



April 29, 2021

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 960421, 959990, 958770, 960165 and 959074 (NCD's) and Scrip Symbol "EMBASSY"

Dear Sir/ Madam,

Subject: Outcome of Board Meeting for the quarter and year ended March 31, 2021

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, April 29, 2021 through Audio-Visual Electronic Communication has, *inter-alia*:

1. Adopted the Audited Condensed Standalone Financial Results and Audited Condensed Consolidated Financial Results of Embassy REIT for the quarter and year ended March 31, 2021;
2. Adopted the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of Embassy REIT for the year ended March 31, 2021, subject to approval by the Unitholders;
3. Declared distribution of Rs. 5,308.20 million / Rs. 5.60 per Unit for the quarter ended March 31, 2021. The distribution comprises Rs. 1,175.39 million / Rs. 1.24 per Unit in the form of interest, less applicable taxes, if any, Rs. 2,094.85 million / Rs. 2.21 per Unit in the form of dividend and Rs. 2,037.96 million / Rs. 2.15 per Unit in the form of proceeds of amortization of SPV level debt.

Together with distributions already made during the three previous quarters, the distributions for full year ended March 31, 2021 total to Rs. 18,364.09 million / Rs. 21.48 per Unit.

4. Declared Net Asset Value of Rs. 387.54 per Unit for Embassy REIT as at March 31, 2021 as per Regulation 10(22) of the Securities and Exchange Board of India (Real Estate Investment Trusts)

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

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



Regulations, 2014, based on the Valuation Report dated April 26, 2021 issued by iVAS Partners, Valuer represented by Mr. Manish Gupta, Partner with value assessment services undertaken by CBRE South Asia Private Limited.

With this letter, we have enclosed:`

1. Copy of Audited Condensed Standalone Financial Results for the quarter and year ended March 31, 2021, Audited Standalone Financial Statements of Embassy REIT for the year ended March 31, 2021, Audited Condensed Consolidated Financial Results for the quarter and year ended March 31, 2021 and Audited Consolidated Financial Statements of Embassy REIT for the year ended March 31, 2021 and the reports of the Statutory Auditors thereon as **Appendix I**;
2. Copy of the press release to be issued in connection with the Audited Condensed Standalone Financial Results and the Audited Condensed Consolidated Financial Results for the quarter and year ended March 31, 2021 as **Appendix II**;
3. Copy of the Earnings Presentation and Supplemental Operating and Financial Databook for quarter and year ended March 31, 2021 comprising of Business and Financial Results of Embassy REIT as **Appendix III**; and
4. Copy of summary Valuation report of Embassy REIT for the year ended March 31, 2021 dated April 26, 2021, issued by iVAS Partners represented by Mr. Manish Gupta, Partner, , with value assessment services provided by CBRE South Asia Private Limited as **Appendix IV**.

The documents referred above are also uploaded on our website at <https://www.embassyofficeparks.com/investors/>

We also wish to inform you that record date for the distribution to Unitholders for the quarter ended March 31, 2021 will be May 07, 2021 and the payment of distribution will be made on or before May 14, 2021.

We also wish to bring into your kind attention that the related party transactions during the quarter and year ended March 31, 2021 are set out at page no. 26 to page no. 29 of the Audited Condensed Standalone Financial Results and page no. 60 to page no. 66 of the Audited Condensed Consolidated Financial Results of Embassy REIT.

The meeting commenced at 12.00 p.m. and concluded at 2.30 p.m.

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Yours sincerely,

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

**Deepika Srivastava
Company Secretary and Compliance Officer
A23654**

Encl: As above

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Independent Auditor's Report on Condensed Standalone Ind AS Financial Information

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

Opinion

We have audited the accompanying condensed standalone Ind AS Financial Information of Embassy Office Parks REIT (the “REIT”) pursuant to the requirements of Regulation 23 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder (the “REIT regulations”), which comprise the following:

- the condensed standalone Balance Sheet as at March 31, 2021;
- the condensed Statement of Profit and Loss, including Other Comprehensive Income and condensed Statement of Cash Flows for the quarter, half year and year ended March 31, 2021;
- the condensed Statement of Changes in Unitholders’ equity for the year ended March 31, 2021;
- the Statement of Net Assets at fair value as at March 31, 2021;
- the Statement of Total Returns at fair value for the year ended March 31, 2021;
- the Statement of Net Distributable Cash Flows (‘NDCF’) of the REIT for the half year and year ended March 31, 2021, and
- Summary of significant accounting policies and select explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Condensed Standalone Ind AS Financial Information give the information required by the REIT regulations in the manner so required and give a true and fair view in conformity with Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations of:

- in case of the Condensed Balance Sheet, of the state of affairs as at March 31, 2021;
- in case of the Condensed Statement of profit and loss including Other Comprehensive Income, of the net profit for the quarter, half year and year ended on March 31, 2021;
- in case of the Condensed Statement of cash flows, of the cash flows for the quarter, half year and year ended on March 31, 2021;
- in case of the Condensed Statement of changes in Unitholders’ equity, of the movement of the Unitholders’ equity for the year ended March 31, 2021;
- in case of the Statement of Net Assets at fair value, of the net assets as at March 31, 2021;

- in case of the Statement of Total Returns at fair value, of the total returns for the year ended March 31, 2021: and
- in case of the Statement of Net Distributable Cash Flows of the REIT, of the NDCF for the half year and year ended March 31, 2021.

Basis for Opinion

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

Management’s Responsibilities for the Condensed Standalone Ind AS Financial Information

The Management of the Manager (‘the Management’) is responsible for the preparation and presentation of these Condensed Standalone Ind AS Financial Information that give a true and fair view of the financial position as at March 31, 2021, financial performance including other comprehensive income and cash flows for the quarter, half year and year ended March 31, 2021, the movement of the Unitholders’ equity for the year ended March 31, 2021, its net assets at fair value as at March 31, 2021, its total returns at fair value for the year ended March 31, 2021 and the net distributable cash flows of the REIT for the half year and year ended March 31, 2021, in accordance with the requirements of the REIT regulations; 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, to the extent not inconsistent with REIT regulations. This responsibility also includes the design, implementation and maintenance of adequate controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Condensed Standalone Ind AS Financial Information that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

Other Matters

- (i) The figures for the quarter ended March 31, 2021 presented in the Condensed Standalone Ind AS Financial Information are the derived figures between the audited figures in respect of the year ended March 31, 2021 and the published year-to-date figures up to December 31, 2020, which were subject to limited review. Further, the figures for the half year ended March 31, 2021 presented in the Condensed Standalone Ind AS Financial Information are the derived figures between the audited figures in respect of the year ended March 31, 2021 and the published year-to-date figures up to September 30, 2020, which were subject to limited review.

Report on Other Legal and Regulatory Requirements

We further report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (b) The Condensed Balance Sheet and the Condensed Statement of Profit and Loss including the Statement of Other Comprehensive Income dealt with by this Report are in agreement with the books of account of the REIT; and
- (c) In our opinion, the aforesaid Condensed Standalone Ind AS financial information comply with the Indian Accounting Standards 34, 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.

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

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

UDIN: 21209567AAAACJ4105

Place: Bengaluru, India
Date: April 29, 2021



	Note	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
ASSETS			
Non-current assets			
Financial assets			
- Investments	3	241,739.54	186,862.18
- Loans	4	98,998.92	65,143.57
Total non-current assets		340,738.46	252,005.75
Current assets			
Financial assets			
- Investments	5	-	3,933.45
- Cash and cash equivalents	6	7,171.26	2,845.45
- Loans	7	1,475.00	620.00
- Other financial assets	8	-	3.15
Other current assets	9	6.66	47.42
Total current assets		8,652.92	7,449.47
Total assets		349,391.38	259,455.22
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	10	288,262.11	229,120.96
Other equity	11	(22,682.89)	(8,784.65)
Total equity		265,579.22	220,336.31
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	12	83,319.10	39,018.84
Total non-current liabilities		83,319.10	39,018.84
Current liabilities			
Financial liabilities			
- Trade payables	13		
- total outstanding dues of micro and small enterprises		1.65	-
- total outstanding dues of creditors other than micro and small enterprises		0.95	6.68
- Other financial liabilities	14	460.16	88.48
Other current liabilities	15	26.60	4.37
Current tax liabilities (net)	16	3.70	0.54
Total current liabilities		493.06	100.07
Total equity and liabilities		349,391.38	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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

	Note	For the quarter ended 31 March 2021 (Audited *)	For the quarter ended 31 December 2020 (Unaudited)	For the quarter ended 31 March 2020 (Audited *)	For the half year ended 31 March 2021 (Audited *)	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited *)	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
Income and gains									
Dividend		2,137.90	20.86	177.85	2,158.76	623.00	177.85	2,781.76	289.97
Interest	17	2,942.92	2,323.14	2,136.62	5,266.06	4,161.18	4,274.90	9,427.24	8,229.01
Other income	18	24.55	16.73	47.69	41.28	6.23	93.28	47.51	155.34
Total Income		5,105.37	2,360.73	2,362.16	7,466.10	4,790.41	4,546.03	12,256.51	8,674.32
Expenses									
Valuation expenses		2.65	1.37	0.92	4.02	4.43	5.02	8.45	9.74
Audit fees		0.89	2.54	0.36	3.43	4.96	4.04	8.39	7.64
Investment management fees	31	54.25	44.52	56.02	98.77	113.46	111.36	212.23	214.81
Trustee fees		0.74	0.58	0.76	1.32	1.63	1.48	2.95	2.96
Legal and professional fees (refer note 26)		28.38	(87.80)	24.20	(59.42)	118.39	83.36	58.97	98.09
Other expenses	19	25.61	12.82	12.01	38.43	28.13	14.98	66.56	18.15
Total Expenses		112.52	(25.97)	94.27	86.55	271.00	220.24	357.55	351.39
Earnings before finance costs, impairment loss and tax		4,992.85	2,386.70	2,267.89	7,379.55	4,519.41	4,325.79	11,898.96	8,322.93
Finance costs	20	1,605.53	1,208.20	890.89	2,813.73	1,884.92	1,685.32	4,698.65	2,850.33
Impairment loss	3	2,203.01	-	587.46	2,203.01	485.10	587.46	2,688.11	587.46
Profit before tax		1,184.31	1,178.50	789.54	2,362.81	2,149.39	2,053.01	4,512.20	4,885.14
Tax expense:	21								
Current tax		9.83	1.73	8.29	11.56	26.22	27.30	37.78	71.17
		9.83	1.73	8.29	11.56	26.22	27.30	37.78	71.17
Profit for the period/ year		1,174.48	1,176.77	781.25	2,351.25	2,123.17	2,025.71	4,474.42	4,813.97
Items of other comprehensive income									
Items that will not be reclassified subsequently to profit or loss									
- Remeasurements of defined benefit liability, net of tax		-	-	-	-	-	-	-	-
Total comprehensive income for the period/ year		1,174.48	1,176.77	781.25	2,351.25	2,123.17	2,025.71	4,474.42	4,813.97
Earning per unit									
Basic	22	1.24	1.49	1.01	2.71	2.75	2.63	5.46	6.24
Diluted		1.24	1.49	1.01	2.71	2.75	2.63	5.46	6.24
Significant accounting policies	2								

* Refer note 38

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: 29 April 2021

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

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



	For the quarter ended 31 March 2021 (Audited *)	For the quarter ended 31 December 2020 (Unaudited)	For the quarter ended 31 March 2020 (Audited *)	For the half year ended 31 March 2021 (Audited *)	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited *)	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
Cash flow from operating activities								
Profit before tax	1,184.31	1,178.50	789.54	2,362.81	2,149.39	2,053.01	4,512.20	4,885.14
<i>Adjustments:</i>								
Interest income	(2,942.92)	(2,323.14)	(2,136.62)	(5,266.06)	(4,161.18)	(4,274.90)	(9,427.24)	(8,229.01)
Net changes in fair value of financial assets	(1.72)	-	5.55	(1.72)	1.72	4.06	-	(1.72)
Dividend	(2,137.90)	(20.86)	(177.85)	(2,158.76)	(623.00)	(177.85)	(2,781.76)	(289.97)
Profit on sale of investments	(22.83)	(16.73)	(53.25)	(39.56)	(7.95)	(97.34)	(47.51)	(152.36)
Impairment loss	2,203.01	-	587.46	2,203.01	485.10	587.46	2,688.11	587.46
Finance costs	1,605.53	1,208.20	890.89	2,813.73	1,884.92	1,685.32	4,698.65	2,850.33
Operating cash flow before working capital changes	(112.52)	25.97	(94.28)	(86.55)	(271.00)	(220.24)	(357.55)	(350.13)
<i>Changes in:</i>								
Other current assets	76.61	(50.04)	(46.68)	26.57	14.19	2.70	40.76	(47.42)
Other current and non-current liabilities and provisions	24.51	(1.79)	(17.86)	22.72	(0.49)	4.37	22.23	4.37
Other current financial liabilities	15.62	(9.16)	15.56	6.46	(9.76)	23.56	(3.30)	(37.75)
Other financial assets	(399.47)	400.04	-	0.57	2.58	3.15	3.15	(3.15)
Trade payables	2.57	(4.64)	3.43	(2.07)	(2.01)	(42.80)	(4.08)	6.68
Cash generated from/(used in) operations	(392.68)	360.38	(139.83)	(32.30)	(266.49)	(229.26)	(298.79)	(427.40)
Income taxes paid, net	(3.82)	(11.57)	(6.14)	(15.39)	(19.26)	(17.12)	(34.65)	(70.63)
Net cash generated from/(used in) operating activities	(396.50)	348.81	(145.97)	(47.69)	(285.75)	(246.38)	(333.44)	(498.03)
Cash flow from investing activities								
Loans given to subsidiaries	(27,110.00)	(8,312.50)	(3,050.00)	(35,422.50)	(8,167.81)	(9,720.00)	(43,590.31)	(76,285.60)
Loans repaid by subsidiaries	4,241.21	2,495.04	5,486.81	6,736.25	4,449.86	8,710.31	11,186.11	15,596.61
Investment in subsidiary	-	(34,068.14)	-	(34,068.14)	-	-	(34,068.14)	(3,450.00)
Investment in debentures issued by joint venture	-	-	-	-	-	-	-	(2,500.00)
Redemption of debentures issued by joint venture	-	-	458.10	-	724.38	906.61	724.38	1,775.62
Interest received	1,852.56	2,016.48	1,942.78	3,869.04	3,251.05	3,883.92	7,120.09	7,837.35
Dividend received	2,137.90	20.86	177.85	2,158.76	623.00	177.85	2,781.76	289.97
Redemption/ (Investments) in mutual funds (net)	24.55	16.73	1,599.27	41.28	3,215.30	1,990.63	3,256.58	(3,054.99)
Net cash generated from/(used in) investing activities	(18,853.78)	(37,831.53)	6,614.81	(56,685.31)	4,095.78	5,949.32	(52,589.53)	(59,791.04)
Cash flow from financing activities								
Proceeds from issue of units	-	36,852.02	-	36,852.02	-	-	36,852.02	-
Expenses incurred towards issue of units	(589.68)	(245.25)	-	(834.93)	-	(51.55)	(834.93)	(2,378.64)
Proceeds from Issue of Non-convertible debentures (net of issue expenses)	25,699.17	7,345.41	(43.82)	33,044.58	7,414.79	6,453.62	40,459.37	36,168.51
Distribution to unitholders	(4,312.53)	(4,243.36)	(4,707.19)	(8,555.89)	(9,815.03)	(9,336.89)	(18,370.92)	(13,503.88)
Security deposits repaid	-	-	-	-	1.00	30.00	1.00	30.00
Interest paid	(599.92)	(226.54)	-	(826.46)	(31.30)	-	(857.76)	-
Net cash generated from/(used in) financing activities	20,197.04	39,482.28	(4,751.01)	59,679.32	(2,430.54)	(2,904.82)	57,248.78	20,315.99

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



	For the quarter ended 31 March 2021 (Audited *)	For the quarter ended 31 December 2020 (Unaudited)	For the quarter ended 31 March 2020 (Audited *)	For the half year ended 31 March 2021 (Audited *)	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited *)	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
Net increase/ (decrease) in cash and cash equivalents	946.76	1,999.56	1,717.83	2,946.32	1,379.49	2,798.12	4,325.81	(39,973.08)
Cash and cash equivalents at the beginning of the period/ year	6,224.50	4,224.94	1,127.62	4,224.94	2,845.45	47.33	2,845.45	42,818.53
Cash and cash equivalents at the end of the period/ year	7,171.26	6,224.50	2,845.45	7,171.26	4,224.94	2,845.45	7,171.26	2,845.45
Cash and cash equivalents comprise:								
Balances with banks								
- in current accounts	7,169.26	6,222.89	2,845.19	7,169.26	4,224.13	2,845.19	7,169.26	2,845.19
- in escrow accounts	2.00	1.61	0.26	2.00	0.81	0.26	2.00	0.26
Cash and cash equivalents at the end of the period/ year (refer note 6)	7,171.26	6,224.50	2,845.45	7,171.26	4,224.94	2,845.45	7,171.26	2,845.45

Note: The Trust has issued 64,893,000 units through preferential allotment in exchange for acquisition of 40% stake in VTPL during the quarter ended 31 December 2020. The same has not been reflected in Standalone Statement of Cash Flows since it was a non-cash transaction.

Significant accounting policies (refer note 2)

* Refer note 38

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 Battiboi & 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: 29 April 2021

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

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 year (refer note 10)	59,999.35
Less: Issue expenses (refer note 10)	(858.20)
Balance as at 31 March 2021	288,262.11

B. Other equity

Particulars	Retained Earnings
Balance as at 1 April 2019	(94.47)
Add: Total comprehensive income for the year ended 31 March 2020	4,813.97
Less: Distribution to Unitholders during the year ended 31 March 2020 * ^	(13,504.15)
Balance as at 31 March 2020	(8,784.65)
Balance as at 1 April 2020	(8,784.65)
Add : Total comprehensive income for the year ended 31 March 2021	4,474.42
Less: Distribution to Unitholders during the year ended 31 March 2021 * ^	(18,372.66)
Balance as at 31 March 2021	(22,682.89)

* 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.

^ The distribution for years ended 31 March 2021 and 31 March 2020 does not include the distribution relating to the last quarters, for the year ended 31 March 2021 (which will be paid subsequently) and year ended 31 March 2020 (which was paid subsequently), respectively.

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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

A) Statement of Net Assets at fair value

S.No	Particulars	Unit of measurement	As at 31 March 2021		As at 31 March 2020	
			Book value	Fair value	Book value	Fair value
A	Assets	Rs in millions	349,391.38	438,653.91	259,455.22	316,123.50
B	Liabilities	Rs in millions	83,812.16	83,812.16	39,118.91	39,118.91
C	Net Assets (A-B)	Rs in millions	265,579.22	354,841.75	220,336.31	277,004.59
D	No. of units	Numbers	947,893,743	947,893,743	771,665,343	771,665,343
E	NAV (C/D)	Rs	280.18	374.35	285.53	358.97

Notes

1) Measurement of fair values

The fair value of investments in SPVs are computed basis the fair value of the underlying Investment property, Investment property under development, Property, plant and equipment and capital work-in-progress as at 31 March 2021 and as at 31 March 2020 along with book values of other assets and liabilities accounted in the respective SPV financial statements as at 31 March 2021 and as at 31 March 2020. The fair value of the properties has been determined by independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued.

Valuation technique

The fair value measurement for all the investment property, investment property under development, property plant and equipment and capital work-in-progress has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

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

Given the COVID-19 related uncertainties, the independent valuers have, as a precautionary measure, referenced material valuation uncertainty in arriving at their valuation as at 31 March 2021.

2) Break up of Net asset value

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of investments in SPVs	431,475.99	309,294.01
Add : Other assets	7,177.92	6,829.49
Less : Liabilities	(83,812.16)	(39,118.91)
Net Assets	354,841.75	277,004.59

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

B) Statement of Total Returns at fair value

S.No	Particulars	For the half year ended	For the half year ended	For the half year ended	For the year ended	For the year ended
		31 March 2021	30 September 2020	31 March 2020	31 March 2021	31 March 2020
		(Audited *)	(Unaudited)	(Audited *)	(Audited)	(Audited)
A	Total comprehensive income	2,351.25	2,123.17	2,025.71	4,474.42	4,813.97
B	Add : Income of SPV's and changes in fair value not recognised in total comprehensive income of condensed standalone financial statements	11,230.18	6,248.59	2,794.34	17,478.77	6,803.33
C (A+B)	Total Return	13,581.43	8,371.76	4,820.05	21,953.19	11,617.30

* Refer note 38

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 the Embassy Office Parks REIT)

Sd/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021



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 31 March 2021 (Audited *)	For the quarter ended 31 December 2020 (Unaudited)	For the quarter ended 31 March 2020 (Audited *)	For the half year ended 31 March 2021 (Audited *)	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited *)	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
1	Cash flows received from SPVs and investment entity in the form of :								
	• Interest	1,852.56	2,016.48	1,942.20	3,869.04	3,208.86	3,883.35	7,077.90	7,823.93
	• Dividends (net of applicable taxes)	2,137.90	20.86	177.85	2,158.76	623.00	177.85	2,781.76	289.97
	• Repayment of Shareholder Debt	2,071.21	2,495.04	3,244.91	4,566.25	5,174.24	6,106.92	9,740.49	11,012.23
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-	-	-	-	-	-	-	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:								
	• Applicable capital gains and other taxes	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested								
4	Add: Any other income accruing to the Trust and not captured herein	22.83	16.73	55.09	39.56	50.14	99.19	89.70	167.05
5	Less: Any other expense accruing at the Trust level, and not captured herein	(31.65)	(25.86)	(17.26)	(57.51)	(36.05)	(20.23)	(93.56)	(23.40)
6	Less: Any fees, including but not limited to:								
	• Trustee fees	(0.74)	(0.58)	(0.76)	(1.32)	(1.63)	(1.48)	(2.95)	(2.96)
	• REIT Management Fees	(54.25)	(44.52)	(56.02)	(98.77)	(113.46)	(111.36)	(212.23)	(214.81)
	• Valuer fees	(2.65)	(1.37)	(0.92)	(4.02)	(4.43)	(5.02)	(8.45)	(9.74)
	• Legal and professional fees	(28.56)	85.96	(23.85)	57.40	(121.93)	(85.98)	(64.53)	(102.89)
	• Trademark license fees	(0.36)	(0.35)	(0.36)	(0.71)	(0.71)	(0.71)	(1.42)	(1.42)
	• Secondment fees	(0.36)	(0.35)	(0.36)	(0.71)	(0.71)	(0.71)	(1.42)	(1.42)
7	Less: Debt servicing								
	• Interest on external debt	(637.77)	(242.68)	-	(880.45)	(33.99)	-	(914.44)	-
	• Repayment of external debt	-	-	-	-	-	-	-	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(3.82)	(11.57)	(6.13)	(15.39)	(19.26)	(17.11)	(34.65)	(70.62)
	Net Distributable Cash Flows	5,324.34	4,307.79	5,314.39	9,632.13	8,724.07	10,024.71	18,356.20	18,865.92

* Refer note 38

Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on 29 April 2021, have declared distribution to Unitholders of Rs.5.60 per unit which aggregates to Rs.5,308.20 million for the quarter ended 31 March 2021. The distributions of Rs.5.60 per unit comprises Rs.1.24 per unit in the form of interest payment, Rs.2.21 per unit in the form of dividend and the balance Rs.2.15 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 13,055.89 million/ Rs. 15.88 per unit for the nine months ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to Rs.18,364.09 million/ Rs. 21.48 per unit.
- Repayment of short-term construction debt given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions.
- Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

As per our report of even date attached

for S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm's registration number: 101049W/E300004

Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 29 April 2021

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to the Embassy Office Parks REIT)

Jitendra Virwani

Director

DIN: 00027674

Place: Dubai

Date: 29 April 2021

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021



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 ('QBPL')
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 and maintenance of such assets (Embassy Techzone), located at Pune along with being an intermediate Embassy Office Parks holding company (HoldCo.) (upto 10 March 2021, refer note 36) for the trust.	Embassy Office Parks REIT : Nil, (100% upto 10 March 2021, refer note 36)
MPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Manyata), located at Bengaluru along with being an intermediate (HoldCo.) (from 10 March 2021, refer note 36) for the Trust.	EOPPL : Nil, (35.77% upto 10 March 2021) Embassy Office Parks REIT : 100%, (64.23% upto 10 March 2021), refer note 36)
UPPL	Development, rental and maintenance of serviced residences (Hilton residences) located at Bengaluru.	Embassy Office Parks REIT : 100%
EEPL	Generation and supply of solar power to the office spaces of SPVs of the Embassy Office Parks REIT located in Bengaluru.	EOPPL: Nil (80% upto 10 March 2021 refer note 36) MPPL: 80% (from 10 March 2021 refer note 36) Embassy Office Parks REIT : 20%
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 Bengaluru Development, rental and maintenance of serviced residences (Hotel Four Seasons at Embassy One), located in Bengaluru	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%

1 Trust Information (continued)

The Trust, further has incorporated/ acquired subsidiaries post Initial Public Offer (IPO). Accordingly Embassy Pune TechZone Private Limited (EPTPL) has been incorporated on 6 December 2019 by the Trust and equity interest in each of the below entities (SPVs incorporated in India) (directly or indirectly, acquired post IPO through their holding companies) have been transferred from the respective shareholders to the Trust.

1. Vikas Telecom Private Limited ('VTPL')
2. Sarla Infrastructure Private Limited ('SIPL')
3. Embassy Office Ventures Private Limited ('EOVPL')

Details of SPV's are provided below.

Name of the SPV	Activities	Shareholding (in percentage)
EPTPL	Development and leasing of office space and related interiors and maintenance of such assets "Embassy Techzone" located at Pune	Embassy Office Parks REIT : 100 % from 10 March 2021, EOPPL : 100% (upto 10 March 2021, refer note 36)
VTPL *	Development and leasing of office space and related interiors and maintenance of such assets "Embassy TechVillage" (ETV), located in Bengaluru.	EOVPL : 60% Embassy Office Parks REIT : 40%
SIPL *	Development and leasing of office space and related interiors and maintenance of such assets (ETV, Block 9), located in Bengaluru.	Embassy Office Parks REIT : 100%
EOVPL *	Holding Company of VTPL and Common area maintenance services of ETV, located in Bengaluru.	Embassy Office Parks REIT : 100%

* Together referred to as ETV SPV's.

The Trust 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 joint venture	Activities	Shareholding (in percentage)
GLSP	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bengaluru	EOPPL: 50% (upto 10 March 2021), MPPL: 50% (from 10 March 2021), refer note 36), Kelachandra Holdings LLP (50%)

2 Significant accounting policies

2.1 Basis of preparation of Condensed Standalone Financial statements

The Condensed Standalone Financial Statements (hereinafter referred to as the 'Condensed Standalone Financial statements') of the Trust comprises the Standalone Balance Sheet and the Statement of Net Assets at fair value as at 31 March 2021, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flows, Statement of Net Distributable Cash Flows, the Standalone Statement of Changes in Unitholder's Equity, the Statement of Total Returns at fair value and the summary of significant accounting policies and select explanatory information for the period and year ended 31 March 2021. 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 29 April 2021.

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

Embassy Office Parks REIT has prepared Condensed Standalone financial statements which comply with Ind AS applicable for year ending on 31 March 2021, together with the comparative period data as at and for the year ended 31 March 2020, as described in the summary of significant accounting policies.

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

Statement of compliance to Ind-AS

These Condensed Standalone Financial Statements for the period and year ended 31 March 2021 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.

Changes in accounting policies and disclosures

New and amended standards

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below. There were several new and amendments to standards and interpretations which are applicable for the first time for the year ended 31 March 2021, but either not relevant or do not have an impact on the Condensed Standalone financial statements of the Trust. The Trust has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provides a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the Condensed Standalone financial statements, nor is there expected to be any future impact to the Trust.

Several other amendments apply for the first time for the year ending 31 March 2021, but does not have an impact on the financial statements of the Trust.

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.

2 Significant accounting policies (continued)

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 31 March 2021 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

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.

e) Measurement of fair values

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

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

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

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

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

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

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

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

2 Significant accounting policies (continued)

e) Measurement of fair values

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.

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.

2 Significant accounting policies (continued)

h) Financial instruments (continued)

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

2 Significant accounting policies (continued)

h) Financial instruments (continued)

iv) Offsetting

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

i) Compound financial instruments

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

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

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

j) Impairment of financial assets

Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

k) Embedded derivatives

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

2 Significant accounting policies (continued)

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.

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.

2 Significant accounting policies (continued)

q) Taxation

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

(i) Current tax:

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

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

(ii) Deferred tax:

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

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

- Taxable temporary differences arising on initial recognition of goodwill.

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

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

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

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

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

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

r) Provisions and contingencies

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

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

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

s) Operating segments

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

The Board of Directors of the 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) Statement of Cash flows

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 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.



2 Significant accounting policies (continued)

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, impairment loss and income tax

The Embassy Office Parks REIT has elected to present earnings before finance cost, impairment loss and income tax as a separate line item on the face of the Standalone Statement of Profit and Loss. The Embassy Office Parks REIT measures earnings before finance cost, 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, 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 dividend payments and Principal repayment of Shareholder Debt, would be done by declaring dividend, to the extent permitted under the Companies Act, 2013. Repayment of short-term construction debt given to SPV's are not considered for the purpose of distributions.

aa) Statement of net assets at fair value

The disclosure of Statement of Net Assets at Fair value comprises of the fair values of the properties held by Asset SPVs and the HoldCo as well as book values of the total liabilities and other assets of the Trust. The fair value of the property held by Asset SPVs and HoldCo are reviewed semi-annually by the independent property valuer taking into consideration market conditions existing at the reporting date, and other generally accepted market practices. The independent valuer is leading independent appraiser with a recognised and relevant professional qualification and experience.

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3 Non-current investments

Particulars	As at 31 March 2021	As at 31 March 2020
Trade, unquoted investments in subsidiaries (at cost)		
(refer note below and note 24)		
- 405,940,204 (31 March 2020: 405,940,204) equity shares of Umbel Properties Private Limited of Rs.10 each, fully paid up	2,841.67	2,841.67
Less: Provision for impairment (refer note (a) below)	(1,235.48)	(587.46)
- 2,129,635 (31 March 2020: 2,129,635) equity shares of Quadron Business Park Private Limited of Rs.10 each, fully paid up	13,689.26	13,689.26
Less: Provision for impairment (refer note (a) below)	(1,974.66)	-
- 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
Less: Provision for impairment (refer note (a) below)	(65.43)	-
	13,988.15	16,676.26
- Nil (31 March 2020: 8,703,248) equity shares of Embassy Office Parks Private Limited of Rs.10 each, fully paid up (refer note (b) below and 36)	-	62,768.25
- 8,703,248 (31 March 2020: Nil) equity shares of Embassy Pune Techzone Private Limited of Rs.10 each, fully paid up (refer note (b) below and note 36)	12,083.50	-
- 1,461,989 (31 March 2020: 727,538) equity shares of Manyata Promoters Private Limited of Rs.100 each, fully paid up (refer note (b) below and note 36)	99,475.27	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
- 254,583 (31 March 2020: 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.100 each, fully paid up (refer note (c) below)	13,210.96	6,463.79
- Nil (31 March 2020: 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.100 each, fully paid up (refer note (c) below)	-	6,747.17
- 107,958 (31 March 2020: 107,958) equity shares of Galaxy Square Private Limited of Rs.100 each, fully paid up	4,662.50	4,662.50
- 2,637,348 (31 March 2020: Nil) Class A equity shares of Vikas Telecom Private Limited of Rs.10 each, fully paid up	23,147.33	-
- 4,847,584 (31 March 2020: Nil) Ordinary equity shares of Embassy Office Ventures Private Limited of Rs.10 each, fully paid up	10,972.41	-
- 8,682,000 (31 March 2020: Nil) Class A equity shares of Embassy Office Ventures Private Limited of Rs.10 each, fully paid up	16,575.71	-
- 3,300 (31 March 2020: Nil) equity shares of Sarla Infrastructure Private Limited of Rs.1,000 each, fully paid up	6,870.02	-
	227,751.39	170,185.92
	241,739.54	186,862.18
Aggregate amount of impairment recognised	3,275.57	587.46

(a) The recoverable amounts of the investments in subsidiaries have been computed based on value in use calculation of the underlying properties, computed semi-annually in March and September of each financial year. The value in use calculation is determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE South Asia Private Limited based on discounted cash flow method. As at 31 March 2021, an amount of Rs.3,275.57 million (31 March 2020: Rs.587.46 million) has been provided as impairment on investment in subsidiaries namely Umbel Properties Private Limited, Quadron Business Park Private Limited and Embassy Energy Private Limited based on independent valuation report as on 31 March 2021. The impairment charge arose in these entities mainly due to slower ramp up of hotel room occupancy, slower than anticipated lease up coupled with the current economic conditions due to Covid-19 pandemic. The impairment charge arose in Embassy One due to slower than anticipated lease-up. In determining the value in use, the cash flows were discounted at the rate of 12.38% for investment in Hospitality operations (UPPL and QBPL) and 13.50% for investment in solar power plant (EEPL).

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.



3 Non-current investments (continued)

(b) The Board of Directors of the Manager in their meeting held on 19 May 2020 approved the composite scheme of arrangement (the “Scheme”) involving MPPL, EOPPL and EPTPL. The above scheme has been approved by National Company Law Tribunal (NCLT), Mumbai bench with an effective date of 10 March 2021. Upon completion of the scheme, MPPL has become a 100% HoldCo of the Trust, holding Embassy Manyata, Bengaluru, 80% of the share capital of EEPL, 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of the Trust, holding Embassy TechZone, an existing asset of the Trust. Due to the above the existing shares of EOPPL held by the Trust has been cancelled. Further, MPPL and EPTPL have to issue 734,451 equity shares and 8,703,248 equity shares respectively to the Trust, in accordance with the Scheme.

Since Trust continues to hold the same economic interest through equity shareholding both before and after the composite scheme of arrangement, the carrying amount of Embassy Office Parks REIT’s investment in Embassy Office Parks Private Limited is split into investment in EPTPL and MPPL based on relative fair values of such business/investments.

(c) During the year ended 31 March 2021, the rights of 130,022 Class A equity shares of Rs.100 each, of Indian Express Newspapers (Mumbai) Private Limited have been varied and the said shares are converted to Equity shares. Accordingly the carrying amount of investment in Class A equity shares have been reclassified under Equity shares.

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

Name of Subsidiary	As at	As at
	31 March 2021	31 March 2020
Embassy Office Parks Private Limited (refer note 36)	-	100.00%
Embassy Pune Techzone Private Limited (refer note i below)	100.00%	-
Manyata Promoters Private Limited (refer note ii below)	100.00%	64.23%
Umbel Properties Private Limited	100.00%	100.00%
Embassy Energy Private Limited (refer note iii below)	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%
Vikas Telecom Private Limited (refer note iv below)	40.00%	-
Embassy Office Ventures Private Limited	100.00%	-
Sarla Infrastructure Private Limited	100.00%	-

(i) Embassy Pune Techzone Private Limited was a wholly owned subsidiary of Embassy Office Parks Private Limited upto 10 March 2021 (refer note 36).

(ii) As at 31 March 2020, 35.77% of ownership interest in Manyata Promoters Private Limited was owned by Embassy Office Parks Private Limited. Therefore, the Trust directly or indirectly owned 100% interest in Manyata Promoters Private Limited. Also refer note 36.

(iii) Remaining 80.01% of ownership interest in Embassy Energy Private Limited is owned by Manyata Promoters Private Limited from 10 March 2021 (Embassy Office Parks Private Limited till 10 March 2021). Therefore, the Trust directly or indirectly owns 100% interest in Embassy Energy Private Limited. Also refer note 36.

(iv) Remaining 60% of ownership interest in Vikas Telecom Private Limited is owned by Embassy Office Ventures Private Limited. Therefore, the Trust directly or indirectly owns 100% interest in Vikas Telecom Private Limited .

4 Non-current loans

Particulars	As at	As at
	31 March 2021	31 March 2020
<i>Unsecured, considered good</i>		
Loan to subsidiaries (refer note 24)	98,998.92	65,142.57
Security deposits		
- others	-	1.00
	98,998.92	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	
	31 March 2021	31 March 2020
Non-trade, unquoted, investment in mutual funds, at fair value		
HDFC Liquid Fund - Growth	-	1,010.72
HDFC Overnight Fund - Growth	-	255.01
ICICI Prudential Liquid Fund - Growth	-	1,350.77
IDFC Cash Fund - Growth	-	390.15
Axis Liquid Fund - Growth	-	202.42
Trade, unquoted investments measured at amortised cost		
- Investment in debentures of a joint venture entity (refer note 24)	-	724.38
Nil (31 March 2020 : 2,500) 8.5% debentures	-	-
	-	3,933.45
Investment measured at amortised cost	-	724.38
Investment measured at fair value through profit or loss	-	3,209.07
Investments measured at fair value through other comprehensive income	-	-
Aggregate amount of impairment recognised	-	-

Terms attached to Investment in debentures of a joint venture entity

1. Nil (31 March 2020 : 2,500) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Park Private Limited. Outstanding as on 31 March 2021 : Nil (31 March 2020 : Rs.724.38 million).
2. Interest Rate : 8.50% p.a. on monthly outstanding balance.
3. Security : The debentures are secured by first ranking exclusive security interest over Torrey Pines building.
4. Redemption : Debentures shall be redeemed in 16 monthly instalment (principal and interest) of Rs.160.00 million each and 17th instalment of Rs.98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.
5. Investment in debentures has been fully redeemed in the month of August 2020.

6 Cash and cash equivalents

Particulars	As at	
	31 March 2021	31 March 2020
Balances with banks		
- in current accounts *	7,169.26	2,845.19
- in escrow accounts		
Balances with banks for unclaimed distributions	2.00	0.26
	7,171.26	2,845.45

* Balance in current accounts includes cheques on hand received from SPV's in respect of interest/principal repayments of loans as at 31 March 2021 amounting to Rs.763.77 million (31 March 2020 : Rs.2,121.94 million).

7 Current loans

Particulars	As at	
	31 March 2021	31 March 2020
Unsecured, considered good		
Loan to subsidiaries (refer note 24)	1,475.00	620.00
	1,475.00	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	
	31 March 2021	31 March 2020
Other receivables		
- from others	-	3.15
	-	3.15

9 Other current assets

Particulars	As at	
	31 March 2021	31 March 2020
Unsecured, considered good		
Advance for supply of goods and rendering of services	0.72	0.44
Balances with government authorities	0.33	8.82
Prepayments	5.61	38.16
	6.66	47.42

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 *	-	81.70
As at 31 March 2020	771.67	229,120.96
As at 1 April 2020	771.67	229,120.96
Add : Units issued during the year (refer note c)	176.23	59,999.35
Less: Issue expenses **	-	(858.20)
Balance as at 31 March 2021	947.90	288,262.11

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 previous year ended 31 March 2020, provision for issue expenses no longer payable, has been reversed amounting to Rs.81.70 million.

** During the year ended 31 March 2021 estimated issue expenses pertaining to further issue of units (Institutional placement and Preferential allotment) have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation. The issue expenses includes payments to auditor of Rs.51.55 million (excluding applicable taxes).

(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 distributions to Unitholders. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays distributions 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 Unitholder	As at 31 March 2021		As at 31 March 2020	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	12.18%	115,484,802	14.97%
SG Indian Holding (NQ) Co I Pte Limited	88,333,166	9.32%	104,094,966	13.49%
BRE Mauritius Investments	83,730,208	8.83%	93,610,755	12.13%
Veeranna Reddy	29,372,782	*	65,472,582	8.48%
Bre/Mauritius Investments II	39,700,450	*	45,630,850	5.91%
India Alternate Property Limited	31,193,186	*	39,446,986	5.11%

* The percentage holding is less than 5% as at 31 March 2021. As at 31 March 2020, the percentage holding was more than 5%.

- (c) The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. 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 31 March 2020. Further, during the year ended 31 March 2021, the Trust has issued 111,335,400 Units at a price of Rs.331.00 per Unit through an Institutional Placement. The Trust has also made Preferential allotment of 64,893,000 Units at Rs.356.70 per Unit to acquire 40% equity interest of VTPL held by third party shareholders.

11 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Retained earnings *	(22,682.89)	(8,784.65)
	(22,682.89)	(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 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.

12 Borrowings

Particulars	As at	As at
	31 March 2021	31 March 2020
Secured		
36,500 (31 March 2020 : 36,500) Embassy REIT Series I, Non-Convertible debentures (NCD) 2019, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note A below)		
- Tranche I	35,503.64	32,351.18
- Tranche II	7,276.40	6,667.66
15,000 (31 March 2020 : Nil) Embassy REIT Series II, Non-Convertible debentures (NCD) 2020, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note B below)		
- Tranche A	7,382.15	-
- Tranche B	7,437.51	-
26,000 (31 March 2020 : Nil) Embassy REIT Series III, Non-Convertible debentures (NCD) 2021, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note C below)	25,719.40	-
	83,319.10	39,018.84

Note:

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

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

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

Security terms:

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

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase I) 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, Bengaluru" along with the remaining undivided share of such land.
2. A sole and exclusive first ranking pledge created by the REIT over their total shareholding in the SPV's namely QBPPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.
5. A negative pledge on all assets of each secured SPV except MPPL.

Redemption terms:

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

B. 15,000 (31 March 2020 : Nil) Embassy REIT Series II NCD 2020, face value of Rs.1,000,000 each

In September 2020, the Trust issued 7,500 listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series II NCD 2020 (Tranche A), debentures having face value of Rs.1 million each amounting to Rs.7,500.00 million with an coupon rate of 7.25% p.a. payable quarterly. In October 2020, the Trust further issued 7,500 such debentures (Tranche B), with an coupon rate of 6.70% p.a. payable quarterly and with same terms and conditions as Tranche A.

The Tranche A and Tranche B NCD described above were listed on the Bombay Stock Exchange on 17 September 2020 and 05 November 2020 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 by way of mortgage created by EOPPL on the constructed buildings and related parcels identified as Block 2, Block 3, Food court, Block 6, Block I, Block 11 and Block 5, having an aggregate leasable area of 2,00,674 square meters and forming part of the development known as Embassy Tech Zone together with portion of land admeasuring 96,630 square meters on which the aforesaid buildings are constructed out of the aggregate area of land measuring 67.45 acres equivalent to 2,72,979 sq. mtrs.
2. A sole and exclusive first ranking pledge created by the Embassy REIT over the shareholding in the SPV's namely IENMPL and EOPPL together known as "secured SPVs" along with shareholder loans given to these SPVs
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by EOPPL over identified bank accounts and receivables.
5. A corporate guarantee issued by each of EOPPL and IENMPL.
6. Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the pledge of EOPPL shares and the hypothecation created over EOPPL bank accounts and receivables is in process of being recreated in the name of EPTPL in accordance with the terms of Debenture Trust Deed (refer note 36).

12 Borrowings (continued)

Redemption terms:

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

C. 26,000 (31 March 2020 : Nil) Embassy REIT Series III NCD 2021, face value of Rs.1,000,000 each

In January 2021, the Trust issued 26,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series III NCD 2021 debentures having face value of Rs.1 million each amounting to Rs.26,000.00 million with an coupon rate of 6.40% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 19 January 2021.

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) :

- A first ranking charge by way of mortgage created by VTPL on the constructed buildings and related parcels identified as Block 1A, Block 2 and Block 7B, having an aggregate leasable area of 3,43,772 square meters and forming part of the development known as Embassy TechVillage together with portion of land admeasuring 101,859 square meters on which the aforesaid buildings are constructed.
- A first ranking pari passu pledge created by the Embassy REIT, EOPPL and EOPL over their shareholding in the SPV's namely VTPL and EEPL together known as "Secured SPVs".
- A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
- A sole and exclusive first ranking charge by way of hypothecation created by VTPL over identified bank accounts and receivables.
- A corporate guarantee issued by each of VTPL and EEPL.
- Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the pledge of EEPL shares is in the process of being recreated by MPPL in accordance with the terms of Debenture Trust Deed due to change in ownership of EEPL shares from EOPPL to MPPL (refer note 36).

