilled talent at a reasonable cost

India Advantage

Talent Availability

- India leads in STEM[1] talent for technology assignments
- Over 2 million[2] students graduating each year

Cost Advantage

- Employee cost in India is around 20-25% of comparable costs in occupier's country of origin[3]

Affordable Rentals

- India is one of the most affordable office markets globally
  - Average rentals of $1 psf / month[3]
- Rental costs merely 2-6% of occupier revenues[3]

FY2020 Performance[2]

$191 bn (7.7% growth) – Revenue

$147 bn (8.1% growth) – Exports

$44 bn (7.3% growth) – Domestic Revenue

4.4 mn (4.9% growth) – Employees

Evolving Technology Landscape

Services
- Information Technology
- Engineering R&D
- BPM
- Digital and Media

Software
- Systems
- Cybersecurity
- Enterprise
- Fintech / Edtech

eCommerce / Omni Channel Retail
- Social Shopping
- Intelligence
- Voice Commerce
- Digital Payments

Technologies
- Cloud / Robotics
- Blockchain
- Intelligent Automation
- Reality AR / VR

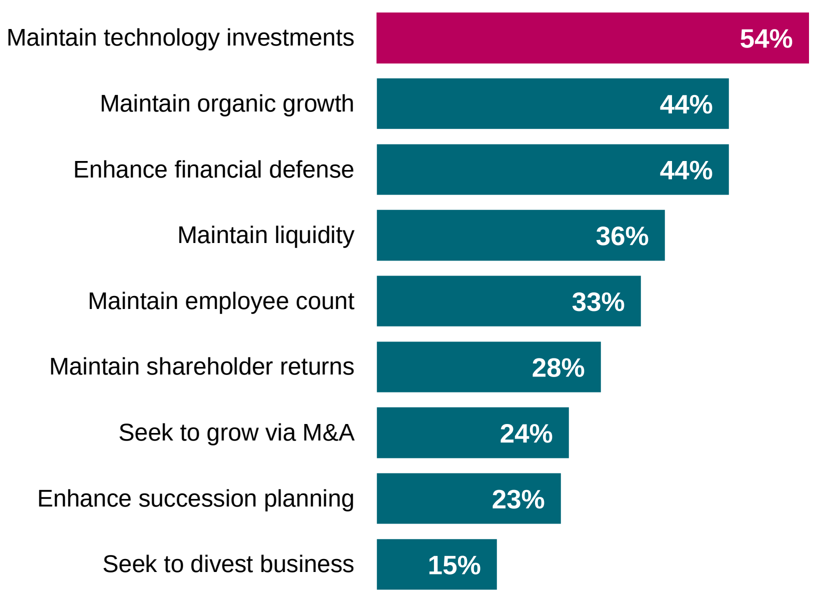
Notes:
(1) STEM refers to Science, Technology, Engineering, Mathematics
(2) Source: NASSCOM - The Technology Sector in India: Strategic Review 2020 (Techade – the new decade)
(3) Source: CBRE Research, ICICI Securities Research, Embassy REIT

Our Opportunity: Technology Sector Resiliency and Growth

COVID-19 response likely to accelerate digital transformation and technology spends globally. Increased cost pressures likely to increase offshoring to India

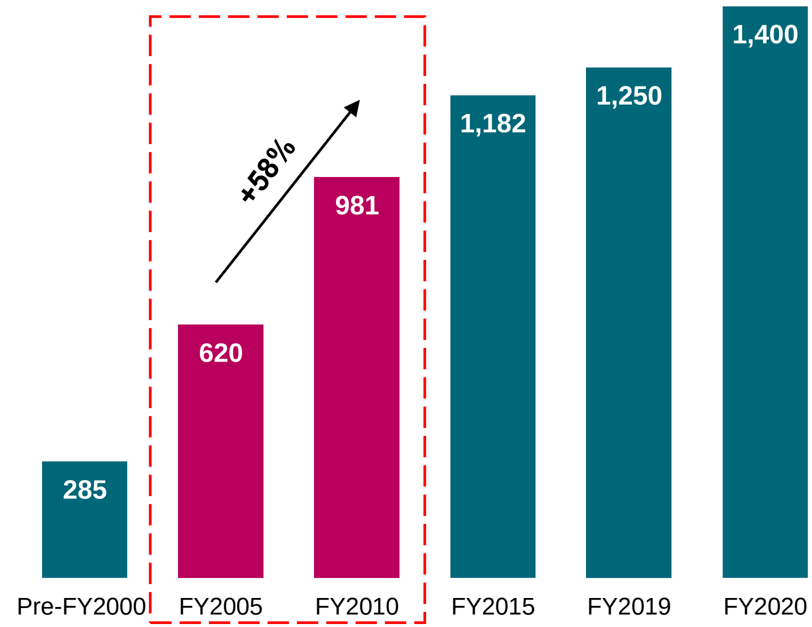
Technology to be top spending priority

CFO/COO Top Priorities for 2H CY2020[1]



GCCs expected to expand similar to post GFC

Number of GCCs in India[2]



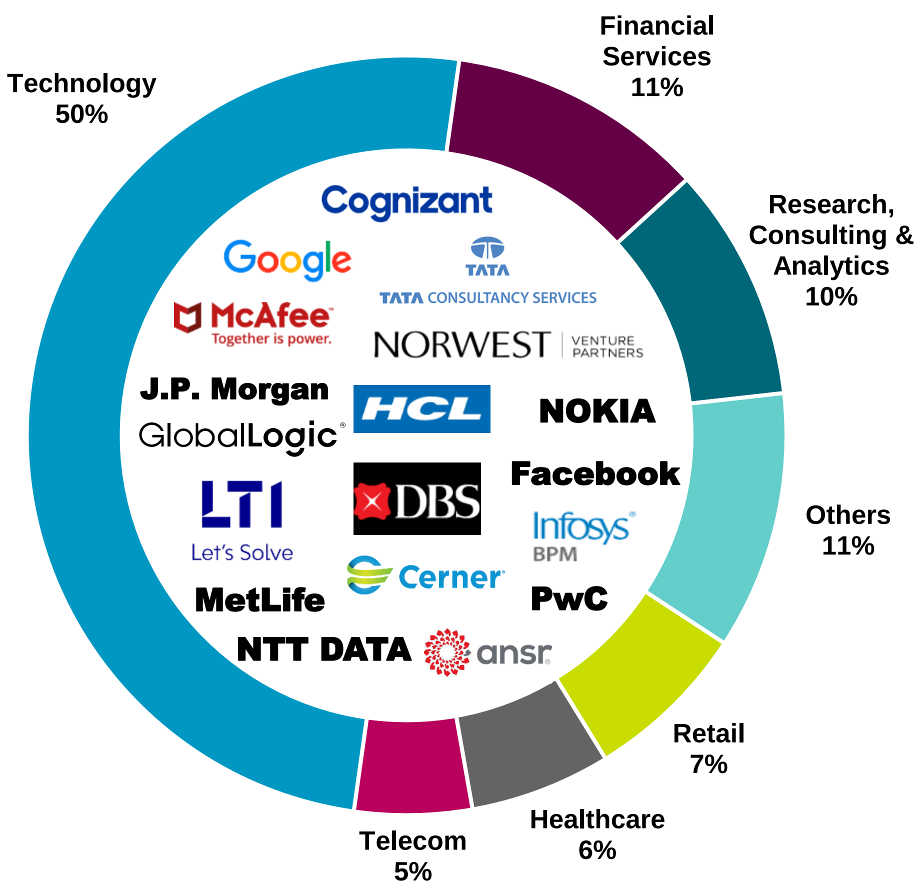
- Strong performance by global and Indian technology businesses throughout COVID-19 pandemic, resulting in
  - Acceleration of digital transformation globally, and
  - Bring-forward of technology spends, especially for cloud, digital, data services and cyber security
- Likely to increase GCCs in India, given
  - Focus on Business Continuity Plan (BCP) and increased cost pressures on global businesses
  - Similar trend witnessed post 2008 Global Financial Crisis (GFC) with record number of GCCs set-up in India

Source:
(1) Morgan Stanley - AlphaWise Corporate CFO/COO Survey 2020
(2) NASSCOM Research, 'India GCCs - In the Fast Lane With Hyper Intelligent Automation, June 2020', C&W Research

Our Occupier Base

Global business with a diversified, resilient and high credit-quality occupier base. Our top 10 occupiers have an average market cap of US$ 194 bn[(1)]

Industry Diversification[(2)]



42% of Gross Rentals From Top 10 Occupiers

Top 10 Occupiers	Sector	% of Rentals
IBM	Technology	12%
Cognizant	Technology	9%
NTT Data	Technology	4%
ANSR	Research & Analytics	3%
Cerner	Healthcare	3%
PwC	Research & Analytics	3%
Google India	Technology	2%
NOKIA	Telecom	2%
JP Morgan	Financial Services	2%
Lowe's	Retail	2%
Total		**42%**

Potential COVID-19 Impact

6% occupiers from directly impacted sectors

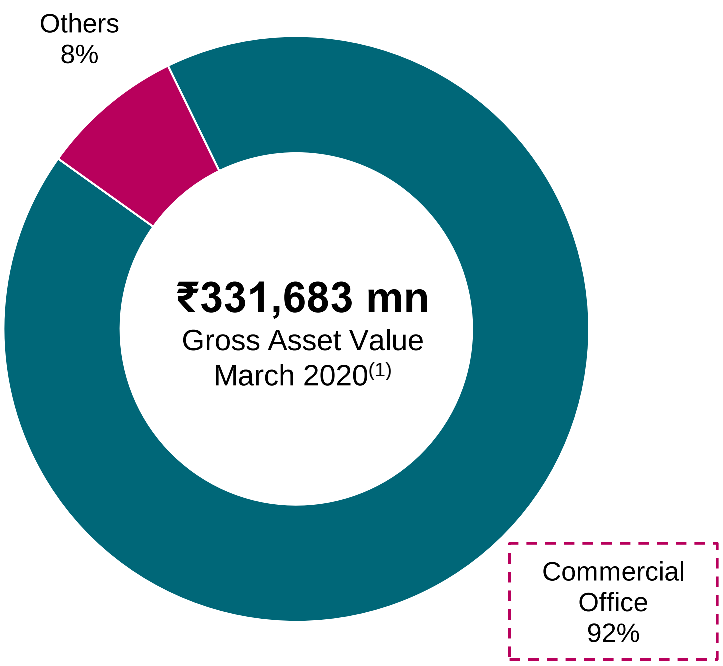
Co-working	Hospitality	Aviation	Retail[(3)]
2.8%	0.6%	0.6%	2.0%

Notes:
(1) Source: Bloomberg as of June 30, 2020, Embassy REIT
(2) Represents industry diversification percentages based on Embassy REIT's share of gross rentals
(3) Includes front line brick & mortar retail and excludes eCommerce and technology focused omni channel retail activities for global parent companies

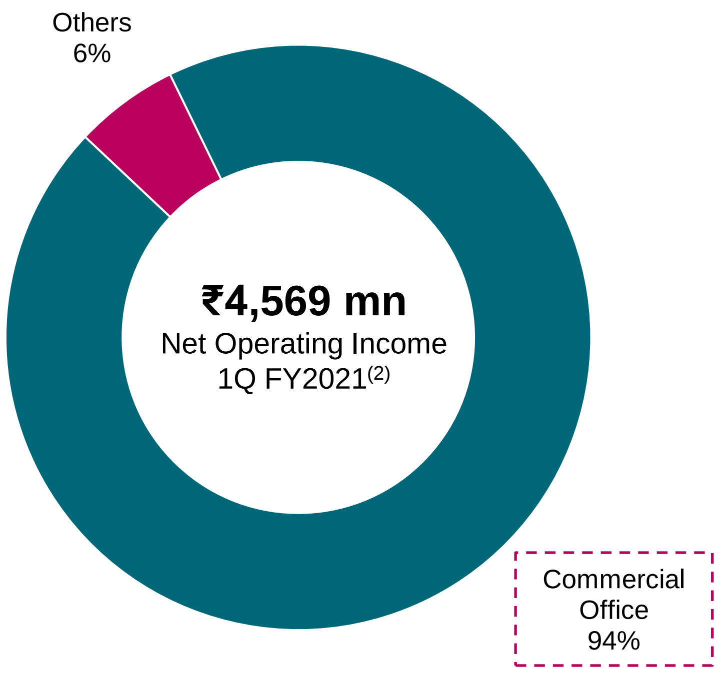
Our Portfolio: Commercial Office-focused

Predominantly an office REIT with commercial office segment contributing to 92% of Portfolio Value and 94% of Net Operating Income

Contribution by Gross Asset Value



Contribution by Net Operating Income



26.2 msf completed best in-class Grade A Office properties (92.2% occupied, 6.7 years WALE)

Notes:
(1) GAV per March 2020 valuation by independent valuer. Valuation exercise undertaken semi-annually. For further details refer notes on slide 54
(2) Excludes Embassy GolfLinks given Embassy REIT owns 50% economic interest in GLSP
(3) Others includes hospitality and solar park

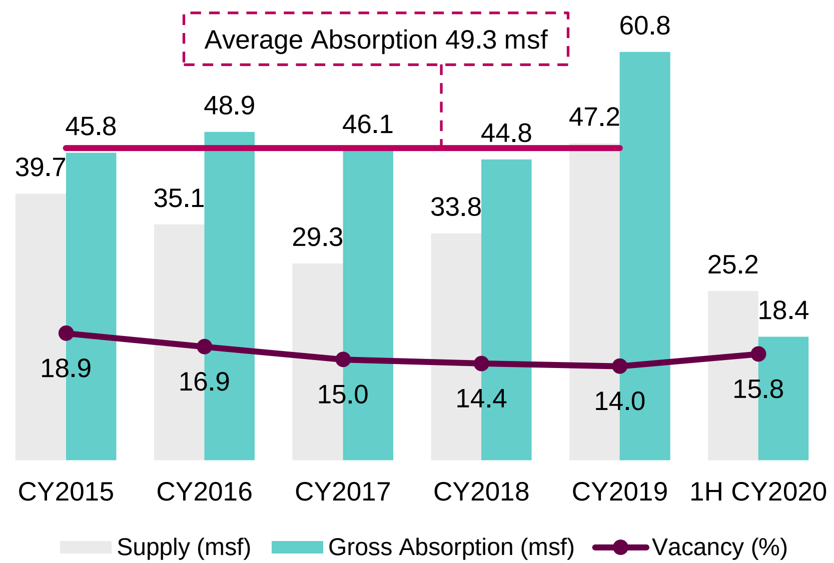
III. Market Outlook

FIFC, Mumbai

Market Fundamentals – 1H CY2020 Update

CY2019 was a record year for India office market with 61 msf gross absorption and sub-6% vacancies in our core REIT markets. However, market absorption in H1 was impacted due to COVID-19 outbreak

Absorption Trends over last 5 years



City-wise Performance – 1H CY2020

City	Absorption[2] (msf)	Supply (msf)	Vacancy (%)
Bengaluru	4.8	6.4	7%
Pune	2.9	2.8	8%
Mumbai	1.5	3.1	23%
NCR	3.5	4.3	24%
Embassy REIT Markets	**12.7**	**16.5**	**16%**
Hyderabad	3.6	4.7	12%
Chennai	1.8	3.7	12%
Kolkata	0.3	0.3	37%
Other Markets	**5.7**	**8.7**	**16%**
Grand Total	**18.4**	**25.2**	**16%**

- **CY2019 Wrap-up**
  - Record year for India office - 31%[1] higher absorption, significant announced supply & vacancy sub-6% for core REIT markets
- **1H CY2020 Highlights**
  - Office demand dropped across all cities post March 2020 on the back of COVID-19 outbreak and subsequent lockdown
  - Tech sector continues to drive the momentum, accounted for 43% of the office leasing in 1H CY2020
  - Few large occupiers deferred their space take-up and put CAPEX decisions on hold

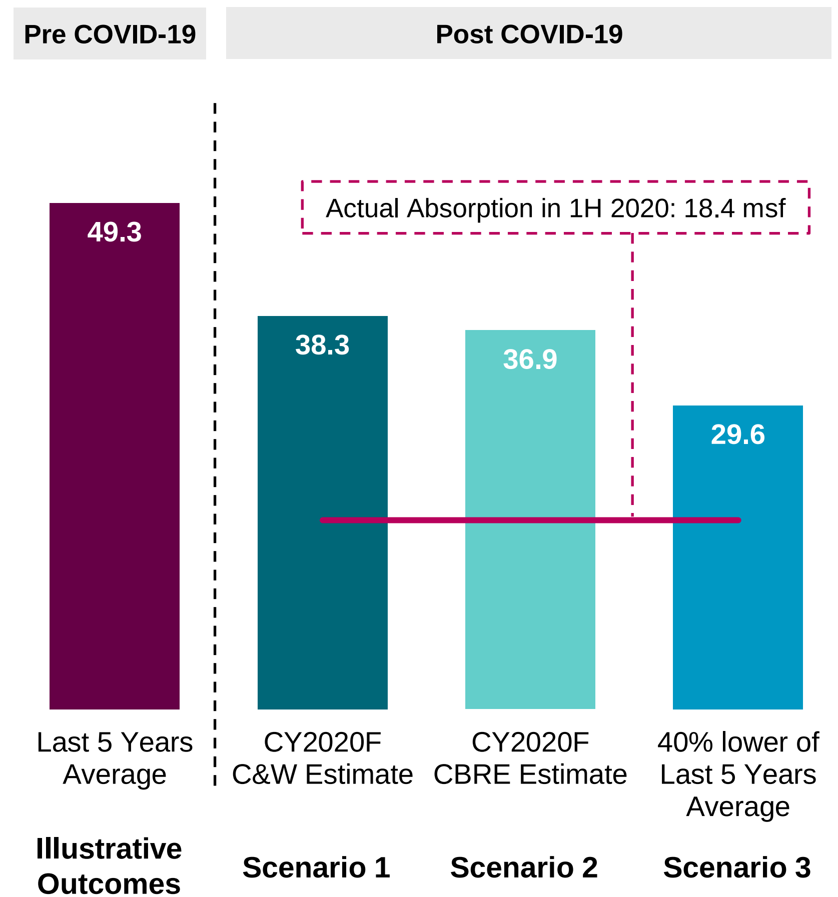
Source: CBRE Research, Embassy REIT
Notes:
(1) Based on average annual gross absorption from CY2015 to CY2018
(2) Represents gross absorption figures; Jan-Mar quarter's gross absorption was 11.6 msf while Apr-Jun quarter's gross absorption was significantly lower at 6.8 msf given COVID-19 outbreak in late March 2020

Market Fundamentals – Demand Trends

Demand impacted in short-term due to pause in decision making by occupiers. However, high-quality properties to benefit from supply shrinkage and increased offshoring and technology spends

Proforma Demand Analysis

Gross Absorption (msf)



Demand Trends

- **Short-term Outlook**
  - Limited impact on existing leases in Grade A properties
  - Demand softening as occupiers defer decision-making
  - Low quality stock under intense pressure
- **Medium-term Outlook**
  - Focus on 'Return to Workplace'
  - Evolving themes like WFH, de-densification, wellness, industry consolidation and flight to quality
  - Increased technology spends to support new lifestyles
  - Re-planning of space needs and portfolio optimization
  - India office demand well placed for 2021 and beyond given talent pool, cost advantage & depreciating rupee
- **Portfolio Implications**
  - Low lease-up risk given healthy 92%+ portfolio occupancy
  - Limited impact on existing portfolio given asset quality, long WALE, below market rents & occupier stickiness
  - No risk on 20+ msf contracted escalations in next 3 years
  - Industry consolidation and stronger preference to high-quality, wellness-oriented properties to drive demand

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

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Market Fundamentals – Supply Trends

Considerable supply shrinkage of 32% since Jan’20 per CBRE, supply expected to further decline. Comparable and competing supply for REIT properties likely to be significantly lower

Proforma Supply Analysis (pre-COVID) (2020-2021) ~ 119 msf announced supply

Comparable and competing supply in REIT Markets	10 msf (~9%)
Non-comparable or unrealistic supply in REIT Markets	31 msf (~26%)
Pre-committed Supply in REIT Markets	11 msf (~9%)
Supply in Non-REIT Markets	29 msf (~24%)
COVID-19 Impacted Supply per CBRE estimate	39 msf (~32%)

Supply Trends

- **Short-term Outlook**
  - Sharp drop in supply due to COVID-19 disruptions in labor, material supply and financing availability
  - Institutional landlords continue to pour concrete for short-term completions
  - High construction and delivery slippages
- **Medium-term Outlook**
  - Dramatic liquidity squeeze to disrupt new projects, only well-funded developers to complete projects
  - CBRE’s 2-year forward supply estimate has fallen from 119 msf in in Jan’20 to 80 msf, a 32% decline in 2 quarters
  - Supply recovery likely to significantly lag demand recovery
- **Portfolio Implications**
  - Comparable & competing supply is significantly lower at 9% of announced supply for next 2 years
  - REIT has no near-term new supply, earliest delivery from our 2.7 msf on-campus developments is from June 2022
  - All new developments are part of our existing campuses, REIT’s liquidity to help labour and financing availability
  - REIT has the ability to cover time delays and flexibility to control supply timing

Source: CBRE Research, Embassy REIT
Note: Comparable and competing supply has been arrived factoring supply considerations including city, micro-markets, location, project completion timing, quality etc.