Redemption terms:

- Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date.
- These debentures will be redeemed on the expiry of 37 months from the Date of Allotment for the Debentures at par on 15 February 2024.
- In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate calculated from the date of change of rating.
- 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 July 2023 to January 2024) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures being redeemed.

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

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

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019 (Tranche I and II)	Secured	-	-	02 June 2022	02 June 2022
Embassy REIT Series II NCD 2020 (Tranche A and B)	Secured	-	31 March 2021	09 October 2023	30 June 2021
Embassy REIT Series III NCD 2021	Secured	-	31 March 2021	15 February 2024	30 June 2021

- Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to Embassy REIT Series I NCD 2019, Embassy REIT Series II NCD 2020 and Embassy REIT Series III NCD 2021.

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

Particulars	As at 31 March 2021	As at 31 March 2020
Asset cover ratio (refer a below)	17.88%	11.76%
Debt-equity ratio (refer b below)	0.31	0.18
Debt-service coverage ratio (refer c below)	2.53	2.92
Interest-service coverage ratio (refer d below)	2.53	2.92
Net worth (refer e below)	265,579.22	220,336.31

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

- Asset cover ratio $\ast = \text{Total borrowings} / \text{Gross asset value of the Group as computed by independent valuers}$
- Debt equity ratio $\ast = \text{Total borrowings} / \text{Unitholders' Equity}$
- Debt Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/ (Finance costs + Principal Repayments made during the year)
- Interest Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/ Finance costs (net of capitalisation)
- Net worth = Unit capital + Other equity

$\ast \text{ Total borrowings} = \text{Long-term borrowings} + \text{Short-term borrowings} + \text{current maturities of long-term borrowings and Unitholder's Equity} = \text{Unit Capital} + \text{Other equity.}$

13 Trade payables

Particulars	As at	As at
	31 March 2021	31 March 2020
Trade payable		
- total outstanding dues to micro and small enterprises (refer note below)	1.65	-
- total outstanding dues other than micro and small enterprises		
- to related party (refer note 24)	0.86	4.66
- to others	0.09	2.02
	2.60	6.68

Note:

Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006").

Particulars	As at	As at
	31 March 2021	31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	1.65	-
The amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-

14 Other financial liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Unclaimed distribution	2.00	0.26
Contingent consideration (refer note 24 and note 27)	350.00	-
Other liabilities		
- to related party (refer note 24)	50.30	55.46
- to others	57.86	32.76
	460.16	88.48

15 Other current liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Statutory dues	26.60	4.37
	26.60	4.37

16 Current tax liabilities (net)

Particulars	As at	As at
	31 March 2021	31 March 2020
Provision for income-tax, net of advance tax	3.70	0.54
	3.70	0.54

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17 Interest income

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income								
- on fixed deposits	-	-	0.59	-	42.19	0.59	42.19	13.43
- on debentures (refer note 24)	-	-	21.90	-	14.61	53.39	14.61	144.38
- on loan to subsidiaries (refer note 24)	2,942.92	2,323.14	2,114.13	5,266.06	4,104.38	4,220.92	9,370.44	8,071.20
	2,942.92	2,323.14	2,136.62	5,266.06	4,161.18	4,274.90	9,427.24	8,229.01

18 Other income

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit on sale of investments	22.83	16.73	53.24	39.56	7.95	97.34	47.51	152.36
Net changes in fair value of financial assets	1.72	-	(5.55)	1.72	(1.72)	(4.06)	-	1.72
Miscellaneous	-	-	-	-	-	-	-	1.26
	24.55	16.73	47.69	41.28	6.23	93.28	47.51	155.34

19 Other expenses

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Bank charges	0.04	0.09	0.01	0.13	0.02	0.24	0.15	0.26
Rates and taxes	5.37	5.42	1.07	10.79	10.38	1.34	21.17	1.48
Travelling and conveyance	-	-	-	-	-	-	-	0.17
Marketing and advertisement expenses *	16.81	7.31	10.85	24.12	17.00	13.26	41.12	15.56
Miscellaneous expenses	3.39	-	0.08	3.39	0.73	0.14	4.12	0.68
	25.61	12.82	12.01	38.43	28.13	14.98	66.56	18.15

* Also refer note 24

20 Finance costs

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense								
- on Non convertible debentures								
- Embassy REIT Series II and Series III NCD	637.77	242.68	-	880.45	33.99	-	914.44	-
Accrual of premium on redemption of debentures (Embassy REIT Series I NCD)	967.76	965.52	890.89	1,933.28	1,850.93	1,685.32	3,784.21	2,850.33
	1,605.53	1,208.20	890.89	2,813.73	1,884.92	1,685.32	4,698.65	2,850.33

21 Tax expense

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	9.83	1.73	8.29	11.56	26.22	27.30	37.78	71.17
	9.83	1.73	8.29	11.56	26.22	27.30	37.78	71.17

22 Earnings Per Unit (EPU)

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

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

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit after tax for calculating basic and diluted EPU	1,174.48	1,176.77	781.25	2,351.25	2,123.17	2,025.71	4,474.42	4,813.97
Weighted average number of Units (No. in million)*	947.89	789.41	771.67	867.78	771.67	771.67	819.59	771.67
Earnings Per Unit								
- Basic (Rupees/unit)	1.24	1.49	1.01	2.71	2.75	2.63	5.46	6.24
- Diluted (Rupees/unit) **	1.24	1.49	1.01	2.71	2.75	2.63	5.46	6.24

* The weighted average number of units have been computed basis 111.34 million units issued by way of institutional placement and 64.89 million units issued by way of preferential allotment on 22 December 2020 and 24 December 2020 respectively.

** The Trust does not have any outstanding dilutive units.

23 Commitments and contingencies**a. Contingent liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Guarantee given to a Bank for loan obtained by a SPV	8,400.00	8,400.00

Note

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

b. Statement of capital and other commitments

i) There are no capital commitments as at 31 March 2021 and 31 March 2020.

ii) The Trust has 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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24 Related party disclosures

I. List of related parties as at 31 March 2021

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

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

Directors

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

Key management personnel

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

(i) Subsidiaries (SPV)

Embassy Office Parks Private Limited (refer note 36)
Manyata Promoters Private Limited
Umbel Properties Private Limited
Embassy Energy Private Limited
Earnest Towers Private Limited
Indian Express Newspapers (Mumbai) Private Limited
Vikhroli Corporate Park Private Limited
Qubix Business Park Private Limited
Quadron Business Park Private Limited
Oxygen Business Park Private Limited
Galaxy Square Private Limited
Embassy Pune Techzone Private Limited (from 06 December 2019)
Vikas Telecom Private Limited (from 24 December 2020)
Embassy Office Ventures Private Limited (from 24 December 2020)
Sarla Infrastructure Private Limited (from 24 December 2020)

(ii) Joint Venture

Golflinks Software Park Private Limited

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

Embassy Shelters Private Limited	BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd *
Mac Charles (India) Limited	BREP VII SG Indian Holding (NQ) Co I Pte. Ltd *
Lounge Hospitality LLP	BREP Asia SBS Holding-NQ Co IV Ltd. (Cayman) *
	BREP VII SBS Holding-NQ IV Co Ltd (Cayman) *

**together known as BREP entities.*

Embassy Office Parks REIT

RN: IN/REIT/17-18/0001

Notes to the Condensed Standalone financial statements

(all amounts in Rs. million unless otherwise stated)



24 Related party disclosures

C Transactions during the period/ year

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Unsecured loans given to								
Quadron Business Park Private Limited	-	220.00	-	220.00	50.00	-	270.00	7,509.00
Embassy Pune Techzone Private Limited *	-	905.50	-	905.50	-	-	905.50	5,858.30
Manyata Promoters Private Limited	1,750.00	3,714.00	-	5,464.00	3,355.38	-	8,819.38	28,423.10
Qubix Business Park Private Limited	-	-	-	-	-	-	-	3,179.90
Oxygen Business Park Private Limited	-	-	-	-	3,396.43	-	3,396.43	4,030.30
Earnest Towers Private Limited	50.00	250.00	250.00	300.00	200.00	250.00	500.00	1,029.30
Vikhroli Corporate Park Private Limited	-	-	-	-	161.00	40.00	161.00	4,766.70
Galaxy Square Private Limited	-	-	-	-	-	-	-	2,549.80
Umbel Properties Private Limited	30.00	-	-	30.00	-	-	30.00	1,795.20
Indian Express Newspapers (Mumbai) Private Limited	-	13.00	-	13.00	-	-	13.00	3,764.00
Embassy Energy Private Limited	125.00	100.00	-	225.00	-	6,000.00	225.00	6,400.00
Sarla Infrastructure Private Limited	45.00	1,700.00	-	1,745.00	-	-	1,745.00	-
Vikas Telecom Private Limited	24,500.00	-	-	24,500.00	-	-	24,500.00	-
Short term construction loan given								
Manyata Promoters Private Limited	-	1,000.00	-	1,000.00	755.00	-	1,755.00	3,050.00
Oxygen Business Park Private Limited	-	-	2,700.00	-	-	2,810.00	-	3,310.00
Embassy Pune Techzone Private Limited *	250.00	300.00	100.00	550.00	250.00	620.00	800.00	620.00
Sarla Infrastructure Private Limited	360.00	110.00	-	470.00	-	-	470.00	-
Investment in debentures								
Golflinks Software Park Private Limited	-	-	-	-	-	-	-	2,500.00
Redemption of investment in debentures								
Golflinks Software Park Private Limited	-	-	458.10	-	724.38	906.61	724.38	1,775.62
Unsecured loans repaid by								
Embassy Pune Techzone Private Limited *	246.94	451.68	703.75	698.62	437.34	1,114.34	1,135.96	1,674.34
Manyata Promoters Private Limited	-	1,245.44	1,365.89	1,245.44	3,070.97	2,473.37	4,316.41	4,843.37
Qubix Business Park Private Limited	43.09	65.30	87.23	108.39	168.62	154.91	277.01	299.91
Oxygen Business Park Private Limited	-	-	94.06	-	-	170.68	-	247.68
Earnest Towers Private Limited	164.89	206.71	250.23	371.60	366.42	420.32	738.02	739.62
Vikhroli Corporate Park Private Limited	104.19	192.76	91.64	296.95	190.76	138.88	487.71	268.88
Galaxy Square Private Limited	58.26	58.92	114.61	117.18	162.93	124.91	280.11	284.91
Umbel Properties Private Limited	-	-	7.47	-	-	19.40	-	69.40
Indian Express Newspapers (Mumbai) Private Limited	45.31	172.30	35.01	217.61	26.96	204.97	244.57	429.97
Embassy Energy Private Limited	177.11	101.93	36.92	279.04	25.86	378.53	304.90	378.53
Sarla Infrastructure Private Limited	223.33	-	-	223.33	-	-	223.33	-
Vikas Telecom Private Limited	1,008.09	-	-	1,008.09	-	-	1,008.09	-
Short term construction loan repaid by								
Manyata Promoters Private Limited	1,700.00	-	-	1,700.00	-	300.00	1,700.00	3,050.00
Oxygen Business Park Private Limited	-	-	2,700.00	-	-	3,210.00	-	3,310.00
Sarla Infrastructure Private Limited	470.00	-	-	470.00	-	-	470.00	-
Secondment fees								
Embassy Office Parks Management Services Private Limited	0.36	0.35	0.35	0.71	0.71	0.71	1.42	1.42
Acquisition of ETV SPV's from								
Embassy Property Developments Private Limited	-	6,870.02	-	6,870.02	-	-	6,870.02	-
BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd	-	8,736.46	-	8,736.46	-	-	8,736.46	-
BREP VII SG Indian Holding (NQ) Co I Pte. Ltd	-	2,182.64	-	2,182.64	-	-	2,182.64	-
BREP Asia SBS Holding NQ Co IV Ltd. (Cayman)	-	41.46	-	41.46	-	-	41.46	-
BREP VII SBS Holding NQ IV Co Ltd (Cayman)	-	11.84	-	11.84	-	-	11.84	-

Embassy Office Parks REIT

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Notes to the Condensed Standalone financial statements

(all amounts in Rs. million unless otherwise stated)



24 Related party disclosures

C Transactions during the period/ year

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Investment in Class A equity share capital of								
Embassy Office Ventures Private Limited	-	16,575.71	-	16,575.71	-	-	16,575.71	-
Investment management fees								
Embassy Office Parks Management Services Private Limited	54.25	44.52	56.02	98.77	113.46	111.36	212.23	214.81
Trademark license fees								
Embassy Shelters Private Limited	0.36	0.35	0.35	0.71	0.71	0.71	1.42	1.42
Trustee fee expenses								
Axis Trustee Services Limited	0.74	0.58	0.77	1.32	1.63	1.49	2.95	2.96
Marketing and advertisement expenses								
Lounge Hospitality LLP	-	-	-	-	-	0.06	-	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	384.07	390.17	379.97	774.24	764.05	764.87	1,538.29	1,506.91
Embassy Pune Techzone Private Limited *	165.63	172.48	168.50	338.11	304.08	338.15	642.19	698.56
Manyata Promoters Private Limited	868.70	881.76	776.96	1,750.46	1,463.23	1,600.41	3,213.69	3,098.72
Qubix Business Park Private Limited	81.55	85.39	92.45	166.94	178.31	187.91	345.25	383.45
Oxygen Business Park Private Limited	221.27	226.19	121.72	447.46	261.49	260.33	708.95	510.82
Earnest Towers Private Limited	5.11	7.98	9.59	13.09	19.17	23.80	32.26	66.13
Vikhroli Corporate Park Private Limited	131.76	140.65	143.01	272.41	281.97	287.57	554.38	582.18
Galaxy Square Private Limited	62.96	66.17	74.13	129.13	139.26	149.27	268.39	305.21
Umbel Properties Private Limited	53.22	54.37	54.02	107.59	108.16	108.88	215.75	220.77
Indian Express Newspapers (Mumbai) Private Limited	97.00	104.20	104.96	201.20	208.10	216.32	409.30	414.35
Embassy Energy Private Limited	184.77	189.00	188.82	373.77	376.56	283.42	750.33	284.10
Sarla Infrastructure Private Limited	57.85	4.78	-	62.63	-	-	62.63	-
Vikas Telecom Private Limited	629.03	-	-	629.03	-	-	629.03	-
Interest received on debentures								
Golflinks Software Park Private Limited	-	-	21.90	-	14.61	53.39	14.61	144.38
Dividend received								
Embassy Energy Private Limited	-	-	-	-	-	-	-	6.00
Indian Express Newspapers (Mumbai) Private Limited	87.90	19.10	87.85	107.00	332.00	87.85	439.00	95.72
Oxygen Business Park Private Limited	-	1.76	90.00	1.76	291.00	90.00	292.76	188.25
Manyata Promoters Private Limited	2,050.00	-	-	2,050.00	-	-	2,050.00	-
Expenses incurred by related party on behalf of the Trust								
Embassy Office Parks Management Services Private Limited	0.86	0.07	4.98	0.93	1.04	8.56	1.97	56.26
Embassy Pune Techzone Private Limited *	-	1.04	-	1.04	-	-	1.04	-
Expenses incurred by the Trust on behalf of related party								
Vikas Telecom Private Limited	-	339.15	-	339.15	-	-	339.15	-
Manyata Promoters Private Limited	-	-	-	-	0.82	-	0.82	-
Others	-	-	-	-	2.11	-	2.11	-
Change in investments pursuant the composite scheme of arrangement (refer note 36)								
Embassy Pune Techzone Private Limited *	12,083.50	-	-	12,083.50	-	-	12,083.50	-
Manyata Promoters Private Limited	50,684.75	-	-	50,684.75	-	-	50,684.75	-
Guarantee given to lender's trustee for loan obtained by SPV								
Manyata Promoters Private Limited	-	-	8,400.00	-	-	8,400.00	-	8,400.00
Guarantee given by SPV on behalf of REIT								
Indian Express Newspapers (Mumbai) Private Limited and Embassy Pune Techzone Private Limited *	-	7,500.00	-	7,500.00	7,500.00	-	15,000.00	-
Vikas Telecom Private Limited and Embassy Energy Private Limited	26,000.00	-	-	26,000.00	-	-	26,000.00	-

* Refer note 36

24 Related party disclosures

D Closing balances

Particulars	As at	
	31 March 2021	31 March 2020
Unsecured loan receivable (non-current)		
Quadron Business Park Private Limited	14,071.94	12,582.58
Embassy Pune Techzone Private Limited **	3,953.47	4,183.96
Manyata Promoters Private Limited	28,951.41	23,579.73
Qubix Business Park Private Limited	2,602.98	2,879.99
Oxygen Business Park Private Limited	7,182.40	3,782.62
Earnest Towers Private Limited	51.66	289.68
Vikhroli Corporate Park Private Limited	4,171.11	4,497.82
Galaxy Square Private Limited	1,984.78	2,264.89
Umbel Properties Private Limited	1,971.55	1,725.80
Indian Express Newspapers (Mumbai) Private Limited	3,102.46	3,334.03
Embassy Energy Private Limited	5,941.57	6,021.47
Sarla Infrastructure Private Limited	1,521.67	-
Vikas Telecom Private Limited	23,491.92	-
Short term construction loan		
Manyata Promoters Private Limited	55.00	-
Embassy Pune Techzone Private Limited **	1,420.00	620.00
Other financial liabilities		
Embassy Office Parks Management Services Private Limited	50.30	55.46
Trade payables		
Embassy Office Parks Management Services Private Limited	0.86	4.66
Investment in Debentures (current)		
Golflinks Software Park Private Limited	-	724.38
Investment in equity shares of subsidiaries		
Embassy Office Parks Private Limited **	-	62,768.25
Embassy Pune Techzone Private Limited **	12,083.50	-
Manyata Promoters Private Limited	99,475.27	48,790.52
Quadron Business Park Private Limited *	11,714.60	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 *	1,606.19	2,254.21
Indian Express Newspapers (Mumbai) Private Limited	13,210.96	13,210.96
Embassy Energy Private Limited	667.36	732.79
Vikas Telecom Private Limited	23,147.33	-
Embassy Office Ventures Private Limited	27,548.12	-
Sarla Infrastructure Private Limited	6,870.02	-
Contingent consideration payable		
Embassy Property Developments Private Limited (refer note 27)	350.00	-
Guarantee given to lender's trustee for loan obtained by SPV		
Manyata Promoters Private Limited	8,400.00	8,400.00
Guarantee given by SPV on behalf of REIT		
Indian Express Newspapers (Mumbai) Private Limited and Embassy Pune Techzone Private Limited **	15,000.00	-
Vikas Telecom Private Limited and Embassy Energy Private Limited	26,000.00	-

* Net of provision for impairment of Rs.3,275.57 million (31 March 2020 : Rs.587.46 million).

** Refer note 36

25 Financial instruments :

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	31 March 2021	31 March 2021	31 March 2020	31 March 2020
Financial assets				
Fair value through profit and loss				
Investments in mutual funds	-	-	3,209.07	3,209.07
Amortised cost				
Investments	-	-	724.38	-
Loans	100,473.92	-	65,763.57	-
Cash and cash equivalents	7,171.26	-	2,845.45	-
Other financial assets	-	-	3.15	-
Total assets	107,645.18	-	72,545.62	3,209.07
Financial liabilities				
Amortised cost				
Borrowings	83,319.10	84,630.97	39,018.84	38,984.00
Other financial liabilities	460.16	-	88.48	-
Trade payables	2.60	-	6.68	-
Total liabilities	83,781.86	84,630.97	39,114.00	38,984.00

The fair value of cash and cash equivalents, 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	31 March 2021	-	-	-	-
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 year ended 31 March 2021 and year ended 31 March 2020.

d) Determination of fair values

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

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

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

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

26 The Trust had incurred legal and professional fees amounting to Rs.91.79 million, which were qualifying transaction costs in previous quarters in relation to the Institutional placement and Preferential issue of units of REIT, which were previously charged off to statement of profit and loss during the quarter ended 30 June 2020. During the quarter ended 31 December 2020, on successful completion of issue of Units (Institutional placement and Preferential allotment), the aforesaid expenses have been reclassified as Issue Expenses and have been reduced from the Unitholders Capital in accordance with Ind AS 32 Financial Instruments: Presentation.

27 During the year ended 31 March 2021, the Trust acquired VTPL, EOVP and SIPL by acquiring all of the equity interest held by the Embassy Sponsor, BREP entities and certain other third party shareholders. The acquisition of equity interest in EOVP (which in turn holds 60% equity interest in VTPL) and SIPL has been completed with issue proceeds received of Rs.36,852.02 million, by issue of 111,335,400 Units at a price of Rs.331.00 per Unit through the Institutional Placement. The acquisition of balance 40% equity interest in VTPL is completed through Preferential issue of 64,893,000 Units at a price of Rs.356.70 per unit to the third party shareholders aggregating to Rs. 23,147.33 million.

The investments in VTPL, EOVP and SIPL are accounted for at cost less accumulated impairment losses. Below is the details of purchase consideration paid to acquire the SPV's.

Entity	Amount
VTPL	23,147.33
EOVP	27,548.12
SIPL *	6,870.02

* The Purchase consideration for acquisition of SIPL includes contingent consideration of Rs.350.00 million which shall be payable to the Embassy Sponsor upon satisfaction of certain conditions and as per timeline agreed between the parties.

28 Details of utilisation of proceeds of Institutional placement as on 31 March 2021 are follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Funding of consideration for the acquisition of the ETV SPV's, including subscription to Class A equity shares in EOVP, payment of consideration to the BREP Entities and the Embassy Sponsor	34,068.14	34,068.14	-
Debt funding to the ETV SPV's for partial or full repayment or pre-payment of bank/financial institution debt and settlement of certain liabilities	1,550.00	1,550.00	-
Issue expenses	750.00	750.00	-
General purposes	483.88	84.93	398.95
Total	36,852.02	36,453.07	398.95

29 Details of utilisation of proceeds of issue of Embassy REIT Series II NCD 2020 (Tranche A and Tranche B) as on 31 March 2021 are follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	13,621.31	13,621.31	-
General purposes including issue expenses	1,378.69	1,378.69	-
Total	15,000.00	15,000.00	-

30 Details of utilisation of proceeds of issue of Embassy REIT Series III NCD 2021 as on 31 March 2021 are follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	24,500.00	24,500.00	-
General purposes including issue expenses	1,500.00	613.52	886.48
Total	26,000.00	25,113.52	886.48

31 Investment management fees

Pursuant to the Investment management agreement dated 12 June 2017, as amended, the Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the Trust and its investments. Investment management fees accrued for the quarter and year ended 31 March 2021 amounts to Rs.54.25 million and Rs.212.23 million respectively. There are no changes during the year ended 31 March 2021 in the methodology for computation of fees paid to the Manager.

32 Secondment fees

Pursuant to the Secondment agreement dated 11 March 2019, the Manager is entitled to fees of Rs. 0.10 million per month in respect certain employees of the Manager being deployed to the Trust in connection with the operation and management of the assets of the Trust. Secondment fees for the quarter and year ended 31 March 2021 amounts to Rs.0.35 million and Rs.1.42 million respectively. There are no changes during the year ended 31 March 2021 in the methodology for computation of secondment fees paid to the Manager.

33 Segment Reporting

The Trust does not have any Operating segments as at 31 March 2021 and 31 March 2020 and hence, disclosure under Ind AS 108, Operating segments has not been provided in the Condensed Standalone financial statements.

34 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.

35 The Trust does not have any unhedged foreign currency exposure as at 31 March 2021.

36 The Board of Directors of the Manager in their meeting held on 19 May 2020 approved a 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 Trust (as shareholder of EOPPL) will be issued shares in EPTPL; followed by

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

The above scheme has been approved by National Company Law Tribunal (NCLT), Mumbai bench with an effective date of 10 March 2021. Further the Scheme was approved by the Board of Approval of Special Economic Zones ("BoA") in its meeting held on 18 March 2021 and the necessary form with ROC was filed on 25 March 2021, for all the three entities. Upon completion of the Scheme, MPPL has become a 100% HoldCo of the Trust, holding Embassy Manyata, Bengaluru, 80% of the share capital of EEPL, 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of the Trust, holding Embassy TechZone, an existing asset of the Trust.

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37 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 29 April 2021, have declared distribution to Unitholders of Rs.5.60 per unit which aggregates to Rs.5,308.20 million for the quarter ended 31 March 2021. The distributions of Rs.5.60 per unit comprises Rs.1.24 per unit in the form of interest payment, Rs.2.21 per unit in the form of dividend and the balance Rs.2.15 per unit in the form of amortization of SPV debt.

Along with distribution of Rs.13,055.89 million/ Rs.15.88 per unit for the nine months ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to Rs.18,364.09 million/ Rs. 21.48 per unit.

38 The figures for the quarter ended 31 March 2021 are the derived figures between the audited figures in respect of the year ended 31 March 2021 and the published year-to-date figures up to 31 December 2020, which were subject to limited review. Further, the figures for the half year ended 31 March 2021 are the derived figures between the audited figures in respect of the year ended 31 March 2021 and the published year-to-date figures up to 30 September 2020, which were subject to limited review.

The figures for the corresponding 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. Further, the figures for the half year ended 31 March 2020 are the derived figures between the audited figures in respect of the year ended 31 March 2020 and the published year-to-date figures up to 30 September 2020, 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

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: 29 April 2021

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

Independent Auditor’s Report on Condensed Consolidated Ind AS Financial Information

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

Opinion

We have audited the accompanying Condensed Consolidated Ind AS Financial Information of Embassy Office Parks REIT (the “REIT”), its subsidiaries and a Joint venture (together referred as “the Group”), pursuant to the requirements of Regulation 23 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder (the “REIT regulations”), which comprise the following:

- the condensed consolidated Balance Sheet as at March 31, 2021;
- the condensed consolidated Statement of Profit and Loss, including Other Comprehensive Income and condensed consolidated Statement of Cash Flows for the quarter, half year and year ended March 31, 2021;
- the condensed consolidated Statement of Changes in Unitholders’ equity for the year ended March 31, 2021;
- the consolidated Statement of Net Assets at fair value as at March 31, 2021;
- the consolidated Statement of Total Returns at fair value for the year ended March 31, 2021;
- the Statement of Net Distributable Cash Flows (‘NDCF’) of the REIT and each of its subsidiaries for the half year and year ended March 31, 2021, and
- Summary of significant accounting policies and select explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements and on the other financial information of the subsidiaries, the aforesaid Condensed Consolidated Ind AS Financial Information:

- i. 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 (upto March 10, 2021)
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
13	Vikas Telecom Private Limited (w.e.f. December 24, 2020)
14	Embassy Office Ventures Private Limited (w.e.f. December 24, 2020)
15	Sarla Infrastructure Private Limited (w.e.f. December 24, 2020)
C	Joint Venture
1	Golflinks Software Park Private Limited

- ii. give the information required by the REIT regulations in the manner so required; and
- iii. give a true and fair view in conformity with Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34") and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations, of:
- in case of the condensed consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2021;
 - in case of the condensed consolidated Statement of profit and loss including Other Comprehensive Income, its consolidated profit including other comprehensive income for the quarter, half year and year ended on March 31, 2021;
 - in case of the condensed consolidated Statement of cash flows, of the consolidated cash flows for the quarter, half year and year ended on March 31, 2021;

- in case of the condensed consolidated Statement of Changes in Unitholders' equity, of the movement of the Unitholders' equity for the year ended March 31, 2021;
- in case of the consolidated Statement of Net Assets at fair value, of the consolidated net assets as at March 31, 2021;
- in case of the consolidated Statement of Total Returns at fair value, of the consolidated total returns for the year ended March 31, 2021; and
- in case of the Statement of Net Distributable Cash Flows of the REIT and each of its subsidiaries, of the NDCF's for the half year and year ended March 31, 2021.

Basis for Opinion

We conducted our audit of the Condensed Consolidated Ind AS Financial Information in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Condensed Consolidated Ind AS Financial Information' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Condensed Consolidated Ind AS Financial Information under the provisions of the REIT Regulations, and we have fulfilled our ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 46(iv) to the Condensed Consolidated Ind AS Financial Information which refers to the uncertainty in relation to two pending cases, as regards Property tax dues aggregating to Rs.3,418.89 million as at March 31, 2021 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 Ind AS Financial Information.

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

Management's Responsibilities for the Condensed Consolidated Ind AS Financial Information

The Management of the Manager ('the Management') is responsible for the preparation and presentation of these Condensed Consolidated Ind AS Financial Information that give a true and fair view of the consolidated financial position as at March 31, 2021, consolidated financial performance including other comprehensive income and consolidated cash flows for the quarter, half year and year ended March 31, 2021, consolidated statement of changes in Unitholders' equity for the year ended March 31, 2021, its consolidated net assets at fair value as at March 31, 2021, its consolidated total returns at fair value for the year ended March 31, 2021 and the net distributable cash flows of the REIT and each of its subsidiaries for the half year and year ended March 31, 2021, in accordance with the requirements of the REIT regulations; 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, to the extent not inconsistent with REIT regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed consolidated Ind AS Financial Information that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the condensed consolidated Ind AS Financial Information by the Management, as aforesaid.

In preparing these Condensed Consolidated Ind AS Financial Information, the Board of Directors of the Manager and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Management and respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Condensed Consolidated Ind AS Financial Information

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

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

- Identify and assess the risks of material misstatement of the Condensed Consolidated Ind AS Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Condensed Consolidated Ind AS Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Condensed Consolidated Ind AS Financial Information, including the disclosures, and whether the Condensed Consolidated Ind AS Financial Information represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the Condensed Consolidated Ind AS Financial Information. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Condensed Consolidated Ind AS Financial Information of which we are the independent auditors. For the other entities included in the Condensed Consolidated Ind AS Financial Information, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the REIT and such other entities included in the Condensed Consolidated Ind AS Financial Information of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

- (i) The accompanying Condensed Consolidated Ind AS Financial Information includes the audited financial statements and other financial information, in respect of 3 subsidiaries, whose financial statements include total assets of Rs. 61,102.67 million as at March 31, 2021, total revenues of Rs. 2,207.24 million for the quarter ended March 31, 2021 and net cash outflows of Rs. 1,472.45 million for the quarter ended March 31, 2021, as considered in the Condensed Consolidated Ind AS Financial Information which have been audited by their respective independent auditors and whose reports have been furnished to us by the Management. Our opinion on the Condensed Consolidated Ind AS Financial Information, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of such other auditors.
- (ii) The figures for the quarter ended March 31, 2021 presented in the Condensed Consolidated Ind AS Financial Information are the derived figures between the audited figures in respect of the year ended March 31, 2021 and the published year-to-date figures up to December 31, 2020, which were subject to limited review. Further, the figures for the half year ended March 31, 2021 presented in the Condensed Consolidated Ind AS Financial Information are the derived figures between the audited figures in respect of the year ended March 31, 2021 and the published year-to-date figures up to September 30, 2020, which were subject to limited review.

Our opinion above on the Condensed Consolidated Ind AS Financial Information and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

Based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, we further report that:

- (a) We/the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) The Condensed Consolidated Balance Sheet and the Condensed Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Condensed Consolidated Ind AS Financial Information; and
- (c) In our opinion, the aforesaid Condensed Consolidated Ind AS Financial Information comply with the Indian Accounting Standards 34, 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.

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

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

UDIN: 21209567AAAACK7267

Place: Bengaluru, India
Date: April 29, 2021

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



	Note	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	22,067.35	20,698.93
Capital work-in-progress	4	4,739.47	2,334.07
Investment property	5	272,345.76	194,076.48
Investment property under development	8	8,968.79	1,773.39
Goodwill	6	63,946.24	50,289.37
Other intangible assets	7	15,924.64	5,001.36
Equity accounted investee	9	24,118.57	24,091.36
Financial assets			
- Loans	11	835.18	668.71
- Other financial assets	12	4,004.62	1,188.54
Deferred tax assets (net)	26	48.84	-
Non-current tax assets (net)	13	1,095.27	1,554.70
Other non-current assets	14	18,383.62	16,475.64
Total non-current assets		436,478.35	318,152.55
Current assets			
Inventories	15	10.80	12.82
Financial assets			
- Investments	10	-	12,273.59
- Trade receivables	16	473.16	242.25
- Loans	17	1.03	51.49
- Cash and cash equivalents	18A	9,174.78	3,249.16
- Other bank balances	18B	253.75	169.79
- Other financial assets	19	4,056.35	399.46
Other current assets	20	395.34	351.22
Total current assets		14,365.21	16,749.78
Total assets		450,843.56	334,902.33
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	21	288,262.11	229,120.96
Other equity	22	(17,331.44)	(5,943.12)
Total equity		270,930.67	223,177.84
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	23	106,023.33	56,170.51
- Other financial liabilities	24	4,749.57	3,118.65
Provisions	25	5.79	5.25
Deferred tax liabilities (net)	26	53,296.43	40,407.38
Other non-current liabilities	27	685.26	386.70
Total non-current liabilities		164,760.38	100,088.49
Current liabilities			
Financial liabilities			
- Trade payables	28		
- total outstanding dues of micro and small enterprises		48.27	2.48
- total outstanding dues of creditors other than micro and small enterprises		392.62	252.27
- Other financial liabilities	29	12,737.83	10,562.79
Provisions	30	1.89	2.37
Other current liabilities	31	1,872.13	781.58
Current tax liabilities (net)	32	99.77	34.51
Total current liabilities		15,152.51	11,636.00
Total equity and liabilities		450,843.56	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/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

Note	For the quarter ended 31 March 2021 (Audited)**	For the quarter ended 31 December 2020 (Unaudited)	For the quarter ended 31 March 2020 (Audited)**	For the half year ended 31 March 2021 (Audited)**	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited)**	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
Income and gains								
Revenue from operations	33	7,386.59	5,652.85	5,433.61	13,039.44	10,563.76	23,603.20	21,449.22
Interest	34	250.93	224.27	191.28	475.20	496.00	971.20	477.35
Other income	35	65.35	82.35	211.06	147.70	66.36	214.06	513.00
Total Income		7,702.87	5,959.47	5,835.95	13,662.34	11,126.12	24,788.46	22,439.57
Expenses								
Cost of materials consumed	36	16.13	13.47	32.56	29.60	5.95	35.55	118.94
Employee benefits expense	37	58.37	56.05	97.23	114.42	111.06	225.48	377.17
Operating and maintenance expenses	38	147.36	129.28	112.08	276.64	137.17	413.81	627.46
Repairs and maintenance	40	781.84	477.83	304.14	1,259.67	534.53	1,794.20	1,215.38
Valuation expenses		2.66	1.37	0.92	4.03	4.42	8.45	9.74
Audit fees		13.70	13.33	0.92	27.03	22.23	49.26	43.20
Insurance expenses		27.75	20.87	15.20	48.62	33.28	81.90	66.74
Investment management fees	45	228.84	170.67	183.42	399.51	348.63	748.14	700.94
Trustee fees		0.70	0.62	0.76	1.32	1.63	2.95	2.96
Legal and professional fees (refer note 58)		137.36	(38.97)	91.76	98.39	192.79	291.18	383.94
Other expenses	39	661.54	285.38	374.91	946.92	497.41	1,444.33	1,246.33
Total Expenses		2,076.25	1,129.90	1,213.90	3,206.15	1,889.10	5,095.25	4,792.80
Earnings before finance costs, depreciation, amortisation, impairment loss and tax		5,626.62	4,829.57	4,622.05	10,456.19	9,237.02	19,693.21	17,646.77
Finance costs	41	2,281.48	1,361.54	1,204.94	3,643.02	2,809.87	6,452.89	3,803.54
Depreciation expense	42	1,485.40	1,162.21	1,221.93	2,647.61	2,292.54	4,940.15	5,120.00
Amortisation expense	42	490.61	196.97	41.27	687.58	79.24	766.82	161.24
Impairment loss	3, 6	988.96	-	1,775.98	988.96	-	988.96	1,775.98
Profit before share of profit of equity accounted investee and tax		380.17	2,108.85	377.93	2,489.02	4,055.37	6,544.39	6,786.01
Share of profit after tax of equity accounted investee		237.28	266.31	280.55	503.59	490.89	994.48	1,169.33
Profit before tax		617.45	2,375.16	658.48	2,992.61	4,546.26	7,538.87	7,955.34
Tax expense:								
Current tax	43	446.63	422.51	480.90	869.14	779.92	1,649.06	1,361.39
Deferred tax charge/ (credit)	43	(61.90)	(88.96)	180.59	(150.86)	(301.91)	(452.77)	(11.27)
Minimum alternate tax credit entitlement (MAT)	43	(234.81)	(106.35)	(439.29)	(341.16)	(299.79)	(640.95)	(1,050.12)
MAT written off/ (written back)	43	-	-	(141.79)	-	(150.75)	-	-
		149.92	227.20	80.41	377.12	178.22	555.34	300.00
Profit for the period/ year		467.53	2,147.96	578.07	2,615.49	4,368.04	6,983.53	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		0.81	-	0.16	0.81	-	0.81	0.16
Total comprehensive income attributable to Unitholders for the period/ year		468.34	2,147.96	578.23	2,616.30	4,368.04	6,984.34	7,655.50
Earnings per Unit								
Basic, attributable to the Unitholders of the Trust	44	0.49	2.72	0.75	3.01	5.66	8.52	9.92
Diluted, attributable to the Unitholders of the Trust		0.49	2.72	0.75	3.01	5.66	8.52	9.92

** Refer note 59.

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/-
per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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



	For the quarter ended 31 March 2021 (Audited)**	For the quarter ended 31 December 2020 (Unaudited)	For the quarter ended 31 March 2020 (Audited)**	For the half year ended 31 March 2021 (Audited)**	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited)**	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
Cash flow from operating activities								
Profit before share of profit of equity accounted investees and tax	380.17	2,108.85	377.93	2,489.02	4,055.37	2,713.63	6,544.39	6,786.01
Adjustments for :								
Non-cash and other adjustments								
Depreciation expense	1,485.40	1,162.21	1,221.93	2,647.61	2,292.54	2,364.45	4,940.15	5,120.00
Amortisation expense	490.61	196.97	41.27	687.58	79.24	81.17	766.82	161.24
Assets no longer required, written off	1.16	-	2.90	1.16	-	6.20	1.16	11.16
Loss of sale of fixed assets	-	51.13	-	51.13	10.76	-	61.89	-
Allowance for credit loss	20.83	-	0.59	20.83	-	0.59	20.83	0.85
Liabilities no longer required written back	(0.08)	(0.01)	(13.29)	(0.09)	(4.59)	(13.29)	(4.68)	(13.29)
Profit on sale of mutual funds	(36.43)	(76.66)	(163.41)	(113.09)	(41.02)	(273.44)	(154.11)	(359.96)
Finance costs	2,281.48	1,361.53	1,204.94	3,643.02	2,809.87	2,148.50	6,452.89	3,803.54
Interest income	(221.30)	(186.15)	(191.28)	(407.45)	(463.76)	(238.04)	(871.21)	(451.04)
Fair value loss/(gain) on investment measured at FVTPL	-	-	20.78	-	3.00	19.96	3.00	6.71
Impairment loss recognised	988.96	-	1,775.98	988.96	-	1,775.98	988.96	1,775.98
Operating profits before working capital changes	5,390.80	4,617.87	4,278.34	10,008.68	8,741.41	8,585.71	18,750.09	16,841.20
Working capital adjustments								
- Inventories	(0.16)	0.53	(0.01)	0.37	1.65	(1.69)	2.02	(7.40)
- Trade receivables	(62.84)	(132.21)	47.11	(195.05)	27.48	162.20	(167.57)	126.60
- Loans and other financial assets (current and non-current)	308.71	(112.92)	227.95	195.79	(425.30)	195.38	(229.51)	731.70
- Other assets (current and non-current)	347.61	(237.91)	75.13	109.70	24.47	282.39	134.17	52.94
- Trade payables	280.68	(41.86)	126.81	238.82	(61.54)	1.98	177.28	(153.83)
- Other financial liabilities (current and non-current)	(418.05)	195.30	343.98	(222.75)	6.15	362.42	(216.60)	977.70
- Other liabilities and provisions (current and non-current)	188.01	502.77	(233.83)	690.78	120.82	(259.57)	811.60	(183.01)
Cash generated from operating activities before taxes	6,034.76	4,791.57	4,865.48	10,826.34	8,435.14	9,328.82	19,261.48	18,385.90
Taxes (paid)/ refunds received (net)	50.06	(220.93)	(326.79)	(170.87)	(385.67)	(694.73)	(556.54)	(1,429.28)
Cash generated from operating activities	6,084.82	4,570.64	4,538.69	10,655.47	8,049.47	8,634.09	18,704.94	16,956.62
Cash flow from investing activities								
(Investments)/ redemption of deposits with banks (net)	731.84	(381.61)	830.92	350.23	202.08	923.49	552.31	2,760.20
(Investments)/ redemption in mutual funds (net)	36.54	76.55	2,781.03	113.09	11,587.23	(5,717.55)	11,700.32	(9,251.09)
Investment in debentures	-	-	-	-	-	-	-	(2,500.00)
Repayment of investment in debentures	-	-	458.10	-	724.38	906.61	724.38	1,775.62
Payment for purchase of Investment Property, Property, Plant and Equipment and intangibles including Capital Work-in-progress and Investment Property under Development	(4,211.05)	(1,337.77)	(1,574.66)	(5,548.83)	(2,128.86)	(7,241.60)	(7,677.69)	(11,839.41)
Payment for acquisition of ETV business	(400.20)	(32,404.25)	-	(32,804.45)	-	-	(32,804.45)	-
Payment for acquisition of CAM business in EOPPL and MPPL	-	(4,730.21)	-	(4,730.21)	-	-	(4,730.21)	-
Payment for acquisition of business	-	-	-	-	-	-	-	(3,450.00)
Dividend received	350.00	300.00	365.00	650.00	265.00	365.00	915.00	535.00
Interest received	214.77	224.51	233.30	439.28	467.75	323.50	907.03	485.66
Net cash flow generated from / (used in) investing activities	(3,278.10)	(38,252.78)	3,093.69	(41,530.89)	11,117.58	(10,440.55)	(30,413.31)	(21,484.02)

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



	For the quarter ended 31 March 2021 (Audited)**	For the quarter ended 31 December 2020 (Unaudited)	For the quarter ended 31 March 2020 (Audited)**	For the half year ended 31 March 2021 (Audited)**	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited)**	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
Cash flow from financing activities								
Interest paid	(1,340.36)	(1,758.02)	(330.30)	(3,098.39)	(600.36)	(863.39)	(3,698.75)	(1,562.48)
Repayments of borrowings	(26,365.58)	(7,228.12)	(3,435.46)	(33,593.71)	(6,858.11)	(3,475.60)	(40,451.82)	(73,462.66)
Proceeds from borrowings, (net of issue expenses)	28,762.40	7,345.41	2,998.47	36,107.81	8,195.68	17,051.43	44,303.50	48,947.26
Proceeds from issue of units	-	36,852.02	-	36,852.02	-	-	36,852.02	-
Transaction costs related to issue of units	(589.69)	(245.25)	(30.00)	(834.93)	-	(51.54)	(834.93)	(2,378.63)
Cash used in distribution to Unitholders (including taxes on account of distribution by SPV's)	(4,312.52)	(4,243.37)	(4,707.20)	(8,555.89)	(9,815.03)	(9,336.89)	(18,370.92)	(13,526.72)
Payment of lease liabilities	(0.87)	-	(20.37)	(0.87)	(27.83)	(20.37)	(28.70)	(20.37)
Security deposits received	-	-	-	-	1.00	30.00	1.00	30.00
Net cash (used in) / generated from financing activities	(3,846.62)	30,722.67	(5,524.86)	26,876.05	(9,104.65)	3,333.64	17,771.40	(41,973.60)
Net increase/ (decrease) in cash and cash equivalents	(1,039.90)	(2,959.47)	2,107.52	(3,999.37)	10,062.40	1,527.18	6,063.03	(46,501.00)
Cash and cash equivalents at the beginning of the period / year	10,214.68	13,174.15	1,004.23	13,174.15	3,111.75	1,584.57	3,111.75	49,612.75
Cash and cash equivalents at the end of the period / year	9,174.78	10,214.68	3,111.75	9,174.78	13,174.15	3,111.75	9,174.78	3,111.75
Components of cash and cash equivalents (refer note 18A and 29)								
Cash in hand	0.69	0.73	1.12	0.69	0.69	1.12	0.69	1.12
Balances with banks								
- in current accounts	9,068.79	9,681.64	3,225.16	9,068.79	13,172.64	3,225.16	9,068.79	3,225.16
- in escrow accounts	105.30	532.31	2.88	105.30	0.82	2.88	105.30	2.88
- in fixed deposits	-	-	20.00	-	-	20.00	-	20.00
Book overdraft	-	-	(137.41)	-	-	(137.41)	-	(137.41)
	9,174.78	10,214.68	3,111.75	9,174.78	13,174.15	3,111.75	9,174.78	3,111.75

Significant accounting policies (refer Note 2)

** Refer note 59.

The Trust has issued 64,893,000 units through preferential allotment in exchange for acquisition of 40% stake in VTPL during the year ended 31 March 2021. The same has not been reflected in Consolidated Statement of Cash Flows since it was a non-cash transaction.