Evolution of Workplace

EMBASSY OFFICE PARKS

Office to emerge as the core business hub providing better quality, lower density spaces with high standards of safety and security, favoring institutional landlords like Embassy REIT

Flexible Work Styles

- Physical office remains a necessity
- WFH challenges, especially for young tech demographic
  - Physical and digital infrastructure at home
  - Softer aspects of career, learning and culture
- Many functions require office spaces for social interaction, client engagement and collaboration
- More flexibility - hybrid of traditional offices & home working

De-densification

- Majority occupiers actively working on re-occupancy plans
- Social distancing now an imperative at the workplace
- Space per person to increase, reversing densification trends over last 2 decades
- Workplace density estimated to reduce by over 20%
  - Per C&W Research, per person space requirement to go up from 60-70 sf (pre COVID) to 100-120 sf

Flight to Quality

- Employee safety a key priority for companies
- Increased emphasis on health & wellness, sustainability and environmental management
- Focus on recovery readiness & operational best practices
- Greater demand for 'Total Business Ecosystem' product
  - High-quality, accessible, safe & sustainable Indian offices owned by institutional landlords

Market Consolidation

- Occupiers prefer locations with access to large talent pools
- Skilled young STEM talent typically favours urban living and seek vibrant, collaborative, creative environments
- Significant supply delays and slippages likely
  - Material, labor and financing challenges
- Strong preference for institutionally held properties with access to liquidity, leading to market consolidation

Large-scale, safe and sustainable properties like Embassy REIT to emerge as '<u>Next Generation Workplaces</u>'

IV. Navigating COVID-19

Embassy One, Bengaluru

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Facilitating Safe Return to Workplace

Extensively engaged with occupiers to facilitate employee safety, business continuity during COVID-19 and support their 'Return to Workplace' efforts

Embassy REITs 'COVID-19 Secure' Plan

Employee Safety

Enhanced Property Sanitization

- International-standard deep cleaning and fumigation in all buildings(1)
- Ancillary staff training and PPE

Advanced Tech Safety Solutions

- Installation of thermal cameras
- Touchless visitor management
- Advanced air filtration

Social Distancing Protocols

- Social distancing measures in elevators, entry points, food courts and walkways

Communications

Daily Communication Updates

- Transparent & proactive engagement
- Daily pan-India and property-specific updates to occupiers

Emergency Response Protocols

- SOP in place for immediate alert and response to possible exposure and/or a confirmed case

Reaching out to Employees

- Friendly reminders and guidelines posted throughout the properties
- Dedicated COVD-19 website

Return to Workplace

Occupiers Lockdown Exit Plan

- 90% occupiers continued to operate core business functions
- Engaged with occupiers for both workplace & workforce readiness

'COVID-19 Secure' Initiative

- Shared 'Back to Office' playbook for smooth return to offices by occupiers

Post COVID Space Readiness

- Building enhancement initiatives
- Support occupiers in their interior construction and space re-modelling

100%
Business parks and buildings operational(2)

1000+
CRE touchpoints for daily property-specific updates

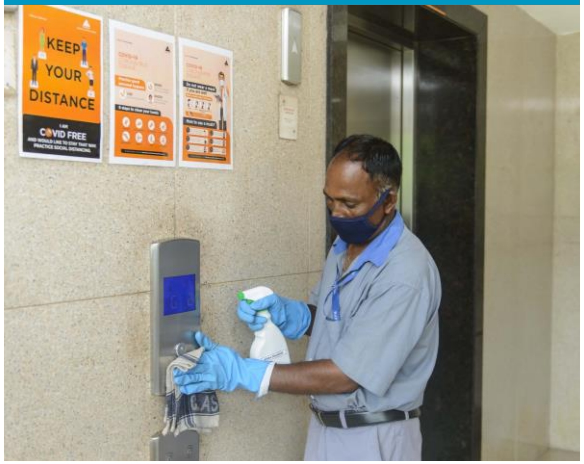
90%
Occupiers operating critical functions from our parks

13k+
Employees working from our properties across India(3)

Notes:
(1) As per the guidelines provided by WHO, MHA and MoHFW
(2) Our properties remained open throughout the lock-down period and complied with all government regulations to support business continuity of our occupiers
(3) Data basis mid week average for June 2020

Facilitating Safe Return to Workplace (Cont'd)

Deep Cleaning of Common Areas



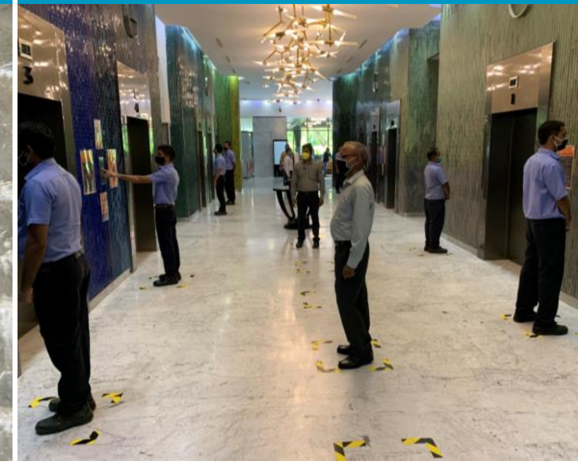
Building Fumigation

Thermal Screening

Enhanced AHU Cleaning

Touchless Visitor Management

Social Distancing Markings



V. Commercial Office Update

Embassy Quadron, Pune

Leasing Highlights for 1Q FY2021

526k sf leases signed across 20 deals in Q1 despite COVID-19 disruptions, includes 201k sf new leases at market rents and 325k sf renewals at 20% MTM spreads

1Q FY2021 Highlights	
New Leases signed ('000 sf)	201
– *Existing Occupier Expansion*	81%
Releasing ('000 sf)	163
– *Re-leasing Spread*	21%
Renewals ('000 sf)	325
– *Renewals Spread*	20%
Non-binding LOIs ('000 sf)	150

Key Leases Signed

Occupier	Property	Sector	Area ('000 sf)
GlobalLogic	Embassy Oxygen	Technology	37
Rockwell Automation	Embassy TechZone	Engineering & Manufacturing	36
Philips	Embassy Manyata	Engineering & Manufacturing	27
Volkswagen	Embassy TechZone	Engineering & Manufacturing	23
Indegene	Embassy Manyata	Healthcare	16
Luxoft	Embassy Quadron	Technology	11
Others	Various	Various	50
Total			**201**

New Leases & Renewals in 1Q FY2021

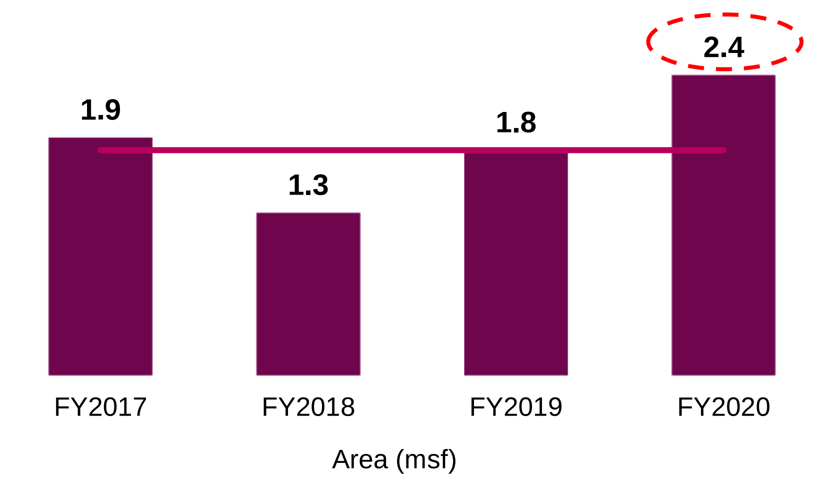
Note: New leases signed includes re-leases, excludes renewals

Leasing Performance Across Years

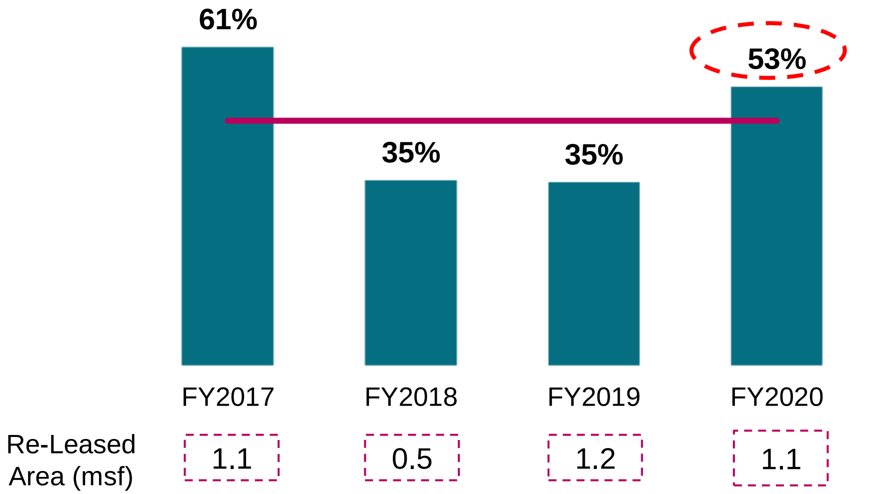
Maintained healthy occupancy of 92.2% as of June 2020 on 26.2 msf operating office portfolio with same-store occupancy of 94.1%(1)

Particulars		1Q FY2021	Average	FY2020	FY2019	FY2018	FY2017
Completed Area	msf	26.2	(FY2017-20)	26.2	24.8	24.2	23.1
Occupancy	%	92.2%	93.8%	92.8%	94.3%	93.5%	94.7%
New Leases Signed(2)	msf	0.2	1.8	2.4	1.8	1.3	1.9
Re-Leasing	msf	0.2	1.0	1.1	1.2	0.5	1.1
Re-Leasing Spread	%	21%	47%	53%	35%	35%	61%
Existing Occupier Expansion	%	81%	62%	71%	59%	69%	50%
Renewals	msf	0.3	1.5	0.6	0.9	2.9	1.6

1.8 msf average new leases signed between FY2017-20



47% Average re-leasing spread between FY2017-20



Note:
(1) Computed basis 24.8 msf operating area (June 2019 as base period)
(2) New leases signed includes re-leases, excludes renewals

Embedded Rental Escalations

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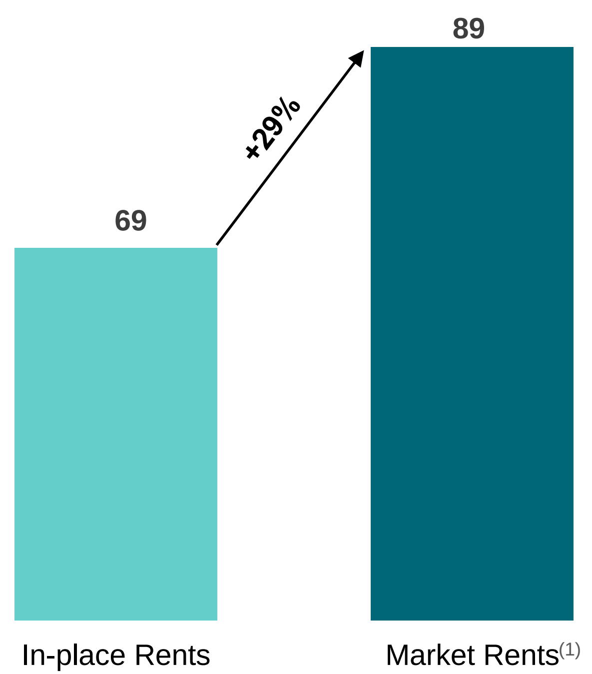
Achieved 14% rental escalations during Q1 on 1.8 msf across 22 office leases. On track to deliver 13% rental escalations due on 5.3 msf leases during the remainder of FY2021