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

Sd/-

per **Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: 29 April 2021

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: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

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



A. Unit Capital	No in Million	Amount
Balance as on 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable	-	81.70
Balance as at 31 March 2020	771.67	229,120.96
Balance as on 1 April 2020	771.67	229,120.96
Units issued during the year (refer Note 21)	176.23	59,999.35
Less: issue expenses (refer Note 21)	-	(858.20)
Balance as at 31 March 2021	947.90	288,262.11

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 during the year ended 31 March 2020*	(13,504.15)
Balance as at 31 March 2020	(5,943.12)
Balance as on 1 April 2020	(5,943.12)
Add: Profit for the year ended 31 March 2021	6,983.53
Add: Other Comprehensive Income for the year ended 31 March 2021	0.81
Less: Distribution to Unitholders during the year ended 31 March 2021*^	(18,372.66)
Balance as at 31 March 2021	(17,331.44)

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

^ The distribution for years ended 31 March 2021 and 31 March 2020 does not include the distribution relating to the last quarters, for the year ended 31 March 2021 (which will be paid subsequently) and year ended 31 March 2020 (which was paid subsequently), respectively.

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/-

per **Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: 29 April 2021

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

A) Statement of Net Assets at fair value

S.No	Particulars	Unit of measurement	As at 31 March 2021		As at 31 March 2020	
			Book Value	Fair value	Book Value	Fair value
A	Assets	Rs in millions	450,843.56	547,870.38	334,902.33	401,354.66
B	Liabilities	Rs in millions	179,912.89	180,520.80	111,724.49	112,254.26
C	Net Assets (A-B)	Rs in millions	270,930.67	367,349.58	223,177.84	289,100.40
D	No. of units	Numbers	947,893,743	947,893,743	771,665,343	771,665,343
E	NAV (C/D)	Rs	285.82	387.54	289.22	374.64

Notes:

1) Measurement of fair values:

The fair value of investment property, investment property under development (including capital advances), property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL and ETV); intangibles and the investment in GLSP as at 31 March 2021 and 31 March 2020 has been determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

Valuation technique

The fair value measurement for all the investment property, investment property under development, property plant and equipment, intangibles and capital work-in-progress has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

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

Given the COVID-19 related uncertainties, the independent valuers have, as a precautionary measure, referenced material valuation uncertainty in arriving at their valuation as at 31 March 2021 and 31 March 2020.

2) Property wise break up of Fair value of Assets as at 31 March 2021 is as follows:

Particulars	Fair value of investment property, investment property under development, property, plant and equipment and capital work-in-progress, intangibles *	Other assets at book value (***) (Note i)	Total assets	Total liabilities to be considered (Note ii)	Asset wise NAV	Book value of assets
100% owned assets						
MPPL	177,919.67	2,603.26	180,522.93	17,834.79	162,688.14	127,895.25
EPTPL (refer note 57)	22,826.71	683.03	23,509.74	1,558.85	21,950.89	20,945.88
UPPL	3,995.09	95.81	4,090.90	511.71	3,579.19	4,373.13
EEPL	9,302.43	209.30	9,511.73	233.26	9,278.47	9,497.45
GSPL	9,028.07	93.46	9,121.53	407.84	8,713.69	5,991.18
ETPL	13,889.21	747.96	14,637.17	445.50	14,191.67	10,691.63
OBPPL	23,693.70	278.31	23,972.01	1,490.32	22,481.69	15,173.26
QBPPL	10,413.56	210.21	10,623.77	230.24	10,393.53	8,952.98
QBPL	24,540.65	1,820.61	26,361.26	574.77	25,786.49	22,001.73
VCPPPL	16,913.95	157.30	17,071.25	621.69	16,449.56	12,961.31
IENMPL	18,402.62	137.83	18,540.45	959.47	17,580.98	14,418.34
ETV Assets	107,073.00	5,316.67	112,389.67	20,466.09	91,923.58	102,762.99
Trust	-	71,059.86	71,059.86	135,186.27	(64,126.41)	71,059.86
Total	437,998.66	83,413.61	521,412.27	180,520.80	340,891.47	426,724.99
Investment in GLSP **	26,458.11	-	26,458.11	-	26,458.11	24,118.57
	464,456.77	83,413.61	547,870.38	180,520.80	367,349.58	450,843.56

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

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

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

* Fair values of investment property, investment property under development, property, plant and equipment, intangibles capital work in progress and investment in GLSP as at 31 March 2021 and 31 March 2020 as disclosed above are solely based on the fair valuation report of iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

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

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

*** Other assets at book value include Goodwill of Rs. 63,946.24 million on book value basis (net off impairment loss, refer note 6). The Goodwill of Rs. 63,946.24 million (31 March 2020: Rs. 50,289.37 million) mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values using an approach as more fully described in note 51 as well as the requirement to recognise deferred tax liability of Rs. 53,207.28 million (31 March 2020: Rs. 38,783.20 million), calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases.

Notes:

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

As per our report of even date attached

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

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/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

B) Statement of Total Returns at Fair value

S.No	Particulars	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
A	Total comprehensive income	2,616.30	4,368.04	3,112.74	6,984.34	7,655.50
B	Add : Changes in fair value not recognised in total comprehensive income (refer notes below)	10,965.13	4,003.72	1,707.31	14,968.85	3,961.80
C (A+B)	Total Return	13,581.43	8,371.76	4,820.05	21,953.19	11,617.30

Notes:

- In the above statement, changes in fair value for the year ended 31 March 2021 and 31 March 2020 has been computed based on the difference in fair values of investment property, investment property under development, property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL and ETV); intangibles and investment in GLSP as at 31 March 2021 as compared with the values as at 31 March 2020, net of cash spent on construction during the period. The fair values of the afore-mentioned assets as at 31 March 2021 and 31 March 2020 are solely based on the valuation report of iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.
- ETV assets were acquired on 24 December 2020 and accordingly the statement of total returns at fair value does not include any difference in fair values of Investment Property, Investment property under development, Property, Plant and Equipment, Capital Work-in-progress and intangibles for ETV assets.

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/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
1	Cash flows received from SPVs and investment entity in the form of:								
	• Interest	1,852.56	2,016.48	1,942.20	3,869.04	3,208.86	3,883.35	7,077.90	7,823.93
	• Dividends (net of applicable taxes)	2,137.90	20.86	177.85	2,158.76	623.00	177.85	2,781.76	289.97
	• Repayment of Shareholder Debt	2,071.21	2,495.04	3,244.91	4,566.25	5,174.24	6,106.92	9,740.49	11,012.23
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-	-	-	-	-	-	-	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:	-	-	-	-	-	-	-	-
	• Applicable capital gains and other taxes	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-
4	Add: Any other income of the Trust and not captured herein	22.83	16.73	55.09	39.56	50.14	99.19	89.70	167.05
5	Less: Any other expense accruing at the Trust level and not captured herein	(31.65)	(25.87)	(17.26)	(57.51)	(36.05)	(20.23)	(93.56)	(23.40)
6	Less: Any fees, including but not limited to:								
	• Trustee fees	(0.74)	(0.58)	(0.76)	(1.32)	(1.63)	(1.48)	(2.95)	(2.96)
	• REIT Management Fees	(54.25)	(44.52)	(56.02)	(98.77)	(113.36)	(111.36)	(212.23)	(214.81)
	• Valuer fees	(2.65)	(1.37)	(0.92)	(4.02)	(4.43)	(5.02)	(8.45)	(9.74)
	• Legal and professional fees	(28.56)	85.96	(23.85)	57.40	(121.93)	(85.98)	(64.53)	(102.89)
	• Trademark license fees	(0.36)	(0.35)	(0.36)	(0.71)	(0.71)	(0.71)	(1.42)	(1.42)
	• Secondment fees	(0.36)	(0.35)	(0.36)	(0.71)	(0.71)	(0.71)	(1.42)	(1.42)
7	Less: Debt servicing	-	-	-	-	-	-	-	-
	• Interest on external debt	(637.77)	(242.68)	-	(880.45)	(33.99)	-	(914.44)	-
	• Repayment of external debt	-	-	-	-	-	-	-	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(3.82)	(11.57)	(6.13)	(15.39)	(19.26)	(17.11)	(34.65)	(70.62)
	Net Distributable Cash Flows	5,324.34	4,307.79	5,314.39	9,632.14	8,724.07	10,024.71	18,356.20	18,865.92

Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on 29 April 2021, have declared distribution to Unitholders of Rs.5.60 per unit which aggregates to Rs.5,308.20 million for the quarter ended 31 March 2021. The distributions of Rs.5.60 per unit comprises Rs.1.24 per unit in the form of interest payment, Rs.2.21 per unit in the form of dividend and the balance Rs.2.15 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 13,055.89 million/ Rs. 15.88 per unit for the period ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to Rs.18,364.09 million/ Rs. 21.48 per unit.
- Repayment of short-term construction debt given to SPVs and interest accrued but not due on borrowings as at the period/year end are not considered for the purpose of distributions.
- Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI 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/-

per **Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: 29 April 2021

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

Embassy Office Parks REIT

Condensed Consolidated Financial Statements

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(all amounts in Rs. million unless otherwise stated)

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

Net Distributable Cash Flows (NDAR) 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 2021 for distribution

Sl No	Particulars	EOPPL**	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPL	EPTPL**	VTPL	EOVPL	SIPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	122.54	925.90	82.72	(96.88)	102.48	40.86	127.61	(51.67)	(882.46)	67.76	30.03	1.13	(197.66)	(285.02)	54.63	41.97
	<i>Adjustment:</i>																
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:																
	• Depreciation, amortisation and impairment	132.56	558.60	91.20	57.07	50.33	22.37	61.20	68.03	705.48	14.37	38.73	-	297.52	230.00	-	2,327.46
	• Assets written off or liabilities written back	-	(24.61)	-	-	5.83	2.73	0.26	2.55	3.10	1.80	1.09	-	(5.30)	-	-	(12.55)
	• Current tax charge as per statement of profit and loss	36.66	161.04	-	(2.15)	56.69	31.62	31.02	1.37	-	11.28	17.66	-	91.59	-	-	436.78
	• Deferred tax	(0.32)	110.20	42.38	(35.67)	(3.31)	0.55	5.53	(9.07)	(128.50)	12.37	(12.85)	-	198.86	-	(82.90)	97.27
	• MAT adjustments as per statement of profit and loss	9.19	(137.03)	-	-	-	-	-	-	-	(15.38)	-	-	(91.59)	-	-	(234.81)
	• Ind AS adjustments not considered in any other item above	15.52	101.84	-	-	11.35	2.30	(22.51)	24.08	(2.78)	(2.95)	45.14	-	217.32	-	(23.30)	366.01
3	Add: Interest on shareholders debt charged to statement of profit and loss	124.71	868.68	184.78	53.21	5.05	62.96	97.02	209.11	384.07	81.54	131.77	-	610.03	-	22.25	2,835.18
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.	(2.98)	(306.24)	(38.90)	1.40	(36.94)	(20.18)	(21.62)	54.95	(68.75)	(36.60)	(50.53)	(0.27)	320.28	69.06	315.02	177.70
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 *	-	-	-	-	-	-	-	-	-	-	-	-	(27.21)	-	-	(27.21)
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)	(25.55)	(192.38)	(0.38)	(2.20)	(25.90)	(22.41)	(41.08)	(6.38)	127.19	(9.85)	34.53	-	221.40	(3.38)	0.24	53.85
	Total Adjustments (B)	289.79	1,140.10	279.08	71.66	63.10	79.94	109.82	344.64	1,019.81	56.58	205.54	(0.27)	1,832.90	295.68	231.31	6,019.68
	Net distributable Cash Flows C = (A+B)	412.33	2,066.00	361.80	(25.22)	165.58	120.80	237.43	292.97	137.35	124.34	235.57	0.86	1,635.24	10.66	285.94	6,061.65

* Repayment of borrowings 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 given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

** EOPPL filed a composite scheme of arrangement (the "Scheme") pursuant to which EOPPL has demerged its commercial office business to EPTPL and merged the remaining business with MPPL. The effective date for the Scheme is 10 March 2021. For the purpose of NDCF disclosure, management has presented the entire NDCF pertaining to demerged undertaking upto 31 March 2021 under EOPPL.

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

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

Embassy Office Parks REIT

Condensed Consolidated Financial Statements

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

(all amounts in Rs. million unless otherwise stated)

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

Net Distributable Cash Flows (NDAR) 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 December 2020 for distribution

Sl No	Particulars	EOPLL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPLL	VCPPL	EPTPL	VTPL	EOVPL	SIPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	235.09	814.08	16.08	(105.80)	119.28	43.49	87.48	(12.35)	(300.58)	59.26	122.23	-	-	-	-	1,078.26
	<i>Adjustment:</i>																
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:																
	• Depreciation, amortisation and impairment	120.85	523.30	87.94	56.92	50.41	22.27	61.25	70.71	75.23	14.36	38.45	-	-	-	-	1,121.69
	• Assets written off or liabilities written back	22.18	-	-	-	-	-	(0.01)	1.06	-	-	-	-	-	-	-	23.23
	• Current tax charge as per statement of profit and loss	73.23	176.66	-	-	45.74	21.33	47.61	(2.12)	-	13.70	44.65	-	-	-	-	420.80
	• Deferred tax	(0.76)	139.96	6.26	(37.21)	(6.22)	0.06	(3.94)	(6.73)	(30.76)	5.65	(11.05)	-	-	-	-	55.26
	• MAT adjustments as per statement of profit and loss	34.52	(130.91)	-	-	-	-	2.12	-	-	(12.08)	-	-	-	-	-	(106.35)
	• Ind AS adjustments not considered in any other item above	1.15	(19.46)	(1.28)	-	10.98	2.46	8.84	(10.90)	2.31	0.06	37.53	-	-	-	-	31.69
3	Add: Interest on shareholders debt charged to statement of profit and loss	126.28	881.78	189.00	54.38	7.91	66.18	104.19	213.77	390.21	85.40	140.72	-	-	-	-	2,259.82
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.	14.42	(89.58)	35.73	4.06	10.38	11.95	23.14	(51.04)	(109.36)	(1.23)	(13.87)	(0.02)	-	-	-	(165.42)
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 *	-	-	(8.88)	-	-	-	-	-	-	-	-	-	-	-	-	(8.88)
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)	(2.80)	(168.62)	-	(0.25)	(23.78)	(42.66)	22.12	51.02	(4.75)	(14.43)	(25.25)	-	-	-	-	(209.40)
	Total Adjustments (B)	389.07	1,313.13	308.77	77.90	95.42	81.59	263.20	267.89	322.88	91.43	211.18	(0.02)	-	-	-	3,422.44
	Net distributable Cash Flows C = (A+B)	624.16	2,127.21	324.85	(27.90)	214.70	125.08	350.68	255.54	22.30	150.69	333.41	(0.02)	-	-	-	4,500.70

* Repayment of borrowings 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 given to SPVs and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

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

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

Embassy Office Parks REIT

Condensed Consolidated Financial Statements

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(all amounts in Rs. million unless otherwise stated)

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Net Distributable Cash Flows (NDAR) 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	EOPLL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	EPTPL	VTPL	EOVPL	SIPL	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
	<i>Adjustment:</i>																
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 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 given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

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

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

Embassy Office Parks REIT

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(all amounts in Rs. million unless otherwise stated)

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

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



For the half year ended 31 March 2021 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	VCPL	EPTPL**	VTPL	EOVPL	SIPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone)	357.63	1,739.98	98.80	(202.68)	221.76	84.35	215.09	(64.02)	(1,183.04)	127.02	152.26	1.13	(197.66)	(285.02)	54.63	1,120.23
	<i>Adjustment:</i>																
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:																
	• Depreciation, amortisation and impairment	253.41	1,081.90	179.14	113.99	100.74	44.64	122.45	138.74	780.71	28.73	77.18	-	297.52	230.00	-	3,449.15
	• Assets written off or liabilities written back	22.18	(24.61)	-	-	5.83	2.73	0.25	3.61	3.10	1.80	1.09	-	(5.30)	-	-	10.68
	• Current tax charge as per statement of profit and loss	109.89	337.70	-	(2.15)	102.43	52.95	78.63	(0.75)	-	24.98	62.31	-	91.59	-	-	857.58
	• Deferred tax	(1.08)	250.16	48.64	(72.88)	(9.53)	0.61	1.59	(15.80)	(159.26)	18.02	(23.90)	-	198.86	-	(82.90)	152.53
	• MAT adjustments as per statement of profit and loss	43.71	(267.94)	-	-	-	-	-	2.12	-	(27.46)	-	-	(91.59)	-	-	(341.16)
	• Ind AS adjustments not considered in any other item above	16.67	82.38	(1.28)	-	22.33	4.76	(13.67)	13.18	(0.47)	(2.89)	82.67	-	217.32	-	(23.30)	397.70
3	Add: Interest on shareholders debt charged to statement of profit and loss	250.99	1,730.46	373.78	107.59	12.96	129.14	201.21	422.88	774.28	166.94	272.49	-	610.03	-	22.25	5,095.00
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.	11.44	(395.81)	(3.17)	5.46	(26.57)	(8.22)	1.53	3.90	(178.11)	(37.83)	(64.40)	(0.29)	320.28	69.06	315.02	12.29
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 *	-	-	(8.88)	-	-	-	-	-	-	-	-	-	(27.21)	-	-	(36.09)
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)	(28.35)	(361.00)	(0.38)	(2.45)	(49.68)	(65.07)	(18.96)	44.64	122.44	(24.28)	9.28	-	221.40	(3.38)	0.24	(155.55)
	Total Adjustments (B)	678.86	2,453.23	587.85	149.56	158.51	161.54	373.03	612.52	1,342.69	148.01	416.72	(0.29)	1,832.90	295.68	231.31	9,442.13
	Net distributable Cash Flows C = (A+B)	1,036.49	4,193.21	686.65	(53.12)	380.27	245.89	588.12	548.50	159.65	275.03	568.98	0.84	1,635.24	10.66	285.94	10,562.36

* Repayment of borrowings 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 given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

** EOPPL filed a composite scheme of arrangement (the "Scheme") pursuant to which EOPPL has demerged its commercial office business to EPTPL and merged the remaining business with MPPL. The effective date for the Scheme is 10 March 2021. For the purpose of NDCF disclosure, management has presented the entire NDCF pertaining to demerged undertaking upto 31 March 2021 under EOPPL.

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

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

As per our report of even date attached

for S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

Sd/-

per Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 29 April 2021

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: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

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

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



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

Sl No	Particulars	EOPLL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	EPTPL	VTPL	EOVPL	SIPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	305.07	1,998.27	(118.87)	(214.79)	215.91	81.17	208.55	(0.41)	(518.95)	147.36	71.39	(1.13)	-	-	-	2,173.57
	<i>Adjustment:</i>																
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:																
	• Depreciation, amortisation and impairment	182.48	768.68	172.61	112.37	100.75	44.53	124.74	139.36	150.23	28.69	73.12	-	-	-	-	1,897.56
	• Assets written off or liabilities written back	-	2.73	-	-	-	-	(4.59)	-	-	-	-	-	-	-	-	(1.86)
	• Current tax charge as per statement of profit and loss	99.44	417.15	-	0.33	88.52	51.29	52.17	2.12	-	28.09	14.56	-	-	-	-	753.67
	• Deferred tax	110.06	122.18	(45.49)	(76.44)	(4.59)	0.42	13.06	8.69	(91.44)	11.63	(6.46)	-	-	-	-	41.62
	• MAT adjustments as per statement of profit and loss	(99.44)	(172.35)	-	-	-	-	-	(2.12)	-	(25.88)	-	-	-	-	-	(299.79)
	• Ind AS adjustments not considered in any other item above	3.27	(214.05)	1.28	-	22.32	7.04	(55.53)	(48.30)	1.25	(14.52)	21.35	-	-	-	-	(275.89)
3	Add: Interest on shareholders debt charged to statement of profit and loss	269.22	1,461.32	376.55	108.15	19.22	139.25	208.09	258.64	764.01	178.30	281.89	-	-	-	-	4,064.64
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(44.42)	291.86	22.39	(31.67)	(0.25)	27.52	22.10	90.76	(110.35)	20.82	(1.63)	0.30	-	-	-	287.43
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(24.08)	(51.37)	-	-	-	-	(21.20)	-	-	-	-	-	-	-	(96.65)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(84.81)	(116.92)	5.15	0.16	(56.32)	(44.12)	(53.09)	29.45	(35.80)	(27.73)	17.68	-	-	-	-	(366.35)
	Total Adjustments (B)	435.80	2,536.52	481.12	112.90	169.65	225.93	306.95	457.40	677.90	199.40	400.51	0.30	-	-	-	6,004.38
	Net distributable Cash Flows C = (A+B)	740.87	4,534.79	362.25	(101.89)	385.56	307.10	515.50	456.99	158.95	346.76	471.90	(0.83)	-	-	-	8,177.95

* Repayment of borrowings 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 given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

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

As per our report of even date attached

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

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/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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

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



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

Sl No	Particulars	EOPLL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	EPTPL	VTPL	EOVPL	SIPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	515.10	1,895.25	23.36	(90.42)	334.52	63.48	134.63	105.29	(1,587.68)	114.54	49.78	-	-	-	-	1,557.85
	<i>Adjustment:</i>																
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:																
	• Depreciation, amortisation and impairment	180.16	700.66	172.62	112.66	101.41	42.77	153.51	109.62	1,442.52	28.59	76.23	-	-	-	-	3,120.75
	• Assets written off or liabilities written back	1.39	(6.43)	-	(2.91)	-	-	(0.39)	(2.72)	-	-	-	-	-	-	-	(11.06)
	• Current tax charge as per statement of profit and loss	117.77	317.86	9.95	1.22	87.91	53.30	82.42	24.71	(0.10)	22.38	20.29	-	-	-	-	737.71
	• Deferred tax	122.11	258.72	6.05	(31.57)	0.34	(1.39)	19.24	45.72	(168.24)	10.44	45.15	-	-	-	-	306.57
	• MAT adjustments as per statement of profit and loss	(207.06)	(526.02)	(18.91)	-	(116.07)	-	-	(24.71)	4.13	(19.64)	-	-	-	-	-	(908.28)
	• Ind AS adjustments not considered in any other item above	(50.08)	12.51	(0.79)	-	(31.09)	11.43	(10.37)	30.55	9.05	14.18	19.75	-	-	-	-	5.14
3	Add: Interest on shareholders debt charged to statement of profit and loss	325.32	1,341.43	283.41	108.99	23.80	149.27	216.35	232.92	764.01	187.92	287.56	-	-	-	-	3,920.98
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	168.91	601.20	24.74	45.83	41.40	(5.53)	(6.99)	59.02	10.22	25.28	5.35	-	-	-	-	969.43
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(29.47)	(50.75)	-	-	-	-	(50.90)	-	-	-	-	-	-	-	(131.12)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):																
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(57.84)	(295.77)	(1.20)	(3.55)	(51.31)	(43.16)	(63.40)	(35.17)	(63.71)	(26.67)	(34.79)	-	-	-	-	(676.57)
	Total Adjustments (B)	600.68	2,374.69	425.12	230.67	56.39	206.69	390.37	389.04	1,997.88	242.48	419.54	-	-	-	-	7,333.55
	Net distributable Cash Flows C = (A+B)	1,115.78	4,269.94	448.48	140.25	390.91	270.17	525.00	494.33	410.20	357.02	469.32	-	-	-	-	8,891.40

* Repayment of borrowings 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 given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.
- Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation.
- Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013

As per our report of even date attached

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

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/-
per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

Embassy Office Parks REIT

Condensed Consolidated Financial Statements

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

(all amounts in Rs. million unless otherwise stated)

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

Net Distributable Cash Flows (NDAR) 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 year ended 31 March 2021 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	QBPL	QBPPL	VCPPL	EPTPL**	VTPL	EOVPL	SIPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone)	662.70	3,738.25	(20.07)	(417.47)	437.67	165.52	423.64	(64.43)	(1,701.99)	274.38	223.65	-	(197.66)	(285.02)	54.63		3,293.80
	<i>Adjustment:</i>																	
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:																	
	• Depreciation, amortisation and impairment	435.89	1,850.58	351.75	226.36	201.49	89.17	247.19	278.10	930.94	57.42	150.30	-	297.52	230.00	-	-	5,346.71
	• Assets written off or liabilities written back	22.18	(21.88)	-	-	5.83	2.73	(4.34)	3.61	3.10	1.80	1.09	-	(5.30)	-	-	-	8.82
	• Current tax charge as per statement of profit and loss	209.33	754.85	-	(1.82)	190.95	104.24	130.80	1.37	-	53.07	76.87	-	91.59	-	-	-	1,611.25
	• Deferred tax	108.98	372.34	3.15	(149.32)	(14.12)	1.03	14.65	(7.11)	(250.70)	29.65	(30.36)	-	198.86	-	(82.90)	-	194.15
	• MAT adjustments as per statement of profit and loss	(55.73)	(440.29)	-	-	-	-	-	-	-	(53.34)	-	-	(91.59)	-	-	-	(640.95)
	• Ind AS adjustments not considered in any other item above	19.94	(131.67)	-	-	44.65	11.80	(69.20)	(35.12)	0.78	(17.41)	104.02	-	217.32	-	(23.30)	-	121.81
3	Add: Interest on shareholders debt charged to statement of profit and loss	520.21	3,211.78	750.33	215.74	32.18	268.39	409.30	681.52	1,538.29	345.24	554.38	-	610.03	-	22.25	-	9,159.64
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity																	
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following																	
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently																	
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(32.98)	(103.95)	19.22	(26.21)	(26.82)	19.30	23.63	94.66	(288.46)	(17.01)	(66.03)	0.01	320.28	69.06	315.02	-	299.72
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(24.08)	(60.25)	-	-	-	-	(21.20)	-	-	-	-	(27.21)	-	-	-	(132.74)
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)	(113.16)	(477.92)	4.77	(2.29)	(106.00)	(109.19)	(72.05)	74.09	86.64	(52.01)	26.96	-	221.40	(3.38)	0.24	-	(521.90)
	Total Adjustments (B)	1,114.66	4,989.76	1,068.97	262.46	328.16	387.47	679.98	1,069.92	2,020.59	347.41	817.23	0.01	1,832.90	295.68	231.31	15,446.51	
	Net distributable Cash Flows C = (A+B)	1,777.36	8,728.01	1,048.90	(155.01)	765.83	552.99	1,103.62	1,005.49	318.60	621.79	1,040.88	0.01	1,635.24	10.66	285.94	18,740.31	

* Repayment of borrowings 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 given to SPVs and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

** EOPPL filed a composite scheme of arrangement (the "Scheme") pursuant to which EOPPL has demerged its commercial office business to EPTPL and merged the remaining business with MPPL. The effective date for the Scheme is 10 March 2021. For the purpose of NDCF disclosure, management has presented the entire NDCF pertaining to demerged undertaking upto 31 March 2021 under EOPPL.

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

As per our report of even date attached

for S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

Sd/-

per Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 29 April 2021

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: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

Embassy Office Parks REIT

Condensed Consolidated Financial Statements

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

(all amounts in Rs. million unless otherwise stated)

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

Net Distributable Cash Flows (NDAR) 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 year ended 31 March 2020 pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

Sl No	Particulars	EOPLL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPLL	VCPPL	EPTPL	VTPL	EOVPL	SIPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	758.86	3,375.36	44.27	(151.15)	462.44	124.74	200.83	153.83	(2,101.31)	239.58	181.64	-	-	-	-	3,289.09
	<i>Adjustment:</i>																
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:																
	• Depreciation, amortisation and impairment	354.71	1,390.13	345.24	231.93	201.05	87.74	451.53	222.31	1,596.55	57.29	147.21	-	-	-	-	5,085.69
	• Assets written off or liabilities written back	6.35	(6.43)	-	(2.91)	-	-	(0.39)	(2.72)	-	-	-	-	-	-	-	(6.10)
	• Current tax charge as per statement of profit and loss	122.95	661.16	9.95	2.36	122.52	89.72	147.63	43.49	-	47.32	20.29	-	-	-	-	1,267.39
	• Deferred tax	103.42	484.73	15.26	(44.30)	33.98	(3.48)	6.52	83.02	(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 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 given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

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

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

As per our report of even date attached

for S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

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/-

per Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 29 April 2021

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

1. Organisation structure

The interim condensed consolidated financial statements ('Condensed Consolidated Financial Statements') comprise condensed financial statements of Embassy Office Parks REIT (the 'Trust' or the 'Embassy REIT' or the 'REIT'), its subsidiaries namely Embassy Office Parks Private Limited ('EOPPL'), Manyata Promoters Private Limited ('MPPL'), Umbel Properties Private Limited ('UPPL'), Embassy Energy Private Limited ('EEPL'), Galaxy Square Private Limited ('GSPL'), Quadron Business Park Private Limited ('QBPL'), Qubix Business Park Private Limited ('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'), Embassy Pune Techzone Private Limited ('EPTPL'), Vikas Telecom Private Limited ('VTPL'), Embassy Office Ventures Private Limited ('EOVPL') and Sarla Infrastructure Private Limited ('SIPL') (individually referred to as 'Special Purpose Vehicle' or 'SPV' and together referred to as 'Embassy Office Parks Group') and a Joint Venture namely Golfinks 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, 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 (IPO) 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 and maintenance of such assets (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks holding company (Hold Co.) (upto 10 March 2021, refer note 57) for the Embassy Office Parks Group.	Embassy Office Parks REIT : Nil (100% upto 10 March 2021, (refer note 57)
MPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Manyata), located at Bangalore along with being an intermediate (Hold Co.) (from 10 March 2021, refer note 57) for the Embassy Office Parks Group.	EOPPL :Nil from 10 March 2021 (31 March 2020: 35.77%) Embassy Office Parks REIT : 100% from 10 March 2021 (31 March 2020 : 64.23%) (refer note 57)
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% (upto 10 March 2021 refer note 57) MPPL: 80% (from 10 March 2021 refer note 57)
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%

1. Organisation structure (continued)

The Trust, further has incorporated/ acquired subsidiaries post IPO. Accordingly EPTPL has been incorporated on 6 December 2019 by the Trust and equity interest in EOVP, VTPL and SIPL (SPVs incorporated in India) (directly or indirectly, acquired post IPO through their holding companies) have been transferred from the respective shareholders to the Trust. [refer note 51]:-

EPTPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Tech Zone), located at Pune (from 10 March 2021) (refer note 57)	EOPPL: Nil from 10 March 2021 (31 March 2020: 100%) Embassy Office Parks REIT : 100% from 10 March 2021 (refer note 57)
EOVPL*	Hold Co of VTPL and Common area maintenance services of ETV, located in Bangalore.	Embassy Office Parks REIT : 100%
VTPL*	Development and leasing of commercial space and related interiors and maintenance of such assets "Embassy TechVillage" (ETV), located in Bangalore.	EOVPL : 60% Embassy Office Parks REIT : 40%
SIPL*	Development and leasing of commercial space and related interiors and maintenance of such assets (ETV Block 9), located in Bangalore.	Embassy Office Parks REIT : 100%

* together known as Embassy Tech Village assets (ETV assets).

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

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.	EOPPL: 50% (upto 10 March 2021, refer note 57) MPPPL: 50% (from 10 March 2021, refer note 57)

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 31 March 2021, 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 period and year ended 31 March 2021. 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 29 April 2021. 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 29 December 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 period and year ended 31 March 2021 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. 31 March 2021.

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 VTPL, EOVP and SIPL used for the purpose of consolidation are drawn up to the same reporting date i.e. year ended 31 March 2021. ETV assets was acquired on 24 December 2020 by the Embassy REIT. The ETV assets have been consolidated from 31 December 2020, a date close to the acquisition date, as there are no significant transactions or events that have occurred between 24 December 2020 and 31 December 2020 and the effect thereof is not considered to be material to the results for the period and year ended 31 March 2021.

Basis of Consolidation

(i) Subsidiaries

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

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

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

2. **Significant accounting policies (continued)**

(ii) **Interests in joint arrangements**

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

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

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

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

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

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

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

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

Basis of Business Combination

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

The Embassy Office Parks Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. When the Embassy Office Parks Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values and no goodwill or deferred tax is recognised.

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.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss, except for changes in fair value which are measurement period adjustments, wherein the change is adjusted with the asset/liability recognised at the acquisition date with corresponding adjustment to goodwill. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates subsequent its settlement is accounted for within equity.

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.

Changes in accounting policies and disclosures

New and amended standards

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below. There were several new and amendments to standards and interpretations which are applicable for the first time for the year ended 31 March 2021, but either not relevant or do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to Ind AS 103: Definition of a Business

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. The other key amendments include, adding an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business and narrowing the definitions of business and outputs by focusing on goods or services provided to customers and by removing the reference to an ability to reduce costs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provides a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Several other amendments apply for the first time for the year ending 31 March 2021, but does not have an impact on the consolidated financial statements of the Group.

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;
- 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; and
- Contingent consideration: measured at fair value.

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

The Embassy Office Parks Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which substantive processes are acquired and, in particular, the extent of services provided by the subsidiary.

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 (r)

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 (v) (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 year ended 31 March 2021 is included in the following notes:

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

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

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

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

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

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

v) Uncertainty relating to the global health pandemic on COVID-19: The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on revenue recognition, the carrying amounts of goodwill, investment property (including under development), property, plant and equipment, capital work in progress, equity accounted investee, intangible assets and receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group, and have compared the actual performance with the projections and expects the carrying amount of these assets as reflected in the balance sheet as at 31 March 2021 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 consolidated financial statements.

2.2 Summary of significant accounting policies (continued)

d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

e) Measurement of fair values

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

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

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

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

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

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

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

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

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

f) Investment property

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

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

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

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

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

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

2.2 Summary of significant accounting policies (continued)

f) Investment property (continued)

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

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

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

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 and adjusted prospectively.

CAM service rights are contract-based intangible assets, which represent the value of contractual rights that arise from contractual arrangements. An entity establishes relationships with its customers through certain contracts, these customer relationships arise from contractual rights.

CAM service rights are recognised at their fair value as at the date of acquisition, these are subsequently amortised on a straight-line basis, over their estimated contractual lives.

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.

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

2.2 Summary of significant accounting policies (continued)

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)

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.

2.2 Summary of significant accounting policies (continued)

1) Financial instruments (continued)

ii) Classification and subsequent measurement (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 Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

2.2 Summary of significant accounting policies (continued)

i) Financial instruments (continued)

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

m) Compound financial instruments

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

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

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

n) Rental support

Rental supports that are an integral part of an acquisition transaction is treated as a deduction in the acquisition cost of such investment property. Where, the right to receive the rental support is spread over a period of time, the right to receive the rental support is reduced from the acquisition cost and is recognised as a financial asset at fair value and subsequently measured at amortised cost based on effective interest rate method.

o) Impairment of financial assets

Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

2.2 Summary of significant accounting policies (continued)

o) Impairment of financial assets (continued)

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.

p) 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.

q) 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.

r) 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.

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.

2.2 Summary of significant accounting policies (continued)

s) 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 from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

For assets let out under finance lease, the Group recognises a receivable at an amount equal to the net investment in the lease. Rentals received are accounted for as repayment of principal and finance income. Minimum lease payments receivable on finance leases are apportioned between the finance income and the reduction of the outstanding receivable. The finance income allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining net investment in the finance lease. Contingent rents are recorded as income in the periods in which they are earned.

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.

t) Employee benefits

Defined contribution plan

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

Gratuity

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

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

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

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

Compensated absences

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

Assets or liabilities related to employee benefit arrangements acquired on Business Combination are recognised and measured in accordance with Ind AS 19 Employee Benefits.

2.2 Summary of significant accounting policies (continued)

u) 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.

Capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average borrowing costs (WABC). Capitalisation of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

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

(ii) Deferred tax:

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

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

- 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.

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.

Deferred tax assets or liabilities acquired on Business Combination are recognised and measured in accordance with Ind AS 12 Income taxes.

w) 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.

2.2 Summary of significant accounting policies (continued)

x) 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.

y) 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.

z) 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.

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

ab) 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.

ac) 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.

ad) 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.

2.2 Summary of significant accounting policies (continued)

ae) 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.

af) Statement of net assets at fair value

The disclosure of Statement of Net Assets at Fair value comprises of the fair values of the properties held by Asset SPVs and the HoldCo as well as book values of the total liabilities and other assets of all SPVs consolidated. The fair value of the property held by Asset SPVs and HoldCo are reviewed semi-annually by the independent property valuer taking into consideration market conditions existing at the reporting date, and other generally accepted market practices. The independent valuer is leading independent appraiser with a recognised and relevant professional qualification and experience.

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3 Property, plant and equipment

Reconciliation of carrying amounts for the year ended 31 March 2021

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)										
As 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)
As 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
As 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 due to business combination*	2,110.78	-	-	-	-	0.50	2.37	-	4.90	2,118.55
Additions for the year (refer note ii)	213.30	-	221.59	0.23	8.96	0.62	0.11	-	-	444.81
Reclassifications	(18.15)	-	18.15	-	-	-	-	-	-	-
As at 31 March 2021	8,846.00	7,067.88	7,382.02	486.21	457.90	19.58	20.37	10.83	45.31	24,336.10
Accumulated depreciation and impairment										
As 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 6)	84.00	235.36	27.34	5.38	12.35	0.25	0.01	-	1.44	366.13
As 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
As 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 year	-	125.92	436.47	78.32	26.96	1.73	0.85	-	4.64	674.89
Impairment loss (refer note 6)	72.94	339.36	59.23	20.55	24.26	2.08	0.46	-	1.17	520.05
As at 31 March 2021	156.94	830.52	926.52	183.34	120.95	15.14	12.28	10.83	12.23	2,268.75
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 31 March 2021	8,689.06	6,237.36	6,455.50	302.87	336.95	4.44	8.09	-	33.08	22,067.35

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 50 and 51.

- Notes:
- 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.
 - 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 the process of registration and is scheduled to be completion by 30 September 2021. During the current year Rs. 213.30 million is capitalised towards land costs and other related expenses pertaining to registration of 211.30 acres and subsequent to 31 March 2021, the Group has registered 110.25 acres of the 211.30 acres
 - Accumulated Depreciation as at 31 March 2021 includes impairment loss of Rs.886.18 million (31 March 2020: Rs.366.13 million).

4 Capital work-in-progress

Particulars	As at	
	31 March 2021	31 March 2020
MPPL-Hilton Hotels (Front Parcel)*	4,509.34	2,334.07
VTPL-Hilton Hotels**	230.13	-
	4,739.47	2,334.07

*forms part of MPPL CGU

**forms part of ETV assets CGU

Note:

Borrowing cost capitalised

MPPL-Hilton Hotel (Front Parcel) and VTPL-Hilton Hotel are currently under development. The amount of borrowing cost capitalised during the year ended 31 March 2021 is Rs. 249.34 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)".

5 Investment property

Reconciliation of carrying amounts for the year ended 31 March 2021

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)										
As 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	-	-	-	-	-	-
As 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
As 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 due to business combination*	51,352.70	135.51	25,300.30	3,311.28	259.41	1,115.14	0.64	-	-	81,474.98
Additions for the year	33.10	7.95	800.75	230.42	59.74	52.42	19.68	-	1.16	1,205.22
Disposals	(21.74)	-	(23.25)	(19.93)	(50.68)	(13.23)	-	-	-	(128.83)
As at 31 March 2021	126,547.49	28,370.64	107,760.97	13,095.99	1,759.03	3,425.00	63.74	5.31	12.00	281,040.17
Accumulated depreciation and impairment										
As 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
As at 31 March 2020	-	483.74	2,106.20	947.20	360.10	487.10	22.82	3.48	1.68	4,412.32
As 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 year	-	360.92	2,239.82	1,086.54	240.15	331.07	4.76	0.55	1.45	4,265.26
Impairment loss (refer note 6)	12.80	-	15.78	2.83	0.03	0.25	0.01	0.01	-	31.71
Disposals	-	-	-	(2.71)	(8.89)	(3.28)	-	-	-	(14.88)
As at 31 March 2021	12.80	844.66	4,361.80	2,033.86	591.39	815.14	27.59	4.04	3.13	8,694.41
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 31 March 2021	126,534.69	27,525.98	103,399.17	11,062.13	1,167.64	2,609.86	36.15	1.27	8.87	272,345.76

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 50 and 51.

- Notes:**
- 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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 the 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 1 April 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 23 August 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 had been capitalized as a part of land and the balance had been capitalized towards building during the previous year ended 31 March 2020. Further, an amount of Rs.10,446.41 million, being the carrying cost of such land, has been reclassified from leasehold to freehold land during the previous year ended 31 March 2020.
 - 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.
 - VTPL**: VTPL had earlier entered into lease-cum sale agreement for the land located in Embassy Tech Village with Karnataka Industrial Area Development Board (KIADB) for a period of 20 years commencing from 16 June 2006. As per the lease agreement KIADB shall sell the land to VTPL at any time during the tenure of the lease or on expiry of the lease period, if VTPL has performed all the conditions contained in the agreement and committed no breach thereof. VTPL had converted the leasehold land measuring 81.385 acres into a freehold land as per the sale deed entered with Karnataka Industrial Areas Development Board (KIADB) on 12 February 2018. Further, 35 guntas leasehold land is yet to be registered and is classified as a leasehold land and no depreciation has been charged on the same.
 - Post acquisition of the SPVs, 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 SPVs.
 - Investment property comprises of commercial buildings and other assets forming part of the buildings, that is leased to third parties. The license agreement entered into with tenants may or may not contain an initial non-cancellable period. Subsequent renewals of these license agreements are negotiated with the tenants and historically the average renewal period ranges between three and five years.
 - The investment property have been leased out to lessees / held for lease on operating lease basis.
 - 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.
 - Additions to investment property and investment property under development include borrowing cost amounting to Rs.184.43 million (31 March 2020: Rs.440.22 million) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).
 - In accordance with Ind AS 116- Leases, investment property includes Right-of-Use (ROU) asset of Rs. 301.38 million (31 March 2020: Rs.308.15 million) which is recorded under Land Leasehold. The corresponding lease liability amounting to Rs. 334.87 million (31 March 2020: Rs.322.93 million) is recorded under other financial liabilities.
 - Accumulated Depreciation as at 31 March 2021 includes impairment loss of Rs.31.71 million (31 March 2020: Nil).

6 Goodwill (refer note 2.1 b and 51)

As at 31 March 2021

SPV	Goodwill as at 1 April 2020	Consideration transferred for business combination during the year	Fair value of net assets of business combination during the year	Goodwill on acquisitions during the year	Impairment loss for the year	Net carrying value as at 31 March 2021
MPPL	11,016.16	-	-	-	-	11,016.16
EPTPL (refer note 57)	11,913.28	-	-	-	-	11,913.28
EEPL	267.84	-	-	-	-	267.84
UPPL	202.73	-	-	-	70.84	131.89
ETPL	2,899.23	-	-	-	-	2,899.23
GSPL	1,962.11	-	-	-	-	1,962.11
IENMPL	6,071.57	-	-	-	-	6,071.57
OBPPL	6,529.49	-	-	-	-	6,529.49
QBPPL	1,596.82	-	-	-	-	1,596.82
QBPL	3,565.02	-	-	-	366.36	3,198.66
VCPPPL	4,265.12	-	-	-	-	4,265.12
ETV assets (refer note 51)	-	57,565.47	43,471.40	14,094.07	-	14,094.07
Total	50,289.37	57,565.47	43,471.40	14,094.07	437.20	63,946.24

As at 31 March 2020

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

As a result of the valuation, an impairment of Rs. 437.20 million (31 March 2020: Rs. 1,409.85 million) is recognized in the Statement of Profit and Loss against Goodwill, an impairment of Rs. 520.05 million (31 March 2020: Rs. 366.13 million) is recognized in the Statement of Profit and Loss against property, plant and equipment and an impairment of Rs. 31.71 million (31 March 2020: Rs. Nil) is recognized in the Statement of Profit and Loss against investment property totalling to Rs. 988.96 million (31 March 2020: Rs. 1,775.98 million) as impairment loss. Impairment charge majorly relates to the hospitality segment and more specifically UPPL (Hilton Hotel), and hospitality segment of QBPL (Four Seasons Hotel) as well as Embassy One (Commercial segment) forming part of QBPL. The impairment charge arose in these CGUs due to slower ramp up of room occupancy, slower than anticipated lease-up coupled with the current economic conditions due to Covid-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the "value in use" and the "fair value less cost to sell" in accordance with Ind AS 36.

The financial projections basis which the future cash flows have been estimated considering 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.

7 Other intangible assets

Reconciliation of carrying amounts for the year ended 31 March 2021

Particulars	CAM service rights	Power Purchase Agreement	Right to use trade mark	Computer software	Total
As 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
As at 31 March 2020	-	3,348.00	1,781.88	32.72	5,162.60
As at 1 April 2020	-	3,348.00	1,781.88	32.72	5,162.60
Additions due to business combination*	9,826.91	-	1,860.00	1.66	11,688.57
Addition during the year	-	-	-	1.53	1.53
As at 31 March 2021	9,826.91	3,348.00	3,641.88	35.91	16,852.70
Accumulated amortisation					
As at 1 April 2019	-	-	-	-	-
Amortisation for the year	-	145.56	-	15.68	161.24
As at 31 March 2020	-	145.56	-	15.68	161.24
As at 1 April 2020	-	145.56	-	15.68	161.24
Amortisation for the year	612.13	145.57	-	9.12	766.82
As at 31 March 2021	612.13	291.13	-	24.80	928.06
Carrying amount (net)					
As at 31 March 2020	-	3,202.44	1,781.88	17.04	5,001.36
As at 31 March 2021	9,214.78	3,056.87	3,641.88	11.11	15,924.64

* Refer note 2.1 Basis for consolidation and note 50 and 51.

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 31 March 2021	As at 31 March 2020
Base build			
S IPL	Block 9	3,794.98	-
VTPL	Block 8	429.47	-
EOPPL	Hudson block and Ganges block	816.34	301.32
OBPL	Tower 1	619.44	164.66
Infrastructure and Upgrade Projects			
MPPL	Flyover	1,311.14	629.48
MPPL	Master plan upgrade	1,091.40	393.68
VTPL	Master plan upgrade	48.15	-
EOPPL	Master plan upgrade	500.46	228.13
QBPL	Master plan upgrade	311.96	37.50
Multiple	Various	45.45	18.62
		8,968.79	1,773.39

9 Equity accounted investee

Particulars	As at 31 March 2021	As at 31 March 2020
Investment in joint venture		
Golflinks Software Park Private Limited	24,118.57	24,091.36
		24,118.57
		24,091.36
Goodwill on acquisition included as a part of carrying cost	10,449.36	10,449.36
<hr/>		
	As at 31 March 2021	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)	24,118.57	24,091.36

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10 Current investments

Particulars	As at 31 March 2021	As at 31 March 2020
Unquoted, at amortised cost		
Investment in debentures of joint venture (refer note 49) and (i) below	-	724.38
Nil (31 March 2020: 2,500) 8.5% debentures		
Investments measured at fair value through profit and loss		
Quoted, 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
	-	12,273.59
i) Nil (31 March 2020: 2,500) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of Rs.1,000,000 each. Outstanding as on 31 March 2021 is Rs. Nil (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 in debentures has been fully redeemed in the month of August 2020 and hence, there was no outstanding in respect of investment in such debentures as at 31 March 2021.		
Aggregate amount of unquoted investments	-	724.38
Aggregate amount of quoted investments	-	11,549.21
Investment measured at amortised cost	-	724.38
Investment measured at fair value through profit and loss	-	11,549.21

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11 Non-current loans

Particulars	As at	As at
	31 March 2021	31 March 2020
<i>Unsecured, considered good</i>		
Security deposits		
- related party (refer note 49)	4.30	10.50
- others	830.88	658.21
	835.18	668.71

12 Other non-current financial assets

Particulars	As at	As at
	31 March 2021	31 March 2020
<i>Unsecured, considered good</i>		
Fixed deposits with banks*	846.16	673.02
Unbilled revenue (refer note 49)	832.37	506.91
Receivable under finance lease	1,246.09	8.61
Receivable for sale of co-developer rights from a related party (refer note 49)	1,080.00	-
	4,004.62	1,188.54
* Includes fixed deposits held as lien against debt taken and margin money for bank guarantee	846.16	670.06

13 Non-current tax assets (net)

Particulars	As at	As at
	31 March 2021	31 March 2020
Advance tax, net of provision for tax	1,095.27	1,554.70
	1,095.27	1,554.70

14 Other non-current assets

Particulars	As at	As at
	31 March 2021	31 March 2020
<i>Unsecured, considered good</i>		
Advance paid for co-development of property, including development rights on land (refer note 49 and 56)*	13,863.03	13,998.26
Other capital advances		
- related party (refer note 49)	274.23	222.56
- others	3,294.28	1,333.74
Balances with government authorities	189.97	164.03
Paid under protest to government authorities (refer note 46)	702.44	676.26
Prepayments	59.67	80.79
	18,383.62	16,475.64

* Advance paid for co-development of property, includes borrowing cost capitalised during the year 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	As at
	31 March 2021	31 March 2020
Stock of consumables	10.80	12.82
	10.80	12.82

16 Trade receivables

Particulars	As at	As at
	31 March 2021	31 March 2020
<i>Unsecured</i>		
Considered good *	473.16	242.25
Credit impaired	56.21	16.02
Less: Allowances for impairment losses	(56.21)	(16.02)
	473.16	242.25

*Includes trade receivables from related parties amounting to Rs.327.53 million (31 March 2020: Rs.57.03 million) (refer note 49)

17 Current loans

Particulars	As at 31 March 2021	As at 31 March 2020
<i>Unsecured, considered good</i>		
Security deposits		
- related party (refer note 49)	-	50.00
- others	1.03	1.49
	1.03	51.49

18A Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.69	1.12
Balances with banks		
- in current accounts*	9,068.79	3,225.16
- in escrow accounts		
- Balances with banks for unclaimed distributions	2.00	0.26
- Others^	103.30	2.62
- in deposit accounts with original maturity of less than three months	-	20.00
	9,174.78	3,249.16

* Balance in current accounts includes cheques on hand as at 31 March 2021 amounting to Rs.763.77 million (31 March 2020: Rs.2,121.94 million).

^ Includes unspent Corporate Social Responsibility (CSR) balances amounting to Rs.38.56 million which has been deposited in separate escrow accounts.

18B Other bank balances

Particulars	As at 31 March 2021	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*	253.75	169.79
	253.75	169.79
*Deposit for availing letter of credit facilities	253.75	169.79

19 Other current financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
<i>Unsecured, considered good</i>		
Interest accrued but not due		
- on fixed deposits	0.50	7.53
- on statutory deposits	21.49	40.39
- on others	4.61	4.35
Unbilled revenue (refer note 49)	443.03	256.91
Unbilled maintenance charges	224.61	59.45
Receivable under finance lease	427.74	16.88
Receivable for rental support from a related party (refer note 49)	1,108.78	-
Receivable for sale of co-developer rights from a related party (refer note 49)	1,632.97	-
Other receivables		
- related parties (refer note 49)	185.99	7.94
- others	6.63	6.01
	4,056.35	399.46

20 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
<i>Unsecured, considered good</i>		
Advance for supply of goods and rendering of services		
- to related parties (refer note 49)	2.67	2.78
- to others	21.68	51.32
Balances with government authorities	237.71	149.93
Prepayments	123.18	134.21
Other advances	10.10	12.98
	395.34	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
Units issued during the year	176.23	59,999.35
Less: Issue expenses (refer note below)	-	(858.20)
Closing balance as at 31 March 2021	947.90	288,262.11

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.

During the year ended 31 March 2021 estimated issue expenses pertaining to further issue of units (Institutional Placement and Preferential Allotment) have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation. The issue expenses includes payments to auditor of Rs.51.55 million (excluding applicable taxes).

(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 distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays distributions 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 31 March 2021		As at 31 March 2020	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	12.18%	115,484,802	14.97%
SG Indian Holding (NQ) Co I Pte Limited	88,333,166	9.32%	104,094,966	13.49%
BRE Mauritius Investments	83,730,208	8.83%	93,610,755	12.13%
Veeranna Reddy	29,372,782	*	65,472,582	8.48%
BRE/ Mauritius Investments II	39,700,450	*	45,630,850	5.91%
India Alternate Property Limited	31,193,186	*	39,446,986	5.11%

* The percentage holding is less than 5% as at 31 March 2021. As at 31 March 2020, the percentage holding was more than 5%.

(c) The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further, the Trust has issued an aggregate of 613,332,143 Units of Rs.300 each for consideration other than cash from the date of incorporation till 31 March 2020.

Further, during the year ended 31 March 2021, the Trust has issued 111,335,400 Units at a price of Rs.331.00 per Unit through an Institutional Placement. The Trust also made Preferential allotment of 64,893,000 Units at Rs.356.70 per Unit to acquire ETV assets held by third party shareholders.

22 Other Equity*

Particulars	As at 31 March 2021	As at 31 March 2020
Reserves and Surplus		
Retained earnings	(17,331.44)	(5,943.12)
	(17,331.44)	(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.

23 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Non-convertible debentures		
- Embassy REIT Series I NCD 2019 - Tranche I (refer note i and iv)	35,503.62	32,351.16
- Embassy REIT Series I NCD 2019 - Tranche II (refer note i and iv)	7,276.40	6,667.66
- Embassy REIT Series II NCD 2020 - Tranche A (refer note ii and iv)	7,382.15	-
- Embassy REIT Series II NCD 2020 - Tranche B (refer note ii and iv)	7,437.51	-
- Embassy REIT Series III NCD 2021 (refer note iii and iv)	25,719.40	-
Terms loans		
- from banks (refer note vi)	22,701.75	10,978.43
- vehicle loans	2.50	30.60
Deferred payment liability (refer note v)	-	6,142.66
	106,023.33	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 favour of the Security Trustee (holding for the benefit of the Debenture Trustee and ranking pari passu inter se the Debenture Holders):

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase I) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar 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 Embassy 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 Embassy 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) In September 2020, the Trust issued 7,500 listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series II NCD 2020 (Tranche A), debentures having face value of Rs.1 million each amounting to Rs.7,500.00 million with an coupon rate of 7.25% p.a. payable quarterly. In October 2020, the Trust further issued 7,500 such debentures (Tranche B), with an coupon rate of 6.70% p.a. payable quarterly and with same terms and conditions as Tranche A.

The Tranche A and Tranche B NCD described above were listed on the Bombay Stock Exchange on 17 September 2020 and 05 November 2020 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 by way of mortgage created by EOPPL on the constructed buildings and related parcels identified as Block 2, Block 3, Food court, Block 6, Block I, Block 11 and Block 5, having an aggregate leasable area of 2,00,674 square meters and forming part of the development known as Embassy Tech Zone together with portion of land admeasuring 96,630 square meters on which the aforesaid buildings are constructed out of the aggregate area of land measuring 67.45 acres equivalent to 2,72,979 sq. mtrs.
2. A sole and exclusive first ranking pledge created by the Embassy REIT over the shareholding in the SPV's namely IENMPL and EOPPL together known as "secured SPVs" along with shareholder loans given to these SPVs.
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by EOPPL over identified bank accounts and receivables.
5. A Corporate Guarantee issued by each of EOPPL and IENMPL.
6. Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the pledge of EOPPL shares and the hypothecation created over EOPPL bank accounts and receivables is in process of being recreated in the name of EPTPL in accordance with the terms of Debenture Trust Deed (refer note 57).

Redemption terms:

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

23 Borrowings (continued)

(iii) In January 2021, the Trust issued 26,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series III NCD 2021 debentures having face value of Rs.1 million each amounting to Rs.26,000.00 million with an coupon rate of 6.40% p.a. payable quarterly. The debentures described above were listed on the Bombay Stock Exchange on 19 January 2021.

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 first ranking charge by way of mortgage created by VTPL on the constructed buildings and related parcels identified as Block 1A, Block 2 and Block 7B, having an aggregate leasable area of 3,43,772 square meters and forming part of the development known as Embassy TechVillage together with portion of land admeasuring 101,859 square meters on which the aforesaid buildings are constructed.
2. A first ranking pari passu pledge created by the Embassy REIT, MPPL and EOPL over their shareholding in the SPV's namely EEPL and VTPL respectively together known as "Secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by VTPL over identified bank accounts and receivables.
5. A corporate guarantee issued by each of VTPL and EEPL.
6. Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the pledge of EEPL shares is in process of being recreated by MPPL in accordance with the terms of Debenture Trust Deed due to change in ownership of EEPL shares from EOPPL to MPPL (refer note 57).

Redemption terms:

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date
2. These debentures will be redeemed on the expiry of 37 months from the Date of Allotment for the Debentures at par on 15 February 2024.
3. In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate calculated from the date of change of rating.
4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between July 2023 to January 2024) 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.

(iv) **Disclosure required under SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018**

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

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019	Secured	-	-	2 June 2022	2 June 2022
Embassy REIT Series II NCD 2020	Secured	-	31 March 2021	9 October 2023	30 June 2021
Embassy REIT Series III NCD 2021	Secured	-	31 March 2021	15 February 2024	30 June 2021

2. Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to all the above NCDs.

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

Particulars	As at 31 March 2021	As at 31 March 2020
Asset cover ratio (refer a below)	22.79%	17.32%
Debt -equity ratio (refer b below)	0.39	0.26
Debt-service coverage ratio (refer c below)	3.19	4.55
Interest-service coverage ratio (refer d below)	3.26	5.10
Net worth (refer e below)	270,930.67	223,177.84

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

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

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

c) Debt Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax / [Finance cost (net of capitalisation and excluding interest on lease deposit and interest on lease liability) + Principal repayments made during the year]

d) Interest Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax / Finance cost (net of capitalisation and excluding interest on lease deposit and interest on lease liability)

e) Net worth = Unit capital + Other equity

* Total borrowings = Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings

Unitholder's Equity = Unit Capital + Other equity

23 Borrowings (continued)

(v) Deferred payment liability

EEPL SPV had entered into a deferred payment agreement with IL&FS Solar Power Limited for Rs.6,853.90 million (as at 31 March 2021: Rs. Nil, 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 carried 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 was also secured by a guarantee given by EOPPL, Holding Co., to Embassy Office Parks REIT.

Redemption terms:

The liability was repayable in 180 months equal instalments starting from April 2018 and was to be settled by February 2033. Pursuant to mutual agreement with IL&FS Solar Power Limited, only 50% of EMI was payable to them till the registration of agreed 465.77 acres of land is completed in favour of Embassy Energy SPV.

Subsequently in accordance with the deferred payment agreement, the Group issued a prepayment offer to IL&FS Solar Power Limited ('lender') in December 2019 in respect of outstanding debt as at that date. Based on the terms and the revised prepayment offer agreed to between the parties, the liability has been repaid in full during the year ended 31 March 2021 along with the outstanding interest. The parties have also executed an agreement to record the agreed terms in connection with such prepayment and also to record the termination of all agreements entered into between the parties in connection with the acquisition, development and commissioning of the solar plant.

(vi) (a) Lender 1 [balance as at 31 March 2021: Nil (31 March 2020: Rs.3,361.58 million)]

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

Repayment and interest terms	As at 31 March 2021	As at 31 March 2020
Repayable in 36 monthly instalments. The debt carries interest of MCLR + 0.35%	-	3,361.58

The loan has been prepaid in the month of September 2020.

(b) Lender 2 [balance as at 31 March 2021: Rs.1,725.80 (31 March 2020: Rs. Nil)]

1. First ranking mortgage over leasehold rights of 6.63 acres of Block M3 land and building being constructed thereon situated at Embassy Manyata Bengaluru.
2. First ranking mortgage over 1.77 acres of Block F1 land and any future construction thereon situated at Embassy Manyata Business Park.
3. Debt service reserve account to be maintained equal to three months interest on outstanding loan.

Repayment and interest terms	As at 31 March 2021	As at 31 March 2020
Repayable as bullet payment at the end of 36 months from first disbursement i.e., by March 2024. The loan carries an interest rate of 6M MCLR plus spread of 0.90% pa, currently 8.15%	1,725.80	-

(c) Lender 3 [balance as at 31 March 2021: Rs.5,180.28 million (31 March 2020: Rs.4,381.10 million)]

1. First ranking exclusive mortgage of undivided share of land admeasuring 8.26 acres (Front Parcel) situated at Embassy Manyata, Bengaluru.
2. 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.
3. First charge on the Trust and Retention Account and other accounts established and maintained pursuant to Trust and Retention Account Agreement.
4. A corporate guarantee issued by the Trust.

Repayment and interest terms	As at 31 March 2021	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%, currently 8.20% p.a.	5,180.28	4,381.10

(d) Lender 4 [balance as at 31 March 2021: Nil (31 March 2020: Rs.3,389.99 million)]

1. 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.
2. Equitable mortgage over underlying Tower 2 & Tower 3 building of Embassy Oxygen situated at Plot No. 7, Sector 144, Noida Uttar Pradesh India.

Repayment and interest terms	As at 31 March 2021	As at 31 March 2020
Repayable in 120 monthly instalments, bullet repayment for remainder at the end of 10th year. The debt carries interest of MCLR + 0.15%	-	3,389.99

The loan has been prepaid in the month of September 2020.

23 Borrowings (continued)

(e) Lender 5 and 6 [balance as at 31 March 2021: 14,648.63 million (31 March 2020: Nil)]

1. First pari passu charge on Mortgage of parcel 5 land measuring 14.56 acres and buildings with 2.43 million square feet of office and amenity buildings at Embassy Tech Village, Bengaluru.
2. First charge by way of hypothecation of the receivables of the above Buildings of Embassy Tech Village, Bengaluru.
3. Fixed deposit equal to the amount specified in sanction letter as debt service reserve account to be kept with lien marked in favour of bank during the tenure of the loan.

Name of the lender	Repayment and interest terms	As at	As at
		31 March 2021	31 March 2020
Lender 5	Repayable in structured monthly instalments with no moratorium, interest rate of lender's 3M MCLR + Nil, currently 7.15% pa	7,198.66	-
Lender 6	Repayable in structured monthly instalments with no moratorium, interest rate of 3 months T-Bill rate + applicable spread, currently 7.05% p.a.	7,449.97	-

(f) Lender 7 [balance as at 31 March 2021: 94.01 million (31 March 2020: Nil)]

Exclusive mortgage of undivided share of land of 3.24 acres and building being constructed thereon (Tower 1) situated at Embassy Oxygen, Noida.

Repayment and interest terms	As at	As at
	31 March 2021	31 March 2020
Repayable in 4 quarterly instalments after moratorium of 4 quarters from date of drawdown. The debt carries interest of MCLR + Nil, currently 7.3% p.a.	94.01	-

(g) Lender 8 [balance as at 31 March 2021: Rs. 1,178.21 million (31 March 2020: Rs. Nil)]

1. Exclusive mortgage of land admeasuring 8.00 acres and building constructed thereon situated at Block 9, Embassy TechVillage, Bengaluru.
2. Exclusive charge on the receivables, cash flows, moveable assets of SIPL in relation to the Project.
3. Exclusive charge on the Escrow Account established and maintained pursuant to Escrow Agreement and Current account of SIPL.

Repayment and interest terms	As at	As at
	31 March 2021	31 March 2020
Repayable by way of single bullet repayment on February 3, 2023. The debt carries interest of 6M MCLR + 0.55%, currently 7.9% p.a.	1,178.21	-

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24 Other non-current financial liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Lease deposits (refer note 49)	4,155.40	2,360.50
Lease liability	314.52	302.58
Capital creditors for purchase of fixed assets	279.65	455.57
	4,749.57	3,118.65

25 Provisions

Particulars	As at	As at
	31 March 2021	31 March 2020
Provision for employee benefits		
- gratuity	5.79	5.25
	5.79	5.25

26 Deferred tax

Deferred tax Assets (net)

Particulars	As at	As at
	31 March 2021	31 March 2020
Minimum Alternate Tax credit entitlement	5.05	-
Deferred tax assets (net)*	43.79	-
	48.84	-

*Also refer note 51.

Deferred tax liabilities (net)

Particulars	As at	As at
	31 March 2021	31 March 2020
Minimum Alternate Tax credit entitlement	(4,586.33)	(4,015.29)
Deferred tax liabilities (net)*	57,882.76	44,422.67
	53,296.43	40,407.38

*Also refer note 51.

27 Other non-current liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Deferred lease rental	666.38	378.21
Advances from customers	18.88	8.49
	685.26	386.70

28 Trade payables

Particulars	As at	As at
	31 March 2021	31 March 2020
Trade payable		
- total outstanding dues to micro and small enterprises (refer note 49)	48.27	2.48
- total outstanding dues of creditors other than micro and small enterprises		
- to related parties (refer note 49)	139.46	115.94
- to others	253.16	136.33
	440.89	254.75

29 Other current financial liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Current maturities of long-term debt		
- from banks	139.58	154.25
- deferred payment liability	-	1,136.08
- debentures (refer note (i) below and note 49)	60.00	-
Security deposits		
- related party (refer note 49)	80.00	185.00
Lease deposits (refer note 49)	8,406.20	7,137.07
Book overdraft	-	137.41
Capital creditors for purchase of fixed assets		
- to related party (refer note 49)	60.47	14.73
- to others	2,423.50	975.66
Lease liability	20.35	20.35
Unclaimed dividend	2.00	0.26
Contingent consideration (refer note 51)	350.00	-
Other liabilities		
- to related party (refer note 49)	240.96	172.62
- to others	954.77	629.36
	12,737.83	10,562.79

- (i) In October 2020, pursuant to the Business Transfer Agreement with Embassy Services Private Limited (refer note 50) EOPPL has issued 100,000 unlisted, unrated, unsecured, redeemable and non-convertible debentures to ESPL having face value of Rs.100 each amounting to Rs.10.00 million with no interest rate attached. Further, MPPL has also issued 500,000 unlisted, unrated, unsecured, redeemable and non-convertible debentures to ESPL having face value of Rs.100 each amounting to Rs.50.00 million with same terms and conditions as EOPPL debentures.

Security terms

The NCD's rank pari passu with all other unsecured and unsubordinated debt of EOPPL and MPPL.

Redemption terms:

These debentures will be redeemed on the expiry of the tenure of 13 months in a single instalment for an aggregate redemption amount equal to the face value of all the NCDs (matures on November 2021).

30 Provisions

Particulars	As at	As at
	31 March 2021	31 March 2020
Provision for employee benefits		
- gratuity	0.03	0.03
- compensated absences	1.86	2.34
	1.89	2.37

31 Other current liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Unearned income	65.50	44.09
Advances received from customers (refer note 49)*	520.53	291.43
Advance compensation received from related party (refer note 49)	559.19	-
Statutory dues	237.95	193.92
Deferred lease rentals	488.96	252.14
	1,872.13	781.58

*Includes advances received from related parties amounting to Rs.139.12 (31 March 2020: Rs.1.92 million).

32 Current tax liabilities (net)

Particulars	As at	As at
	31 March 2021	31 March 2020
Provision for income-tax, net of advance tax	99.77	34.51
	99.77	34.51

33 Revenue from operations

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Facility rentals	5,498.84	4,270.96	4,045.26	9,769.80	8,705.81	8,286.55	18,475.61	16,689.99
Income from finance lease	51.26	-	0.29	51.26	0.07	0.76	51.33	2.28
Room rentals	39.50	32.23	149.07	71.73	27.35	347.97	99.08	647.40
Revenue from contracts with customers								
Maintenance services	1,126.61	744.84	447.59	1,871.45	676.32	887.53	2,547.77	1,777.43
Sale of food and beverages	55.22	45.77	108.42	100.99	17.87	231.54	118.86	391.89
Income from generation of renewable energy	416.10	372.08	462.40	788.18	760.08	845.07	1,548.26	1,566.25
Other operating income								
- hospitality	7.16	3.75	16.15	10.91	2.60	34.48	13.51	103.40
- others (refer note 56)	191.90	183.22	204.43	375.12	373.66	258.24	748.78	270.58
	7,386.59	5,652.85	5,433.61	13,039.44	10,563.76	10,892.14	23,603.20	21,449.22

34 Interest income

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
- on debentures (refer note 49)	-	-	10.91	-	7.29	26.69	7.29	73.72
- on fixed deposits	13.84	10.82	5.88	24.66	170.52	29.75	195.18	139.80
- on security deposits	1.08	0.85	0.39	1.93	2.89	2.01	4.82	46.86
- on other statutory deposits	3.88	3.91	5.42	7.79	7.63	10.91	15.42	21.77
- on income-tax refund	29.63	38.12	-	67.75	32.24	8.00	99.99	26.31
- others	202.50	170.57	168.68	373.07	275.43	168.68	648.50	168.89
	250.93	224.27	191.28	475.20	496.00	246.04	971.20	477.35

35 Other income

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Net changes in fair value of financial assets	-	-	-	-	-	-	-	18.45
Liabilities no longer required written back	0.08	0.01	12.17	0.09	4.59	12.19	4.68	13.29
Profit on sale of mutual funds	36.43	76.66	163.41	113.09	41.02	273.44	154.11	359.96
Profit on sale of fixed assets	12.72	-	-	12.72	-	-	12.72	-
Miscellaneous	16.12	5.68	35.48	21.80	20.75	93.41	42.55	121.30
	65.35	82.35	211.06	147.70	66.36	379.04	214.06	513.00

36 Cost of materials consumed

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchases	20.33	12.94	32.57	33.27	4.30	70.57	37.57	126.34
Add: Increase/(decrease) in inventory	(4.20)	0.53	(0.01)	(3.67)	1.65	(1.69)	(2.02)	(7.40)
	16.13	13.47	32.56	29.60	5.95	68.88	35.55	118.94

37 Employee benefits expense *

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	46.96	45.17	80.71	92.13	96.94	159.25	189.07	295.88
Contribution to provident and other funds	5.10	5.74	2.26	10.84	4.23	7.56	15.07	17.62
Staff welfare	6.31	5.14	14.26	11.45	9.89	32.26	21.34	63.67
	58.37	56.05	97.23	114.42	111.06	199.07	225.48	377.17

* majorly refers to employee benefits expense of the hospitality segment.

38 Operating and maintenance expenses

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel (net)	144.96	126.08	108.76	271.04	136.06	264.85	407.10	609.16
Operating consumables	2.40	3.20	3.32	5.60	1.11	7.45	6.71	18.30
	147.36	129.28	112.08	276.64	137.17	272.30	413.81	627.46

39 Other expenses

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Property tax (net)	240.10	170.91	194.98	411.01	355.66	365.65	766.67	704.01
Rates and taxes*	264.10	13.23	11.72	277.33	29.06	22.87	306.39	37.90
Marketing and advertising expenses	28.79	22.75	33.85	51.54	33.36	49.86	84.90	77.31
Assets and other balances written off	1.16	-	2.90	1.16	-	6.20	1.16	11.16
Loss of sale of fixed assets	-	51.13	-	51.13	10.76	-	61.89	-
Allowances for credit loss	20.83	-	0.59	20.83	-	0.59	20.83	0.85
Reversal of impairment on investments	-	-	-	-	-	(156.98)	-	(156.98)
Investments written off	-	-	-	-	-	156.98	-	156.98
Bad debts written off	-	-	-	-	2.73	-	2.73	-
Bank charges	1.13	1.27	5.05	2.40	5.80	10.17	8.20	19.42
Brokerage and commission	1.79	0.90	4.94	2.69	0.58	12.17	3.27	24.10
Net changes in fair value of financial assets	-	-	20.78	-	3.00	25.16	3.00	25.16
Travel and conveyance	0.73	2.93	5.67	3.66	5.46	12.75	9.12	25.78
Corporate Social Responsibility (CSR) expenses	75.15	6.14	47.75	81.29	12.43	65.73	93.72	85.91
Miscellaneous expenses	27.76	16.12	46.68	43.88	38.57	106.80	82.45	234.73
	661.54	285.38	374.91	946.92	497.41	677.95	1,444.33	1,246.33

*Includes provision for stamp duty amounting to Rs. 229.44 million in relation to the composite scheme of arrangement involving MPPL, EOPPL and EPTPL. Also refer note 57.

40 Repairs and maintenance

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Repairs and maintenance								
- common area maintenance (refer note 50)	604.22	348.74	188.76	952.96	329.04	369.64	1,282.00	735.75
- buildings	71.51	26.80	5.65	98.31	28.25	15.92	126.56	76.19
- machinery	92.29	71.67	63.61	163.96	118.09	120.94	282.05	253.51
- others	13.82	30.62	46.12	44.44	59.15	89.65	103.59	149.93
	781.84	477.83	304.14	1,259.67	534.53	596.15	1,794.20	1,215.38

41 Finance costs (net of capitalisation)

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense								
- on borrowings from banks and financial institutions	592.96	48.60	104.55	641.56	374.88	113.70	1,016.44	310.15
- on deferred payment liability	-	67.61	207.81	67.71	410.05	416.71	477.76	840.19
- on lease deposits	152.91	73.14	53.00	226.05	151.57	142.97	377.62	312.09
- on lease liabilities	14.32	8.07	7.79	22.39	18.25	15.60	40.64	31.20
- on Non convertible debentures								
- Embassy REIT Series II and Series III NCD	637.76	242.68	-	880.44	33.99	-	914.43	-
Accrual of premium on redemption of debentures (Embassy REIT Series I NCD)	883.43	921.44	831.79	1,804.87	1,821.13	1,459.53	3,626.00	2,309.91
	2,281.38	1,361.54	1,204.94	3,643.02	2,809.87	2,148.51	6,452.89	3,803.54

Gross interest expense is Rs.2,456.39 million and Rs. 6,886.66 million and interest capitalised is Rs.175.01 million and Rs.433.77 million for the quarter and year ended 31 March 2021 respectively.

42 Depreciation and amortisation

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment	169.74	170.41	171.89	340.15	334.74	350.97	674.89	707.68
Depreciation of investment property	1,315.66	991.80	1,050.04	2,307.46	1,957.80	2,013.48	4,265.26	4,412.32
Amortisation of intangible assets	490.61	196.97	41.27	687.58	79.24	81.17	766.82	161.24
	1,976.01	1,359.18	1,263.20	3,335.19	2,371.78	2,445.62	5,706.97	5,281.24

43 Tax expense#

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax*	446.63	422.51	480.90	869.14	779.92	765.01	1,649.06	1,361.39
Deferred tax charge/ (credit)	(61.90)	(88.96)	180.59	(150.86)	(301.91)	271.35	(452.77)	(11.27)
Minimum Alternate Tax credit entitlement (MAT)**	(234.81)	(106.35)	(439.29)	(341.16)	(299.79)	(757.53)	(640.95)	(1,050.12)
MAT written off/ (written back)	-	-	(141.79)	-	-	(150.75)	-	-
	149.92	227.20	80.41	377.12	178.22	128.08	555.34	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.150.75 million had been written off to the Consolidated Statement of Profit and Loss for the period ended 30 September 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 period ended 31 March 2020, the additional current tax expense amounts to Rs.151.32 million, MAT write off as stated above of Rs.150.75 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 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 Mar 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit after tax for calculating basic and diluted EPU	467.53	2,147.96	578.07	2,615.49	4,368.04	3,112.58	6,983.53	7,655.34
Weighted average number of Units (No. in million)*	947.90	789.41	771.67	867.79	771.67	771.67	819.60	771.67
Earnings Per Unit								
- Basic (Rupees/unit)	0.49	2.72	0.75	3.01	5.66	4.03	8.52	9.92
- Diluted (Rupees/unit)**	0.49	2.72	0.75	3.01	5.66	4.03	8.52	9.92

* The weighted average number of units have been computed prorata basis 111.34 million units issued by way of institutional placement and 64.89 million units issued by way of preferential allotment on 22 December 2020 and 24 December 2020 respectively.

** 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 and year ended 31 March 2021 amounts to Rs. 174.60 million and Rs. 535.92 million respectively. 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 and year ended 31 March 2021 amounts to Rs.54.25 million and Rs.212.23 million respectively. 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 Rs. 0.10 million 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 and year ended 31 March 2021 amounts to Rs.0.35 million and Rs.1.42 million respectively. There are no changes during the period in the methodology for computation of secondment fees paid to Manager.

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46 Commitments and contingencies

Particulars	As at	As at
	31 March 2021	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)	11,968.87	11,088.92
Contingent liabilities		
Claims not acknowledged as debt in respect of Income Tax matters (refer note ii)	440.27	447.56
Claims not acknowledged as debt in respect of Indirect Tax matters (refer note iii)	769.80	730.10
Claims not acknowledged as debt in respect of Property Tax matters (refer note iv)	3,418.89	3,313.08
Others (refer notes v and vi)		

Based on management's best estimate and basis expert opinion obtained by the Group, no provisions have been made for above claims during the year. The Group will continue to monitor developments to identify significant uncertainties and change in estimates, if any, in future period.

Notes:

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

SPV	As at	As at
	31 March 2021	31 March 2020
MPPL	7,194.03	9,519.23
VTPL	1,099.60	-
OBPPL	848.10	51.78
EOPPL	1,391.46	1,423.43
SIPL	1,256.41	-
Others	179.27	94.48
	11,968.87	11,088.92

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

SPV	As at	As at
	31 March 2021	31 March 2020
MPPL	8.22	8.50
EOPPL	246.44	246.44
QBPL	77.60	77.60
QBPPL	3.76	3.76
OBPPL	69.83	72.82
IENMPL	9.25	38.44
VTPL	25.17	-
	440.27	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 31 March 2021 the CIT(A) has dismissed the appeals for AY 09-10, 11-12 and 12-13 upholding the assessment additions made. SPV has challenged the CIT(A) orders and filed appeals before Income-tax Appellate Tribunal [ITAT]. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the applications for settling these litigations and await the final settlement from the Designated Authority of Income Tax. Pending settlement of these applications, 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. During the current quarter, the appeal against order of ITAT filed before the Hon'ble High Court of Karnataka has been allowed in favour of the company. Accordingly, the SPV has disclosed Nil (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 favour 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. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation and the final settlement from the Designated Authority of Income Tax is awaited. Pending settlement of the application, the SPV has disclosed the above demand of Rs. 5.89 million (31 March 2020: Rs. 5.89 million) as a contingent liability.

46 Commitments and contingencies (continued)

QBPL: The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2015-16 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 hearing. 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 favour 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 year, the Assessing Officer has allowed the TDS credit through rectification order issued in favour 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 filed an appeal before CIT(A). Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV had filed the application for settling this litigation. Subsequent to the reporting date, the final settlement order from the Designated Authority has been received and the disputed tax demand has been paid and accordingly these claims are settled. The SPV has therefore disclosed Rs. Nil (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 had filed an appeal before CIT(A). Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation. Subsequent to the reporting date, the final settlement order from the Designated Authority has been received wherein 25% of the disputed tax demand of Rs. 3.03 million has been paid and accordingly these claims are settled. The SPV has therefore disclosed Rs. Nil (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). Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation. Subsequent to the reporting date, the final settlement order from the Designated Authority has been received wherein 25% of the disputed tax demand of Rs.3.52 million has been adjusted with the tax paid under protest Rs. 2.81 million and balance Rs. 0.70 million was paid and accordingly these claims are settled. The SPV has therefore disclosed Rs. Nil (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 and additions made u/s.14A of the Income tax Act read with Rule 8D of the Income Tax Rules. The SPV contested the said demand and has 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.

VTPL: (a) The SPV was reassessed u/s. 153C read with 143(3) of the Income Tax Act, 1961 for the AY 2003-04 and 2004-05. Certain additions u/s. 68 were made and tax demand of Rs. 25.17 million was raised. The SPV filed an appeal against the demand order before CIT(A) which was upheld in favour of SPV quashing the demand raised. Aggrieved by the CIT(A) order, Income Tax Department filed an appeal before ITAT, Delhi which was dismissed and resultantly the income tax department filed an appeal before Hon'ble High Court of Karnataka which was also dismissed for want of jurisdiction. The Income tax department has now preferred an appeal before the Hon'ble High Court of Delhi. Accordingly, the SPV has disclosed Rs. 25.17 million (31 March 2020: Nil) as contingent liability.

(b) The SPV was reassessed u/s. 147 read with section 143(3) of the Income Tax Act, 1961 for AY 2012-13 with additions made u/s. 69C and tax demand of Rs. 1.87 million was raised for the relevant year. The SPV has preferred an appeal against the assessment order before the CIT(A). Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation. Subsequent to the reporting date, the final settlement order from the Designated Authority has been received wherein the tax demand has been adjusted against accumulated loss and accordingly these claims are settled. The SPV has therefore disclosed Rs. Nil (31 March 2020: Nil) as contingent liability.

(c) The SPV was assessed u/s. 143(3) of the Income Tax Act, 1961 for AY 2017-18 with additions made u/s. 69C and u/s. 14A and a tax demand of Rs. 9.23 million was raised and adjusted with tax refunds due for the relevant year. The SPV has preferred an appeal against the assessment order before the CIT(A). Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation. Subsequent to the reporting date, the final settlement order from the Designated Authority has been received wherein the tax demand has been adjusted against accumulated loss and accordingly these claims are settled. The SPV has therefore disclosed Rs. Nil (31 March 2020: Nil) as contingent liability.

46 Commitments and contingencies (continued)

iii) Claims not acknowledged as debt in respect of Indirect Tax matters

SPV	As at	
	31 March 2021	31 March 2020
MPPL	605.50	573.90
ETPL	64.73	64.73
GSPL	23.99	23.99
VCPPL	40.66	40.66
UPPL	30.61	26.82
VTPL	4.31	-
	769.80	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.

(c) The Customs department issued demand notice to the Oil Suppliers of the SPV with a demand of Rs.31.60 million for the period 1 April 2015 to 15 February 2016 denying duty benefit on the procurement of diesel. The Oil Suppliers have subsequently raised the demand on the SPV. Consequently, SPV preferred an appeal before the SEZ commissioner which was rejected by the Commissioner and aggrieved by the order, SPV filed a Writ Petition before the Hon'ble High Court of Karnataka and obtained an Interim stay order from the Court on 9 February 2017 which is still in force.

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 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. Accordingly, the SPV has disclosed the demand and penalty amount of Rs.29.05 million (31 March 2020: Rs.29.05 million) as contingent liability.

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 favourable 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 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. The Deputy Commissioner of Service Tax has disposed off the submissions made in the current quarter and passed an order demanding the tax dues along with interest and penalty aggregating to Rs.7.57 million. Aggrieved by the order, the SPV has preferred and appeal before the Commissioner of Appeals with pre-deposit of Rs.0.28 million. Accordingly, the aforementioned demand of Rs.7.57 million (31 March 2020: Rs.3.78 million) is disclosed as contingent liability.

VTPL: The Customs department issued demand notice to the Oil Suppliers of the SPV with a demand of Rs.4.31 million for the period 1 April 2015 to 15 February 2016 denying duty benefit on the procurement of diesel. The Oil Suppliers have subsequently raised the demand on the SPV. Consequently, SPV preferred an appeal before the SEZ commissioner which was rejected by the Commissioner and aggrieved by the order, SPV filed a Writ Petition before the Hon'ble High Court of Karnataka and obtained an Interim stay order from the Court on 9 February 2017 which is still in force.

46 Commitments and contingencies (continued)

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

SPV	As at 31 March 2021	As at 31 March 2020
MPPL	3,418.89	3,313.08
	3,418.89	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. Additionally new notices dated 24 July 2019 and 18 March 2021 were issued to pay a sum of Rs.78.56 million (including penalty) and Rs. 27.25 million (including penalty) towards the differential property tax for the year 2018-19 and 2019-20 respectively and the SPV has paid Rs.35.26 million (including Rs. 9.08 million paid subsequent to the year ended 31 March 2021) towards property tax demanded under protest. Accordingly, a net contingent liability of Rs.679.40 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. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation and the final settlement from the Designated Authority of Income Tax is awaited.

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. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation and the final settlement from the Designated Authority of Income Tax is awaited.

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 Hon'ble High Court of Karnataka and accordingly the same is disclosed as a contingent liability. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation and the final settlement from the Designated Authority of Income Tax is awaited.

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 31 March 2021 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 favourable order was received by the entity. Commissioner of Service Tax has filed an appeal before Hon'ble High Court of Karnataka and the matter is taken up for hearing by the Court and accordingly the same is disclosed as contingent liability by GLSP.

46 Commitments and contingencies (continued)

vi) Other matters

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

(b) **EEPL :** SPV received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on 28 February 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent company of IL&FS Solar Power Limited ('ISPL'), which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorized as operational debts) aggregating up to Rs.1,008.10 million are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the subcontractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated 1 March 2019, refuted all such claims inter alia on the basis that the payments are due from ISPL (and/ or its parent entity) to the sub-contractor and not from EEPL, and therefore the sub-contractor has no claim against EEPL. By its letters dated 18 March 2019, the subcontractor has responded to the letter from EEPL, denying all statements made by EEPL and reiterating that the unpaid amounts are due from EEPL. The sub-contractor has thereafter filed an application under Section 9 of the Code before the Bangalore bench of National Company Law Tribunal claiming debt of Rs.997.59 million and interest thereon against EEPL. During the previous 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 16 December 2019. The petitioner has filed a claim as an operational creditor of IEDCL for an amount of Rs.1,008.10 million due to him. The matter is listed for hearing on 6 May 2021 in respect of admission before the NCLT, Bangalore. The 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 1 April 2013 and 31 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 and Others. However, Electricity Supply Companies (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 : Embassy-Energy Private Limited has received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on 28 February 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent company of IL&FS Solar Power Limited ('ISPL'), which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorized as operational debts) aggregating up to 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, without prejudice to any action, including criminal, that may be taken under law including the IBC against EEPL, IEDCL, ISPL and certain representatives of these entities. The sub-contractor has thereafter filed an application under Section 9 of the Code before the Bangalore bench of National Company Law Tribunal claiming debt of Rs. 997.59 million and interest thereon against EEPL. The matter is currently pending resolution. Management based on this internal assessment on this matter has disclosed the same as a contingent liability.