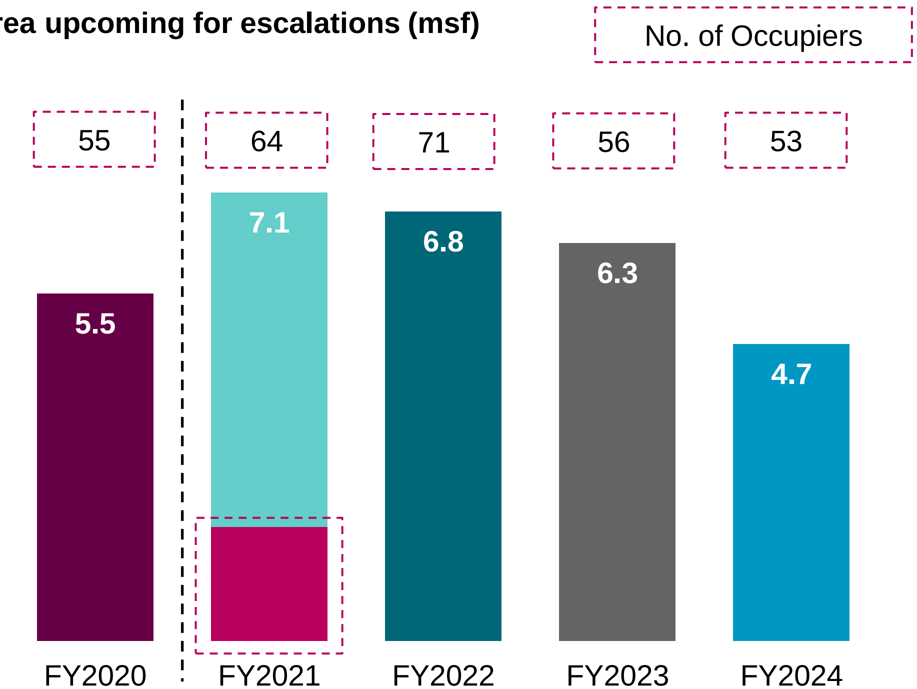
Market rents are 29% above in-place rents

Rent (₹ psf / month)



Embedded lease escalations of 10-15% aids NOI growth

Area upcoming for escalations (msf)



	FY2021	FY2022	FY2023	FY2024
Rental Escalations	13.6%	14.0%	14.3%	12.4%
Post-escalation MTM opportunity	32.1%	17.8%	11.4%	35.1%

1Q FY2021 Update: Achieved 14% rental increases on 1.8 msf

Source:
(1) CBRE Research, Embassy REIT

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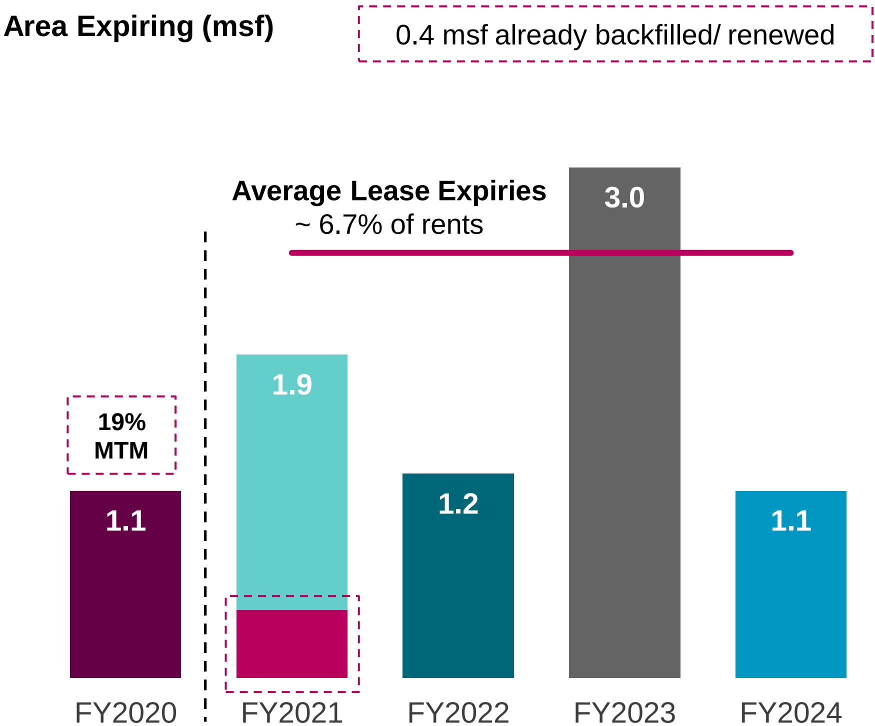
Embedded Mark-to-Market Growth

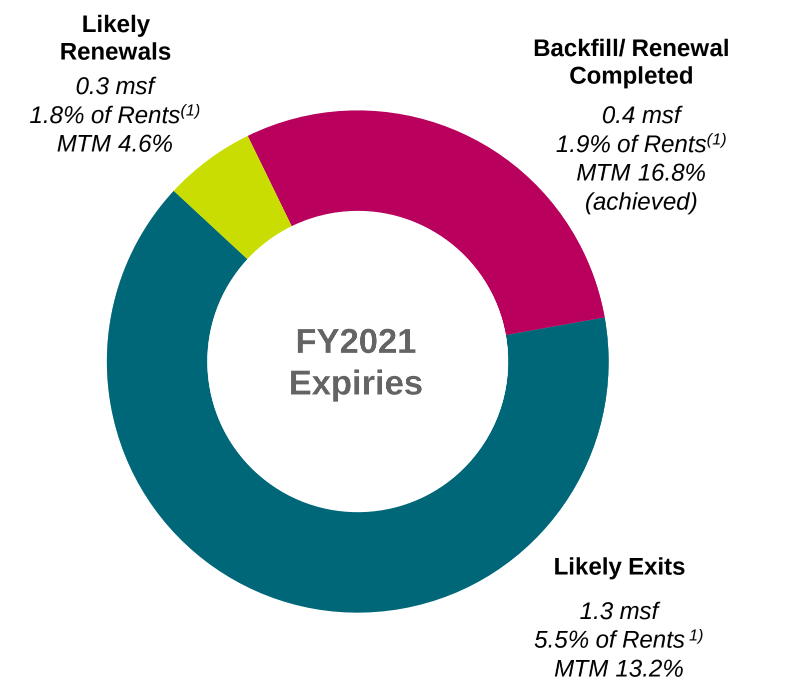
Of 1.9 msf lease expiries in FY2021, successfully backfilled 400k sf in Q1 at 17% MTM spreads. Of the balance, 1.3 msf leases representing 5.5% of annual rents are likely exits with 13% MTM potential

27% of leases expire between FY2021–24



	FY2021	FY2022	FY2023	FY2024
Mark-to-market opportunity	11%	57%	36%	18%
Rents Expiring	7.3%	4.8%	8.5%	6.1%

FY2021 Leases Expiries status as of date



- 400k sf backfilled/ renewed at 17% spread to 12 occupiers
- 254k sf expiries not yet due and under discussions
- 1.3 msf likely exits in FY2021 - '*business as usual*' churn & few COVID-19 induced occupier exits
- 1.0 msf avg annual backfill achieved in previous 4 years

Note:
(1) Refers to annualized rental obligations

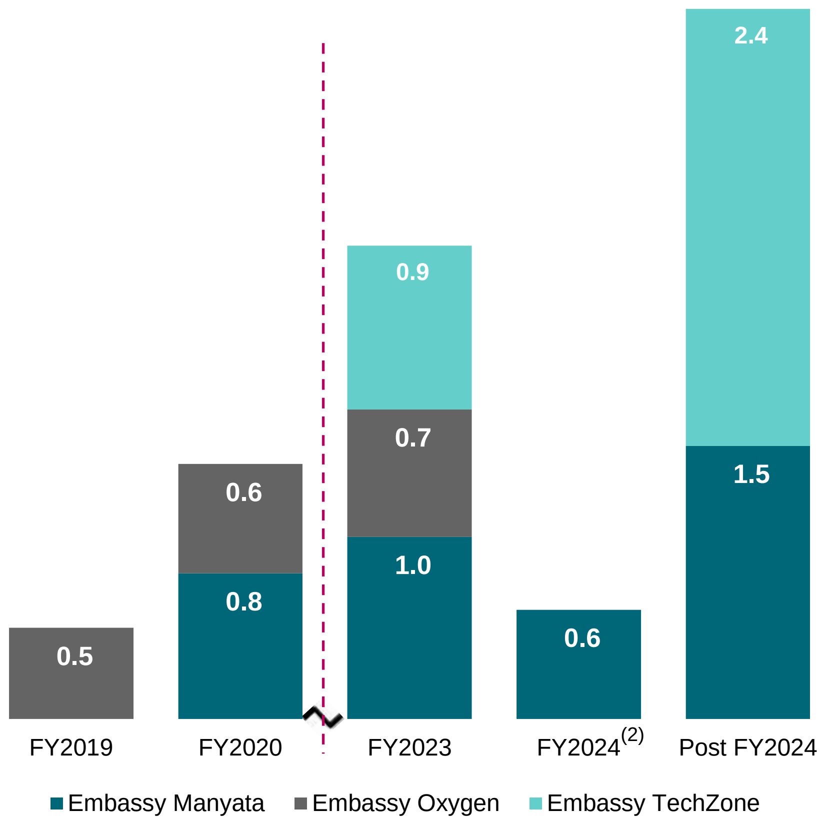
VI. Development Update

Embassy Manyata, Bengaluru

Development Highlights for 1Q FY2021

Resumed construction activity for 2.7 msf ongoing on-campus development projects. Encouraging labor ramp-up along with materials and financing availability to help meet project timelines

Development Pipeline[1] (msf)



Recent 1.4 msf new deliveries 57% committed
No near-term new supply until June 2022

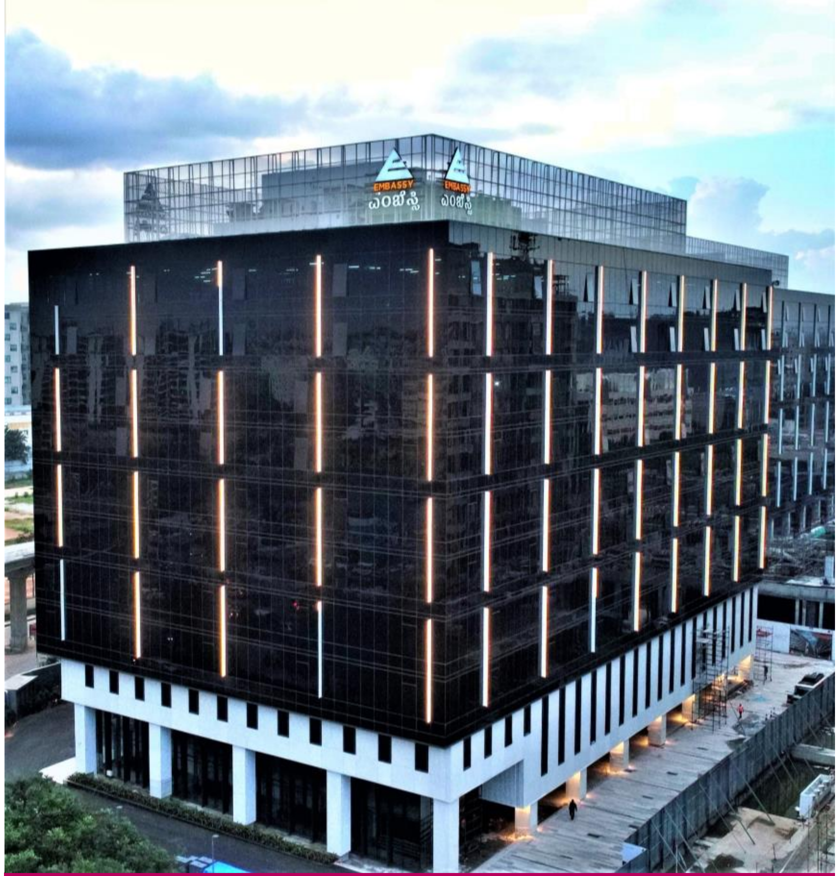
Development Status as of August 6, 2020

Construction Update	▶ Recommenced activity at site in Jun'20 ▶ Labor gradually ramping up at all sites, 45.7% of peak capacity as of date ▶ Implemented numerous measures for health and safety of workers at site ▶ Occupiers resumed fit-out works for 776k sf in recently delivered buildings
Embassy Manyata M3 Parcel (Block A – 1.0 msf) (Block B – 0.6 msf)	▶ M3 Block A – Excavation and sub-structure works underway. Targeting Dec'22 completion ▶ M3 Block B – Pre-construction works initiated. Targeting Sep'23 completion
Embassy TechZone (Hudson, 0.5 msf) (Ganges, 0.4 msf)	▶ Hudson Block – Design, excavation & sub-structure works completed; super structure work initiated ▶ Ganges Block – Design & excavation completed; sub-structure work underway ▶ Targeting Jun'22 completion
Embassy Oxygen (Tower 1, 0.7 msf)	▶ Design completed; excavation and pre-construction works initiated ▶ Targeting Mar'23 completion

Notes:
(1) Excludes 619 hotel keys across Hilton & Hilton Garden Inn at Embassy Manyata due for delivery in June 2022
(2) Includes acquisition of 0.6 msf M3 Block B located within overall Embassy Manyata upon building completion in September 2023

Recently Completed Projects

Occupiers resumed fit-out works in their 776k sf pre-committed spaces in recently delivered 1.4 msf buildings, targeting go-live by end of this financial year

Embassy Manyata NXT Tower – 0.8 msf	Embassy Oxygen Tower 2 – 0.6 msf
	
67% committed **Occupier fitout works resumed in Jun'20**	**43%[1] committed** **Occupier fitout works resumed in Jun'20**

Note: August 2020 pictures
(1) Excludes 45k sf growth options. Factoring the growth options, area committed would be 51%. These options are exercisable till Mar'21

Under Development Projects

2.7 msf on-campus projects in initial stages of development cycle with earliest delivery in June 2022. We have the ability to cover time delays and flexibility to control supply timing

	Embassy Manyata – M3 Block A (1.0 msf)	Embassy TechZone – Hudson & Ganges Block (0.9 msf)
Design Perspective		
Actual Progress at Site(1)		

(1) August 2020 pictures

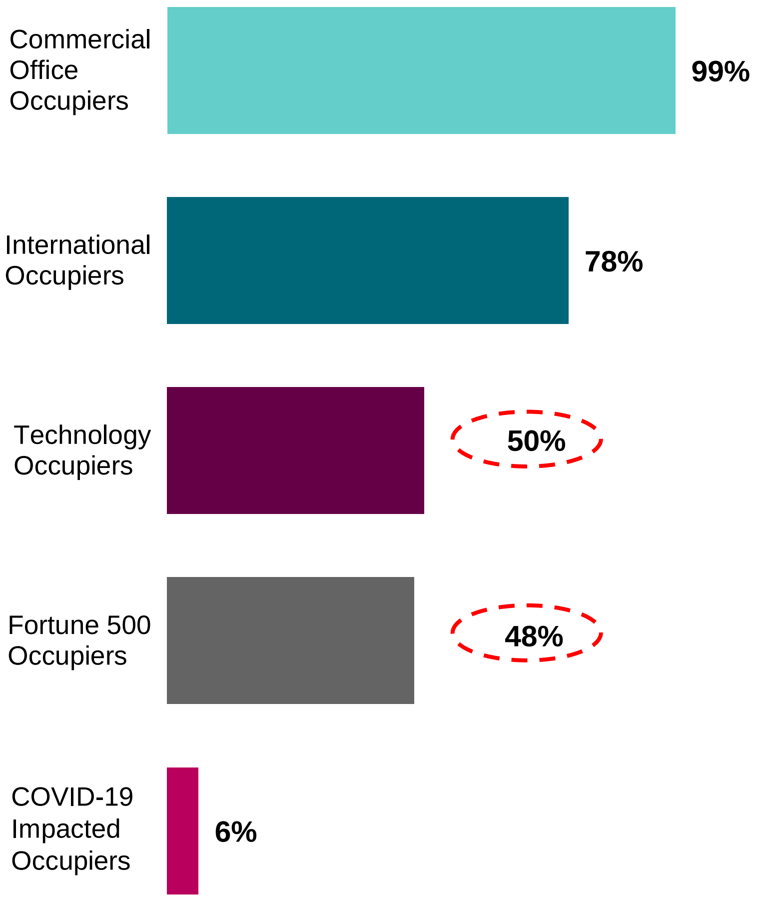
VII. Asset Management Update

Embassy Qubix, Pune

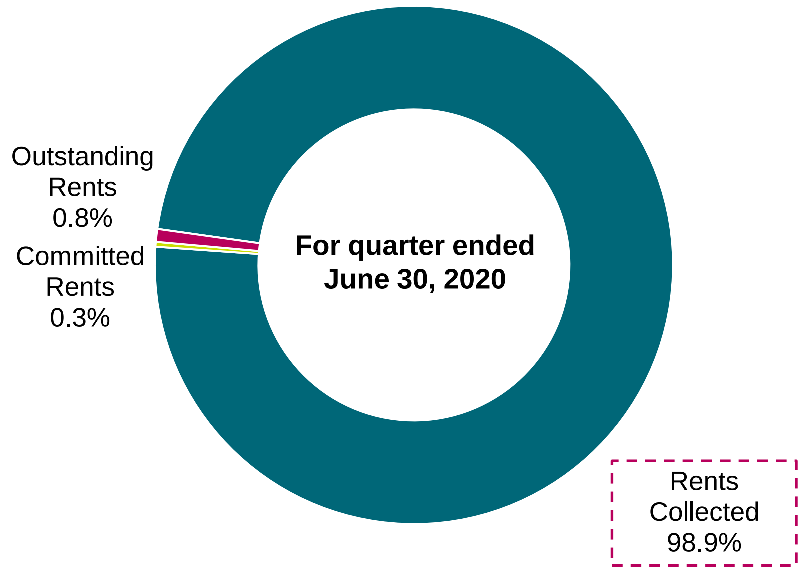
Rent Collections Update for 1Q FY2021

Robust rental collections of 98.9% in Q1 demonstrates credit quality of our marquee occupier base

High Quality Occupiers in our Portfolio[1]



Robust Office Rent Collections



- Office rental collections at 99.2% for April, 99.3% for May and 98.2% for June 2020 (as of August 5, 2020)
- No waiver granted to office occupiers, in discussions to collect balance 0.8% outstanding rents for Q1
- ₹291 mn rebate granted to food court, ancillary retail and small business tenants, represents 1.4% of annual rents

Note:
(1) % refers to contribution to annualized rental obligations of Embassy REIT portfolio

Hospitality Update for 1Q FY2021

EMBASSY OFFICE PARKS

477 key operating hotels reopened in mid June 2020 post lockdown but are witnessing skeletal occupancy. Instituted significant cost saving measures and global safety protocols for guests

Hilton at Embassy GolfLinks

247 Keys

5-Star Hotel

Operational[(1)]

Q1 Occupancy : 11%

EBITDA: ₹(32) mn

'Ranked #1'

- out of 109 Hilton hotels in APAC

Four Seasons at Embassy One

230 Keys

5-Star Luxury Hotel

Operational[(1)]

Q1 Occupancy : NM

EBITDA: ₹(79) mn

'Best New Business Hotel'

– by Travel + Leisure

Hilton Hotels at Embassy Manyata

619 Keys

5-Star & 3-Star Hotel

Under Construction

Expected completion in June 2022

100k+ sf Retail & Convention Centre

'Best Hotel Architecture'

– by Asia Pacific Property Awards

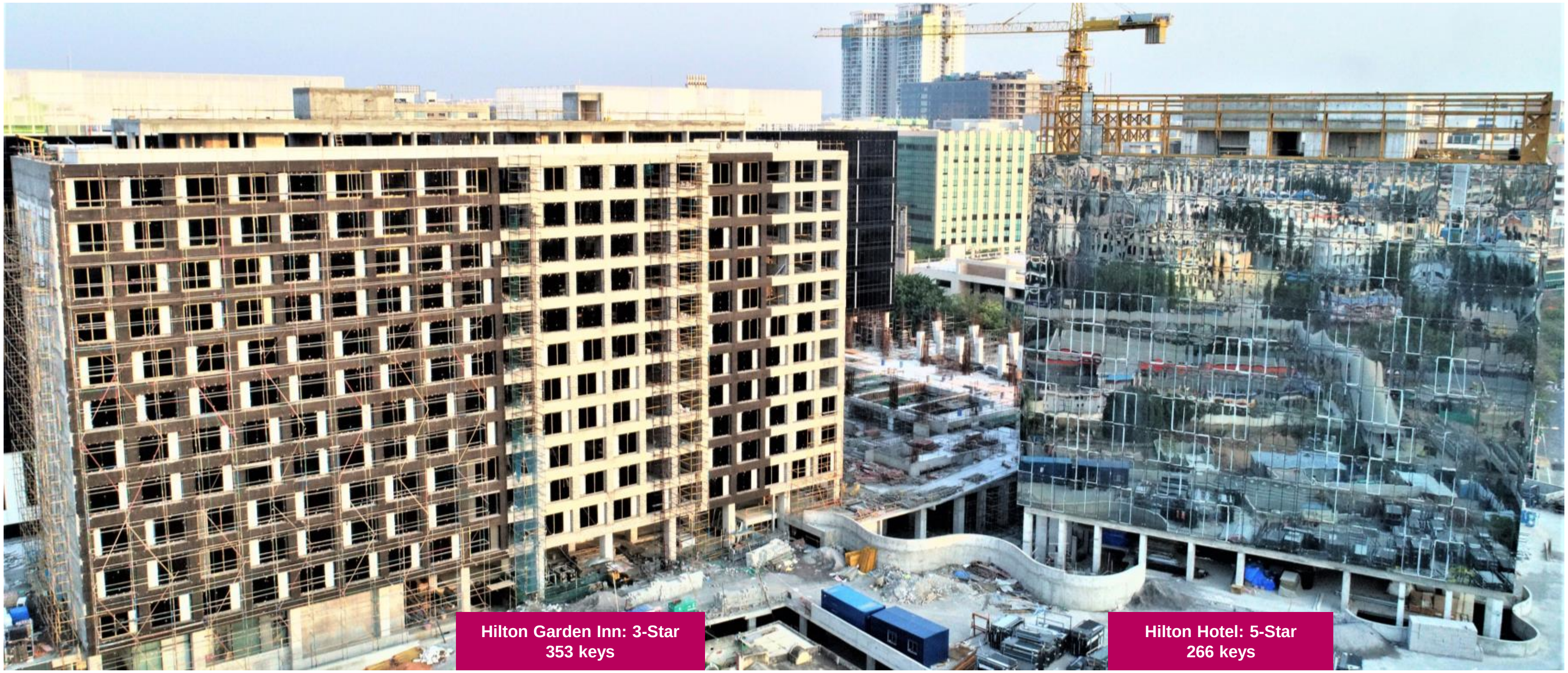
- ► **Outlook –** Hospitality demand to remain muted for remainder of this financial year given COVID-19 related travel disruptions
- ► **Action Plan –** Implemented significant cost saving measures to reduce fixed and variable costs. Global safety protocols implemented for guests, will aid in ramping up occupancy when travel opens up