EEPL : The Karnataka Electricity Regulatory Commission 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 9 August 2018 granted an interim stay on the commission's order. Pursuant to an order dated 24 July 2019, the Hon'ble High Court of Karnataka has allowed the writ petition and quashed the order dated 9 January 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 24 July 2019 by virtue of which the Writ Petition of EEPL was allowed and the order dated 9 January 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.

(d) **VTPL :** SPV has received a demand note dated 14 August 2020 and 29 September 2020 from the Bangalore Water Supply and Sewerage Board for a payment of total charges amounting to Rs.138.64 million in relation to issuance of a no-objection certificate (NOC) for a proposed project commercial building on land parcel. SPV has filed a writ petition before the High Court of Karnataka against the State of Karnataka, Bangalore Water Supply and Sewerage Board and others challenging inter-alia, the government order dated 12 February 2016 and the demand note issued against the SPV and seeking to, inter-alia, (i) quash the demand notice dated 14 August 2020 and 29 September 2020; and (ii) issuance of NOC to SPV. SPV has obtained an ad-interim direction from the High Court of Karnataka on 17 November 2020 wherein the court has granted stay of demand notice on 14 August 2020 and 29 September 2020 limited to advance probable prorata charges and beneficiary charges and has further instructed the SPV to pay the prescribed fee for issuance of NOC. Pursuant to the same, SPV has made payments on 29 December 2020 and 30 December 2020 amounting to Rs.17.91 million towards NOC charges and treated water charges and the balance amount of Rs.120.73 million towards advance probable prorata charges and BCC charges have been stayed by the Hon'ble High Court of Karnataka have been shown as contingent liability (31 March 2020 Rs. Nil). Additionally, SPV has received the NOCs dated 30 December 2020 from BWSSB with respect to the above.

47 Financial instruments - Fair values

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	31 March 2021	31 March 2021	31 March 2020	31 March 2020
Financial assets				
Amortised cost				
Loans	836.21	-	720.20	-
Trade receivables	473.16	-	242.25	-
Cash and cash equivalents	9,174.78	-	3,249.16	-
Other bank balances	253.75	-	169.79	-
Other financial assets	8,060.97	-	1,588.00	-
Investments in debentures	-	-	724.38	-
Fair value through profit and loss				
Investments in mutual funds	-	-	11,549.21	11,549.21
Total assets	18,798.87	-	18,242.99	11,549.21
Financial liabilities				
Amortised cost				
Borrowings (including current maturities of long-term debt) - floating rates	22,843.83	-	11,163.28	-
Borrowings (including current maturities of long-term debt) - fixed rates	83,379.08	84,630.97	46,297.56	46,243.74
Lease deposits	12,561.60	-	9,497.57	-
Trade payables	440.89	-	254.75	-
Contingent consideration	350.00	350.00	-	-
Other financial liabilities	4,376.22	-	2,893.54	-
Total liabilities	123,951.62	84,980.97	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:

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements.

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

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

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

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

Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1
Financial assets measured at fair value:			
FVTPL financial investments:			
Investment in mutual funds	31 March 2021	-	-
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 year ended 31 March 2021 and year ended 31 March 2020.

Determination of fair values

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

- The fair value of mutual funds are based on price quotations at reporting date.
- The fair values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.
- The fair values of borrowings at fixed rates are considered to be equivalent to present value of the future contracted cashflows discounted at the current market rate.
- The fair values of contingent consideration is valued based on the present value of expected payments, discounted using a risk-adjusted discount rate.

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	Total							
	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	7,386.59	5,652.85	5,433.61	13,039.44	10,563.76	10,892.14	23,603.20	21,449.22
Identifiable operating expenses	(1,225.78)	(873.21)	(815.22)	(2,098.99)	(1,180.74)	(1,634.77)	(3,279.73)	(3,279.68)
Net Operating Income (segment results for the period/year)	6,160.81	4,779.64	4,618.39	10,940.45	9,383.02	9,257.37	20,323.47	18,169.54
Other operating expenses	(850.47)	(256.69)	(398.68)	(1,107.16)	(708.36)	(798.71)	(1,815.52)	(1,513.12)
Interest, dividend and other income	316.28	306.62	402.34	622.90	562.36	625.08	1,185.26	990.35
Earnings before finance costs, depreciation, amortisation, impairment loss and tax	5,626.62	4,829.57	4,622.05	10,456.19	9,237.02	9,083.74	19,693.21	17,646.77
Share of profit after tax of equity accounted investees	237.28	266.31	280.55	503.59	490.89	527.03	994.48	1,169.33
Depreciation and amortisation expenses	(1,976.01)	(1,359.18)	(1,263.20)	(3,335.19)	(2,371.78)	(2,445.62)	(5,706.97)	(5,281.24)
Impairment loss (refer note 6)	(988.96)	-	(1,775.98)	(988.96)	-	(1,775.98)	(988.96)	(1,775.98)
Finance costs	(2,281.48)	(1,361.54)	(1,204.94)	(3,643.02)	(2,809.87)	(2,148.51)	(6,452.89)	(3,803.54)
Profit before tax	617.45	2,375.16	658.48	2,992.61	4,546.26	3,240.66	7,538.87	7,955.34
Tax expense	(149.92)	(227.20)	(80.41)	(377.12)	(178.22)	(128.08)	(555.34)	(300.00)
Other Comprehensive Income	0.81	-	0.16	0.81	-	0.16	0.81	0.16
Total comprehensive income for the period/year	468.34	2,147.96	578.23	2,616.30	4,368.04	3,112.74	6,984.34	7,655.50

Particulars	Commercial Offices							
	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	6,868.60	5,199.02	4,687.19	12,067.62	9,755.86	9,408.89	21,823.48	18,709.58
Identifiable operating expenses	(1,032.13)	(678.84)	(484.95)	(1,710.97)	(866.86)	(993.88)	(2,577.83)	(2,081.97)
Net Operating Income (segment results for the period/year)	5,836.47	4,520.18	4,202.24	10,356.65	8,889.00	8,415.01	19,245.65	16,627.61

Particulars	Hospitality							
	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	101.89	81.75	284.01	183.64	47.82	638.18	231.46	1,173.39
Identifiable operating expenses	(165.76)	(155.91)	(302.53)	(321.67)	(253.55)	(571.73)	(575.22)	(1,067.99)
Net Operating Income (segment results for the period/year)	(63.87)	(74.16)	(18.52)	(138.03)	(205.73)	66.45	(343.76)	105.40

Particulars	Other Segment							
	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	416.10	372.08	462.41	788.18	760.08	845.07	1,548.26	1,566.25
Identifiable operating expenses	(27.89)	(38.46)	(27.74)	(66.35)	(60.33)	(69.16)	(126.68)	(129.72)
Net Operating Income (segment results for the period/year)	388.21	333.62	434.67	721.83	699.75	775.91	1,421.58	1,436.53

48 Operating segments (continued)

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

For the quarter ended 31 March 2021

Particulars	REIT	MPPL	EOPPL**	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETV	Total
Segment Revenue:														
Commercial Office Segment	-	2,867.99	373.40	-	-	210.21	251.16	348.53	216.18	198.09	316.51	378.25	1,708.28	6,868.60
Hospitality Segment	-	-	-	39.32	-	-	-	-	-	62.57	-	-	-	101.89
Others	-	-	-	-	416.10	-	-	-	-	-	-	-	-	416.10
Total	-	2,867.99	373.40	39.32	416.10	210.21	251.16	348.53	216.18	260.66	316.51	378.25	1,708.28	7,386.59
Net Operating Income (segment results)														
Commercial Office Segment	-	2,414.11	309.09	-	-	177.23	239.71	279.58	183.60	136.81	272.45	349.64	1,474.25	5,836.47
Hospitality Segment	-	-	-	(19.12)	-	-	-	-	-	(44.75)	-	-	-	(63.87)
Others	-	-	-	-	388.21	-	-	-	-	-	-	-	-	388.21
Total	-	2,414.11	309.09	(19.12)	388.21	177.23	239.71	279.58	183.60	92.06	272.45	349.64	1,474.25	6,160.81

For the quarter ended 31 December 2020

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETV	Total
Segment Revenue:														
Commercial Office Segment	-	2,781.56	382.24	-	-	190.03	253.14	371.26	217.02	245.47	414.35	343.95	-	5,199.02
Hospitality Segment	-	-	-	28.75	-	-	-	-	-	53.00	-	-	-	81.75
Others	-	-	-	-	372.08	-	-	-	-	-	-	-	-	372.08
Total	-	2,781.56	382.24	28.75	372.08	190.03	253.14	371.26	217.02	298.47	414.35	343.95	-	5,652.85
Net Operating Income (segment results)														
Commercial Office Segment	-	2,432.41	330.94	-	-	162.30	234.75	280.30	187.74	196.20	387.34	308.21	-	4,520.19
Hospitality Segment	-	-	-	(28.95)	-	-	-	-	-	(45.21)	-	-	-	(74.16)
Others	-	-	-	-	333.62	-	-	-	-	-	-	-	-	333.62
Total	-	2,432.41	330.94	(28.95)	333.62	162.30	234.75	280.30	187.74	150.99	387.34	308.21	-	4,779.65

For the quarter ended 31 March 2020

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETV	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

48 Operating segments (continued)

For the half year ended 31 March 2021

Particulars	REIT	MPPL	EOPPL**	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETV	Total
Segment Revenue:														
Commercial Office Segment	-	5,649.55	755.64	-	-	400.24	504.30	719.79	433.20	443.56	730.86	722.20	1,708.28	12,067.62
Hospitality Segment	-	-	-	68.07	-	-	-	-	-	115.57	-	-	-	183.64
Others	-	-	-	-	788.18	-	-	-	-	-	-	-	-	788.18
Total	-	5,649.55	755.64	68.07	788.18	400.24	504.30	719.79	433.20	559.13	730.86	722.20	1,708.28	13,039.44
Net Operating Income (segment results)														
Commercial Office Segment	-	4,846.52	640.03	-	-	339.52	474.46	559.88	371.34	333.01	659.79	657.85	1,474.25	10,356.65
Hospitality Segment	-	-	-	(48.07)	-	-	-	-	-	(89.96)	-	-	-	(138.03)
Others	-	-	-	-	721.83	-	-	-	-	-	-	-	-	721.83
Total	-	4,846.52	640.03	(48.07)	721.83	339.52	474.46	559.88	371.34	243.05	659.79	657.85	1,474.25	10,940.45

For the half year ended 30 September 2020

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETV	Total
Segment Revenue:														
Commercial Office Segment	-	5,152.62	652.27	-	-	403.02	521.47	715.95	440.11	563.41	590.80	716.21	-	9,755.86
Hospitality Segment	-	-	-	31.68	-	-	-	-	-	16.14	-	-	-	47.82
Others	-	-	-	-	760.08	-	-	-	-	-	-	-	-	760.08
Total	-	5,152.62	652.27	31.68	760.08	403.02	521.47	715.95	440.11	579.55	590.80	716.21	-	10,563.76
Net Operating Income (segment results)														
Commercial Office Segment	-	4,872.58	631.09	-	-	340.45	462.32	579.83	379.75	461.48	509.65	651.85	-	8,889.00
Hospitality Segment	-	-	-	(66.49)	-	-	-	-	-	(139.24)	-	-	-	(205.73)
Others	-	-	-	-	699.75	-	-	-	-	-	-	-	-	699.75
Total	-	4,872.58	631.09	(66.49)	699.75	340.45	462.32	579.83	379.75	322.24	509.65	651.85	-	9,383.02

For the half year ended 31 March 2020

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETV	Total
Segment Revenue:														
Commercial Office Segment	-	4,487.16	709.26	-	-	422.00	514.62	689.80	449.20	733.82	654.95	748.07	-	9,408.88
Hospitality Segment	-	-	-	375.22	-	-	-	-	-	262.96	-	-	-	638.18
Others	-	-	-	-	845.07	-	-	-	-	-	-	-	-	845.07
Total	-	4,487.16	709.26	375.22	845.07	422.00	514.62	689.80	449.20	996.78	654.95	748.07	-	10,892.13
Net Operating Income (segment results)														
Commercial Office Segment	-	4,207.56	684.19	-	-	329.99	473.36	545.52	369.70	590.12	553.19	661.38	-	8,415.01
Hospitality Segment	-	-	-	145.78	-	-	-	-	-	(79.33)	-	-	-	66.45
Others	-	-	-	-	775.91	-	-	-	-	-	-	-	-	775.91
Total	-	4,207.56	684.19	145.78	775.91	329.99	473.36	545.52	369.70	510.79	553.19	661.38	-	9,257.37

48 Operating segments (continued)

For the year ended 31 March 2021

Particulars	REIT	MPPL	EOPPL**	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETV	Total
Segment Revenue:														
Commercial Office Segment	-	10,802.17	1,407.91	-	-	803.26	1,025.77	1,435.74	873.31	1,006.97	1,321.66	1,438.41	1,708.28	21,823.48
Hospitality Segment	-	-	-	99.75	-	-	-	-	-	131.71	-	-	-	231.46
Others	-	-	-	-	1,548.26	-	-	-	-	-	-	-	-	1,548.26
Total	-	10,802.17	1,407.91	99.75	1,548.26	803.26	1,025.77	1,435.74	873.31	1,138.68	1,321.66	1,438.41	1,708.28	23,603.20
Net Operating Income (segment results)														
Commercial Office Segment	-	9,719.10	1,271.12	-	-	679.97	936.78	1,139.71	751.09	794.49	1,169.44	1,309.70	1,474.25	19,245.65
Hospitality Segment	-	-	-	(114.56)	-	-	-	-	-	(229.20)	-	-	-	(343.76)
Others	-	-	-	-	1,421.58	-	-	-	-	-	-	-	-	1,421.58
Total	-	9,719.10	1,271.12	(114.56)	1,421.58	679.97	936.78	1,139.71	751.09	565.29	1,169.44	1,309.70	1,474.25	20,323.47

** refer note 57.

For the year ended 31 March 2020

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETV	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

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

BREP VII SBS HCC Holding (NQ) Limited
India Alternate Property Limited
BREP Asia SBS Holding-NQ CO XI Limited
BREP VII SG Indian Holding (NQ) Co II Pte. 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
Ashesh 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 (from 19 May 2020)
Ramesh Periasamy - Compliance Officer and Company Secretary (Upto 6 August 2020)
Deepika Srivastava- Compliance Officer and Company Secretary (From 7 August 2020)

B. **Joint Venture**

Golflink Software Parks Private Limited

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

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
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
Paledium Security Services LLP
Reddy Veeranna Constructions Private Limited (upto 21 March 2020)
HVS Anarock Hotel ADV Services Private Limited

Mac Charles (India) Limited
Lounge Hospitality LLP
EPDPL Coliving Operation LLP
EPDPL Coliving Private Limited
Embassy Projects Private Limited
Technique Control Facility Management Private Limited
Anarock Retail Advisors Private Limited
Babbler Marketing Private Limited
Sarla Infrastructure Private Limited (upto 24 December 2020)
Vikas Telecom Private Limited (upto 24 December 2020)
BREP VII SBS Holding-NQ IV Co Ltd (Cayman)*
BREP Asia SBS Holding-NQ Co IV Ltd (Cayman)*
BREP Asia SG India Holding (NQ) Co I Pte Ltd*
BREP VII SG India Holding (NQ) Co I Pte Ltd*

Embassy Real Estate and Development Services Private Limited
JV Holding Private Limited
VTV Infrastructure Management Private Limited
Embassy Commercial Projects (Whitefield) Private Limited
Golflinks Embassy Business Park Management Services LLP

*together known as BREP entities.

49 **Related party disclosures (continued)**

II. **Related party transactions during the period/ year**

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Acquisition of Common Area maintenance services business from								
Embassy Services Private Limited	-	4,730.21	-	4,730.21	-	-	4,730.21	-
Business acquisition of ETV assets from								
Embassy Property Developments Private Limited	-	6,870.02	-	6,870.02	-	-	6,870.02	-
BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd	-	8,736.46	-	8,736.46	-	-	8,736.46	-
BREP VII SG Indian Holding (NQ) Co I Pte. Ltd	-	2,182.64	-	2,182.64	-	-	2,182.64	-
BREP Asia SBS Holding-NQ Co IV Ltd. (Cayman)	-	41.46	-	41.46	-	-	41.46	-
BREP VII SBS Holding-NQ IV Co Ltd (Cayman)	-	11.84	-	11.84	-	-	11.84	-
Non-Convertible Debentures issued to								
Embassy Services Private Limited	-	60.00	-	60.00	-	-	60.00	-
Property Management fees								
Embassy Office Park Management Services Private Limited	174.60	126.15	127.40	300.75	235.17	252.59	535.92	486.13
REIT Management fees								
Embassy Office Park Management Services Private Limited	54.25	44.52	56.02	98.77	113.46	111.36	212.23	214.81
Purchase of Intangible assets								
Embassy Office Park Management Services Private Limited	-	-	8.84	-	-	8.84	-	8.84
Purchase of Investment Property								
Reddy Veeranna Constructions Private Limited	-	-	4.51	-	-	4.51	-	4.51
Babbler Marketing Private Limited	73.06	4.05	-	77.11	-	-	77.11	-
Brokerage paid (capitalised)								
Anarock Retail Advisors Private Limited	-	-	-	-	8.00	-	8.00	-
Common area maintenance								
Embassy Services Private Limited	144.99	145.58	114.21	290.57	241.88	247.47	532.45	591.22
Golflinks Embassy Business Park Management Services LLP	4.74	4.75	6.02	9.49	9.48	12.05	18.97	24.11
FIFC Condominium	8.01	17.15	15.71	25.16	34.27	33.56	59.43	67.01
Paledium Security Services LLP	17.31	21.82	-	39.13	-	-	39.13	-
Technique Control Facility Management Private Limited	155.57	61.84	-	217.41	1.66	-	219.07	-
Repairs and maintenance- building								
Embassy Services Private Limited	23.83	-	-	23.83	-	-	23.83	-
Paledium Security Services LLP	0.83	-	-	0.83	-	-	0.83	-
FIFC Condominium	-	-	6.13	-	-	6.13	-	6.13

49 **Related party disclosures (continued)**

II. **Related party transactions during the period/ year**

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Repairs and maintenance - plant and machinery								
Embassy Services Private Limited	0.11	0.30	-	0.41	-	-	0.41	-
Paledium Security Services LLP	1.72	-	-	1.72	-	-	1.72	-
Technique Control Facility Management Private Limited	10.95	0.09	-	11.04	-	-	11.04	-
Business consultancy services (capitalised)								
Embassy Property Developments Private Limited	77.11	24.39	14.18	101.50	26.55	51.41	128.05	124.90
Embassy Services Private Limited	14.43	3.05	-	17.48	6.72	-	24.20	-
Reimbursement of tenant improvements								
Wework India Management Private Limited	-	-	-	-	65.72	-	65.72	-
Income from generation of renewable energy from the tenants of								
Vikas Telecom Private Limited	-	65.15	98.11	65.15	133.34	196.63	198.49	377.32
Embassy Property Developments Private Limited	-	-	15.83	-	6.72	32.88	6.72	87.55
Dynasty Properties Private Limited	-	-	7.39	-	1.79	17.28	1.79	39.32
Golflinks Software Park Private Limited	66.64	59.00	64.53	125.64	108.04	119.93	233.68	224.87
Security Deposit given/(repaid) to/(by) related party								
Embassy Property Developments Private Limited	-	-	-	-	-	(165.35)	-	(991.50)
FIFC Condominium	-	-	-	-	-	(2.52)	-	-
Security deposits received								
Wework India Management Private Limited	-	-	-	-	105.44	-	105.44	-
Advance compensation received from related party								
Embassy Property Development Private Limited	-	559.19	-	559.19	-	-	559.19	-
Capital advances paid/ (refunded)								
Embassy Property Developments Private Limited	344.39	(684.97)	252.92	(340.58)	205.34	4,612.61	(135.24)	4,884.97
Reddy Veeranna Constructions Private Limited	-	-	(3.30)	-	-	(2.48)	-	4.02
FIFC Condominium	4.19	1.39	9.71	5.58	2.79	9.71	8.37	9.71
Babbler Marketing Private Limited	61.59	29.67	-	91.26	32.85	-	124.11	-
Rental and maintenance income								
Wework India Management Private Limited	150.48	30.26	25.67	180.74	53.47	52.09	234.21	108.85
FIFC Condominium	5.03	-	-	5.03	-	-	5.03	-
Snap Offices Private Limited	13.30	9.30	9.23	22.60	18.43	18.44	41.03	36.85

49 **Related party disclosures (continued)**

II. **Related party transactions during the period/ year**

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income								
Golflinks Software Park Private Limited	-	-	10.91	-	7.29	26.70	7.29	72.19
Reddy Veeranna Construction Private Limited	-	-	-	-	-	-	-	1.53
Sarla Infrastructure Private Limited	-	4.76	-	4.76	-	-	4.76	-
Embassy Property Developments Private Limited	178.42	165.81	160.47	344.23	267.59	160.47	611.82	160.47
Other operating income								
Embassy Property Developments Private Limited	171.60	171.60	171.60	343.20	343.20	215.88	686.40	215.88
Golflinks Software Park Private Limited	11.25	11.25	7.50	22.50	22.50	45.00	45.00	45.00
Project management consultancy fees (capitalised)								
Synergy Property Development Services Private limited	-	-	-	-	-	33.44	-	91.53
Amount paid for civil works (capitalised)								
Synergy Property Development Services Private limited	-	-	-	-	-	-	-	539.28
Power and fuel expenses								
Embassy Services Private Limited	18.83	19.70	18.42	38.53	30.36	54.06	68.89	117.51
Reversal of impairment on investments								
Manyata Projects Private Limited	-	-	-	-	-	(156.98)	-	(156.98)
Investments written off								
Manyata Projects Private Limited	-	-	-	-	-	156.98	-	156.98
Legal and professional charges								
Embassy Services Private Limited	6.46	5.67	4.78	12.13	10.57	44.25	22.70	18.65
HVS Anarock Hotel ADV Services Private Limited	0.70	-	-	0.70	-	-	0.70	-
Security charges								
Embassy Services Private Limited	1.89	4.78	2.34	6.67	9.56	8.64	16.23	12.94
Trademark and license fees								
Embassy Shelters Private Limited	0.36	0.35	0.36	0.71	0.71	0.71	1.42	1.42
Purchase of consumables								
Embassy One Developers Private Limited	-	-	16.81	-	-	16.81	-	16.81
Rates and taxes								
Embassy One Developers Private Limited	-	-	2.06	-	-	2.06	-	2.06

49 **Related party disclosures (continued)**

II. **Related party transactions during the period/ year**

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue - Room rentals, sale of food and beverages								
Jitendra Virwani	0.58	0.30	1.21	0.88	0.83	2.22	1.71	2.34
Embassy Property Developments Private Limited	0.51	0.34	0.88	0.85	0.02	3.21	0.87	5.25
Embassy One Developers Private Limited	-	-	1.96	-	-	1.96	-	1.96
Vikas Telecom Private Limited	-	-	0.15	-	-	0.15	-	0.31
JV Holding Private Limited	-	-	0.03	-	-	0.04	-	0.04
Others	2.68	0.92	0.90	3.60	0.07	4.04	3.67	4.99
Investment in debentures								
Golflinks Software Parks Private Limited	-	-	-	-	-	-	-	2,500.00
Redemption of investment in debentures								
Golflinks Software Parks Private Limited	-	-	458.10	-	724.38	906.61	724.38	1,775.62
Secondment fees								
Embassy Office Parks Management Services Private Limited	0.36	0.35	0.36	0.71	0.71	0.71	1.42	1.42
Trustee fees								
Axis Trustee Services Limited	0.74	0.74	0.76	1.48	1.48	1.48	2.96	2.96
Miscellaneous expenses								
Mac Charles (India) Limited	-	-	-	-	-	-	-	0.48
Business Promotion expenses								
Lounge Hospitality LLP	-	-	-	-	-	0.06	-	0.06
Reimbursement of expenses (received)/ paid								
Embassy Services Private Limited	21.40	(1.87)	(6.65)	19.53	0.97	10.44	20.50	29.77
FIFC Condominium	5.70	-	-	5.70	-	-	5.70	-
Embassy One Developers Private Limited	1.26	(12.94)	(6.26)	(11.68)	(0.92)	(6.26)	(12.60)	(6.26)
Embassy Office Parks Management Services Private Limited	1.04	(0.11)	1.97	0.93	0.70	6.17	1.63	53.87
Initial refundable receipt from Co-sponsor - received / (repaid)								
Embassy Property Development Private Limited	-	-	-	-	-	-	-	(0.50)

Embassy Office Parks REIT
Condensed Consolidated Financial Statements

Notes to Accounts

(all amounts in Rs. million unless otherwise stated)



49 Related party disclosures (continued)

III. Related party balances

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings		
Embassy Services Private Limited [refer note 29(i)]	60.00	-
Security deposits		
Embassy Services Private Limited	-	60.50
VTV Infrastructure Management Private Limited	4.30	-
Advance from customers		
Wework India Management Private Limited	139.12	1.92
Trade payables		
Embassy Services Private Limited	106.68	91.74
Embassy Property Developments Private Limited	0.10	-
Embassy Real Estate and Development Services Private Limited	0.11	4.66
VTV Infrastructure Management Private Limited	13.03	-
Technique Control Facility Management Private Limited	28.95	-
Embassy Office Parks Management Service Private Limited	14.02	-
Golflinks Embassy Business Park Management services LLP	5.52	2.01
FIFC Condominium	-	17.53
Unbilled revenue		
Vikas Telecom Private Limited	-	25.05
Embassy Property Developments Private Limited	-	8.92
Dynasty Properties Private Limited	-	3.73
Golflinks Software Parks Private Limited	24.38	24.12
Other current financial assets - other receivables from related party		
Embassy Property Developments Private Limited	178.39	-
Manyata Builders Private Limited	-	5.63
Embassy One Developers Private Limited	1.22	2.31
FIFC Condominium	6.38	-
Other current financial liabilities		
Embassy One Developers Private Limited	-	0.05
Embassy Services Private Limited	79.81	115.48
Technique Control Facility Management Private Limited	78.44	-
Embassy Office Parks Management Services Private Limited	52.87	56.14
Paledium Security Services LLP	10.23	-
FIFC Condominium	0.61	0.95
VTV Infrastructure Management Private Limited	19.00	-
Contingent consideration payable		
Embassy Property Developments Private Limited	350.00	-
Other current financial liabilities - Security deposits		
Vikas Telecom Private Limited	-	105.00
Golflinks Software Parks Private Limited	80.00	80.00

49 **Related party disclosures (continued)**

III. Related party balances

Particulars	As at	As at
	31 March 2021	31 March 2020
Current liabilities - Capital creditors for purchase of fixed assets		
Embassy Property Developments Private Limited	41.23	14.73
Embassy Services Private Limited	11.43	-
Others	7.81	-
Other current liabilities-Advance compensation received		
Embassy Property Developments Private Limited	559.19	-
Other non-current assets - capital advance		
Embassy Shelters Private Limited	206.35	206.34
Embassy Property Developments Private Limited	20.76	-
Reddy Veeranna Constructions Private Limited	-	6.51
FIFC Condominium	18.08	9.71
Babbler Marketing Private Limited	29.04	-
Other non-current assets- prepayments		
FIFC Condominium	-	5.64
Other current assets - Advance for supply of goods and rendering of services		
FIFC Condominium	2.67	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 56)	13,863.03	13,998.26
Receivable for rental support from a related party*		
Embassy Property Developments Private Limited	1,108.78	-
Receivable for sale of co-developer rights		
Embassy Commercial Projects (Whitefield) Private Limited	2,712.97	-
Trade receivables		
Embassy Property Developments Private Limited	171.90	51.48
Embassy One Developers Private Limited	-	1.20
VTV Infrastructure Management Private Limited	88.05	-
Golflinks Embassy Business Park Management Services LLP	1.71	1.86
Wework India Management Private Limited	64.43	0.17
Others	1.44	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	-	724.38

*Represents rental support provided by Embassy Sponsor to SIPL as part of ETV Assets acquisition starting quarter ended 31 March 2021 until the quarter ending 31 March 2022 (after which lease rentals are expected to commence from ETV Block 9).

**MPPL has provided a guarantee to a tenant (sub-lessee) of Wework India Management Private Limited (Wework), for the security deposits paid by the sub-lessee to Wework. This guarantee has been provided based on the specific request of the sub-lessee and is backed by an independent bank guarantee received by MPPL for a similar amount and duration on behalf of Wework.

50 Business Transfer Agreement (BTA) between MPPL, EOPPL and ESPL

On 22 October 2020, MPPL and EOPPL had entered into Business Transfer Agreement (BTA) with ESPL for acquisition of the Common Area Maintenance (CAM) services for Embassy Manyata and Embassy TechZone for a total consideration of Rs. 4,730.21 million.

The acquisition cost of Rs.4,730.21 million was funded through coupon bearing debt obtained by Embassy Office Parks Group. The consideration for the aforesaid acquisition, is paid in the form of assumption and repayment of identified liabilities of ESPL and issuance of unlisted, unsecured, redeemable non-convertible debentures of MPPL and EOPPL to ESPL. The acquisition was completed on 28 October 2020. Details of assets acquired and liabilities assumed have been provided below:

Particulars	CAM services operations		Total
	MPPL	EOPPL	
Assets acquired			
Intangible assets acquired [CAM service rights]	3,808.59	925.72	4,734.31
Fair value of other assets acquired	94.07	6.35	100.42
Total			4,834.73
Liabilities assumed			
Other current liabilities	94.02	10.50	104.52
Total			104.52
Fair value of net assets acquired			4,730.21
Less: Consideration	3,808.64	921.57	4,730.21
Goodwill/ Capital reserve on acquisition			-

Embassy office parks group has obtained two independent valuation reports as required by the REIT regulations for the above acquisition and the average of the two valuations amounts to Rs. 5,179 million. Acquisition consideration is at 8.5% discount to average of two independent valuation reports. No fees or commission is payable to any associate of the related party in relation to the transaction. All the material conditions and obligations for the transaction have been complied.

51 Business Combination

During the year ended 31 March 2021, the Trust acquired Embassy Tech Village by acquiring all of the equity interest in VTPL, EOVPPL and SIPL (ETV Assets) held by the Embassy Sponsor, BREP entities and certain other third party shareholders. The acquisition of equity interest in EOVPPL (which in turn holds 60% equity interest in VTPL) and SIPL has been completed with issue proceeds received of Rs.36,852.02 million, by issue of 111,335,400 Units at a price of Rs.331.00 per Unit through the Institutional Placement. The acquisition of balance 40% equity interest in VTPL is completed through Preferential issue of 64,893,000 Units at a price of Rs.356.70 per unit to the third party shareholders aggregating to Rs. 23,147.33 million.

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

Entity	Fair value of investment property, investment property under development, property, plant and equipment and capital work-in-progress acquired	Fair value of other assets acquired	Fair value of liabilities assumed	Deferred tax liability on fair valuation of assets acquired and liabilities assumed	Fair value of net assets taken over	Purchase consideration	Goodwill on consolidation
ETV Assets	93,906.90	11,509.99	47,521.41	14,424.08	43,471.40	57,565.47	14,094.07

Notes:-

1. The Purchase consideration for SIPL includes a contingent consideration of Rs. 350.00 million which shall be payable to the Embassy Sponsor in cash subject to certain conditions and timeline agreed between the parties.

2. Embassy Office Parks Group has obtained two independent valuation reports as required by the REIT regulations for the ETV assets and the average of the two valuations for the enterprise value amounts to Rs. 102,555 million. Acquisition consideration is at 4.6% discount to average of two independent valuation reports. No fees or commission is payable to any associate of the related party in relation to the transaction. All the material conditions and obligations for the transaction have been complied.

3. The Goodwill of Rs. 14,094.07 million mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values as well as the requirement to recognise deferred tax liability of Rs. 14,424.08 million, calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases. Goodwill is attributable due to the acquisition price being dependent on the overall property valuation assuming a discounted cash flow method computed using future cashflows and other relevant assumptions as compared with the individual assets recorded at their fair values computed basis comparable approach or depreciated replacement cost basis. Goodwill is allocated entirely to the ETV assets CGU. Goodwill is not deductible for tax purposes.

Note:

i) Measurement of fair values

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

Particulars	Valuation methodology
Property, plant and equipment and Investment property	Fair values have been determined by independent external property valuers, having appropriately recognised professional qualification and recent experience in the location and category of the properties being valued. The valuers have followed "Direct comparison approach" for land, "Depreciated replacement cost approach" for the built up component, plant and machinery, capital work-in-progress and other assets. Direct comparison approach involves comparing to similar properties that have actually been sold in an arms length transaction or are offered for sale. Depreciated replacement cost approach considers the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The methodology begins with a set of assumptions as to the projected income and expenses of the property. This methodology use market derived assumptions, including discount rates, obtained from analysed transactions.
Right-to -use trademark	The fair value of the acquired right to use trademark was established using "Relief from royalty" method. It is a methodology that assumes that if a corporation owns a trademark, then it is relieved from paying a royalty, so a hypothetical royalty payment can be estimated.
CAM service rights	The fair value of the CAM service rights was established using the "Multi-period excess earnings method (MEEM)". In MEEM method, value is estimated as the present value of the benefits anticipated from ownership of the asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits.
Assets other than those mentioned above	Book values as on the date of acquisition corresponds to the fair values which have been considered to be fully recoverable.
Contingent consideration	Contingent consideration payable are estimated based on the terms of the sale contract, the entity's knowledge of the business and how the current economic environment is likely to impact it. The fair value of contingent consideration is valued based on the present value of expected payments, discounted using a risk-adjusted discount rate. In relation to SIPL it is probable that the consideration of Rs.350 million will be paid in future to the Embassy Sponsor in cash and hence the entire payable of Rs. 350 million has been considered as contingent consideration.
Liabilities	Liabilities includes loans and borrowings, trade payables and provision for employee benefits. Book values as on the date of acquisition corresponds to the fair values.

52 Details of utilisation of proceeds of Institutional placement are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Funding of consideration for the acquisition of the ETV SPV's, including subscription to Class A equity shares in EOVP, payment of consideration to the BREP Entities and the Embassy Sponsor	34,068.14	34,068.14	-
Debt funding to the ETV SPV's for partial or full repayment or pre-payment of bank/financial institution debt and settlement of certain liabilities	1,550.00	1,550.00	-
Issue expenses	750.00	750.00	-
General purposes	483.88	84.93	398.95
Total	36,852.02	36,453.07	398.95

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	13,621.31	13,621.31	-
General purposes including issue expenses	1,378.69	1,378.69	-
Total	15,000.00	15,000.00	-

54 Details of utilisation of proceeds of issue of Embassy REIT Series III NCD 2021 are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	24,500.00	24,500.00	-
General purposes including issue expenses and granting of shareholder debt including construction and development and/or working capital requirements at the underlying SPVs	1,500.00	613.52	886.48
Total	26,000.00	25,113.52	886.48

55 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 29 April 2021, have declared distribution to Unitholders of Rs.5.60 per unit which aggregates to Rs.5,308.20 million for the quarter ended 31 March 2021. The distributions of Rs.5.60 per unit comprises Rs.1.24 per unit in the form of interest payment, Rs.2.21 per unit in the form of dividend and the balance Rs.2.15 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 13,055.89 million/ Rs. 15.88 per unit for the period ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to Rs.18,364.09 million/ Rs. 21.48 per unit.

56 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. 6,093.89 million has already been paid as of 31 March 2021 (31 March 2020: Rs. 6,229.20 million). 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 31 March 2021 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.6,133.89 million has already been paid as of 31 March 2021 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 under development and the estimated date of completion and obtaining occupancy certificate is now December 2022.

The carrying cost in the consolidated financial statements of the above advance is Rs. 9,607.18 million as at 31 March 2021 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.4,255.85 million has already been paid as of 31 March 2021 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 September 2023. MPPL is obligated to pay a development management fees of Rs.20 million and an estimated cost of conversion from bare shell to warm shell 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.4,255.85 million has already been paid as of 31 March 2021 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.

As per terms of both of these co-development agreements, consideration is contingent on pre-defined Net Operating Income achieved and therefore consideration will be trued up/down accordingly upon project completion.

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

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

The above scheme has been approved by National Company Law Tribunal (NCLT), Mumbai bench with an effective date of 10 March 2021. Further the scheme was approved by the Board of Approval of Special Economic Zones ("BoA") in its meeting held on March 18, 2021 and the company has filed the necessary form with ROC on March 25, 2021, for all the three entities. Upon completion of the scheme, MPPL has become a 100% Holdco of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEP, 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone, an existing asset of the Embassy Office Parks REIT.

The consideration paid by EPTPL and MPPL to give effect to the above consideration to Embassy REIT is as follows:-

- EPTPL shall issue and allot 1 fully paid equity share of face value of Rs.10 each for every 1 equity share of face value of Rs. 10 each fully paid-up held in EOPPL by Embassy REIT.
- MPPL shall issue and allot 1 fully paid equity share of face value of Rs.100 each for every 11.85 equity share of face value of Rs. 10 each fully paid-up held in EOPPL by Embassy REIT.

There is no impact to consolidated financial statements of the Group due to the above scheme of merger.

Further, for the purpose of all disclosures in the condensed consolidated financial statements, all numbers are shown under EOPPL instead of EPTPL to facilitate comparison and ease for users of the financial statements.

- 58 The Trust had incurred qualifying transaction costs in relation to legal and professional fees amounting to Rs.91.79 million in previous quarters in relation to the Institutional placement and Preferential issue of units of REIT, which were previously charged off to statement of profit and loss during the quarter ended 30 June 2020. During the quarter ended 31 December 2020, on successful completion of issue of Units (Institutional placement and Preferential allotment), the aforesaid expenses have been reclassified as Issue Expenses and have been reduced from the Unitholders Capital in accordance with Ind AS 32 Financial Instruments: Presentation.
- 59 The figures for the quarter and half year ended 31 March 2021 are the derived figures between the audited figures in respect of the year ended 31 March 2021 and the published year-to-date figures upto periods ended 31 December 2020 and 30 September 2020 respectively, which were subject to limited review.
- 60 The Board of Directors of the Manager through a resolution by circulation dated 23 January 2021 approved the Scheme of Arrangement (“the Scheme”) involving EOVP and VTPL. The Scheme provides for the merger/amalgamation of EOVP into VTPL (on a going concern basis). Upon the Scheme becoming effective, with effect from the Appointed Date (as defined in the Scheme), VTPL will be a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy Tech Village. This would result in a simplified holding and management structure for Embassy REIT assets and create value for Embassy REIT and its Unitholders. The Scheme has been filed with National Company Law Tribunal (NCLT), Bengaluru Bench on 10 February 2021 and is subject to receipt of necessary statutory and regulatory approvals under applicable laws, including the approval of the NCLT.

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

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

per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

INDEPENDENT AUDITOR'S REPORT

To the Unitholders' of Embassy Office Parks REIT

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Embassy Office Parks REIT (the "REIT"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Unitholders' equity for the year then ended and the Statement of Net Assets at fair value as at March 31, 2021 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows of the REIT for the year then ended and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations, of the state of affairs of the REIT as at March 31, 2021, its profit including other comprehensive income, its cash flows, its statement of changes in Unitholders' equity for the year ended March 31, 2021, its net assets at fair value as at March 31, 2021, its total returns at fair value and the net distributable cash flows of the REIT for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
<p>Assessing impairment of Investments and loans made by the REIT in subsidiaries and joint venture entity (as described in note 3, 4 and 7 of the standalone Ind AS financial statements)</p>	
<p>As at March 31, 2021, the carrying values of REIT's investment in subsidiaries and joint venture entity amounted to Rs. 241,739.54 million. Further the REIT has granted loans to its subsidiaries amounting to Rs.100,473.92 million.</p> <p>Management reviews regularly whether there are any indicators of impairment of such investments/ loans by reference to the requirements under Ind AS. Management performs its impairment assessment by comparing the carrying value of these investments/ loans made to their recoverable amount to determine whether an impairment needs to be recognized.</p> <p>For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Significant judgements are required to determine the key assumptions used in determination of value in use.</p> <p>Considering the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> - We assessed the REIT's valuation methodology applied in determining the recoverable amount. - We involved valuation specialists to: <ul style="list-style-type: none"> (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - We compared the recoverable amount of the investment to the carrying value in books as at March 31, 2021. - As regards loans granted, we obtained and considered management evaluation of recoverability of loans and advances granted to its subsidiaries and joint venture entity. - We read/assessed the disclosures in the standalone Ind AS financial statements for compliance with the relevant accounting standards requirements.

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

Key audit matters	How our audit addressed the key audit matter
<p>Computation and disclosures of Net Assets and Total Returns at Fair Value (as described in note 2.2(c) and in Statement of Net assets at fair value and Statement of total returns at fair value of the standalone Ind AS financial statements)</p>	
<p>As per the provisions of REIT Regulations, the REIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets. For this purpose, fair value is determined by forecasting and discounting future cash flows. The determination of fair value involves judgement due to inherent uncertainty in the underlying assumptions and it is highly sensitive to changes in some of the inputs used e.g. the discounting rate (WACC), capitalization rates, rental growth rates etc.,</p> <p>Accordingly, the aforementioned computation and disclosures are determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures include the following-</p> <ul style="list-style-type: none"> - Read the requirements of SEBI REIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. - Assessed the appropriateness of independent valuer's and management's valuation methodology applied in determining the fair values. - Tested controls implemented by management to determine inputs for fair valuation as well as assumptions used in the fair valuation. - We involved valuation specialists to: <ul style="list-style-type: none"> (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - Tested the arithmetical accuracy of computation in the Statement of Net Assets and Total Returns at Fair Value. - Read/Assessed the disclosures in the standalone financial statements for compliance with the relevant requirements of REIT Regulations.

Related party transactions and disclosures

(as described in note 25 of the standalone Ind AS financial statements)

The REIT has undertaken transactions with its related parties in the normal course of business. These include making new or additional investments; lending of loans to SPVs, interest and dividend income on such loans/ investments, fees for services provided by related parties to REIT etc as disclosed in Note 25 of the standalone Ind AS financial statements.

We identified the recording of all possible related party transactions and its disclosure as set out in respective notes to the standalone Ind AS financial statements as a key audit matter due to the significance of transactions with related parties during the year ended March 31, 2021 and regulatory compliance thereon.

Our audit procedures, included the following:

- Obtained, read and assessed the REIT's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with REIT regulations.

- We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions.

- We read minutes of Unitholder meetings, Board and its relevant committee meetings and minutes of meetings of those charged with governance of the Manager in connection with transactions with related parties effected during the year and REIT's assessment of related party transactions being in the ordinary course of business at arm's length and in accordance with the REIT regulations.

- Assessed and tested the disclosures made in accordance with the requirements of Ind AS and REIT regulations.