Impact of COVID-19 induced hospitality slowdown on our portfolio limited given – Hotels contribute < 5% of GAV and < 1% of pre-COVID NOI (FY2020)

(1) Both operational hotels were temporarily closed in accordance with state government guidelines given COVID-19 lock-down and subsequently reopened in mid June 2020

Infrastructure and Upgrade Projects

Resumed construction of 619 key dual branded Hilton hotels at Embassy Manyata, targeting June 2022 launch



- ► **Hilton – 5 Star (266 keys) at Embassy Manyata**
  - – Structure and façade completed pre-lockdown. MEP and interior work reinitiated
- ► **Hilton Garden Inn – 3 Star (353 keys) at Embassy Manyata**
  - – Structure completed pre-lockdown. Façade, MEP and interior work reinitiated
- ► *Awarded '**Best Hotel Architecture**' for 2020-21 by Asia Pacific Property Awards*

Note: August 2020 picture

Value Creation Case Study – Embassy Manyata Front Parcel

Front Parcel (NXT blocks, Hilton hotels and Flyover) creating significant long-term moat for our Embassy Manyata property by offering unique world class amenities to occupiers

Situation Overview

- Embassy Manyata is a dominant asset in Bengaluru with 14.8[(1)] msf, one of the largest business parks in India
- Existing 11 msf consistently 97%+ occupied over 5 years
- To re-invest and create (i) long term entry barriers and (ii) triggers for next phase of occupiers and rent growth

Hands-on Asset Management

- Designed 8.3-acre existing front parcel at asset entrance to feature premium office, hotels and convention centre
- Appointed renowned Singapore architects for design
- Leveraged existing relationship with Hilton hotels
- Re-invested in asset to enhance product appeal
  - Flyover landing inside and flexible office spaces
  - On-campus hotel, convention centre and F&B outlets
- Enhanced accessibility for park employees with proposed metro station adjacent to front parcel

Value Addition

- NXT blocks 67% committed to-date
- NXT block delivered 3 quarters ahead
- NXT block achieved significant premium to market rents
- Existing 11.8 msf office portfolio to drive captive demand for under-construction hotels and convention centre

Embassy Manyata Front Parcel with NXT Towers

Embassy Manyata Flyover

Note:
(1) Includes 11.8 msf completed area and 3.1 msf U/C and Proposed Development Area

VIII. Financial Update

Embassy TechZone, Pune

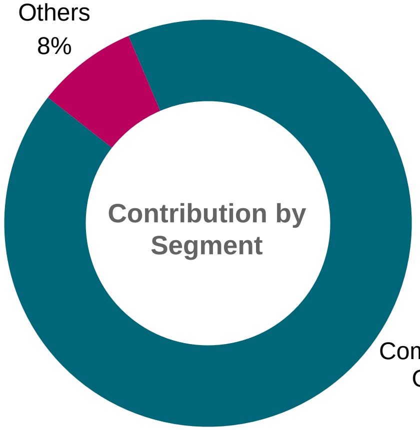
Revenue Contribution by Segment and Geography

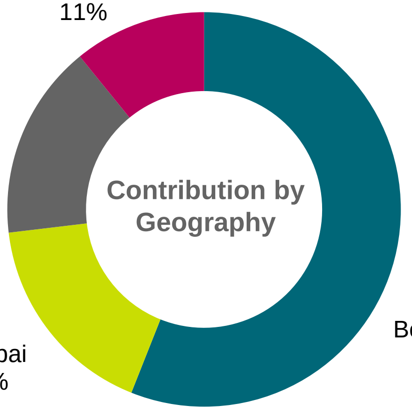
Commercial Office segment contributed 92% of Revenues in Q1. Bengaluru, our core market, is least impacted due to its technology sector focus and contributed 56% of Revenues in Q1

Revenue from Operations[1]

Asset	Segment	City	1Q FY2021 (₹ mn)	% of Total
Embassy Manyata	Commercial Office	Bengaluru	2,463	48%
Express Towers	Commercial Office	Mumbai	367	7%
Embassy Oxygen	Commercial Office	Noida	364	7%
Embassy TechZone	Commercial Office	Pune	332	6%
Embassy Quadron	Commercial Office	Pune	270	5%
FIFC	Commercial Office	Mumbai	261	5%
Embassy 247	Commercial Office	Mumbai	257	5%
Embassy Qubix	Commercial Office	Pune	212	4%
Embassy Galaxy	Commercial Office	Noida	206	4%
Embassy One	Commercial Office	Bengaluru	7	0%
Hilton at Embassy GolfLinks	Others	Bengaluru	16	0%
Four Seasons at Embassy One	Others	Bengaluru	2	0%
Embassy Energy	Others	Bengaluru	405	8%
Revenue From Operations			**5,162**	**100%**
Portfolio Investment[2]				
Embassy GolfLinks	Commercial Office	Bengaluru	962	

₹5,162 mn
Revenue from Operations[1]
(1Q FY2021)





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

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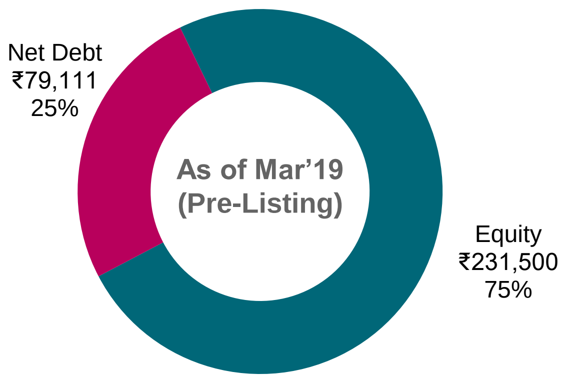
Strong Balance Sheet with ample Liquidity

At 16% Net Debt to TEV, our conservative Balance Sheet provides significant flexibility to weather near-term COVID-19 impact and pursue accretive growth opportunities

Total Enterprise Value ('TEV')

Particulars (₹ mn)	June 30, 2020
Market Capitalization[2]	264,396
Add: Net Debt	49,765
Gross Debt	58,759
Less: Cash & Cash Equivalents including investments[3]	(8,994)
Total Enterprise Value	**314,161**

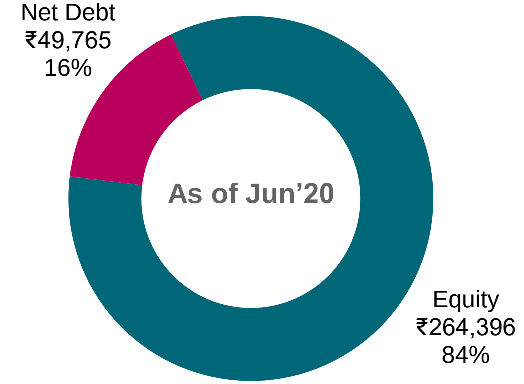
Net Debt to Capitalization[1]



Leverage Metrics

Particulars	June 30, 2020
Net Debt to TEV	16%
Net Debt to EBITDA[4]	2.8x
Interest Coverage Ratio	
– excluding capitalized interest	3.5x
– including capitalized interest	3.3x
Available Debt Headroom	₹112 bn

Net Debt to TEV[2]



Notes:
(1) Computed on listing price of ₹300/unit and excludes ₹47,500 mn cash raised through Initial Public Offering
(2) Closing price on National Stock Exchange as at June 30, 2020
(3) Includes short term liquid funds, fixed deposits etc net of 1Q FY2021 distributions of ₹4,499 mn
(4) EBITDA has been annualized for comparability purposes

Proactive Capital Management

With ₹12.6 bn existing cash and undrawn commitments coupled with no near-term debt repayments, REIT has ample liquidity for business continuity, organic and inorganic growth

₹8,994 mn
Existing Cash Balance[(1)]

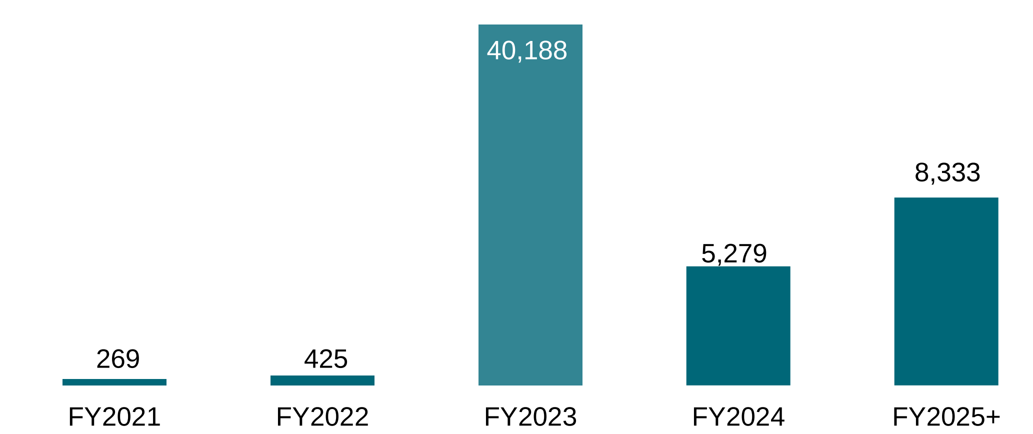
₹3,622 mn
Undrawn Committed Facilities

AAA / Stable
Listed Bond Rating by CRISIL

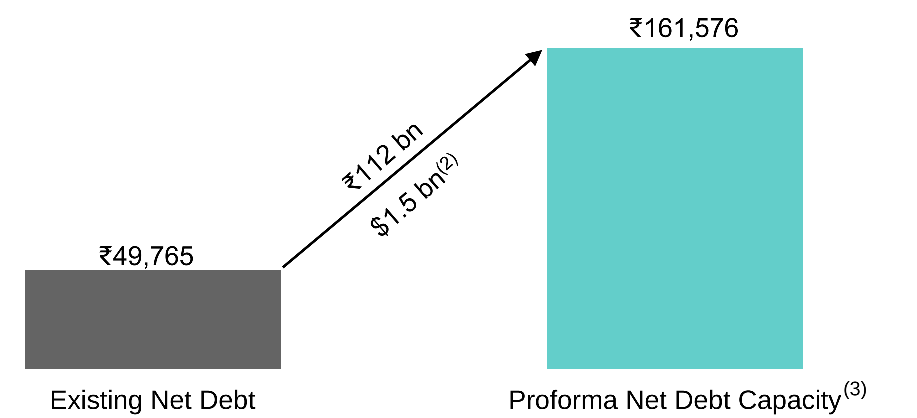
1.3%
Debt Maturities until FY2022

₹112 bn
Available Debt Headroom

Principal Maturity Schedule (₹ mn)



Available Debt Headroom



Notes:
(1) Includes treasury balances, fixed deposits etc., net of 1Q FY2021 distributions of ₹4,499 mn
(2) $1 = ₹75
(3) Computed based on Gross Asset Value (GAV) per March 2020 valuation by independent valuer

IX. Looking Ahead

Embassy GolfLinks, Bengaluru

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Resilient Business – Navigating COVID-19 Impact

Our high-quality properties, technology focused global occupiers and disciplined balance sheet will help navigate near-term COVID-19 challenges and strongly position us for growth opportunities

Strong Occupier Portfolio	▶ Landlord of choice with a high-quality difficult-to-replicate office portfolio in gateway cities providing total business ecosystem ▶ Diversified & high credit quality occupier base with 50% technology & 48% Fortune 500 companies ▶ 92% value in rent yielding office assets, hotels contribute < 1% of pre-COVID NOI (FY2020) ▶ Stable cash flows expected due to long-term lease structure (WALE of 6.7 years) and contracted rental increases, with only 7% of rents due for expiry in remainder of FY2021
Robust Financial Position	▶ Ample liquidity with ₹8,994 mn existing cash and ₹3,622 mn undrawn committed facilities ▶ 16% Net Debt to TEV with only 1.3% debt maturities until FY2022 ▶ ICRA AAA (Stable) and CRISIL AAA / Stable credit ratings(2), reaffirmed as of May'20 ▶ Additional ₹112 bn debt headroom provides significant flexibility to access capital, if needed
Proactive Asset Management	▶ Proactive management of leases with focus on occupier retention and rent collections, only 6%(1) occupiers from directly impacted sectors ▶ Hands-on approach ensuring occupier business continuity, employee wellness & safety ▶ Leverage from industry-level consolidation & considerable supply shrinkage in next 2-3 years ▶ Disciplined approach in reducing costs and discretionary capital expenditure

Our high-quality portfolio is well positioned to meet the anticipated increase in demand in 2021 and onwards due to 'flight to quality' and to capitalize on the continued consolidation in office market

Notes:
(1) Occupiers relate to co-working, hospitality, aviation and retail sectors
(2) Credit ratings by ICRA and CRISIL for Embassy REIT as Issuer and for ₹36.5 billion Listed Bond respectively

Our Strategy remains unchanged

We continue to focus on maintaining high occupancy levels and maximizing NOI, growing our existing campuses and prudently managing our capital

	Leasing	On-Campus Development	Acquisitions	Capital Management
Pre COVID-19	▶ Capitalize on record absorption and market momentum for Indian commercial office space ▶ Actively manage lease expiries to achieve MTM upside	▶ Deliver ongoing campus development ahead of schedule ▶ Bring forward new development in line with anticipated demand	▶ Actively seek opportunistic acquisitions (3rd party, ROFO) ▶ Undertake value accretive acquisitions	▶ Build leverage selectively ▶ Quarterly distribution with minimum 90% of NDCF to be distributed
Now	▶ Deepen dialogue, focus on occupier retention ▶ Proactive lease renewals and rent collections ▶ Deliver 5.3 msf rental escalations, build leasing pipeline	▶ Continue with ongoing 2.7 msf early stage development projects, monitor capex financing ▶ Monitor market dynamics prior to committing any additional development	▶ Continue to evaluate opportunities which are strategic and accretive ▶ Monitor volatile financing markets closely	▶ Maintain prudent leverage levels ▶ Focus on cash optimization ▶ Continue to pay distributions

Committed to our business strategy of delivering total returns through regular quarterly distributions supplemented by our organic and inorganic growth initiatives

X. Appendix

Embassy Galaxy, Noida

Portfolio Summary

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26.2 msf completed Grade A office assets (92.2% occupied, 6.7 years WALE, 29% MTM opportunity)

	Leasable Area (msf)/Keys/MW			WALE[3]	Occupancy	Rent (₹ psf / mth)			GAV[4]	
Property	Completed	Development	Total	(yrs)	(%)	In-place	Market	MTM (%)	₹ mn	% of total
Embassy Manyata	11.8	3.1	14.8	7.4	97.4%	60	90	50%	150,106	45%
Embassy GolfLinks[1]	2.7	-	2.7	8.6	98.6%	115	148	28%	27,014	8%
Embassy One	0.3	-	0.3	8.7	5.5%	156	147	(6%)	4,897	1%
Bengaluru Sub-total	**14.7**	**3.1**	**17.8**	**7.8**	**96.0%**	**71**	**101**	**43%**	**182,017**	**55%**
Express Towers	0.5	-	0.5	3.7	93.5%	262	270	3%	17,866	5%
Embassy 247	1.2	-	1.2	3.6	91.6%	100	110	10%	16,624	5%
FIFC	0.4	-	0.4	3.8	77.8%	297	285	(4%)	13,911	4%
Mumbai Sub-total	**2.0**	**-**	**2.0**	**3.7**	**89.6%**	**170**	**176**	**4%**	**48,401**	**15%**
Embassy TechZone	2.2	3.3	5.5	5.6	90.6%	49	48	(3%)	21,032	6%
Embassy Quadron	1.9	-	1.9	3.0	77.0%	44	48	8%	13,838	4%
Embassy Qubix	1.5	-	1.5	5.1	97.6%	39	48	23%	10,085	3%
Pune Sub-total	**5.5**	**3.3**	**8.8**	**4.7**	**87.8%**	**45**	**48**	**7%**	**44,955**	**14%**
Embassy Oxygen	2.5	0.7	3.3	11.0	77.7%	48	54	13%	21,416	6%
Embassy Galaxy	1.4	-	1.4	2.9	98.9%	35	45	28%	8,696	3%
Noida Sub-total	**3.9**	**0.7**	**4.6**	**8.2**	**85.2%**	**43**	**50**	**18%**	**30,112**	**9%**
Subtotal (Office)	**26.2**	**7.1**	**33.3**	**6.7**	**92.2%**	**69**	**89**	**29%**	**305,485**	**92%**
Four Seasons at Embassy One[2]	230 Keys	-	230 Keys	-	NM	-	-	-	7,673	2%
Hilton at Embassy GolfLinks	247 Keys	-	247 Keys	-	NM	-	-	-	4,436	1%
Hilton at Embassy Manyata (5 & 3 star)	-	619 Keys	619 Keys	-	-	-	-	-	3,800	1%
Embassy Energy	100MW	-	100MW	-	-	-	-	-	10,289	3%
Subtotal (Infrastructure Assets)	**477 Keys / 100MW**	**619 Keys**	**1096 Keys / 100MW**						**26,198**	**8%**
Total	**26.2 msf / 477 Keys / 100MW**	**7.1 msf / 619 Keys**	**33.3 msf / 1096 Keys / 100MW**						**331,683**	**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 under stabilization
(3) Weighted against Gross Rentals assuming occupier exercise their renewal options after the end of the initial commitment period
(4) Gross Asset Value (GAV) per March 2020 valuation by independent valuer. Valuation exercise undertaken semi-annually. For further details refer notes on slide 54

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Walkdown of Key Financial Metrics

(Amount in ₹ mn)

Particulars	1Q FY2021	1Q FY2020	Variance			
Revenue from Operations	5,162	5,351	(4%)	NOI	NDCF at SPV level	Distribution
Property Taxes and Insurance	(193)	(180)	8%			
Direct Operating Expenses	(400)	(643)	(38%)			
Net Operating Income	**4,569**	**4,528**	**1%**			
Other Income	379	142	167%			
Property Management Fees (1)	(117)	(119)	(2%)			
Indirect Operating Expenses	(88)	(174)	(49%)			
EBITDA	**4,744**	**4,378**	**8%**			
Working Capital Adjustments	117	857	(86%)			
Cash Taxes	(242)	(326)	(26%)			
Other Adjustments (2)	(375)	(209)	80%			
Cash Flow from Operating Activities	**4,243**	**4,701**	**(10%)**			
External Debt (Interest & Principal)	(444)	(667)	(33%)			
Other Income from Investments	322	117	175%			
NDCF at SPV level	**4,121**	**4,151**	**(1%)**			
Distribution from SPVs to REIT	4,180	3,749	11%			
Distribution from Embassy Golflinks	480	480	-			
REIT Management Fees (1)	(59)	(42)	40%			
Other Inflows at REIT level (Net of Expenses)	(106)	(7)	NM			
NDCF at REIT level	**4,495**	**4,181**	**8%**			
Distribution	**4,499**	**4,167**	**8%**			

Notes: Walkdown of Financial Metrics upto 'NDCF at SPV Level' represents financial numbers of all SPV's consolidated excluding Trust standalone numbers
(1) Property management fees includes 3% of facility rentals from only Commercial Office segment and does not include fees on Hospitality and Other segments and REIT Management Fees is 1% of REIT distribution
(2) Mainly includes income from investments, dividend income & other non-cash income / expenses

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Environment, Social & Governance

Embassy REIT has adopted world class corporate governance standards

Asset	▸ Minimum 80% of value in completed and income producing ▸ Minimum 90% of distributable cash flows to be distributed ▸ Restrictions on speculative land acquisition
Debt	▸ Majority unitholder approval required if debt exceeds 25% of asset value ▸ Debt cannot exceed 49% of asset value
Manager	▸ 50% independent directors on the Board, with 50% representation on all committees ▸ Manager can be removed with 60% approval of unrelated Unitholders ▸ Alignment with Unitholder interests due to a distribution-linked management fees structure
Strong Related Party Safeguards	▸ Sponsors are prohibited from voting on their related party transactions ▸ Majority Unitholder approval required for acquisition or disposal of asset which exceeds 10% of REIT value ▸ Acquisition or sale price of new asset cannot deviate from average valuation of two independent valuers by + / - 10% ▸ Fairness opinion from independent valuer required if related party leases exceed 20% of the underlying asset

Environment, Social & Governance (Cont'd)

We instituted several community initiatives to support COVID-19 relief measures. Our roof top solar panel project at Embassy 247 will help green energy initiative and save energy spends for occupiers