Other Information

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

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Management of the Manager ('the Management') is responsible for the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position as at March 31, 2021, financial performance including other comprehensive income, cash flows, the movement of the unit holders' equity for the year ended March 31, 2021, its net assets at fair value as at March 31, 2021, its total returns at fair value and the net distributable cash flows of the REIT for the year ended March 31, 2021, in accordance with the requirements of the REIT regulations; Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. This responsibility also includes the design, implementation and maintenance of adequate controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (b) The Balance Sheet and the Statement of Profit and Loss including the Statement of Other Comprehensive Income dealt with by this Report are in agreement with the books of account of the REIT; and

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

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

Sd/-
per Adarsh Ranka
Partner
Membership Number: 209567

UDIN: 21209567AAAACF7210

Place: Bengaluru, India
Date: April 29, 2021

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



	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Financial assets			
- Investments	3	241,739.54	186,862.18
- Loans	4	98,998.92	65,143.57
Total non-current assets		340,738.46	252,005.75
Current assets			
Financial assets			
- Investments	5	-	3,933.45
- Cash and cash equivalents	6	7,171.26	2,845.45
- Loans	7	1,475.00	620.00
- Other financial assets	8	-	3.15
Other current assets	9	6.66	47.42
Total current assets		8,652.92	7,449.47
Total assets		349,391.38	259,455.22
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	10	288,262.11	229,120.96
Other equity	11	(22,682.89)	(8,784.65)
Total equity		265,579.22	220,336.31
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	12	83,319.10	39,018.84
Total non-current liabilities		83,319.10	39,018.84
Current liabilities			
Financial liabilities			
- Trade payables	13		
- total outstanding dues of micro and small enterprises		1.65	-
- total outstanding dues of creditors other than micro and small enterprises		0.95	6.68
- Other financial liabilities	14	460.16	88.48
Other current liabilities	15	26.60	4.37
Current tax liabilities (net)	16	3.70	0.54
Total current liabilities		493.06	100.07
Total equity and liabilities		349,391.38	259,455.22
Significant accounting policies	2		

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

As per our report of even date attached

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

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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Income and gains			
Dividend		2,781.76	289.97
Interest	17	9,427.24	8,229.01
Other income	18	47.51	155.34
Total Income		12,256.51	8,674.32
Expenses			
Valuation expenses		8.45	9.74
Audit fees	22	8.39	7.64
Investment management fees	36	212.23	214.81
Trustee fees		2.95	2.96
Legal and professional fees		58.97	98.09
Other expenses	19	66.56	18.15
Total Expenses		357.55	351.39
Earnings before finance costs, impairment loss and tax		11,898.96	8,322.93
Finance costs	20	4,698.65	2,850.33
Impairment loss	3	2,688.11	587.46
Profit before tax		4,512.20	4,885.14
Tax expense:	21		
Current tax		37.78	71.17
		37.78	71.17
Profit for the year		4,474.42	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 year		4,474.42	4,813.97
Earning per unit	23		
Basic		5.46	6.24
Diluted		5.46	6.24
Significant accounting policies	2		

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

As per our report of even date attached

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

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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	4,512.20	4,885.14
<i>Adjustments:</i>		
Interest income	(9,427.24)	(8,229.01)
Net changes in fair value of financial assets	-	(1.72)
Dividend	(2,781.76)	(289.97)
Profit on sale of investments	(47.51)	(152.36)
Impairment loss	2,688.11	587.46
Finance costs	4,698.65	2,850.33
Operating cash flow before working capital changes	(357.55)	(350.13)
Changes in:		
Other current assets	40.76	(47.42)
Other current and non-current liabilities and provisions	22.23	4.37
Other current financial liabilities	(3.30)	(37.75)
Other financial assets	3.15	(3.15)
Trade payables	(4.08)	6.68
Cash used in operations	(298.79)	(427.40)
Income taxes paid, net	(34.65)	(70.63)
Net cash used in operating activities	(333.44)	(498.03)
Cash flow from investing activities		
Loans given to subsidiaries	(43,590.31)	(76,285.60)
Loans repaid by subsidiaries	11,186.11	15,596.61
Investment in subsidiary	(34,068.14)	(3,450.00)
Investment in debentures issued by joint venture	-	(2,500.00)
Redemption of debentures issued by joint venture	724.38	1,775.62
Interest received	7,120.09	7,837.35
Dividend received	2,781.76	289.97
Redemption / (Investments) in mutual funds, (net)	3,256.58	(3,054.99)
Net cash used in investing activities	(52,589.53)	(59,791.04)
Cash flow from financing activities		
Proceeds from issue of units	36,852.02	-
Expenses incurred towards issue of units	(834.93)	(2,378.64)
Proceeds from Issue of Non-convertible debentures (net of issue expenses)	40,459.37	36,168.51
Distribution to unitholders	(18,370.92)	(13,503.88)
Security deposits repaid	1.00	30.00
Interest paid	(857.76)	-
Net cash generated from financing activities	57,248.78	20,315.99
Net increase/ (decrease) in cash and cash equivalents	4,325.81	(39,973.08)
Cash and cash equivalents at the beginning of the year	2,845.45	42,818.53
Cash and cash equivalents at the end of the year	7,171.26	2,845.45
Cash and cash equivalents comprise:		
Cash on hand	-	-
Balances with banks		
- in current accounts	7,169.26	2,845.19
- in escrow accounts	2.00	0.26
Cash and Cash equivalents at the end of the Year	6	7,171.26

Note: The Trust has issued 64,893,000 units through preferential allotment in exchange for acquisition of 40% stake in VTPL during the year ended 31 March 2021. The same has not been reflected in Standalone Statement of Cash Flows since it was a non-cash transaction.

Significant accounting policies

2

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

As per our report of even date attached

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

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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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 year (refer note 10)	59,999.35
Less: Issue expenses (refer note 10)	(858.20)
Balance as at 31 March 2021	288,262.11

B. Other equity

Particulars	Retained Earnings
Balance as on 1 April 2019	(94.47)
Add : Total comprehensive income for the the year ended 31 March 2020	4,813.97
Less: Distribution to Unitholders during the year ended 31 March 2020 * ^	(13,504.15)
Balance as at 31 March 2020	(8,784.65)
Balance as at 1 April 2020	(8,784.65)
Add : Total comprehensive income for the the year ended 31 March 2021	4,474.42
Less: Distribution to Unitholders during the year ended 31 March 2021 * ^	(18,372.66)
Balance as at 31 March 2021	(22,682.89)

* 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.

^ The distribution for years ended 31 March 2021 and 31 March 2020 does not include the distribution relating to the last quarters, for the year ended 31 March 2021 (which will be paid subsequently) and year ended 31 March 2020 (which was paid subsequently), respectively.

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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

A) Statement of Net Assets at fair value

S.No	Particulars	Unit of measurement	As at 31 March 2021		As at 31 March 2020	
			Book value	Fair value	Book value	Fair value
A	Assets	Rs in millions	349,391.38	438,653.91	259,455.22	316,123.50
B	Liabilities	Rs in millions	83,812.16	83,812.16	39,118.91	39,118.91
C	Net Assets (A-B)	Rs in millions	265,579.22	354,841.75	220,336.31	277,004.59
D	No. of units	Numbers	947,893,743	947,893,743	771,665,343	771,665,343
E	NAV (C/D)	Rs	280.18	374.35	285.53	358.97

Notes

1) Measurement of fair values

The fair value of investments in SPVs are computed basis the fair value of the underlying Investment property, Investment property under development, Property, plant and equipment and capital work-in-progress as at 31 March 2021 and as at 31 March 2020 along with book values of other assets and liabilities accounted in the respective SPV financial statements as at 31 March 2021 and as at 31 March 2020. The fair value of the properties has been determined by independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued.

Valuation technique

The fair value measurement for all the investment property, investment property under development, property plant and equipment and capital work-in-progress has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

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

Given the COVID-19 related uncertainties, the independent valuers have, as a precautionary measure, referenced material valuation uncertainty in arriving at their valuation as at 31 March 2021.

2) Break up of Net asset value

Particulars	As at	As at
	31 March 2021	31 March 2020
Fair value of investments in SPVs	431,475.99	309,294.01
Add: Other assets	7,177.92	6,829.49
Less : Liabilities	(83,812.16)	(39,118.91)
Net Assets	354,841.75	277,004.59

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

B) Statement of Total Returns at fair value

S.No	Particulars	For the year ended	For the year ended
		31 March 2021	31 March 2020
A	Total comprehensive income	4,474.42	4,813.97
B	Add : Income of SPV's and changes in fair value not recognised in total comprehensive income of Standalone financial statements	17,478.77	6,803.33
C (A+B)	Total Return	21,953.19	11,617.30

As per our report of even date attached

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

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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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

Sl No	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
1	Cash flows received from SPVs and investment entity in the form of :		
	• Interest	7,077.90	7,823.93
	• Dividends (net of applicable taxes)	2,781.76	289.97
	• Repayment of Shareholder Debt	9,740.49	11,012.23
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:	-	-
	• Applicable capital gains and other taxes	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-
	• Directly attributable transaction costs	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-
4	Add: Any other income accruing to the Trust and not captured herein	89.70	167.05
5	Less: Any other expense accruing at the Trust level, and not captured herein	(93.56)	(23.40)
6	Less: Any fees, including but not limited to:		
	• Trustee fees	(2.95)	(2.96)
	• REIT Management Fees	(212.23)	(214.81)
	• Valuer fees	(8.45)	(9.74)
	• Legal and professional fees	(64.53)	(102.89)
	• Trademark license fees	(1.42)	(1.42)
	• Secondment fees	(1.42)	(1.42)
7	Less: Debt servicing		
	• Interest on external debt	(914.44)	-
	• Repayment of external debt	-	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(34.65)	(70.62)
	Net Distributable Cash Flows	18,356.20	18,865.92

Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on 29 April 2021, have declared distribution to Unitholders of Rs.5.60 per unit which aggregates to Rs.5,308.20 million for the quarter ended 31 March 2021. The distributions of Rs.5.60 per unit comprises Rs.1.24 per unit in the form of interest payment, Rs.2.21 per unit in the form of dividend and the balance Rs.2.15 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 13,055.89 million/ Rs. 15.88 per unit for the nine months ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to Rs.18,364.09 million/ Rs. 21.48 per unit.
- Repayment of short-term construction debt given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions.
- Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

As per our report of even date attached

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

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

Sd/-
per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

Embassy Office Parks REIT**RN: IN/REIT/17-18/0001****Notes to the Standalone financial statements**

(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 ('QBPL')
9. Quadron Business Park Private Limited ('QBPL')
10. Oxygen Business Park Private Limited ('Oxygen')
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 and maintenance of such assets (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks holding company (HoldCo.) (upto 10 March 2021, refer note 39)	Embassy Office Parks REIT : Nil, (100% upto 10 March 2021, refer note 39)
MPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Manyata), located at Bangalore along with being an intermediate (HoldCo.) (from 10 March 2021, refer note 39) for the Trust.	EOPPL : Nil, (35.77% upto 10 March 2021) Embassy Office Parks REIT : 100%, (64.23% upto 10 March 2021, refer note 39)
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.	EOPPL: Nil (80% upto 10 March 2021 refer note 39) MPPL: 80% (from 10 March 2021 refer note 39) Embassy Office Parks REIT : 20%
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%
QBPL	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%

Embassy Office Parks REIT**RN: IN/REIT/17-18/0001****Notes to the Standalone financial statements**

(all amounts in Rs. million unless otherwise stated)

**1. Trust Information (continued)**

The Trust, further has incorporated/ acquired subsidiaries post Initial Public Offer (IPO). Accordingly Embassy Pune Techzone Private Limited (EPTPL) has been incorporated on 6 December 2019 by the Trust and equity interest in each of the below entities (SPVs incorporated in India) (directly or indirectly, acquired post IPO through their holding companies) have been transferred from the respective shareholders to the Trust.

1. Vikas Telecom Private Limited ('VTPL')
2. Sarla Infrastructure Private Limited ('SIPL')
3. Embassy Office Ventures Private Limited ('EOVPL')

Details of SPV's are provided below.

Name of the SPV	Activities	Shareholding (in percentage)
EPTPL	Development and leasing of office space and related interiors and maintenance of such assets "Embassy Tech Zone", located at Pune	Embassy Office Parks REIT : 100 % (from 10 March 2021), EOPPL : 100% (upto 10 March 2021, refer note 39)
VTPL *	Development and leasing of office space and related interiors and maintenance of such assets "Embassy TechVillage" (ETV), located in Bangalore.	EOVPL : 60% Embassy Office Parks REIT : 40%
SIPL *	Development and leasing of office space and related interiors and maintenance of such assets (ETV, Block 9), located in Bangalore.	Embassy Office Parks REIT : 100%
EOVPL *	Holding Company of VTPL and Common area maintenance services of ETV, located in Bangalore.	Embassy Office Parks REIT : 100%

* Together referred to as ETV SPV's.

The Trust 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 joint venture	Activities	Shareholding (in percentage)
GLSP	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bangalore	EOPPL: 50% (upto 10 March 2021), MPPL: 50% (from 10 March 2021, refer note 39), Kelachandra Holdings LLP (50%)

(this space is intentionally left blank)

2. Significant accounting policies

2.1 Basis of preparation of Standalone financial statements

The Standalone financial statements of the Trust comprises the Standalone Balance Sheet and Statement of Net Assets at fair value as at 31 March 2021, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flow, the Statement of Net Distributable Cashflows, the Standalone Statement of Changes in Unitholder's Equity, Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the year ended 31 March 2021. The Standalone financial statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 29 April 2021.

The Standalone financial statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations"); Indian Accounting Standards 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. The Standalone financial statements are presented in Indian Rupees in Millions, except when otherwise indicated.

Statement of compliance to Ind-AS

These Standalone financial statements for the year ended 31 March 2021 are the separate financial statements of the Embassy Office Parks REIT and have been prepared in accordance with Indian Accounting Standards as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent not inconsistent with REIT regulations.

Changes in accounting policies and disclosures

New and amended standards

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below. There were several new and amendments to standards and interpretations which are applicable for the first time for the year ended 31 March 2021, but either not relevant or do not have an impact on the Standalone financial statements of the Trust. The Trust has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provides a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the Standalone financial statements of, nor is there expected to be any future impact to the Trust.

Several other amendments apply for the first time for the year ending 31 March 2021, but does not have an impact on the financial statements of the Trust.

2.2. Summary of significant accounting policies

a) Functional and presentation currency

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

b) Basis of measurement

The Standalone financial statements are prepared on the historical cost basis, except for the following:

- Certain financial assets and liabilities (refer accounting policy regarding financial instrument): measured at fair values.

c) Use of judgments and estimates

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

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

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

i) Classification of lease arrangements as finance lease or operating lease – Note 2.2 (m)

ii) Classification of Unitholders' funds – Note 10 (a) (i)

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

i) Valuation of financial instruments – Refer Note 2.2 (h)

ii) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(q)(ii).

2. Significant accounting policies (continued)

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 31 March 2021 will be recovered. The impact of COVID-19 on the Trust's financial statements may differ from that estimated as at the date of approval of these Standalone financial statements.

iv) Impairment of investments and loans in subsidiaries

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

v) Fair valuation and disclosures

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

d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

e) Measurement of fair values

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

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

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

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

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

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

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

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

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

2. Significant accounting policies (continued)

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.

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.

2. Significant accounting policies (continued)

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

2. Significant accounting policies (continued)

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.

2. Significant accounting policies (continued)

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

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

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

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

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

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

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

k) Embedded derivatives

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

l) Financial guarantee contracts

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

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

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

m) Leases

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.

2. Significant accounting policies (continued)

Embassy Office Parks REIT as a lessor

i. Determining whether an arrangement contains a lease

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

ii. Assets held under leases

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

iii. Initial direct costs

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

n) Revenue recognition

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

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

Recognition of dividend income, interest income

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

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

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

o) Investments in subsidiaries and joint ventures

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

p) Borrowing costs

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

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

q) Taxation

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

(i) Current tax:

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

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

(ii) Deferred tax:

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

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

2. Significant accounting policies (continued)

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

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

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

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

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

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

r) Provisions and contingencies

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

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

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

s) Operating segments

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

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

t) Errors and estimates

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

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

u) Cash and cash equivalents

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

v) Cash distributions to unitholders

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

w) Statement of Cash flows

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 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.

2. Significant accounting policies (continued)

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

The Embassy Office Parks REIT has elected to present earnings before finance cost, impairment loss and income tax as a separate line item on the face of the Standalone Statement of Profit and Loss. The Embassy Office Parks REIT measures earnings before finance cost, 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, 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 dividend payments and Principal repayment of Shareholder Debt, would be done by declaring dividend, to the extent permitted under the Companies Act, 2013. Repayment of short-term construction debt given to SPV's are not considered for the purpose of distributions.

aa) Statement of net assets at fair value

The disclosure of Statement of Net Assets at Fair value comprises of the fair values of the properties held by Asset SPVs and the HoldCo as well as book values of the total liabilities and other assets of the Trust. The fair value of the property held by Asset SPVs and HoldCo are reviewed semi-annually by the independent property valuer taking into consideration market conditions existing at the reporting date, and other generally accepted market practices. The independent valuer is leading independent appraiser with a recognised and relevant professional qualification and experience.

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3 Non-current investments

Particulars	As at 31 March 2021	As at 31 March 2020
Trade, unquoted investments in subsidiaries (at cost)		
(refer note below and note 25)		
- 405,940,204 (31 March 2020: 405,940,204) equity shares of Umbel Properties Private Limited of Rs.10 each, fully paid up	2,841.67	2,841.67
Less: Provision for impairment (refer note (a) below)	(1,235.48)	(587.46)
- 2,129,635 (31 March 2020: 2,129,635) equity shares of Quadron Business Park Private Limited of Rs.10 each, fully paid up	13,689.26	13,689.26
Less: Provision for impairment (refer note (a) below)	(1,974.66)	-
- 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
Less: Provision for impairment (refer note (a) below)	(65.43)	-
	13,988.15	16,676.26
- Nil (31 March 2020: 8,703,248) equity shares of Embassy Office Parks Private Limited of Rs.10 each, fully paid up (refer note (b) below and note 39)	-	62,768.25
- 8,703,248 (31 March 2020: Nil) equity shares of Embassy Pune Techzone Private Limited of Rs.10 each, fully paid up (refer note (b) below and note 39)	12,083.50	-
- 1,461,989 (31 March 2020: 727,538) equity shares of Manyata Promoters Private Limited of Rs.100 each, fully paid up (refer note (b) below and note 39)	99,475.27	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
- 254,583 (31 March 2020: 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.100 each, fully paid up (refer note (c) below)	13,210.96	6,463.79
- Nil (31 March 2020: 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.100 each, fully paid up (refer note (c) below)	-	6,747.17
- 107,958 (31 March 2020: 107,958) equity shares of Galaxy Square Private Limited of Rs.100 each, fully paid up	4,662.50	4,662.50
- 2,637,348 (31 March 2020: Nil) Class A equity shares of Vikas Telecom Private Limited of Rs.10 each, fully paid up	23,147.33	-
- 4,847,584 (31 March 2020: Nil) Ordinary equity shares of Embassy Office Ventures Private Limited of Rs.10 each, fully paid up	10,972.41	-
- 8,682,000 (31 March 2020: Nil) Class A equity shares of Embassy Office Ventures Private Limited of Rs.10 each, fully paid up	16,575.71	-
- 3,300 (31 March 2020: Nil) equity shares of Sarla Infrastructure Private Limited of Rs.1,000 each, fully paid up	6,870.02	-
	227,751.39	170,185.92
	241,739.54	186,862.18
Aggregate amount of impairment recognised	3,275.57	587.46

(a) The recoverable amounts of the investments in subsidiaries have been computed based on value in use calculation of the underlying properties, computed semi-annually in March and September of each financial year. The value in use calculation is determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE South Asia Private Limited based on discounted cash flow method. As at 31 March 2021, an amount of Rs.3,275.57 million (31 March 2020: Rs.587.46 million) has been provided as impairment on investment in subsidiaries namely Umbel Properties Private Limited, Quadron Business Park Private Limited and Embassy Energy Private Limited based on independent valuation report as on 31 March 2021. The impairment charge arose in these entities mainly due to slower ramp up of hotel room occupancy, slower than anticipated lease up coupled with the current economic conditions due to Covid-19 pandemic. The impairment charge arose in Embassy One due to slower than anticipated lease-up. In determining the value in use, the cash flows were discounted at the rate of 12.38% for investment in Hospitality operations (UPPL and QBPL) and 13.50% for investment in solar power plant (EEPL).

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.

(b) The Board of Directors of the Manager in their meeting held on 19 May 2020 approved the composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL. The above scheme has been approved by National Company Law Tribunal (NCLT), Mumbai bench with an effective date of 10 March 2021. Upon completion of the scheme, MPPL has become a 100% HoldCo of the Trust, holding Embassy Manyata, Bengaluru, 80% of the share capital of EEPL, 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of the Trust, holding Embassy TechZone, an existing asset of the Trust. Due to the above the existing shares of EOPPL held by the Trust has been cancelled. Further, MPPL and EPTPL have to issue 734,451 equity shares and 8,703,248 equity shares respectively to the Trust, in accordance with the Scheme.

3 Non-current investments (continued)

Since Trust continues to hold the same economic interest through equity shareholding both before and after the composite scheme of arrangement, the carrying amount of Embassy Office Parks REIT's investment in Embassy Office Parks Private Limited is split into investment in EPTPL and MPPL based on relative fair values of such business/investments.

(c) During the year ended 31 March 2021, the rights of 130,022 Class A equity shares of Rs.100 each, of Indian Express Newspapers (Mumbai) Private Limited have been varied and the said shares are converted to Equity shares. Accordingly the carrying amount of investment in Class A equity shares have been reclassified under Equity shares.

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

Name of Subsidiary	As at	As at
	31 March 2021	31 March 2020
Embassy Office Parks Private Limited (refer note 39)	-	100.00%
Embassy Pune Techzone Private Limited (refer note i below)	100.00%	-
Manyata Promoters Private Limited (refer note ii below)	100.00%	64.23%
Umbel Properties Private Limited	100.00%	100.00%
Embassy Energy Private Limited (refer note iii below)	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%
Vikas Telecom Private Limited (refer note iv below)	40.00%	-
Embassy Office Ventures Private Limited	100.00%	-
Sarla Infrastructure Private Limited	100.00%	-

(i) Embassy Pune Techzone Private Limited was a wholly owned subsidiary of Embassy Office Parks Private Limited upto 10 March 2021 (refer note 39).

(ii) As at 31 March 2020, 35.77% of ownership interest in Manyata Promoters Private Limited was owned by Embassy Office Parks Private Limited. Therefore, the Trust directly or indirectly owned 100% interest in Manyata Promoters Private Limited. Also refer note 39.

(iii) Remaining 80.01% of ownership interest in Embassy Energy Private Limited is owned by Manyata Promoters Private Limited from 10 March 2021 (Embassy Office Parks Private Limited till 4 March 2021). Therefore, the Trust directly or indirectly owns 100% interest in Embassy Energy Private Limited. Also refer note 39.

(iv) Remaining 60% of ownership interest in Vikas Telecom Private Limited is owned by Embassy Office Ventures Private Limited. Therefore, the Trust directly or indirectly owns 100% interest in Vikas Telecom Private Limited .

4 Non-current loans

Particulars	As at	As at
	31 March 2021	31 March 2020
Unsecured, considered good		
Loan to subsidiaries (refer note 25)	98,998.92	65,142.57
Security deposits		
- others	-	1.00
	98,998.92	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	As at
	31 March 2021	31 March 2020
Non-trade, Unquoted, Investment in mutual funds, at fair value		
HDFC Liquid Fund-Growth	-	1,010.72
HDFC Overnight Fund-Growth	-	255.01
ICICI Prudential Liquid Fund-Growth	-	1,350.77
IDFC Cash Fund - Growth	-	390.15
Axis Liquid Fund - Growth	-	202.42
Trade, unquoted investments measured at amortised cost		
- Investment in Debentures of a joint venture entity (refer note 25)	-	724.38
Nil (31 March 2020 : 2,500) 8.5% debentures	-	-
	-	3,933.45
Investment measured at amortised cost	-	724.38
Investment measured at fair value through profit or loss	-	3,209.07
Investments measured at fair value through other comprehensive income	-	-
Aggregate amount of impairment recognised	-	-

Terms attached to Investment in debentures of a joint venture entity

1. Nil (31 March 2020 : 2,500) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Park Private Limited. Outstanding as on 31 March 2021 : Nil (31 March 2020 : Rs.724.38 million).
2. Interest Rate : 8.50% p.a. on monthly outstanding balance.
3. Security : The debentures are secured by first ranking exclusive security interest over Torrey Pines building.
4. Redemption : Debentures shall be redeemed in 16 monthly instalment (principal and interest) of Rs.160.00 million each and 17th instalment of Rs.98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.
5. Investment in debentures has been fully redeemed in the month of August 2020.

6 Cash and cash equivalents

Particulars	As at	As at
	31 March 2021	31 March 2020
Balances with banks		
- in current accounts *	7,169.26	2,845.19
- in escrow accounts		
- Balances with banks for unclaimed distributions	2.00	0.26
	7,171.26	2,845.45

* Balance in current accounts includes cheques on hand received from SPV's in respect of interest/principal repayments of loans as at 31 March 2021 amounting to Rs.763.77 million (31 March 2020 : Rs.2,121.94 million).

7 Current loans

Particulars	As at	As at
	31 March 2021	31 March 2020
Unsecured, considered good		
Loan to subsidiaries (refer note 25)	1,475.00	620.00
	1,475.00	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	As at
	31 March 2021	31 March 2020
Other receivables		
- from others	-	3.15
	-	3.15

9 Other current assets

Particulars	As at	As at
	31 March 2021	31 March 2020
Unsecured, considered good		
Advance for supply of goods and rendering of services	0.72	0.44
Balances with government authorities	0.33	8.82
Prepayments	5.61	38.16
	6.66	47.42

10 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 *	-	81.70
As at 31 March 2020	771.67	229,120.96
As at 1 April 2020	771.67	229,120.96
Add : Units issued during the year (refer note c)	176.23	59,999.35
Less: Issue expenses **	-	(858.20)
Balance as at 31 March 2021	947.90	288,262.11

* 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 previous year ended 31 March 2020, provision for issue expenses no longer payable, has been reversed amounting to Rs.81.70 million.

** During the year ended 31 March 2021 estimated issue expenses pertaining to further issue of units (Institutional placement and Preferential allotment) have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation. The issue expenses includes payments to auditor of Rs.51.55 million (excluding applicable taxes).

(a) Terms/rights attached to Units

- (i) The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Units is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Board of Directors of the Manager approves distributions to Unitholders. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays distributions 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 Unitholder	As at 31 March 2021		As at 31 March 2020	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	12.18%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Limited	88,333,166	9.32%	104,094,966	13.49%
BRE Mauritius Investments	83,730,208	8.83%	93,610,755	12.13%
Veeranna Reddy	29,372,782	*	65,472,582	8.48%
Bre/Mauritius Investments II	39,700,450	*	45,630,850	5.91%
India Alternate Property Limited	31,193,186	*	39,446,986	5.11%

* The percentage holding is less than 5% as at 31 March 2021. As at 31 March 2020, the percentage holding was more than 5%.

- (c) The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. 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 31 March 2020.

Further, during the year ended 31 March 2021, the Trust has issued 111,335,400 Units at a price of Rs.331.00 per Unit through an Institutional Placement. The Trust has also made Preferential allotment of 64,893,000 Units at Rs.356.70 per Unit to acquire 40% equity interest of VTPL held by third party shareholders.

11 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Retained earnings *	(22,682.89)	(8,784.65)
	(22,682.89)	(8,784.65)

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

Retained earnings

The cumulative gain or loss arising from the operations which is retained and 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.

12 Borrowings

Particulars	As at	As at
	31 March 2021	31 March 2020
Secured		
36,500 (31 March 2020 : 36,500) Embassy REIT Series I, Non-Convertible debentures (NCD) 2019, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note A below)		
- Tranche I	35,503.64	32,351.18
- Tranche II	7,276.40	6,667.66
15,000 (31 March 2020 : Nil) Embassy REIT Series II, Non-Convertible debentures (NCD) 2020, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note B below)		
- Tranche A	7,382.15	-
- Tranche B	7,437.51	-
26,000 (31 March 2020 : Nil) Embassy REIT Series III, Non-Convertible debentures (NCD) 2021, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note C below)	25,719.40	-
	83,319.10	39,018.84

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

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

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

Security terms:

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

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase I) 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 over their total shareholding in the SPV's namely QBPPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.
5. A negative pledge on all assets of each secured SPV except MPPL.

Redemption terms:

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

B. 15,000 (31 March 2020 : Nil) Embassy REIT Series II NCD 2020, face value of Rs.1,000,000 each

In September 2020, the Trust issued 7,500 listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series II NCD 2020 (Tranche A), debentures having face value of Rs.1 million each amounting to Rs.7,500.00 million with an coupon rate of 7.25% p.a. payable quarterly. In October 2020, the Trust further issued 7,500 such debentures (Tranche B), with an coupon rate of 6.70% p.a. payable quarterly and with same terms and conditions as Tranche A.

The Tranche A and Tranche B NCD described above were listed on the Bombay Stock Exchange on 17 September 2020 and 05 November 2020 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 by way of mortgage created by EOPPL on the constructed buildings and related parcels identified as Block 2, Block 3, Food court, Block 6, Block I, Block 11 and Block 5, having an aggregate leasable area of 2,00,674 square meters and forming part of the development known as Embassy Tech Zone together with portion of land admeasuring 96,630 square meters on which the aforesaid buildings are constructed out of the aggregate area of land measuring 67.45 acres equivalent to 2,72,979 sq. mtrs.
2. A sole and exclusive first ranking pledge created by the Embassy REIT over the shareholding in the SPV's namely IENMPL and EOPPL together known as "secured SPVs" along with shareholder loans given to these SPVs.
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by EOPPL over identified bank accounts and receivables.
5. A corporate guarantee issued by each of EOPPL and IENMPL.
6. Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the pledge of EOPPL shares and the hypothecation created over EOPPL bank accounts and receivables is in process of being recreated in the name of EPTPL in accordance with the terms of Debenture Trust Deed (refer note 39).

12 Borrowings (continued)**Redemption terms:**

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

C. 26,000 (31 March 2020 : Nil) Embassy REIT Series III NCD 2021, face value of Rs.1,000,000 each

In January 2021, the Trust issued 26,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series III NCD 2021 debentures having face value of Rs.1 million each amounting to Rs.26,000.00 million with an coupon rate of 6.40% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 19 January 2021.

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):

- A first ranking charge by way of mortgage created by VTPL on the constructed buildings and related parcels identified as Block 1A, Block 2 and Block 7B, having an aggregate leasable area of 3,43,772 square meters and forming part of the development known as Embassy TechVillage together with portion of land admeasuring 101,859 square meters on which the aforesaid buildings are constructed.
- A first ranking pari passu pledge created by the Embassy REIT, EOPPL and EOPL over their shareholding in the SPV's namely VTPL and EEPL together known as "Secured SPV's".
- A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
- A sole and exclusive first ranking charge by way of hypothecation created by VTPL over identified bank accounts and receivables.
- A corporate guarantee issued by each of VTPL and EEPL.
- Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the pledge of EEPL shares is in the process of being recreated by MPPL in accordance with the terms of Debenture Trust Deed due to change in ownership of EEPL shares from EOPPL to MPPL (refer note 39).

Redemption terms:

- Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date.
- These debentures will be redeemed on the expiry of 37 months from the Date of Allotment for the Debentures at par on 15 February 2024.
- In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate calculated from the date of change of rating.
- 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 July 2023 to January 2024) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures being redeemed.

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

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

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019 (Tranche I and II)	Secured	-	-	02 June 2022	02 June 2022
Embassy REIT Series II NCD 2020 (Tranche A and B)	Secured	-	31 March 2021	09 October 2023	30 June 2021
Embassy REIT Series III NCD 2021	Secured	-	31 March 2021	15 February 2024	30 June 2021

6. Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to Embassy REIT Series I NCD 2019 and Embassy REIT Series II NCD 2020 and Embassy REIT Series III NCD 2021.

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

Particulars	As at 31 March 2021	As at 31 March 2020
Asset cover ratio (refer a below)	17.88%	11.76%
Debt-equity ratio (refer b below)	0.31	0.18
Debt-service coverage ratio (refer c below)	2.53	2.92
Interest-service coverage ratio (refer d below)	2.53	2.92
Net worth (refer e below)	265,579.22	220,336.31

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

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

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

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

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

e) Net worth = Unit capital + Other equity

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

13 Trade payables

Particulars	As at	As at
	31 March 2021	31 March 2020
Trade payable		
- Total outstanding dues to micro and small enterprises (refer note (ii) below)	1.65	-
- Total outstanding dues other than micro and small enterprises		
- to related party (refer note 25)	0.86	4.66
- to others	0.09	2.02
	2.60	6.68

Notes :

(i) All the trade payables are current in nature. The Trust's exposure to currency and liquidity risks related to trade payables are disclosed in note 26.

(ii) Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006").

Particulars	As at	As at
	31 March 2021	31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	1.65	-
The amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-

14 Other financial liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Unclaimed distribution	2.00	0.26
Contingent consideration (refer note 25 and 28)	350.00	-
Other liabilities		
- to related party (refer note 25)	50.30	55.46
- to others	57.86	32.76
	460.16	88.48

15 Other current liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Statutory dues	26.60	4.37
	26.60	4.37

16 Current tax liabilities (net)

Particulars	As at	As at
	31 March 2021	31 March 2020
Provision for income-tax, net of advance tax	3.70	0.54
	3.70	0.54

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17 Interest income		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
- on fixed deposits	42.19	13.43
- on debentures (refer note 25)	14.61	144.38
- on loan to subsidiaries (refer note 25)	9,370.44	8,071.20
	9,427.24	8,229.01
18 Other income		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit on sale of investments	47.51	152.36
Net changes in fair value of financial assets	-	1.72
Miscellaneous	-	1.26
	47.51	155.34
19 Other expenses		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Bank charges	0.15	0.26
Rates and taxes	21.17	1.48
Travelling and conveyance	-	0.17
Marketing and advertisement expenses *	41.12	15.56
Miscellaneous expenses	4.12	0.68
	66.56	18.15
* Also refer note 25		
20 Finance costs		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense		
- on Non convertible debentures		
- Embassy REIT Series II and Series III NCD	914.44	-
Accrual of premium on redemption of debentures (Embassy REIT Series I NCD)	3,784.21	2,850.33
	4,698.65	2,850.33
21 Tax expense		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	37.78	71.17
	37.78	71.17
Reconciliation of tax expense		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	4,512.20	4,885.14
Domestic tax rate	42.74%	42.74%
Tax using the Trust's domestic tax rate	1,928.69	2,088.10
Effect of exempt incomes	(5,200.58)	(3,635.61)
Effect of non-deductible expenses	3,310.23	1,619.65
Others	(0.56)	(0.97)
Tax expense	37.78	71.17
22 Auditor's remuneration *		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor		
- statutory audit	3.10	3.10
- limited review	4.10	4.10
Reimbursement of expenses (including goods and services tax)	1.19	0.44
	8.39	7.64

* Excludes payments to auditor of Rs.51.55 million (excluding applicable taxes) relating to issue expenses reduced from Unitholders capital.

23 Earnings Per Unit (EPU)

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

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit after tax for calculating basic and diluted EPU	4,474.42	4,813.97
Weighted average number of Units (No. in million)*	819.59	771.67
Earnings Per Unit		
- Basic (Rupees/unit)	5.46	6.24
- Diluted (Rupees/unit) **	5.46	6.24

* The weighted average number of units have been computed basis 111.34 million units issued by way of institutional placement and 64.89 million units issued by way of preferential allotment on 22 December 2020 and 24 December 2020 respectively.

** The Trust does not have any outstanding dilutive units.

24 Commitments and contingencies

a. Contingent liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Guarantee given to a Bank for loan obtained by a SPV	8,400.00	8,400.00

Note :

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

b. Statement of capital and other commitments

i) There are no capital commitments as at 31 March 2021 and 31 March 2020.

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

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25 **Related party disclosures**

I. **List of related parties as at 31 March 2021**

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
Golfinks Properties Private Limited

BRE/ Mauritius Investments - Co-Sponsor

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

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

Directors

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

Key management personnel

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

(i) **Subsidiaries (SPV)**

Embassy Office Parks Private Limited (refer note 39)
Manyata Promoters Private Limited
Umbel Properties Private Limited
Embassy Energy Private Limited
Earnest Towers Private Limited
Indian Express Newspapers (Mumbai) Private Limited
Vikhroli Corporate Park Private Limited
Qubix Business Park Private Limited
Quadron Business Park Private Limited
Oxygen Business Park Private Limited
Galaxy Square Private Limited
Embassy Pune Techzone Private Limited (from 06 December 2019)
Vikas Telecom Private Limited (from 24 December 2020)
Embassy Office Ventures Private Limited (from 24 December 2020)
Sarla Infrastructure Private Limited (from 24 December 2020)

(ii) **Joint Venture**

Golfinks Software Park Private Limited

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

Embassy Shelters Private Limited
Mac Charles (India) Limited
Lounge Hospitality LLP
BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd *
BREP VII SG Indian Holding (NQ) Co I Pte. Ltd *
BREP Asia SBS Holding-NQ Co IV Ltd. (Cayman) *
BREP VII SBS Holding-NQ IV Co Ltd (Cayman) *

**together known as BREP entities.*

25 Related party disclosures

C Transactions during the year

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Unsecured loans given to		
Quadron Business Park Private Limited	270.00	7,509.00
Embassy Pune Techzone Private Limited *	905.50	5,858.30
Manyata Promoters Private Limited	8,819.38	28,423.10
Qubix Business Park Private Limited	-	3,179.90
Oxygen Business Park Private Limited	3,396.43	4,030.30
Earnest Towers Private Limited	500.00	1,029.30
Vikhroli Corporate Park Private Limited	161.00	4,766.70
Galaxy Square Private Limited	-	2,549.80
Umbel Properties Private Limited	30.00	1,795.20
Indian Express Newspapers (Mumbai) Private Limited	13.00	3,764.00
Embassy Energy Private Limited	225.00	6,400.00
Sarla Infrastructure Private Limited	1,745.00	-
Vikas Telecom Private Limited	24,500.00	-
Short term construction loan given		
Manyata Promoters Private Limited	1,755.00	3,050.00
Oxygen Business Park Private Limited	-	3,310.00
Embassy Pune Techzone Private Limited *	800.00	620.00
Sarla Infrastructure Private Limited	470.00	-
Investment in debentures		
Golflinks Software Park Private Limited	-	2,500.00
Redemption of investment in debentures		
Golflinks Software Park Private Limited	724.38	1,775.62
Unsecured loans repaid by		
Embassy Pune Techzone Private Limited *	1,135.96	1,674.34
Manyata Promoters Private Limited	4,316.41	4,843.37
Qubix Business Park Private Limited	277.01	299.91
Oxygen Business Park Private Limited	-	247.68
Earnest Towers Private Limited	738.02	739.62
Vikhroli Corporate Park Private Limited	487.71	268.88
Galaxy Square Private Limited	280.11	284.91
Umbel Properties Private Limited	-	69.40
Indian Express Newspapers (Mumbai) Private Limited	244.57	429.97
Embassy Energy Private Limited	304.90	378.53
Sarla Infrastructure Private Limited	223.33	-
Vikas Telecom Private Limited	1,008.09	-
Short term construction loan repaid by		
Manyata Promoters Private Limited	1,700.00	3,050.00
Oxygen Business Park Private Limited	-	3,310.00
Sarla Infrastructure Private Limited	470.00	-
Acquisition of ETV SPV's from		
Embassy Property Developments Private Limited	6,870.02	-
BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd	8,736.46	-
BREP VII SG Indian Holding (NQ) Co I Pte. Ltd	2,182.64	-
BREP Asia SBS Holding NQ Co IV Ltd. (Cayman)	41.46	-
BREP VII SBS Holding NQ IV Co Ltd (Cayman)	11.84	-
Investment in Class A equity share capital of		
Embassy Office Ventures Private Limited	16,575.71	-
Secondment fees		
Embassy Office Parks Management Services Private Limited	1.42	1.42

25 Related party disclosures

C Transactions during the year

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Investment management fees		
Embassy Office Parks Management Services Private Limited	212.23	214.81
Trademark license fees		
Embassy Shelters Private Limited	1.42	1.42
Trustee fee expenses		
Axis Trustee Services Limited	2.95	2.96
Marketing and advertisement expenses		
Mac Charles (India) Limited	-	0.48
Lounge Hospitality LLP	-	0.06
Travelling and conveyance		
Quadron Business Park Private Limited	-	0.02
Interest income		
Quadron Business Park Private Limited	1,538.29	1,506.91
Embassy Pune Techzone Private Limited *	642.19	698.56
Manyata Promoters Private Limited	3,213.69	3,098.72
Qubix Business Park Private Limited	345.25	383.45
Oxygen Business Park Private Limited	708.95	510.82
Earnest Towers Private Limited	32.26	66.13
Vikhroli Corporate Park Private Limited	554.38	582.18
Galaxy Square Private Limited	268.39	305.21
Umbel Properties Private Limited	215.75	220.77
Indian Express Newspapers (Mumbai) Private Limited	409.30	414.35
Embassy Energy Private Limited	750.33	284.10
Sarla Infrastructure Private Limited	62.63	-
Vikas Telecom Private Limited	629.03	-
Interest received on debentures		
Golflinks Software Park Private Limited	14.61	144.38
Dividend Received		
Embassy Energy Private Limited	-	6.00
Indian Express Newspapers (Mumbai) Private Limited	439.00	95.72
Oxygen Business Park Private Limited	292.76	188.25
Manyata Promoters Private Limited	2,050.00	-
Expenses incurred by related party on behalf of the Trust		
Embassy Office Parks Management Services Private Limited	1.97	56.26
Embassy Pune Techzone Private Limited *	1.04	-
Expenses incurred by the Trust on behalf of related party		
Vikas Telecom Private Limited	339.15	-
Manyata Promoters Private Limited	0.82	-
Others	2.11	-
Change in investments pursuant the composite scheme of arrangement (refer note 39)		
Embassy Pune Techzone Private Limited *	12,083.50	-
Manyata Promoters Private Limited	50,684.75	-
Guarantee given to lender's trustee for loan obtained by SPV		
Manyata Promoters Private Limited	-	8,400.00
Guarantee given by SPV on behalf of REIT		
Indian Express Newspapers (Mumbai) Private Limited and Embassy Pune Techzone Private Limited *	15,000.00	-
Vikas Telecom Private Limited and Embassy Energy Private Limited	26,000.00	-

* refer note 39

25 Related party disclosures

D Closing balances

Particulars	As at	As at
	31 March 2020	31 March 2020
Unsecured loan receivable (non-current)		
Quadron Business Park Private Limited	14,071.94	12,582.58
Embassy Pune Techzone Private Limited **	3,953.47	4,183.96
Manyata Promoters Private Limited	28,951.41	23,579.73
Qubix Business Park Private Limited	2,602.98	2,879.99
Oxygen Business Park Private Limited	7,182.40	3,782.62
Earnest Towers Private Limited	51.66	289.68
Vikhroli Corporate Park Private Limited	4,171.11	4,497.82
Galaxy Square Private Limited	1,984.78	2,264.89
Umbel Properties Private Limited	1,971.55	1,725.80
Indian Express Newspapers (Mumbai) Private Limited	3,102.46	3,334.03
Embassy Energy Private Limited	5,941.57	6,021.47
Sarla Infrastructure Private Limited	1,521.67	-
Vikas Telecom Private Limited	23,491.92	-
Short term construction loan		
Manyata Promoters Private Limited	55.00	-
Embassy Pune Techzone Private Limited **	1,420.00	620.00
Investment in Debentures (current)		
Golflinks Software Park Private Limited	-	724.38
Investment in equity shares of subsidiary		
Embassy Office Parks Private Limited **	-	62,768.25
Embassy Pune Techzone Private Limited **	12,083.50	-
Manyata Promoters Private Limited	99,475.27	48,790.52
Quadron Business Park Private Limited *	11,714.60	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 *	1,606.19	2,254.21
Indian Express Newspapers (Mumbai) Private Limited	13,210.96	13,210.96
Embassy Energy Private Limited *	667.36	732.79
Vikas Telecom Private Limited	23,147.33	-
Embassy Office Ventures Private Limited	27,548.12	-
Sarla Infrastructure Private Limited	6,870.02	-
Contingent consideration payable		
Embassy Property Developments Private Limited (refer note 28)	350.00	-
Other financial liabilities		
Embassy Office Parks Management Services Private Limited	50.30	55.46
Trade Payables		
Embassy Office Parks Management Services Private Limited	0.86	4.66
Guarantee given to lender's trustee for loan obtained by SPV		
Manyata Promoters Private Limited	8,400.00	8,400.00
Guarantee given by SPV on behalf of REIT		
Indian Express Newspapers (Mumbai) Private Limited and Embassy Pune Techzone Private Limited **	15,000.00	-
Vikas Telecom Private Limited and Embassy Energy Private Limited	26,000.00	-

* Net of provision for impairment of Rs.3,275.57 million (31 March 2020 : Rs.587.46 million).

** refer note 39

26 Financial instruments

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	31 March 2021	31 March 2021	31 March 2020	31 March 2020
Financial assets				
Fair value through profit and loss				
Investments in mutual funds	-	-	3,209.07	3,209.07
Amortised cost				
Investments	-	-	724.38	-
Loans	100,473.92	-	65,763.57	-
Cash and cash equivalents	7,171.26	-	2,845.45	-
Other financial assets	-	-	3.15	-
Total assets	107,645.18	-	72,545.62	3,209.07
Financial liabilities				
Amortised cost				
Borrowings	83,319.10	84,630.97	39,018.84	38,984.00
Other financial liabilities	460.16	-	88.48	-
Trade payables	2.60	-	6.68	-
Total liabilities	83,781.86	84,630.97	39,114.00	38,984.00

The fair value of cash and cash equivalents, trade payables, loans and other financial assets and liabilities approximate their carrying amounts.

b) Measurement of fair values

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

- a) recognised and measured at fair value

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

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

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

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

c) Financial instruments

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

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2021	-	-	-	-
Investment in mutual funds	31 March 2020	3,209.07	3,209.07	-	-

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

There were no transfers between Level 1, Level 2 or Level 3 during the year ended 31 March 2021 and year ended 31 March 2020.

Determination of fair values

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

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

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

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

26 Financial instruments (continued)**e) Financial risk management**

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

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

a. Risk management framework

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

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

b. Credit risk

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

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

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

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

c. Liquidity Risk

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

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

Maturities of financial liabilities

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

Particulars	Carrying value	Contractual cash flows				Total
		0 - 12 months	1-2 years	3-5 years	More than 5 years	
31 March 2021						
Borrowings	83,319.10	2,710.25	50,407.95	43,013.76	-	96,131.96
Trade payables	2.60	2.60	-	-	-	2.60
Other financial liabilities - current	460.16	460.16	-	-	-	460.16
Total	83,781.86	3,173.01	50,407.95	43,013.76	-	96,594.72
31 March 2020						
Borrowings	39,018.84	-	-	47,697.70	-	47,697.70
Trade payables	6.68	6.68	-	-	-	6.68
Other financial liabilities - current	88.48	88.48	-	-	-	88.48
Total	39,114.00	95.16	-	47,697.70	-	47,792.86

26 Financial instruments (continued)**d. Market risk**

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

i. Currency risk

The Trust operates only in India and hence does not have any exposure to currency risk.

ii. Interest rate risk

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

iii. Price risk

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

Mutual funds price risk sensitivity analysis

The Trust's exposure to price risk arises from investments held by the Trust in short term debt mutual funds and classified in the balance sheet as fair value through statement of profit and loss. The impact on the statement of profit and loss due to price sensitivity would be as follows for the investments as at the year end:

Particulars	31 March 2021	31 March 2020
Increase by 1% (100 basis points)	-	32.09
Decrease by 1% (100 basis points)	-	(32.09)

27 Capital management

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

The Trust monitors Capital using ratio of 'Net debt' to 'Gross asset value(GAV)' of all SPV's. For this purpose, Net debt is defined as Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings. The Trust's adjusted Net debt to GAV ratio as at 31 March 2021 and 31 March 2020 are as follows:

Particulars	31 March 2021	31 March 2020
Net debt	83,319.10	39,018.84
GAV	466,051.25	331,685.00
Net debt to GAV	17.88%	11.76%

28 During the year ended 31 March 2021, the Trust acquired VTPL, EOVP and SIPL by acquiring all of the equity interest held by the Embassy Sponsor, BREP entities and certain other third party shareholders. The acquisition of equity interest in EOVP (which in turn holds 60% equity interest in VTPL) and SIPL has been completed with issue proceeds received of Rs.36,852.02 million, by issue of 111,335,400 Units at a price of Rs.331.00 per Unit through the Institutional Placement.

The acquisition of balance 40% equity interest in VTPL is completed through Preferential issue of 64,893,000 Units at a price of Rs.356.70 per unit to the third party shareholders aggregating to Rs. 23,147.33 million.

The investments in VTPL, EOVP and SIPL are accounted for at cost less accumulated impairment losses. Below is the details of purchase consideration paid to acquire the SPV's.

Entity	Amount
VTPL	23,147.33
EOVP	27,548.12
SIPL *	6,870.02

* The Purchase consideration for acquisition of SIPL includes contingent consideration of Rs.350.00 million which shall be payable to the Embassy Sponsor upon satisfaction of certain conditions and as per timeline agreed between the parties.

29 Details of utilisation of proceeds of Institutional placement as on 31 March 2021 are follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Funding of consideration for the acquisition of the ETV SPV's, including subscription to Class A equity shares in EOVP, payment of consideration to the BREP Entities and the Embassy Sponsor	34,068.14	34,068.14	-
Debt funding to the ETV SPV's for partial or full repayment or pre-payment of bank/financial institution debt and settlement of certain liabilities	1,550.00	1,550.00	-
Issue expenses	750.00	750.00	-
General purposes	483.88	84.93	398.95
Total	36,852.02	36,453.07	398.95

30 Details of utilisation of proceeds of issue of Embassy REIT Series II NCD 2020 (Tranche A and Tranche B) as on 31 March 2021 are follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	13,621.31	13,621.31	-
General purposes including issue expenses	1,378.69	1,378.69	-
Total	15,000.00	15,000.00	-

31 Details of utilisation of proceeds of issue of Embassy REIT Series III NCD 2021 as on 31 March 2021 are follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	24,500.00	24,500.00	-
General purposes including issue expenses	1,500.00	613.52	886.48
Total	26,000.00	25,113.52	886.48

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

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
Opening balance	39,018.84	-
Changes from financing cash flows		
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)	40,459.37	36,168.51
Other changes		
Accrual of interest on debentures	4,698.65	2,850.33
Interest paid	(857.76)	-
Closing balance	83,319.10	39,018.84

33 Segment Reporting

The Trust does not have any Operating segments as at 31 March 2021 and 31 March 2020 and hence, disclosure under Ind AS 108, Operating segments has not been provided in the Standalone financial statements.

34 The Trust does not have any unhedged foreign currency exposure as at 31 March 2021.

35 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.

36 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 year ended 31 March 2021 amounts to Rs.212.23 million (31 March 2020 Rs.214.81 million). There are no changes during the year ended 31 March 2021 in the methodology for computation of fees paid to the Manager.

37 Secondment fees

Pursuant to the Secondment agreement dated 11 March 2019, the Manager is entitled to fees of Rs. 0.10 million 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 year ended 31 March 2021 amounts to Rs.1.42 million (31 March 2020 Rs.1.42 million). There are no changes during the year ended 31 March 2021 in the methodology for computation of secondment fees paid to the Manager.

38 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 29 April 2021, have declared distribution to Unitholders of Rs.5.60 per unit which aggregates to Rs.5,308.20 million for the quarter ended 31 March 2021. The distributions of Rs.5.60 per unit comprises Rs.1.24 per unit in the form of interest payment, Rs.2.21 per unit in the form of dividend and the balance Rs.2.15 per unit in the form of amortization of SPV debt.

Along with distribution of Rs. 13,055.89 million/ Rs. 15.88 per unit for the nine months ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to Rs.18,364.09 million/ Rs. 21.48 per unit.

39 The Board of Directors of the Manager in their meeting held on 19 May 2020 approved a 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 Trust (as shareholder of EOPPL) will be issued shares in EPTPL; followed by
- b) Amalgamation of EOPPL into MPPL, on a going concern basis.

The above scheme has been approved by National Company Law Tribunal (NCLT), Mumbai bench with an effective date of 10 March 2021. Further the Scheme was approved by the Board of Approval of Special Economic Zones ("BoA") in its meeting held on March 18, 2021 and the necessary form with ROC was filed on 25 March 2021, for all the three entities. Upon completion of the Scheme, MPPL has become a 100% HoldCo of the Trust, holding Embassy Manyata, Bengaluru, 80% of the share capital of EEPL, 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of the Trust, holding Embassy TechZone, an existing asset of the Trust.

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm's registration number: 101049W/E300004

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to the Embassy Office Parks REIT)

Sd/-

Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 29 April 2021

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

INDEPENDENT AUDITOR'S REPORT

To the Unitholders' of Embassy Office Parks REIT

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Embassy Office Parks REIT (hereinafter referred to as "the REIT"), its subsidiaries and a Joint venture (together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Unitholders' Equity for the year then ended and the consolidated Statement of Net Assets at fair value as at March 31, 2021 and the consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the REIT and each of its subsidiaries for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated profit including other comprehensive income, its consolidated cash flows, its consolidated statement of changes in Unitholders' equity for the year ended March 31, 2021, its consolidated net assets at fair value as at March 31, 2021, its consolidated total returns at fair value and the NDCFs of the REIT and each of its subsidiaries for the year ended March 31, 2021.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 46(iv) to the consolidated Ind AS financial statements which refers to the uncertainty in relation to two pending cases, as regards Property tax dues aggregating to Rs.3,418.89 million as at March 31, 2021, payable by Manyata Promoters Private Limited, 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 consolidated Ind AS financial statements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Assessing impairment of Goodwill, Intangible assets with indefinite useful life, Investment property and Property, plant and equipment (as described in note 2.2 (c), 6 and 7 of the consolidated Ind AS financial statements)</p>	
<p>Goodwill and other Intangible assets with indefinite useful life, acquired in a business combination, are significant items on the balance sheet and management performs impairment testing for such goodwill and intangible assets, annually.</p> <p>Further, the Group's carrying value of Investment properties is Rs.281,314.55 million (including properties under construction –Rs.8,968.79 million) and carrying value of Property, plant and equipment is Rs.26,806.82 million (including capital work in progress – Rs.4,739.47 million) as at March 31, 2021, which is also subject to impairment testing.</p> <p>During the current year, impairment indicators were identified by the management for certain Cash Generating Units. In performing such impairment assessments, management compared the carrying value of each of the identifiable cash generating units (“CGUs”) to which goodwill and other Intangible assets with indefinite useful life 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.</p> <p>Similarly, for ensuring that its investment properties and property, plant and equipment are carried at no more than their recoverable amount, the recoverable amount, i.e. value in use, is determined by forecasting and discounting future cash flows.</p> <p>Considering the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Assessed the management’s valuation methodology in determining the recoverable amounts. - Evaluated management’s identification of CGU’s, the carrying value of each CGU and the methodology followed by management for the impairment assessment in compliance with the applicable accounting standards. - We involved valuation specialists to: <ul style="list-style-type: none"> (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - We read/assessed the disclosures in the consolidated Ind AS financial statements for compliance with the relevant accounting standards requirements.

Key audit matters	How our audit addressed the key audit matter
Classification of Unitholders' funds as equity (as described in note 21(a)(i) of the consolidated Ind AS financial statements)	
<p>The REIT is required to distribute to its Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the REIT to pay cash distributions to its Unitholders. The Unitholders' funds could have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/141/2016 dated December 26, 2016 and No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circulars") issued under the REIT Regulations, the Unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated December 26, 2016 dealing with the minimum disclosures for key financial statements.</p> <p>Based on the above, the classification of Unitholders' funds as equity involved considerable management judgement. Accordingly, it is considered as a key audit matter.</p>	<p>Our audit procedures included evaluating the requirements for classification of financial liability and equity under Ind AS 32 and evaluating the provisions of SEBI Circulars for classification/presentation of Unitholders' funds in the consolidated Ind AS financial statements of the REIT.</p> <p>We assessed the disclosures in the consolidated Ind AS financial statements for compliance with the relevant requirements of REIT regulations.</p>

Key audit matters	How our audit addressed the key audit matter
<p>Accounting for Business Combinations (as described in note 47 (A) and note 47 (B) of the consolidated Ind AS financial statements)</p>	
<p>During the year ended March 31, 2021, the Group completed certain acquisitions that resulted in the Group acquiring control over the entities Vikas Telecom Private Limited, Embassy Office Ventures Private Limited and Sarla Infrastructure Private Limited and acquisition of Common Area Maintenance services business as disclosed in Note 47 (A) and Note 47 (B) of the consolidated Ind AS financial statements.</p> <p>Management made judgements whether the acquisitions are in the nature of business or assets, identification of assets and liabilities acquired, assessment of fair value of assets and liabilities on the date of acquisition, allocation of consideration or cost of acquisition to the assets and liabilities acquired.</p> <p>Considering, significance of the transaction, judgements involved around assessment of acquisition as a business acquisition or an asset acquisition, assessment of fair values of assets and liabilities and allocation of consideration thereon involves significant assumptions and judgement, the same has been considered as key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> - Evaluated the management judgements relating to assessment whether the acquisition is a business under Ind AS 103 or an asset acquisition. - Read and evaluated the key terms of the underlying agreements applicable to the acquisitions along with the necessary board and Unitholder approval, as applicable, for the acquisition. - Involved valuation specialists to review the assumptions used by the independent valuer engaged by the management in arriving at the fair value of assets and liabilities acquired. - Obtained and read the valuation reports issued by the independent valuer engaged by the management for measuring, the assets acquired, and liabilities assumed, at fair value including the allocation of purchase price. - Assessed the related disclosures in the consolidated financial statements regarding the acquisition.

Key audit matters	How our audit addressed the key audit matter
<p>Computation and disclosures of Net Assets and Total Returns at Fair Value (as described in note 2.2(c) and in Statement of Net assets at fair value and Statement of total returns at fair value of the consolidated Ind AS financial statements)</p>	
<p>As per the provisions of REIT Regulations, the REIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets. For this purpose, fair value is determined by forecasting and discounting future cash flows. The determination of fair value involves judgement due to inherent uncertainty in the underlying assumptions and it is highly sensitive to changes in some of the inputs used e.g. the discounting rate (WACC), capitalization rates, rental growth rates etc.,</p> <p>Accordingly, the aforementioned computation and disclosures are determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> - Read the requirements of SEBI REIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. - Assessed the appropriateness of independent valuer's and management's valuation methodology applied in determining the fair values. - Tested controls implemented by management to determine inputs for fair valuation as well as assumptions used in the fair valuation. - We involved valuation specialists to: <ul style="list-style-type: none"> (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - Tested the arithmetical accuracy of computation in the Statement of Net Assets and Total Returns at Fair Value. - Read/Assessed the disclosures in the consolidated financial statements for compliance with the relevant requirements of REIT Regulations.

Key audit matters	How our audit addressed the key audit matter
Related party transactions and disclosures (as described in note 51 of the consolidated Ind AS financial statements)	
<p>The Group has undertaken transactions with its related parties in the normal course of business. These include making acquisition of property, business acquisitions, capital advances, fees for certain services provided by related parties to Group; fees for certain services provided by Group to related parties, etc.as disclosed in Note 51 of the consolidated Ind AS financial statements.</p> <p>We identified the recording of all possible related party transactions and its disclosure as set out in respective notes to the consolidated Ind AS financial statements as a key audit matter due to the significance of transactions with related parties during the year ended March 31, 2021 and regulatory compliance thereon.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Obtained, read and assessed the Group’s policies, processes and procedures in respect of identifying related parties, evaluation of arm’s length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with REIT regulations. - We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions. - We read minutes of Unitholder meetings, Board and its relevant committee meetings and minutes of meetings of those charged with governance of the Manager and SPVs in connection with transactions with related parties effected during the year and Group’s assessment of related party transactions being in the ordinary course of business at arm’s length and in accordance with REIT regulations. - Assessed and tested the disclosures made in accordance with the requirements of Ind AS and REIT regulations.

Other Information

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Management of the Manager ('the Management') is responsible for the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position as at March 31, 2021, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in Unitholders' equity for the year ended March 31, 2021, its consolidated net assets at fair value as at March 31, 2021, its consolidated total returns at fair value of the REIT and the net distributable cash flows of the REIT and each of its subsidiaries for the year ended March 31, 2021 in accordance with the requirements of the REIT regulations; Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Management, as aforesaid.

In preparing the consolidated Ind AS financial statements, the Board of Directors of the Manager and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Management and respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the REIT and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose Ind AS financial statements include total assets of Rs. 61,102.67 million as at March 31, 2021, and total revenues of Rs. 2,207.24 million and net cash outflows of Rs. 1,472.45 million for the quarter ended March 31, 2021. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

Based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, we report that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements; and
- (c) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

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

Sd/-
per Adarsh Ranka
Partner
Membership Number: 209567

UDIN: 21209567AAAACG6141

Place: Bengaluru, India
Date: April 29, 2021

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	22,067.35	20,698.93
Capital work-in-progress	4	4,739.47	2,334.07
Investment property	5	272,345.76	194,076.48
Investment property under development	8	8,968.79	1,773.39
Goodwill	6	63,946.24	50,289.37
Other intangible assets	7	15,924.64	5,001.36
Equity accounted investee	9	24,118.57	24,091.36
Financial assets			
- Loans	11	835.18	668.71
- Other financial assets	12	4,004.62	1,188.54
Deferred tax assets (net)	25	48.84	-
Non-current tax assets (net)	13	1,095.27	1,554.70
Other non-current assets	14	18,383.62	16,475.64
Total non-current assets		436,478.35	318,152.55
Current assets			
Inventories	15	10.80	12.82
Financial assets			
- Investments	10	-	12,273.59
- Trade receivables	16	473.16	242.25
- Loans	17	1.03	51.49
- Cash and cash equivalents	18A	9,174.78	3,249.16
- Other bank balances	18B	253.75	169.79
- Other financial assets	19	4,056.35	399.46
Other current assets	20	395.34	351.22
Total current assets		14,365.21	16,749.78
Total assets		450,843.56	334,902.33
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	21	288,262.11	229,120.96
Other equity	22	(17,331.44)	(5,943.12)
Total equity		270,930.67	223,177.84
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	23	106,023.33	56,170.51
- Other financial liabilities	24	4,749.57	3,118.65
Provisions	26	5.79	5.25
Deferred tax liabilities (net)	25	53,296.43	40,407.38
Other non-current liabilities	27	685.26	386.70
Total non-current liabilities		164,760.38	100,088.49
Current liabilities			
Financial liabilities			
- Trade payables	28		
- total outstanding dues of micro and small enterprises		48.27	2.48
- total outstanding dues of creditors other than micro and small enterprises		392.62	252.27
- Other financial liabilities	29	12,737.83	10,562.79
Provisions	30	1.89	2.37
Other current liabilities	31	1,872.13	781.58
Current tax liabilities (net)	32	99.77	34.51
Total current liabilities		15,152.51	11,636.00
Total equity and liabilities		450,843.56	334,902.33

Significant accounting policies

2

The accompanying notes referred to above are an integral part of these 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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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



	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Income and gains			
Revenue from operations	33	23,603.20	21,449.22
Interest	34	971.20	477.35
Other income	35	214.06	513.00
Total Income		24,788.46	22,439.57
Expenses			
Cost of materials consumed	36	35.55	118.94
Employee benefits expense	37	225.48	377.17
Operating and maintenance expenses	38	413.81	627.46
Repairs and maintenance	40	1,794.20	1,215.38
Valuation expenses		8.45	9.74
Audit fees		49.26	43.20
Insurance expenses		81.90	66.74
Investment management fees	45	748.14	700.94
Trustee fees		2.95	2.96
Legal and professional fees		291.18	383.94
Other expenses	39	1,444.33	1,246.33
Total Expenses		5,095.25	4,792.80
Earnings before finance costs, depreciation, amortisation, impairment loss and tax		19,693.21	17,646.77
Finance costs	41	6,452.89	3,803.54
Depreciation expense	42	4,940.15	5,120.00
Amortisation expense	42	766.82	161.24
Impairment loss	3, 6	988.96	1,775.98
Profit before share of profit of equity accounted investee and tax		6,544.39	6,786.01
Share of profit after tax of equity accounted investee		994.48	1,169.33
Profit before tax		7,538.87	7,955.34
Tax expense:			
Current tax	43	1,649.06	1,361.39
Deferred tax charge/ (credit)	43	(452.77)	(11.27)
Minimum alternate tax credit entitlement (MAT)	43	(640.95)	(1,050.12)
		555.34	300.00
Profit for the year		6,983.53	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		0.81	0.16
Total comprehensive income attributable to Unitholders for the year		6,984.34	7,655.50
Earnings per Unit			
Basic, attributable to the Unitholders of the Trust	44	8.52	9.92
Diluted, attributable to the Unitholders of the Trust		8.52	9.92

Significant accounting policies

2

The accompanying notes referred to above are an integral part of these 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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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



	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
Profit before share of profit of equity accounted investees and tax	6,544.39	6,786.01
Adjustments for :		
Non-cash and other adjustments		
Depreciation expense	4,940.15	5,120.00
Amortisation expense	766.82	161.24
Impairment loss recognised	988.96	1,775.98
Assets no longer required, written off	1.16	11.16
Loss of sale of fixed assets	61.89	-
Allowance for credit loss	20.83	0.85
Liabilities no longer required written back	(4.68)	(13.29)
Profit on sale of mutual funds	(154.11)	(359.96)
Finance costs	6,452.89	3,803.54
Interest income	(871.21)	(451.04)
Fair value loss/(gain) on investment measured at FVTPL	3.00	6.71
Operating profits before working capital changes	18,750.09	16,841.20
Working capital adjustments		
- Inventories	2.02	(7.40)
- Trade receivables	(167.57)	126.60
- Loans and other financial assets (current and non-current)	(229.51)	731.70
- Other assets (current and non-current)	134.17	52.94
- Trade payables	177.28	(153.83)
- Other financial liabilities (current and non-current)	(216.60)	977.70
- Other liabilities and provisions (current and non-current)	811.60	(183.01)
Cash generated from operating activities before taxes	19,261.48	18,385.90
Taxes (paid)/ refunds received (net)	(556.54)	(1,429.28)
Cash generated from operating activities	18,704.94	16,956.62
Cash flow from investing activities		
(Investments)/ redemption of deposits with banks (net)	552.31	2,760.20
(Investments)/ redemption in mutual funds (net)	11,700.32	(9,251.09)
Investment in debentures	-	(2,500.00)
Repayment of investment in debentures	724.38	1,775.62
Payment for purchase of Investment Property, Property, Plant and Equipment and Intangibles including Capital Work-in-progress and Investment Property under Development	(7,677.69)	(11,839.41)
Payment for acquisition of ETV business	(32,804.45)	-
Payment for acquisition of CAM business in EOPPL and MPPL	(4,730.21)	-
Payment for acquisition of business	-	(3,450.00)
Dividend received	915.00	535.00
Interest received	907.03	485.66
Net cash flow used in investing activities	(30,413.31)	(21,484.02)

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



	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from financing activities		
Interest paid	(3,698.75)	(1,562.48)
Repayments of borrowings	(40,451.82)	(73,462.66)
Proceeds from borrowings, (net of issue expenses)	44,303.50	48,947.26
Proceeds from issue of units	36,852.02	-
Transaction costs related to issue of units	(834.93)	(2,378.63)
Cash used in distribution to Unitholders (including taxes on account of distribution by SPV's)	(18,370.92)	(13,526.72)
Payment of lease liabilities	(28.70)	(20.37)
Security deposits received	1.00	30.00
Net cash (used in) / generated from financing activities	17,771.40	(41,973.60)
Net increase/ (decrease) in cash and cash equivalents	6,063.03	(46,501.00)
Cash and cash equivalents at the beginning of the year	3,111.75	49,612.75
Cash and cash equivalents at the end of the year	9,174.78	3,111.75
Components of cash and cash equivalents (refer note 18A and 29)		
Cash in hand	0.69	1.12
Balances with banks		
- in current accounts	9,068.79	3,225.16
- in escrow accounts	105.30	2.88
- in fixed deposits	-	20.00
Book overdraft	-	(137.41)
	9,174.78	3,111.75

Significant accounting policies (refer note 2)

The Trust has issued 64,893,000 units through preferential allotment in exchange for acquisition of 40% stake in VTPL during the year ended 31 March 2021. The same has not been reflected in Consolidated Statement of Cash Flows since it was a non-cash transaction.

The accompanying notes referred to above are an integral part of these 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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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



A. Unit Capital	No in Million	Amount
Balance as on 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no more 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
Units issued during the year (refer note 21)	176.23	59,999.35
Less: issue expenses (refer note 21)	-	(858.20)
Balance as at 31 March 2021	947.90	288,262.11

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 during the year ended 31 March 2020*	(13,504.15)
Balance as at 31 March 2020	(5,943.12)
Balance as on 1 April 2020	(5,943.12)
Add: Profit for the year ended 31 March 2021	6,983.53
Add: Other Comprehensive Income for the year ended 31 March 2021	0.81
Less: Distribution to Unitholders during the year ended 31 March 2021*^	(18,372.66)
Balance as at 31 March 2021	(17,331.44)

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

^ The distribution for years ended 31 March 2021 and 31 March 2020 does not include the distribution relating to the last quarters, for the year ended 31 March 2021 (which will be paid subsequently) and year ended 31 March 2020 (which was paid subsequently), respectively.

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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

A) Statement of Net Assets at fair value

S.No	Particulars	Unit of measurement	As at 31 March 2021		As at 31 March 2020	
			Book Value	Fair value	Book Value	Fair value
A	Assets	Rs in millions	450,843.56	547,870.38	334,902.33	401,354.66
B	Liabilities	Rs in millions	179,912.89	180,520.80	111,724.49	112,254.26
C	Net Assets (A-B)	Rs in millions	270,930.67	367,349.58	223,177.84	289,100.40
D	No. of units	Numbers	947,893,743	947,893,743	771,665,343	771,665,343
E	NAV (C/D)	Rs	285.82	387.54	289.22	374.64

Notes:

1) Measurement of fair values:

The fair value of investment property, investment property under development (including capital advances), property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL and ETV); intangibles and the investment in GLSP as at 31 March 2021 and 31 March 2020 has been determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

Valuation technique

The fair value measurement for all the investment property, investment property under development, property plant and equipment, intangibles and capital work-in-progress has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

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

Given the COVID-19 related uncertainties, the independent valuers have, as a precautionary measure, referenced material valuation uncertainty in arriving at their valuation as at 31 March 2021 and 31 March 2020.

2) Property wise break up of Fair value of Assets as at 31 March 2021 is as follows:

Particulars	Fair value of investment property, investment property under development, property, plant and equipment and capital work-in-progress, intangibles *	Other assets at book value (***) (Note i)	Total assets	Total liabilities to be considered (Note ii)	Asset wise NAV	Book value of assets
100% owned assets						
MPPL	177,919.67	2,603.26	180,522.93	17,834.79	162,688.14	127,895.25
EPTPL (refer note 60)	22,826.71	683.03	23,509.74	1,558.85	21,950.89	20,945.88
UPPL	3,995.09	95.81	4,090.90	511.71	3,579.19	4,373.13
EEPL	9,302.43	209.30	9,511.73	233.26	9,278.47	9,497.45
GSPL	9,028.07	93.46	9,121.53	407.84	8,713.69	5,991.18
ETPL	13,889.21	747.96	14,637.17	445.50	14,191.67	10,691.63
OBPPL	23,693.70	278.31	23,972.01	1,490.32	22,481.69	15,173.26
QBPPL	10,413.56	210.21	10,623.77	230.24	10,393.53	8,952.98
QBPL	24,540.65	1,820.61	26,361.26	574.77	25,786.49	22,001.73
VCPPPL	16,913.95	157.30	17,071.25	621.69	16,449.56	12,961.31
IENMPL	18,402.62	137.83	18,540.45	959.47	17,580.98	14,418.34
ETV Assets	107,073.00	5,316.67	112,389.67	20,466.09	91,923.58	102,762.99
Trust	-	71,059.86	71,059.86	135,186.27	(64,126.41)	71,059.86
Total	437,998.66	83,413.61	521,412.27	180,520.80	340,891.47	426,724.99
Investment in GLSP **	26,458.11	-	26,458.11	-	26,458.11	24,118.57
	464,456.77	83,413.61	547,870.38	180,520.80	367,349.58	450,843.56

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

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

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

* Fair values of investment property, investment property under development, property, plant and equipment, intangibles capital work in progress and investment in GLSP as at 31 March 2021 and 31 March 2020 as disclosed above are solely based on the fair valuation report of iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

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

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

*** Other assets at book value include Goodwill of Rs. 63,946.24 million on book value basis (net off impairment loss, refer note 6). The Goodwill of Rs. 63,946.24 million (31 March 2020: Rs. 50,289.37 million) mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values using an approach as more fully described in note 47 as well as the requirement to recognise deferred tax liability of Rs. 53,207.28 million (31 March 2020: Rs. 38,783.20 million), calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases.

Note:

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

As per our report of even date attached

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

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: 29 April 2021

Sd/-
Jitendra Virwani
 Director
 DIN: 00027674
 Place: Dubai
 Date: 29 April 2021

Sd/-
Tuhin Parikh
 Director
 DIN: 00544890
 Place: Boston
 Date: 29 April 2021

B) Statement of Total Returns at Fair value

S.No	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A	Total comprehensive income	6,984.34	7,655.50
B	Add : Changes in fair value not recognised in total comprehensive income (refer notes below)	14,968.85	3,961.80
C (A+B)	Total Return	21,953.19	11,617.30

Note:

- In the above statement, changes in fair value for the year ended 31 March 2021 and 31 March 2020 has been computed based on the difference in fair values of investment property, investment property under development, property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL and ETV); intangibles and investment in GLSP as at 31 March 2021 as compared with the values as at 31 March 2020, net of cash spent on construction during the period. The fair values of the afore-mentioned assets as at 31 March 2021 and 31 March 2020 are solely based on the valuation report of iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.
- ETV assets were acquired on 24 December 2020 and accordingly the statement of total returns at fair value does not include any difference in fair values of Investment Property, Investment property under development, Property, Plant and Equipment, Capital Work-in-progress and intangibles for ETV assets.

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: 29 April 2021

Sd/-
Jitendra Virwani
 Director
 DIN: 00027674
 Place: Dubai
 Date: 29 April 2021

Sd/-
Tuhin Parikh
 Director
 DIN: 00544890
 Place: Boston
 Date: 29 April 2021



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 year ended 31 March 2021	For the year ended 31 March 2020
1	Cash flows received from SPVs and investment entity in the form of:		
	• Interest	7,077.90	7,823.93
	• Dividends (net of applicable taxes)	2,781.76	289.97
	• Repayment of Shareholder Debt	9,740.49	11,012.23
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:	-	-
	• Applicable capital gains and other taxes	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-
	• Directly attributable transaction costs	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-
4	Add: Any other income of the Trust and not captured herein	89.70	167.05
5	Less: Any other expense accruing at the Trust level and not captured herein	(93.56)	(23.40)
6	Less: Any fees, including but not limited to:		
	• Trustee fees	(2.95)	(2.96)
	• REIT Management Fees	(212.23)	(214.81)
	• Valuer fees	(8.45)	(9.74)
	• Legal and professional fees	(64.53)	(102.89)
	• Trademark license fees	(1.42)	(1.42)
	• Secondment fees	(1.42)	(1.42)
7	Less: Debt servicing		
	• Interest on external debt	(914.44)	-
	• Repayment of external debt	-	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(34.65)	(70.62)
	Net Distributable Cash Flows	18,356.20	18,865.92

Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on 29 April 2021, have declared distribution to Unitholders of Rs.5.60 per unit which aggregates to Rs.5,308.20 million for the quarter ended 31 March 2021. The distributions of Rs.5.60 per unit comprises Rs.1.24 per unit in the form of interest payment, Rs.2.21 per unit in the form of dividend and the balance Rs.2.15 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 13,055.89 million/ Rs. 15.88 per unit for the period ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to Rs.18,364.09 million/ Rs. 21.48 per unit.
- Repayment of short-term construction debt given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions.
- Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI 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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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

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

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

For the year ended 31 March 2021 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	QBPL	VCPL	EPTPL**	VTPL	EOVPL	SIPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	662.70	3,738.25	(20.07)	(417.47)	437.67	165.52	423.64	(64.43)	(1,701.99)	274.38	223.65	-	(197.66)	(285.02)	54.63	3,293.80
	<i>Adjustment:</i>																
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:																
	• Depreciation, amortisation and impairment	435.89	1,850.58	351.75	226.36	201.49	89.17	247.19	278.10	930.94	57.42	150.30	-	297.52	230.00	-	5,346.71
	• Assets written off or liabilities written back	22.18	(21.88)	-	-	5.83	2.73	(4.34)	3.61	3.10	1.80	1.09	-	(5.30)	-	-	8.82
	• Current tax charge as per statement of profit and loss	209.33	754.85	-	(1.82)	190.95	104.24	130.80	1.37	-	53.07	76.87	-	91.59	-	-	1,611.25
	• Deferred tax	108.98	372.34	3.15	(149.32)	(14.12)	1.03	14.65	(7.11)	(250.70)	29.65	(30.36)	-	198.86	-	(82.90)	194.15
	• MAT adjustments as per statement of profit and loss	(55.73)	(440.29)	-	-	-	-	-	-	-	(53.34)	-	-	(91.59)	-	-	(640.95)
	• Ind AS adjustments not considered in any other item above	19.94	(131.67)	-	-	44.65	11.80	(69.20)	(35.12)	0.78	(17.41)	104.02	-	217.32	-	(23.30)	121.81
3	Add: Interest on shareholders debt charged to statement of profit and loss	520.21	3,211.78	750.33	215.74	32.18	268.39	409.30	681.52	1,538.29	345.24	554.38	-	610.03	-	22.25	9,159.64
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity																-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following																-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently.																-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(32.98)	(103.95)	19.22	(26.21)	(26.82)	19.30	23.63	94.66	(288.46)	(17.01)	(66.03)	0.01	320.28	69.06	315.02	299.72
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(24.08)	(60.25)	-	-	-	-	(21.20)	-	-	-	-	(27.21)	-	-	(132.74)
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)	(113.16)	(477.92)	4.77	(2.29)	(106.00)	(109.19)	(72.05)	74.09	86.64	(52.01)	26.96	-	221.40	(3.38)	0.24	(521.90)
	Total Adjustments (B)	1,114.66	4,989.76	1,068.97	262.46	328.16	387.47	679.98	1,069.92	2,020.59	347.41	817.23	0.01	1,832.90	295.68	231.31	15,446.51
	Net distributable Cash Flows C = (A+B)	1,777.36	8,728.01	1,048.90	(155.01)	765.83	552.99	1,103.62	1,005.49	318.60	621.79	1,040.88	0.01	1,635.24	10.66	285.94	18,740.31

* Repayment of borrowings 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 given to SPVs and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

** EOPPL filed a composite scheme of arrangement (the "Scheme") pursuant to which EOPPL has demerged its commercial office business to EPTPL and merged the remaining business with MPPL. The effective date for the Scheme is 10 March 2021. For the purpose of NDCF disclosure, management has presented the entire NDCF pertaining to demerged undertaking upto 31 March 2021 under EOPPL.

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

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

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: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

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Tuhin Parikh
Director
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Place: Boston
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Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

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

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

For the 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	VCPLL	EPTPL	VTPL	EOVPL	SIPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	758.86	3,375.36	44.27	(151.15)	462.44	124.74	200.83	153.83	(2,101.31)	239.58	181.64	-	-	-	-	3,289.09
	<i>Adjustment:</i>																
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:																
	• Depreciation, amortisation and impairment	354.71	1,390.13	345.24	231.93	201.05	87.74	451.53	222.31	1,596.55	57.29	147.21	-	-	-	-	5,085.69
	• Assets written off or liabilities written back	6.35	(6.43)	-	(2.91)	-	-	(0.39)	(2.72)	-	-	-	-	-	-	-	(6.10)
	• Current tax charge as per statement of profit and loss	122.95	661.16	9.95	2.36	122.52	89.72	147.63	43.49	-	47.32	20.29	-	-	-	-	1,267.39
	• Deferred tax	103.42	484.73	15.26	(44.30)	33.98	(3.48)	6.52	83.02	(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	2,982.39	444.02	626.71	-	-	-	-	13,653.85
	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	881.08	683.60	808.35	-	-	-	-	16,942.95

* Repayment of borrowings 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 given to SPVs and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

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

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

As per our report of even date attached:

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

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: 29 April 2021

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Director

DIN: 00027674

Place: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

1. Organisation structure

The Consolidated Financial Statements comprise financial statements of Embassy Office Parks REIT (the 'Trust' or the 'Embassy REIT' or the 'REIT'), its subsidiaries namely Embassy Office Parks Private Limited ('EOPPL'), Manyata Promoters Private Limited ('MPPL'), Umbel Properties Private Limited ('UPPL'), Embassy Energy Private Limited ('EEPL'), Galaxy Square Private Limited ('GSPL'), Quadron Business Park Private Limited ('QBPL'), Qubix Business Park Private Limited ('QBPL'), Oxygen Business Park Private Limited ('OBPPL'), Earnest Towers Private Limited ('ETPL'), Vikhroli Corporate Park Private Limited ('VCPPL'), Indian Express Newspapers (Mumbai) Private Limited ('IENMPL'), Embassy Pune Techzone Private Limited ('EPTPL'), Vikas Telecom Private Limited ('VTPL'), Embassy Office Ventures Private Limited ('EOVPL') and Sarla Infrastructure Private Limited ('SIPL') (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, 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 (IPO) 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 the SPVs is provided below:

Name of the SPV	Activities	Shareholding (in percentage)
EOPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks holding company (Hold Co.) (upto 10 March 2021, refer note 60) for the Embassy Office Parks Group.	Embassy Office Parks REIT : Nil (100% upto 10 March 2021, refer note 60)
MPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Manyata), located at Bangalore along with being an intermediate (Hold Co.) (from 10 March 2021, refer note 60) for the Embassy Office Parks Group.	EOPPL : Nil from 10 March 2021 (31 March 2020: 35.77%) Embassy Office Parks REIT : 100% from 10 March 2021 (31 March 2020 : 64.23%) (refer note 60)
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% (upto 10 March 2021 refer note 60) MPPL: 80% (from 10 March 2021 refer note 60) 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%
QBPL	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%

1. Organisation structure (continued)

The Trust, further has incorporated/ acquired subsidiaries post IPO. Accordingly EPTPL has been incorporated on 6 December 2019 by the Trust and equity interest in EOVPL, VTPL and SIPL (SPVs incorporated in India) (directly or indirectly, acquired post IPO through their holding companies) have been transferred from the respective shareholders to the Trust [refer note 47B]-

EPTPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Tech Zone), located at Pune (from 10 March 2021) (refer note 60)	EOPPL: Nil from 10 March 2021 (31 March 2020: 100%) Embassy Office Parks REIT : 100% from 10 March 2021 (refer note 60)
EOVPL*	Hold Co of VTPL and Common area maintenance services of Embassy Tech Village (ETV), located in Bangalore.	Embassy Office Parks REIT : 100%
VTPL*	Development and leasing of commercial space and related interiors and maintenance of such assets (ETV), located in Bangalore.	EOVPL : 60% Embassy Office Parks REIT : 40%
SIPL*	Development and leasing of commercial space and related interiors and maintenance of such assets (ETV Block 9), located in Bangalore.	Embassy Office Parks REIT : 100%

* together known as Embassy Tech Village assets (ETV assets).

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.	EOPPL: 50% (upto 10 March 2021, refer note 60) MPPL: 50% (from 10 March 2021, refer note 60) Kelachandra Holdings LLP (50%)

2. Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

The Consolidated Financial Statements of the Embassy Office Parks Group comprises the Consolidated Balance Sheet and the Consolidated Statement of Net Assets at fair value as at 31 March 2021, 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, the Statement of Net Distributable Cashflows of Embassy REIT and each of the SPVs, the Consolidated Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the year ended 31 March 2021. The 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 29 April 2021. The 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 ("REIT Regulations") read with SEBI Circular No. CIR/IMD/DF/146/2016 dated 29 December 2016 ("SEBI Circular"); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), read with relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI Circular.

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

Statement of compliance to Ind-AS

These Consolidated Financial Statements for the year ended 31 March 2021 are the financial statements of the Embassy Office Parks Group and have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), to the extent not inconsistent with REIT regulations.

The 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. year ended 31 March 2021.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of VTPL, EOVPL and SIPL used for the purpose of consolidation are drawn up to the same reporting date i.e. year ended on 31 March 2021. ETV assets were acquired on 24 December 2020 by the Embassy REIT. The ETV assets have been consolidated from 31 December 2020, a date close to the acquisition date, as there are no significant transactions or events that have occurred between 24 December 2020 and 31 December 2020 and the effect thereof is not considered to be material to Consolidated Financial Statements as at 31 March 2021.

Basis of Consolidation

(i) Subsidiaries

The Embassy Office Parks Group consolidates entities which it owns or controls. The 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 Consolidated Financial Statements of the Embassy Office Parks Group are stated below:

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

2. Significant accounting policies (continued)

2.1 Basis of preparation of consolidated financial statements (continued)

(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 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 Consolidated Financial Statements.

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

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

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

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

Basis of Business Combination

The Embassy Office Parks Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the 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.

The Embassy Office Parks Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. When the Embassy Office Parks Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values and no goodwill or deferred tax is recognised.

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.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss, except for changes in fair value which are measurement period adjustments, wherein the change is adjusted with the asset/liability recognised at the acquisition date with corresponding adjustment to goodwill. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates subsequent its settlement is accounted for within equity.

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.

Changes in accounting policies and disclosures

New and amended standards

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below. There were several new and amendments to standards and interpretations which are applicable for the first time for the year ended 31 March 2021, but either not relevant or do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to Ind AS 103: Definition of a Business

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. The other key amendments include, adding an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business and narrowing the definitions of business and outputs by focusing on goods or services provided to customers and by removing the reference to an ability to reduce costs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provides a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Several other amendments apply for the first time for the year ending 31 March 2021, but does not have an impact on the consolidated financial statements of the Group.

2.2 Significant accounting policies

a) Functional and presentation currency

The 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 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;
- 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; and
- Contingent consideration: measured at fair value.

c) Use of judgments and estimates

The preparation of 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 Consolidated Financial Statements is included in the following notes:

i) Business combinations

The Embassy Office Parks Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which substantive processes are acquired and, in particular, the extent of services provided by the subsidiary.

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 (r)

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 (v) (ii)

vi) Judgements in preparing Consolidated Financial Statements - Note 2.1

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

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment during year ended 31 March 2021 is included in the following notes:

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

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

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

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

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

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

v) Uncertainty relating to the global health pandemic on COVID-19: The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on revenue recognition, the carrying amounts of goodwill, investment property (including under development), property, plant and equipment, capital work in progress, equity accounted investee, intangible assets and receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group, and have compared the actual performance with the projections and expects the carrying amount of these assets as reflected in the balance sheet as at 31 March 2021 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 consolidated financial statements.

2.2 Significant accounting policies (continued)

d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

e) Measurement of fair values

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

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

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

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

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

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

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

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

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

f) Investment property

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

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

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

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

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

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

2.2 Significant accounting policies (continued)

f) Investment property (continued)

Investment property acquired on Business Combination is depreciated over the remaining useful life from the date of acquisition as certified by the technical valuer. Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

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 and adjusted prospectively.