Community Outreach - COVID-19 Relief measures

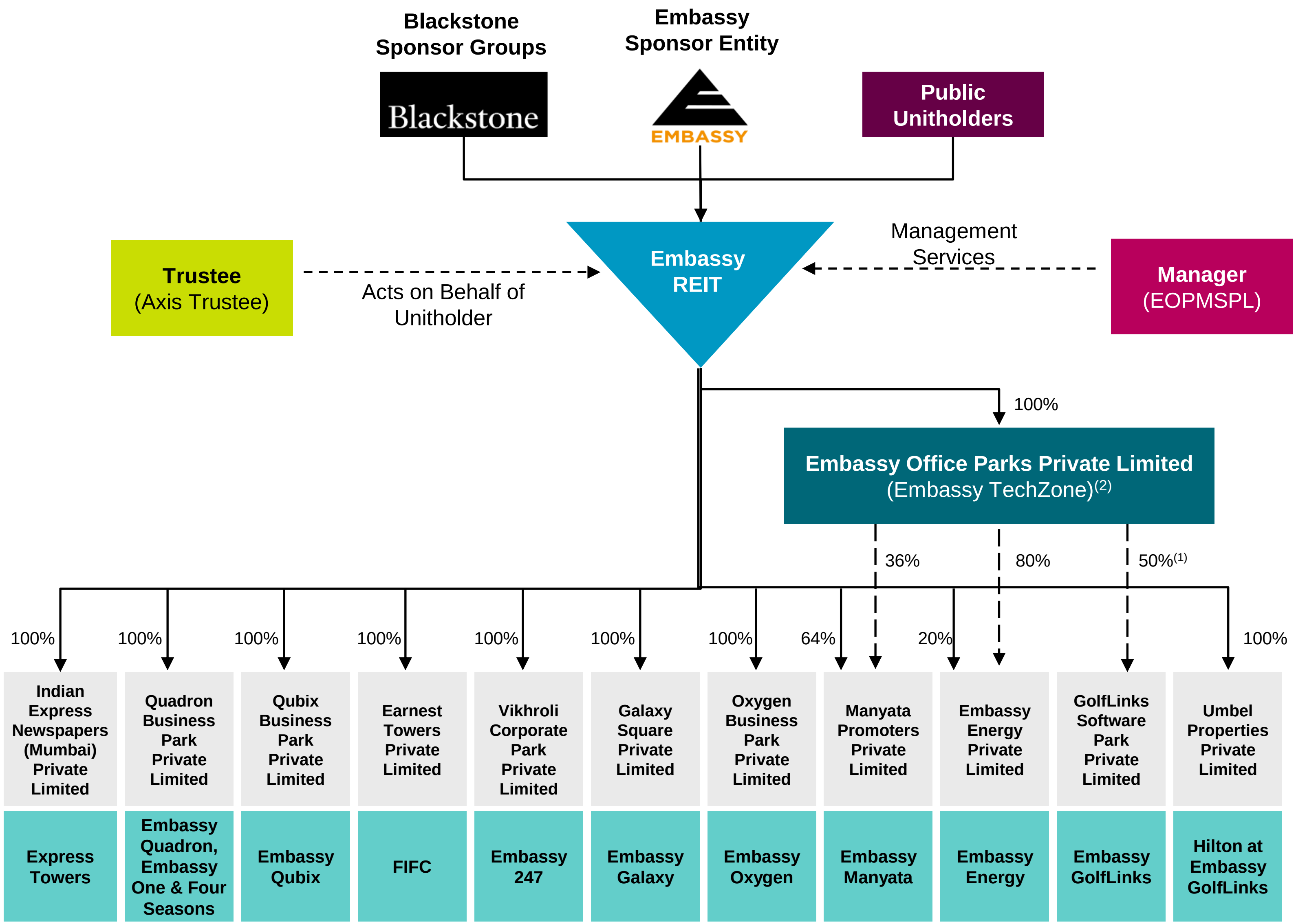
- Distribution of Rations equivalent to 470,000 meals across 3500+ families
- Support to 1200+ construction workers
- Support to Department of Education, Karnataka, to ensure safety of 920,000 students
- Support to frontline Police Forces Pan-India

525 kW Roof top Solar panels at Embassy 247, Mumbai

- Embassy 247, our 1.2 msf office property in Mumbai, has installed 525kW roof top solar panels
  - Generates 0.7 mn units annual capacity
  - Estimated payback period of 3 years
- Embassy Energy, our 100MW solar park, supplies power to our Bengaluru assets
  - Generates 215 mn units annual capacity
  - Offsets an estimated 200mn kg of CO_2 annually(1)

Note:
(1) Indicative based on "CO2 baseline database for the Indian power sector June 2018 and assuming 215 mn units generation p.a.

Embassy REIT Structure



Notes:
(1) Balance 50% owned by JV partner
(2) Does not include restructuring pursuant to the composite scheme of arrangement among Manyata Promoters Private Limited, Embassy Office Parks Private Limited and Embassy Pune TechZone Private Limited

REIT Fundamentals

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- **REIT stands for Real Estate Investment Trust**
- **A REIT is a trust that owns, operates or finances income-producing real estate**
  - REITs give all investors access to the benefits of real estate investment with the advantage of investing in publicly traded units
- **A REIT is a tax-efficient vehicle that**
  - enables owners of real estate to pool income generating assets together in a portfolio; and
  - allows investors to buy ownership in real estate assets in the form of equity
- **REITs globally are a US$2 trillion asset class; first REIT started in the US in the 1960s**
  - REITs are universally accepted by global institutions and individual investors as a product that provides:
    - Liquidity
    - Transparency
    - Diversification
    - Dividends
    - Performance
- **REITs must pay out majority of earnings as distribution to Unitholders**
  - Indian regulations require REITs to pay out 90% of distributable cash flows
- **REITs must have at least 80% of their assets be completed and income-producing**
  - A low level of development (20% or less) means less risk to the cash flows
- **REITs are typically listed on stock exchanges through an Initial Public Offering (IPO)**
  - Once listed, they serve as permanent capital vehicles to raise debt and equity in the capital markets to acquire new assets to grow

Key Terms & Definitions

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Notes:

- ► All figures in this presentation are as of June 30, 2020 unless specified otherwise
- ► All figures corresponding to year denoted with "FY" are as of or for the one-year period ending (as may be relevant) March 31st of the respective year. Similarly, all figures corresponding to year denoted with "CY" are as of or for the one-year period ending (as may be relevant) 31st December of the respective year
- ► Some of the figures in this Presentation have been rounded-off to the nearest decimal for the ease of presentation
- ► All details included in the presentation considers 100% stake in GLSP. However, Embassy REIT owns 50% economic interest in GLSP SPV which owns Embassy GolfLinks property. Accordingly, its revenues are not consolidated into our Revenue from Operations. Also, Market Value or GAV reflects only our 50% economic interest in GLSP
- ► Any reference to long-term leases or WALE (weighted average lease expiry) assumes successive renewals by occupiers at their option
- ► Valuation as of March 31, 2020 undertaken by Mr. Manish Gupta, Partners, iVAS Partners (independent valuer per SEBI Regulations) with value assessment services undertaken by CBRE
- ► Key Terms and Definitions:

1. Base Rentals – Rental income contracted from the leasing of Completed Area; does not include fit-out & car parking income
2. bn – Billions
3. BPS – Basis points
4. BSE – Bombay Stock Exchange
5. C&W – Cushman & Wakefield
6. CAGR – Compounded Annual Growth Rate
7. CBRE – CBRE South Asia Private Limited
8. Completed Area – the Leasable Area of a property for which occupancy certificate has been received
9. CRE – Corporate real estate
10. EBITDA – Earnings / (loss) before finance costs, depreciation, amortization, impairment loss and tax
11. Embassy Group – refers to the Embassy Sponsor or its subsidiaries or limited liability partnerships
12. Embassy REIT refers to Embassy Office Parks REIT
13. EOPMSPL – Embassy Office Parks Management Services Private Limited
14. FY – Period of 12 months ended March 31 of that particular year, unless otherwise stated
15. GAV – Gross Asset Value
16. GLSP – GolfLinks Software Park Private Limited
17. Holdco – Refers to Embassy Office Parks Private Limited
18. Investment Entity – Refers to GolfLinks Software Park Private Limited
19. IPO – Initial Public Offering of units of Embassy Office Parks REIT
20. Leasable Area – Total square footage that can be occupied by a occupier for the purpose of determining a occupier's rental obligations. Leasable Area is the sum of Completed Area, Under Construction Area and Proposed Development Area
21. LTM – Last twelve months
22. Manager – Embassy Office Parks Management Services Private Limited
23. MEP – Mechanical, Electrical & Plumbing
24. mn – Millions
25. MNC – Multinational Corporations
26. msf – Million square feet
27. MTM – Mark to Market
28. Mumbai – Mumbai Metropolitan Region (MMR)
29. MW – Mega-Watt
30. NAV – Net Asset Value
31. NCD – Non-Convertible Debentures
32. NDCF refers to Net Distributable Cash Flows
33. Net Debt – Gross Debt minus short term treasury investment and cash and cash equivalents
34. NM – Not material
35. NOI – Net Operating Income
36. NR – Not Relevant
37. NSE – The National Stock Exchange
38. NTM – Next twelve months
39. NXT – Manyata front parcel office towers
40. OC – Occupancy certificate
41. Occupancy / % Occupied / % Leased – Occupancy is defined as the ratio of the Occupied Area and the Completed Area
42. Occupied Area – Completed area of property which has been leased or rented out in accordance with an agreement entered into for the purpose
43. Portfolio – Together, the Portfolio Assets and the Portfolio Investment
44. Proposed Development Area – The Leasable Area of a property for which the master plan for development has been obtained, internal development plans are yet to be finalized and applications for requisite approvals required under the law for commencement of construction are yet to be received
45. psf – Per square feet
46. QoQ – Quarter on quarter
47. REIT – Real Estate Investment Trust
48. REIT Regulations – Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
49. Rents – Refers to Gross Rentals unless specified otherwise. Gross Rentals are defined as the sum of Base Rentals, fit-out and car parking income from Occupied Area for the month of June 2020
50. RevPAR – Revenue Per Available Room (RevPAR) is a hotel industry financial metric calculated by multiplying the Average Daily Rate by the percentage occupancy
51. ROFO – Right of First Offer
52. SF – Square feet
53. Sponsor(s) – Embassy Property Developments Private Limited and BRE / Mauritius Investments
54. SPV – 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
55. TEV – Total Enterprise Value
56. TI / TIs – Tenant Improvement / (s)
57. tn – Trillions
58. U/C – Under construction
59. Under Construction Area – The Leasable Area of a property for which the master plan for development has been obtained, internal development plans have been finalized and applications for requisite approvals required under the law for commencement of construction have been applied, construction has commenced, and occupancy certificate is yet to be received
60. Units – An undivided beneficial interest in the Embassy REIT, and such units together represent the entire beneficial interest in the Embassy REIT
61. WALE – Weighted Average Lease Expiry
62. WFH – Work from home
63. WIP – Work-in-progress
64. Years – Refers to fiscal years unless specified otherwise
65. YoY – Year on year
66. YTM – Yield to Maturity

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The comparative quarter and annual financial information included herein is being presented to provide investors with a general overview of the Embassy REIT's performance for the quarter ended June 30, 2020 as compared, in the manner determined by the Manager, against the quarter ended June 30, 2019 on the basis of certain key parameters for general information purposes only and does not purport to present a comprehensive representation of the financial performance of the Embassy REIT for these periods. The Embassy REIT, the Trustee and the Manager make no representation, express or implied, as to the suitability or appropriateness of this comparative information to any investor or to any other person. This information should not be used or considered as financial or investment advice, a recommendation or an offer to sell, or a solicitation of any offer to buy any units of the Embassy REIT.

The comparative financial information has been prepared by the Manager, in the manner determined by the Manager While the Manager has exercised reasonable diligence in the preparation of this comparative financial information, and in the Manager's view, this comparative financial information provides a reasonable scheme of reference for investors with respect to the key parameters chosen by the Manager, investors are requested to not place undue reliance upon such information and to not regard such information as an indication of future trends or guarantee of future performance.

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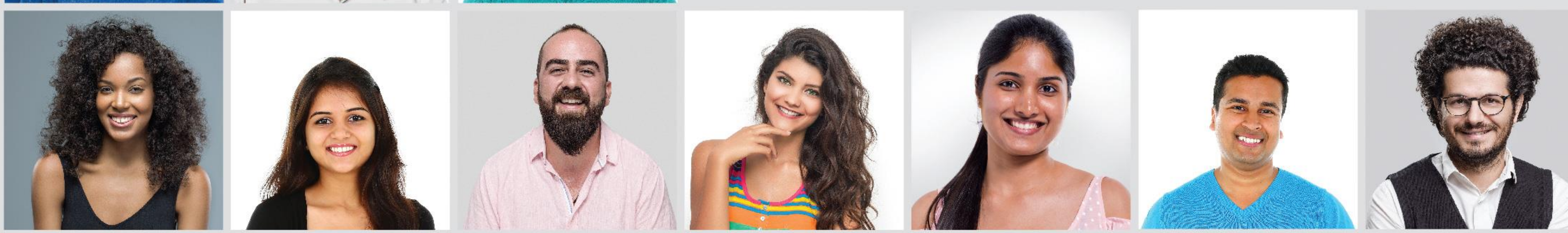

Thank You

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