CAM service rights are contract-based intangible assets, which represent the value of contractual rights that arise from contractual arrangements. An entity establishes relationships with its customers through certain contracts, these customer relationships arise from contractual rights.

CAM service rights are recognised at their fair value as at the date of acquisition, these are subsequently amortised on a straight-line basis, over their estimated contractual lives.

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.

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

2.2 Significant accounting policies (continued)

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.

2.2 Significant accounting policies (continued)

l) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

2.2 Significant accounting policies (continued)

i) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the 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) Rental support

Rental supports that are an integral part of an acquisition transaction is treated as a deduction in the acquisition cost of such investment property. Where, the right to receive the rental support is spread over a period of time, the right to receive the rental support is reduced from the acquisition cost and is recognised as a financial asset at fair value and subsequently measured at amortised cost based on effective interest rate method.

2.2 Significant accounting policies (continued)

o) Impairment of financial assets

Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.2 Significant accounting policies (continued)

p) 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.

q) 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.

r) 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.

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.

s) 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 from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

For assets let out under finance lease, the Group recognises a receivable at an amount equal to the net investment in the lease. Rentals received are accounted for as repayment of principal and finance income. Minimum lease payments receivable on finance leases are apportioned between the finance income and the reduction of the outstanding receivable. The finance income allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining net investment in the finance lease. Contingent rents are recorded as income in the periods in which they are earned.

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).

2.2 Significant accounting policies (continued)

s) Revenue recognition (continued)

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.

t) Employee benefits

Defined contribution plan

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

Gratuity

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

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

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

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

Compensated absences

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

Assets or liabilities related to employee benefit arrangements acquired on Business Combination are recognised and measured in accordance with Ind AS 19 Employee Benefits.

u) 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.

Capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average borrowing costs (WABC). Capitalisation of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.2 Significant accounting policies (continued)

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

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

(ii) Deferred tax:

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

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

Deferred tax assets or liabilities acquired on Business Combination are recognised and measured in accordance with Ind AS 12 Income taxes.

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.

w) 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.

x) 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).

2.2 Significant accounting policies (continued)

x) Operating segments (continued)

- 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.

y) Errors and estimates

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

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

z) 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.

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

ab) 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.

ac) 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.

2.2 Significant accounting policies (continued)

ad) 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.

ae) 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.

af) Statement of net assets at fair value

The disclosure of Statement of Net Assets at Fair value comprises of the fair values of the properties held by Asset SPVs and the HoldCo as well as book values of the total liabilities and other assets of all SPVs consolidated. The fair value of the property held by Asset SPVs and HoldCo are reviewed semi-annually by the independent property valuer taking into consideration market conditions existing at the reporting date, and other generally accepted market practices. The independent valuer is leading independent appraiser with a recognised and relevant professional qualification and experience.

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3 Property, plant and equipment

Reconciliation of carrying amounts for the year ended 31 March 2021

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)										
As 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)
As 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
As 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 due to business combination*	2,110.78	-	-	-	-	0.50	2.37	-	4.90	2,118.55
Additions for the year (refer note ii)	213.30	-	221.59	0.23	8.96	0.62	0.11	-	-	444.81
Reclassifications	(18.15)	-	18.15	-	-	-	-	-	-	-
As at 31 March 2021	8,846.00	7,067.88	7,382.02	486.21	457.90	19.58	20.37	10.83	45.31	24,336.10
Accumulated depreciation and impairment										
As 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
As 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
As 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 year	-	125.92	436.47	78.32	26.96	1.73	0.85	-	4.64	674.89
Impairment loss (refer note iii)	72.94	339.36	59.23	20.55	24.26	2.08	0.46	-	1.17	520.05
At 31 March 2021	156.94	830.52	926.52	183.34	120.95	15.14	12.28	10.83	12.23	2,268.75
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 31 March 2021	8,689.06	6,237.36	6,455.50	302.87	336.95	4.44	8.09	-	33.08	22,067.35

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 47.

Notes:

- Post acquisition of the SPV's, the Embassy Office Parks Group has revisited the useful life of the property, plant and equipment and aligned the same across the Embassy Office Parks Group. The Embassy Office Parks Group has also aligned its method of depreciation to straight-line method across its SPV's.
- 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 the process of registration and is scheduled to be completion by 30 September 2021. During the current year Rs. 213.30 million is capitalised towards land costs and other related expenses pertaining to registration of 211.30 acres and subsequent to 31 March 2021, the Group has registered 110.25 acres of the 211.30 acres
- Refer note 6 for disclosure on impairment.
- Accumulated Depreciation as at 31 March 2021 includes impairment loss of Rs.886.18 million (31 March 2020: Rs.366.13 million).
- Refer Note 23 for information on charge created by the group on its property, plant and equipment.
- Refer Note 46 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4 Capital work-in-progress

Particulars	As at	As at
	31 March 2021	31 March 2020
MPPL-Hilton Hotel (Front Parcel)*	4,509.34	2,334.07
VTPL-Hilton Hotel**	230.13	-
	4,739.47	2,334.07

*forms part of MPPL CGU

**forms part of ETV assets CGU

Note:

Borrowing cost capitalised

MPPL-Hilton Hotel (Front Parcel) and VTPL-Hilton Hotel are currently under development. The amount of borrowing cost capitalised during the year ended 31 March 2021 is Rs. 249.34 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)".

5 Investment property

Reconciliation of carrying amounts for the year ended 31 March 2021

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)										
As 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	-	-	-	-	-	-
As 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
As 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 due to business combination*	51,352.70	135.51	25,300.30	3,311.28	259.41	1,115.14	0.64	-	-	81,474.98
Additions for the year	33.10	7.95	800.75	230.42	59.74	52.42	19.68	-	1.16	1,205.22
Disposals	(21.74)	-	(23.25)	(19.93)	(50.68)	(13.23)	-	-	-	(128.83)
As at 31 March 2021	126,547.49	28,370.64	107,760.97	13,095.99	1,759.03	3,425.00	63.74	5.31	12.00	281,040.17
Accumulated depreciation and impairment										
As 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
As at 31 March 2020	-	483.74	2,106.20	947.20	360.10	487.10	22.82	3.48	1.68	4,412.32
As 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 year	-	360.92	2,239.82	1,086.54	240.15	331.07	4.76	0.55	1.45	4,265.26
Impairment loss (refer note xv)	12.80	-	15.78	2.83	0.03	0.25	0.01	0.01	-	31.71
Disposals	-	-	-	(2.71)	(8.89)	(3.28)	-	-	-	(14.88)
As at 31 March 2021	12.80	844.66	4,361.80	2,033.86	591.39	815.14	27.59	4.04	3.13	8,694.41
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 31 March 2021	126,534.69	27,525.98	103,399.17	11,062.13	1,167.64	2,609.86	36.15	1.27	8.87	272,345.76

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 47.

- 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. **EOPLL**: The leasehold land for Embassy Techzone is taken from Maharashtra Industrial Development Corporation ('MIDC') on a lease for a period of 95 years. The lease expires in July 2100.
- iii. **OBPPL**: The leasehold land for Embassy Oxygen is taken from New Okhla Industrial Development Authority ('NOIDA') on a lease for a 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 the 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 1 April 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 23 August 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 had been capitalized as a part of land and the balance had been capitalized towards building during the previous year ended 31 March 2020. Further, an amount of Rs.10,446.41 million, being the carrying cost of such land, has been reclassified from leasehold to freehold land during the previous year ended 31 March 2020.
- 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. **VTPL**: VTPL had earlier entered into lease-cum sale agreement for the land located in Embassy Tech Village with Karnataka Industrial Area Development Board (KIADB) for a period of 20 years commencing from 16 June 2006. As per the lease agreement KIADB shall sell the land to VTPL at any time during the tenure of the lease or on expiry of the lease period, if VTPL has performed all the conditions contained in the agreement and committed no breach thereof. VTPL had converted the leasehold land measuring 81.385 acres into a freehold land as per the sale deed entered with Karnataka Industrial Areas Development Board ('KIADB) on 12 February 2018. Further, 35 guntas leasehold land is yet to be registered and is classified as a leasehold land and no depreciation has been charged on the same.
- ix. 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.
- x. 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.

5 Investment property (continued)

- xi. The investment property have been leased out to lessees / held for lease on operating lease basis.
- xii. 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.
- xiii. Additions to investment property and investment property under development include borrowing cost amounting to Rs.184.43 million (31 March 2020: Rs.440.22 million) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).
- xiv. In accordance with Ind AS 116- Leases, investment property includes Right-of-Use (ROU) asset of Rs. 301.38 million (31 March 2020: Rs.308.15 million) which is recorded under Land Leasehold. The corresponding lease liability amounting to Rs. 334.87 million (31 March 2020: Rs.322.93 million) is recorded under other financial liabilities.
- xv. Accumulated Depreciation as at 31 March 2021 includes impairment loss of Rs.31.71 million (31 March 2020: Nil).
- xvi. Refer note 6 for disclosure on impairment.
- xvi. Amount recognised in statement of profit and loss for investment properties:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rental income	21,823.48	18,709.58
Less: Direct operating expenses arising from investment property that generated rental income during the period	(1,760.36)	(1,372.51)
Less: Direct operating expenses arising from investment property that did not generate rental income during the period	(817.47)	(709.46)
Less: Depreciation and amortisation expense	(4,877.39)	(4,412.33)
Profit arising from investment properties before indirect expenses	14,368.26	12,215.28

- xvii. Refer Note 23 for information on charge created by the group on its investment property.
- xviii. Refer Note 46 for disclosure of contractual commitments for purchase, construction or development of investment property.
- xvix. Refer Note 53 for disclosure of assets acquired under lease.

Fair value disclosures:

Particulars	Amount
Fair value as at 31 March 2020	278,469.60
Fair value as at 31 March 2021	352,882.01

The fair value of investment property as at 31 March 2021 and 31 March 2020 has been determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

The fair value measurement for all of the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used. The valuers have followed a Discounted Cash Flow method. The valuation model considers the present value of net cash flows to be generated from the respective properties, taking into account the expected rental growth rate, vacancy period, occupancy rate and lease incentive costs. The expected net cash flows are discounted using the risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

6 Goodwill (refer note 2.1 b, note 47B)
As at 31 March 2021

SPV	Goodwill as at 1 April 2020	Consideration transferred for business combination during the year	Fair value of net assets of business combination during the year	Goodwill on acquisitions during the year	Impairment loss for the year	Net carrying value as at 31 March 2021
MPPL	11,016.16	-	-	-	-	11,016.16
EPTPL (refer note 60)	11,913.28	-	-	-	-	11,913.28
EEPL	267.84	-	-	-	-	267.84
UPPL	202.73	-	-	-	70.84	131.89
ETPL	2,899.23	-	-	-	-	2,899.23
GSPL	1,962.11	-	-	-	-	1,962.11
IENMPL	6,071.57	-	-	-	-	6,071.57
OBPPL	6,529.49	-	-	-	-	6,529.49
QBPL	1,596.82	-	-	-	-	1,596.82
QBPL	3,565.02	-	-	-	366.36	3,198.66
VCPPPL	4,265.12	-	-	-	-	4,265.12
ETV assets (refer note 47B)	-	57,565.47	43,471.40	14,094.07	-	14,094.07
Total	50,289.37	57,565.47	43,471.40	14,094.07	437.20	63,946.24

As at 31 March 2020

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

Impairment testing for goodwill

Goodwill acquired through business combinations has been allocated to the Cash Generating Units ('CGU') as below for impairment testing: (Each SPV has been considered to be an independent CGU except QBPL). Goodwill pertaining to QBPL has been further allocated to commercial CGU forming part of commercial segment and hotel CGU forming part of hospitality segment. Goodwill pertaining to ETV assets has been considered as a single CGU as all the ETV assets have a similar risk and return profile).

As at 31 March 2021 and 31 March 2020

CGU	As at 31 March 2021			As at 31 March 2020		
	Carrying amount of the CGU prior to impairment *	Recoverable amount	Impairment Loss	Carrying amount of the CGU prior to impairment *	Recoverable amount	Impairment Loss
MPPL	131,978.44	189,313.22	-	100,935.07	138,624.85	-
EOPPL	17,475.97	21,950.89	-	40,521.30	45,425.40	-
EEPL	9,077.50	9,278.47	-	9,210.13	10,335.64	-
UPPL	3,644.40	3,573.56	70.84	4,458.50	3,971.36	487.14
ETPL	13,214.69	14,191.67	-	12,962.48	13,783.25	-
GSPL	6,703.68	8,713.69	-	6,955.55	8,477.05	-
IENMPL	16,626.87	17,580.98	-	16,721.28	17,144.71	-
OBPPL	19,034.16	22,481.69	-	16,260.58	17,539.53	-
QBPL	8,589.42	10,393.53	-	8,648.52	10,062.55	-
QBPL - Embassy Quadron	12,425.62	14,090.00	-	11,893.29	15,239.23	-
QBPL - Embassy One	4,698.33	4,331.97	366.36	4,855.30	4,897.23	-
QBPL - Hotel	7,294.64	7,364.53	-	8,962.84	7,674.00	1,288.84
VCPPPL	15,482.80	16,449.56	-	15,533.12	16,119.13	-
ETV assets	81,935.45	91,923.58	-	-	-	-
Total	348,181.97	431,637.34	437.20	257,917.96	309,293.93	1,775.98

* The carrying amount also includes carrying value of intangibles with indefinite useful life amounting to Rs. 3,641.88 million as at 31 March 2021 (31 March 2020: Rs. 1,781.88 million). Accordingly, the disclosures given in this note also covers the impairment testing relating to intangibles with indefinite useful lives.

6 Goodwill (continued)

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

As a result of the valuation, an impairment of Rs. 437.20 million (31 March 2020: Rs. 1,409.85 million) is recognized in the Statement of Profit and Loss against Goodwill, an impairment of Rs. 520.05 million (31 March 2020: Rs. 366.13 million) is recognized in the Statement of Profit and Loss against property, plant and equipment and an impairment of Rs. 31.71 million (31 March 2020: Rs. Nil) is recognized in the Statement of Profit and Loss against investment property totalling to Rs. 988.96 million (31 March 2020: Rs. 1,775.98 million) as impairment loss. Impairment charge majorly relates to the hospitality segment and more specifically UPPL (Hilton Hotel), and hospitality segment of QBPL (Four Seasons Hotel) as well as Embassy One (Commercial segment) forming part of QBPL. The impairment charge arose in these CGUs due to slower ramp up of room occupancy, slower than anticipated lease-up coupled with the current economic conditions due to Covid-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the “value in use” and the “fair value less cost to sell” in accordance with Ind AS 36.

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

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

Particulars	As at 31 March 2021			As at 31 March 2020		
	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate
Commercial						
MPPL	11.70%	13.00%	8.00%	12.03%	13.00%	8.00%
EOPPL	11.70%	13.00%	8.25%	12.03%	13.00%	8.25%
ETPL	11.70%	NA	7.75%	12.03%	NA	7.75%
GSPL	11.70%	NA	8.25%	12.03%	NA	8.25%
IENMPL	11.70%	NA	7.50%	12.03%	NA	7.50%
OBPPL	11.70%	13.00%	8.25%	12.03%	13.00%	8.25%
QBPPL	11.70%	NA	8.25%	12.03%	NA	8.25%
QBPL - Embassy Quadron	11.70%	NA	8.25%	12.03%	NA	8.25%
QBPL - Embassy One	11.70%	NA	7.50%	12.03%	NA	7.50%
VCPPPL	11.70%	NA	8.00%	12.03%	NA	8.00%
ETV Assets	11.70%	13.00%	8.00%	NA	NA	NA
Hospitality						
UPPL	12.38%	NA	14.0x of EBITDA	12.63%	NA	14.0x of EBITDA
QBPL - Hotel	12.38%	NA	14.0x of EBITDA	12.63%	NA	14.0x of EBITDA
MPPL - Hotel	NA	13.60%	14.0x of EBITDA	NA	13.60%	14.0x of EBITDA
ETV - Hotel	NA	13.60%	14.0x of EBITDA	NA	NA	NA
Others						
EEPL	13.50%	NA	NA	13.50%	NA	NA

The recoverable amount of the CGUs exceeds the carrying amount of the CGUs by Rs. 83,892.57 million (31 March 2020: Rs. 53,151.95 million). Following change in discount rate and capitalization rate (taken individually, assuming all other assumptions remain the same) would cause the recoverable amount of the identified CGUs to be equal to the carrying amount of the CGU.

Particulars	As at 31 March 2021			As at 31 March 2020		
	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate
Commercial						
MPPL	14.39%	16.20%	13.75%	16.88%	17.85%	18.00%
EOPPL	12.63%	14.15%	9.95%	13.60%	14.58%	9.75%
ETPL	12.61%	NA	8.00%	13.15%	NA	9.00%
GSPL	14.97%	NA	9.75%	15.00%	NA	12.75%
IENMPL	12.06%	NA	8.00%	12.45%	NA	7.90%
OBPPL	13.51%	15.20%	8.75%	13.28%	14.25%	9.75%
QBPPL	13.65%	NA	9.75%	14.60%	NA	11.75%
QBPL - Embassy Quadron	13.45%	NA	8.75%	16.10%	NA	15.75%
QBPL - Embassy One**	NA	NA	NA	13.60%	NA	9.25%
VCPPPL	11.93%	NA	8.75%	12.70%	NA	8.70%
ETV Assets	12.26%	13.60%	9.00%	NA	NA	NA
Hospitality						
UPPL **	NA	NA	NA	NA	NA	NA
QBPL - Hotel **	NA	NA	NA	NA	NA	NA
MPPL - Hotel	NA	15.91%	NA	NA	18.45%	NA
ETV - Hotel	NA	13.22%	NA	NA	NA	NA
Others						
EEPL	14.71%	NA	NA	26.00%	NA	NA

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

7 Other intangible assets

Reconciliation of carrying amounts for the year ended 31 March 2021

Particulars	CAM service rights	Power Purchase Agreement	Right to use trade mark	Computer software	Total
Gross Block					
As 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
As at 31 March 2020	-	3,348.00	1,781.88	32.72	5,162.60
As at 1 April 2020	-	3,348.00	1,781.88	32.72	5,162.60
Additions due to business combination*	9,826.91	-	1,860.00	1.66	11,688.57
Addition during the year	-	-	-	1.53	1.53
As at 31 March 2021	9,826.91	3,348.00	3,641.88	35.91	16,852.70
Accumulated amortisation					
As at 1 April 2019	-	-	-	-	-
Amortisation for the year	-	145.56	-	15.68	161.24
As at 31 March 2020	-	145.56	-	15.68	161.24
As at 1 April 2020	-	145.56	-	15.68	161.24
Amortisation for the year	612.13	145.57	-	9.12	766.82
As at 31 March 2021	612.13	291.13	-	24.80	928.06
Carrying amount (net)					
As at 31 March 2020	-	3,202.44	1,781.88	17.04	5,001.36
As at 31 March 2021	9,214.78	3,056.87	3,641.88	11.11	15,924.64

* Refer note 2.1 Basis for consolidation and note 47.

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8 Investment property under development (IPUD)

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

SPV	Nature	As at 31 March 2021	As at 31 March 2020
Base build			
S IPL	Block 9	3,794.98	-
VTPL	Block 8	429.47	-
EOPPL	Hudson and Ganges block	816.34	301.32
OBPL	Tower 1	619.44	164.66
Infrastructure Upgrades			
MPPL	Flyover	1,311.14	629.48
MPPL	Master plan upgrade	1,091.40	393.68
VTPL	Master plan upgrade	48.15	-
EOPPL	Master plan upgrade	500.46	228.13
QBPL	Master plan upgrade	311.96	37.50
Others	Others	45.45	18.62
		8,968.79	1,773.39

9 Equity accounted investee

Particulars	As at 31 March 2021	As at 31 March 2020
Investment in joint venture		
Golflinks Software Park Private Limited	24,118.57	24,091.36
	24,118.57	24,091.36
Goodwill on acquisition included as a part of carrying cost	10,449.36	10,449.36
	As at 31 March 2021	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)	24,118.57	24,091.36

10 Current investments

Particulars	As at 31 March 2021	As at 31 March 2020
Unquoted, at amortised cost		
Investment in debentures of joint venture (refer note 51) and (i) below	-	724.38
Nil (31 March 2020: 2,500) 8.5% debentures		
Investments measured at fair value through profit and loss		
Quoted, 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
	-	12,273.59
i) Nil (31 March 2020: 2,500) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of Rs.1,000,000 each. Outstanding as on 31 March 2021 is Rs. Nil (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 in debentures has been fully redeemed in the month of August 2020 and hence, there was no outstanding in respect of investment in such debentures as at 31 March 2021.		
Aggregate amount of unquoted investments	-	724.38
Aggregate amount of quoted investments	-	11,549.21
Investment measured at amortised cost	-	724.38
Investment measured at fair value through profit and loss	-	11,549.21

11 Non-current loans

Particulars	As at	As at
	31 March 2021	31 March 2020
<i>Unsecured, considered good</i>		
Security deposits		
- related party (refer note 51)	4.30	10.50
- others	830.88	658.21
	835.18	668.71

12 Other non-current financial assets

Particulars	As at	As at
	31 March 2021	31 March 2020
<i>Unsecured, considered good</i>		
Fixed deposits with banks*	846.16	673.02
Unbilled revenue (refer note 51)	832.37	506.91
Receivable under finance lease	1,246.09	8.61
Receivable for sale of co-developer rights from a related party (refer note 51)	1,080.00	-
	4,004.62	1,188.54
* Includes fixed deposits held as lien against debt taken and margin money for bank guarantee	846.16	670.06

13 Non-current tax assets (net)

Particulars	As at	As at
	31 March 2021	31 March 2020
Advance tax, net of provision for tax	1,095.27	1,554.70
	1,095.27	1,554.70

14 Other non-current assets

Particulars	As at	As at
	31 March 2021	31 March 2020
<i>Unsecured, considered good</i>		
Advance paid for co-development of property, incl development rights on land (refer note 51 and 58) *	13,863.03	13,998.26
Other capital advances		
- related party (refer note 51)	274.23	222.56
- others	3,294.28	1,333.74
Balances with government authorities	189.97	164.03
Paid under protest to government authorities (refer note 46)	702.44	676.26
Prepayments	59.67	80.79
	18,383.62	16,475.64

* Advance paid for co-development of property, includes borrowing cost capitalised during the period amounting to Rs. Nil (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	As at
	31 March 2021	31 March 2020
Stock of consumables	10.80	12.82
	10.80	12.82

16 Trade receivables

Particulars	As at	As at
	31 March 2021	31 March 2020
<i>Unsecured</i>		
Considered good *	473.16	242.25
Credit impaired	56.21	16.02
Less: Allowances for impairment losses	(56.21)	(16.02)
	473.16	242.25

*Includes trade receivables from related parties amounting to Rs. 327.53 million (31 March 2020: 57.03 million) (refer note 51)

17 Current loans

Particulars	As at 31 March 2021	As at 31 March 2020
<i>Unsecured, considered good</i>		
Security deposits		
- related party (refer note 51)	-	50.00
- others	1.03	1.49
	1.03	51.49

18A Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.69	1.12
Balances with banks		
- in current accounts*	9,068.79	3,225.16
- in escrow accounts		
- Balances with banks for unclaimed distributions	2.00	0.26
- Others^	103.30	2.62
- in deposit accounts with original maturity of less than three months	-	20.00
	9,174.78	3,249.16

* Balance in current accounts includes cheques on hand as at 31 March 2021 amounting to Rs.763.77 million (31 March 2020: Rs.2,121.94 million).

^ Includes unspent Corporate Social Responsibility (CSR) balances amounting to Rs.38.56 million which has been deposited in separate escrow accounts.

18B Other bank balances

Particulars	As at 31 March 2021	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*	253.75	169.79
	253.75	169.79
*Deposit for availing letter of credit facilities	253.75	169.79

19 Other current financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
<i>Unsecured, considered good</i>		
Interest accrued but not due		
- on fixed deposits	0.50	7.53
- on statutory deposits	21.49	40.39
- on others	4.61	4.35
Unbilled revenue (refer note 51)	443.03	256.91
Unbilled maintenance charges	224.61	59.45
Receivable under finance lease	427.74	16.88
Receivable for rental support from a related party (refer note 51)	1,108.78	-
Receivable for sale of co-developer rights from a related party (refer note 51)	1,632.97	-
Other receivables		
- related parties (refer note 51)	185.99	7.94
- others	6.63	6.01
	4,056.35	399.46

20 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
<i>Unsecured, considered good</i>		
Advance for supply of goods and rendering of services		
- to related parties (refer note 51)	2.67	2.78
- to others	21.68	51.32
Balances with government authorities	237.71	149.93
Prepayments	123.18	134.21
Other advances	10.10	12.98
	395.34	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
Units issued during the year	176.23	59,999.35
Less: Issue expenses (refer note below)	-	(858.20)
Closing balance as at 31 March 2021	947.90	288,262.11

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 previous year ended 31 March 2020, provision for issue expenses no longer payable, has been reversed amounting to Rs.81.70 million.

During the year ended 31 March 2021 estimated issue expenses pertaining to further issue of units (Institutional Placement and Preferential Allotment) have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation. The issue expenses includes payments to auditor of Rs.51.55 million (excluding applicable taxes).

(a) Terms/ rights attached to Units

- (i) The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Units is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Board of Directors of the Manager approves distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays distributions 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 31 March 2021		As at 31 March 2020	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Pvt Ltd.	115,484,802	12.18%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Ltd.	88,333,166	9.32%	104,094,966	13.49%
BRE Mauritius Investments	83,730,208	8.83%	93,610,755	12.13%
Veeranna Reddy	29,372,782	*	65,472,582	8.48%
BRE/ Mauritius Investments II	39,700,450	*	45,630,850	5.91%
India Alternate Property Limited	31,193,186	*	39,446,986	5.11%

* The percentage holding is less than 5% as at 31 March 2021. As at 31 March 2020, the percentage holding was more than 5%.

- (c) The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further, the Trust has issued an aggregate of 613,332,143 Units of Rs.300 each for consideration other than cash from the date of incorporation till 31 March 2020.

Further, during the year ended 31 March 2021, the Trust has issued 111,335,400 Units at a price of Rs.331.00 per Unit through an Institutional Placement. The Trust also made Preferential allotment of 64,893,000 Units at Rs.356.70 per Unit to acquire ETV assets held by third party shareholders.

22 Other Equity*

Particulars	As at	
	31 March 2021	31 March 2020
Reserves and Surplus		
Retained earnings	(17,331.44)	(5,943.12)
	(17,331.44)	(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.

23 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Non-convertible debentures		
- Embassy REIT Series I NCD 2019 - Tranche I (refer note i and iv below)	35,503.62	32,351.16
- Embassy REIT Series I NCD 2019 - Tranche II (refer note i and iv below)	7,276.40	6,667.66
- Embassy REIT Series II NCD 2020 - Tranche A (refer note ii and iv below)	7,382.15	-
- Embassy REIT Series II NCD 2020 - Tranche B (refer note ii and iv below)	7,437.51	-
- Embassy REIT Series III NCD 2021 (refer note iii and iv below)	25,719.40	-
Terms loans		
- from banks (refer note vi)	22,701.75	10,978.43
- vehicle loans	2.50	30.60
Deferred payment liability (refer note v)	-	6,142.66
	106,023.33	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 I) 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 Embassy REIT and EOPPL over their total shareholding in the SPV's namely QBPPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPV's".
3. A sole and exclusive first ranking charge by way of hypothecation created by the Embassy 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) In September 2020, the Trust issued 7,500 listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series II NCD 2020 (Tranche A), debentures having face value of Rs.1 million each amounting to Rs.7,500.00 million with an coupon rate of 7.25% p.a. payable quarterly. In October 2020, the Trust further issued 7,500 such debentures (Tranche B), with an coupon rate of 6.70% p.a. payable quarterly and with same terms and conditions as Tranche A.

The Tranche A and Tranche B NCD described above were listed on the Bombay Stock Exchange on 17 September 2020 and 05 November 2020 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 by way of mortgage created by EOPPL on the constructed buildings and related parcels identified as Block 2, Block 3, Food court, Block 6, Block I, Block 11 and Block 5, having an aggregate leasable area of 2,00,674 square meters and forming part of the development known as Embassy Tech Zone together with portion of land admeasuring 96,630 square meters on which the aforesaid buildings are constructed out of the aggregate area of land measuring 67.45 acres equivalent to 2,72,979 sq. mtrs.
2. A sole and exclusive first ranking pledge created by the Embassy REIT over the shareholding in the SPV's namely IENMPL and EOPPL together known as "secured SPV's" along with shareholder loans given to these SPV's.
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by EOPPL over identified bank accounts and receivables.
5. A corporate guarantee issued by each of EOPPL and IENMPL.
6. Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the pledge of EOPPL shares and the hypothecation created over EOPPL bank accounts and receivables is in process of being recreated in the name of EPTPL in accordance with the terms of Debenture Trust Deed (refer note 60).

Redemption terms:

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

(all amounts in Rs. millions unless otherwise stated)

23 Borrowings (continued)

- (iii) In January 2021, the Trust issued 26,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series III NCD 2021 debentures having face value of Rs.1 million each amounting to Rs.26,000.00 million with an coupon rate of 6.40% p.a. payable quarterly. The debentures described above were listed on the Bombay Stock Exchange on 19 January 2021.

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 first ranking charge by way of mortgage created by VTPL on the constructed buildings and related parcels identified as Block 1A, Block 2 and Block 7B, having an aggregate leasable area of 3,43,772 square meters and forming part of the development known as Embassy TechVillage together with portion of land admeasuring 101,859 square meters on which the aforesaid buildings are constructed.
2. A first ranking pari passu pledge created by the Embassy REIT, MPPL and EOVPPL over their shareholding in the SPV's namely EEPL and VTPL respectively together known as "Secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by VTPL over identified bank accounts and receivables.
5. A corporate guarantee issued by each of VTPL and EEPL.
6. Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the pledge of EEPL shares is in process of being recreated by MPPL in accordance with the terms of Debenture Trust Deed due to change in ownership of EEPL shares from EOPPL to MPPL (refer note 60).

Redemption terms:

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date.
2. These debentures will be redeemed on the expiry of 37 months from the Date of Allotment for the Debentures at par on 15 February 2024.
3. In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate calculated from the date of change of rating.
4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between July 2023 to January 2024) 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.

(iv) **Disclosure required under SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018**

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

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019	Secured	-	-	2 June 2022	2 June 2022
Embassy REIT Series II NCD 2020	Secured	-	31 March 2021	9 October 2023	30 June 2021
Embassy REIT Series III NCD 2021	Secured	-	31 March 2021	15 February 2024	30 June 2021

2. Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to all the above NCDs.

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

Particulars	As at 31 March 2021	As at 31 March 2020
Asset cover ratio (refer a below)	22.79%	17.32%
Debt -equity ratio (refer b below)	0.39	0.26
Debt-service coverage ratio (refer c below)	3.19	4.55
Interest-service coverage ratio (refer d below)	3.26	5.10
Net worth (refer e below)	270,930.67	223,177.84

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

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

* Total borrowings = Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings

Unitholder's Equity = Unit Capital + Other equity

23 Borrowings (continued)

(v) Deferred payment liability

EEPL SPV had entered into a deferred payment agreement with IL&FS Solar Power Limited for Rs.6,853.90 million (as at 31 March 2021: Rs.Nil, 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 carried 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 was also secured by a guarantee given by EOPPL, Holding Co., to Embassy Office Parks REIT.

Redemption terms:

The liability was repayable in 180 months equal instalments starting from April 2018 and was to be settled by February 2033. Pursuant to mutual agreement with IL&FS Solar Power Limited, only 50% of EMI was payable to them till the registration of agreed 465.77 acres of land is completed in favor of Embassy Energy SPV.

Subsequently, in accordance with the deferred payment agreement, the Group issued a prepayment offer to IL&FS Solar Power Limited ('lender') in December 2019 in respect of outstanding debt as at that date. Based on the terms and the revised prepayment offer agreed to between the parties, the liability has been repaid in full during the year ended 31 March 2021 along with the outstanding interest. The parties have also executed an agreement to record the agreed terms in connection with such prepayment and also to record the termination of all agreements entered into between the parties in connection with the acquisition, development and commissioning of the solar plant.

(vi) (a) Lender 1 [balance as at 31 March 2021: Nil (31 March 2020: Rs.3,361.58 million)]

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

Repayment and interest terms	As at 31 March 2021	As at 31 March 2020
Repayable in 36 monthly instalments. The debt carries interest of MCLR + 0.35%	-	3,361.58

The loan has been prepaid in the month of September 2020.

(b) Lender 2 [balance as at 31 March 2021: Rs.1,725.80 (31 March 2020: Rs. Nil)]

1. First ranking mortgage over leasehold rights of 6.63 acres of Block M3 land and building being constructed thereon situated at Embassy Manyata Bengaluru.
2. First ranking mortgage over 1.77 acres of Block F1 land and any future construction thereon situated at Embassy Manyata Business Park.
3. Debt service reserve account to be maintained equal to three months interest on outstanding loan.

Repayment and interest terms	As at 31 March 2021	As at 31 March 2020
Repayable as bullet payment at the end of 36 months from first disbursement i.e., by March 2024. The loan carries an interest rate of 6M MCLR plus spread of 0.90% pa, currently 8.15%	1,725.80	-

(c) Lender 3 [balance as at 31 March 2021: Rs.5,180.28 million (31 March 2020: Rs.4,381.10 million)]

1. First ranking exclusive mortgage of undivided share of land admeasuring 8.26 acres (Front Parcel) situated at Embassy Manyata, Bengaluru.
2. 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.
3. First charge on the Trust and Retention Account and other accounts established and maintained pursuant to Trust and Retention Account Agreement.
4. A corporate guarantee issued by the Trust.

Repayment and interest terms	As at 31 March 2021	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%, currently 8.20% p.a.	5,180.28	4,381.10

(d) Lender 4 [balance as at 31 March 2021: Nil (31 March 2020: Rs.3,389.99 million)]

1. 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.
2. Equitable mortgage over underlying Tower 2 & Tower 3 building of Embassy Oxygen situated at Plot No. 7, Sector 144, Noida Uttar Pradesh India.

Repayment and interest terms	As at 31 March 2021	As at 31 March 2020
Repayable in 120 monthly instalments, bullet repayment for remainder at the end of 10th year. The debt carries interest of MCLR + 0.15%	-	3,389.99

The loan has been prepaid in the month of September 2020.

23 Borrowings (continued)

(e) Lender 5 and 6 [balance as at 31 March 2021: 14,648.63 million (31 March 2020: Nil)]

1. First pari passu charge on Mortgage of parcel 5 land measuring 14.56 acres and buildings with 2.43 million square feet of office and amenity buildings at Embassy Tech Village, Bengaluru.
2. First charge by way of hypothecation of the receivables of the above Buildings of Embassy Tech Village, Bengaluru.
3. Fixed deposit equal to the amount specified in sanction letter as debt service reserve account to be kept with lien marked in favour of bank during the tenure of the loan.

Name of the lender	Repayment and interest terms	As at	
		31 March 2021	31 March 2020
Lender 5	Repayable in structured monthly instalments with no moratorium, interest rate of lender's 3M MCLR + Nil, currently 7.15% pa	7,198.66	-
Lender 6	Repayable in structured monthly instalments with no moratorium, interest rate of 3 months T-Bill rate + applicable spread, currently 7.05% p.a.	7,449.97	-

(f) Lender 7 [balance as at 31 March 2021: 94.01 million (31 March 2020: Nil)]

Exclusive mortgage of undivided share of land of 3.24 acres and building being constructed thereon (Tower 1) situated at Embassy Oxygen, Noida.

Repayment and interest terms	As at	
	31 March 2021	31 March 2020
Repayable in 4 quarterly instalments after moratorium of 4 quarters from date of drawdown. The debt carries interest of MCLR + Nil, currently 7.3% p.a.	94.01	-

(g) Lender 8 [balance as at 31 March 2021: Rs. 1,178.21 million (31 March 2020: Rs.Nil)]

1. Exclusive mortgage of land admeasuring 8.00 acres and building constructed thereon situated at Block 9, Embassy TechVillage, Bengaluru.
2. Exclusive charge on the receivables, cash flows, moveable assets of SIPL in relation to the Project.
3. Exclusive charge on the Escrow Account established and maintained pursuant to Escrow Agreement and Current account of SIPL.

Repayment and interest terms	As at	
	31 March 2021	31 March 2020
Repayable by way of single bullet repayment on February 3, 2023. The debt carries interest of 6M MCLR + 0.55%, currently 7.9% p.a.	1,178.21	-

(vii) Changes in liabilities arising from financing activities

	As at	
	31 March 2021	31 March 2020
Opening financial liability	57,783.76	79,110.54
Cashflows:		
Add: Acquired on business combination	42,140.75	-
Add: Proceeds from borrowings (net off issue expenses)	44,303.50	48,947.26
Less: Repayments of borrowings	(40,451.82)	(73,462.66)
Less: Interest paid	(3,698.75)	(1,562.48)
Less: Finance lease payments	(28.70)	(20.37)
Non-cash adjustments:		
Add: Lease liability w.r.t. right-to-use for land during the year	-	312.10
Add: Finance cost (including capitalised interest)	6,509.04	4,459.37
Closing financial liability	106,557.78	57,783.76

24 Other non-current financial liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Lease deposits (refer note 51)	4,155.40	2,360.50
Lease liability (refer note 53)	314.52	302.58
Capital creditors for purchase of fixed assets	279.65	455.57
	4,749.57	3,118.65

25 Deferred tax

Deferred tax Assets (net)

Particulars	As at	As at
	31 March 2021	31 March 2020
Minimum Alternate Tax credit entitlement	5.05	-
Deferred tax assets (net) (refer note 54)	43.79	-
	48.84	-

Deferred tax liabilities (net)

Particulars	As at	As at
	31 March 2021	31 March 2020
Minimum Alternate Tax credit entitlement	(4,586.33)	(4,015.29)
Deferred tax liabilities (net) (refer note 54)	57,882.76	44,422.67
	53,296.43	40,407.38

26 Provisions

Particulars	As at	As at
	31 March 2021	31 March 2020
Provision for employee benefits *		
- gratuity	5.79	5.25
	5.79	5.25

* refer note 52.

27 Other non-current liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Deferred lease rental	666.38	378.21
Advances from customers	18.88	8.49
	685.26	386.70

28 Trade payables

Particulars	As at	As at
	31 March 2021	31 March 2020
Trade payable		
- total outstanding dues to micro and small enterprises (refer note 51)	48.27	2.48
- total outstanding dues of creditors other than micro and small enterprises		
- to related parties (refer note 51)	139.46	115.94
- to others	253.16	136.33
	440.89	254.75

29 Other current financial liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Current maturities of long-term debt		
- from banks	139.58	154.25
- deferred payment liability	-	1,136.08
- debentures (refer note (i) below, 47 and 51)	60.00	-
Security deposits		
- related party (refer note 51)	80.00	185.00
Lease deposits (refer note 51)	8,406.20	7,137.07
Book overdraft	-	137.41
Capital creditors for purchase of fixed assets		
- to related party (refer note 51)	60.47	14.73
- to others	2,423.50	975.66
Lease liability (refer note 53)	20.35	20.35
Unclaimed dividend	2.00	0.26
Contingent consideration (refer note 47B and 51)	350.00	-
Other liabilities		
- to related party (refer note 51)	240.96	172.62
- to others	954.77	629.36
	12,737.83	10,562.79

- (i) In October 2020, pursuant to the Business Transfer Agreement with Embassy Services Private Limited (refer note 47), EOPPL has issued 100,000 unlisted, unrated, unsecured, redeemable and non-convertible debentures to ESPL having face value of Rs.100 each amounting to Rs.10.00 million with no interest rate attached. Further, MPPL has also issued 500,000 unlisted, unrated, unsecured, redeemable and non-convertible debentures to ESPL having face value of Rs.100 each amounting to Rs.50.00 million with same terms and conditions as EOPPL debentures.

Security terms

The NCD's rank pari passu with all other unsecured and unsubordinated debt of EOPPL and MPPL.

Redemption terms:

These debentures will be redeemed on the expiry of the tenure of 13 months in a single instalment for an aggregate redemption amount equal to the face value of all the NCDs (matures on November 2021).

30 Provisions

Particulars	As at	As at
	31 March 2021	31 March 2020
Provision for employee benefits *		
- gratuity	0.03	0.03
- compensated absences	1.86	2.34
	1.89	2.37

* refer note 52.

31 Other current liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
Unearned income	65.50	44.09
Advances received from customers (refer note 51)*	520.53	291.43
Advance compensation received from related party (refer note 51)	559.19	-
Statutory dues	237.95	193.92
Deferred lease rentals	488.96	252.14
	1,872.13	781.58

*Includes advances received from related parties amounting to Rs.139.12 million (31 March 2020: Rs.1.92 million).

32 Current tax liabilities (net)

Particulars	As at	As at
	31 March 2021	31 March 2020
Provision for income-tax, net of advance tax	99.77	34.51
	99.77	34.51

33 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Facility rentals	18,475.61	16,689.99
Income from finance lease	51.33	2.28
Room rentals	99.08	647.40
Revenue from contracts with customers		
Maintenance services	2,547.77	1,777.43
Sale of food and beverages	118.86	391.89
Income from generation of renewable energy	1,548.26	1,566.25
Other operating income		
- hospitality	13.51	103.40
- others (refer note 58)	748.78	270.58
	23,603.20	21,449.22

Note:

Contract balances

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	473.16	242.25
Unbilled maintenance	224.61	59.45

Revenue recognised over a period of time

	For the year ended 31 March 2021	For the year ended 31 March 2020
Maintenance services	2,547.77	1,777.43

34 Interest income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- on debentures (refer note 51)	7.29	73.72
- on fixed deposits	195.18	139.80
- on security deposits	4.82	46.86
- on other statutory deposits	15.42	21.77
- on income-tax refund	99.99	26.31
- others	648.50	168.89
	971.20	477.35

35 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net changes in fair value of financial assets	-	18.45
Liabilities no longer required written back	4.68	13.29
Profit on sale of mutual funds	154.11	359.96
Profit on sale of fixed assets	12.72	-
Miscellaneous	42.55	121.30
	214.06	513.00

36 Cost of materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchases	37.57	126.34
Add: Increase/(decrease) in inventory	(2.02)	(7.40)
	35.55	118.94

37 Employee benefits expense *

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	189.07	295.88
Contribution to provident and other funds	12.82	15.08
Defined benefits plans cost (refer note 50)	2.25	2.54
Staff welfare	21.34	63.67
	225.48	377.17

* majorly refers to employee benefits expense of the hospitality segment.

38 Operating and maintenance expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel (net)	407.10	609.16
Operating consumables	6.71	18.30
	413.81	627.46

39 Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Property tax (net)	766.67	704.01
Rates and taxes*	306.39	37.90
Marketing and advertising expenses	84.90	77.31
Assets and other balances written off	1.16	11.16
Loss of sale of fixed assets	61.89	-
Allowances for credit loss	20.83	0.85
Reversal of impairment on investments	-	(156.98)
Investments written off	-	156.98
Bad debts written off	2.73	-
Bank charges	8.20	19.42
Brokerage and commission	3.27	24.10
Net changes in fair value of financial assets	3.00	25.16
Travel and conveyance	9.12	25.78
Corporate Social Responsibility (CSR) expenses	93.72	85.91
Miscellaneous expenses	82.45	234.73
	1,444.33	1,246.33

*Includes provision for stamp duty amounting to Rs. 229.44 million in relation to the composite scheme of arrangement involving MPPL, EOPPL and EPTPL. Also refer note 60.

40 Repairs and maintenance

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Repairs and maintenance		
- common area maintenance (refer note 47A)	1,282.00	735.75
- buildings	126.56	76.19
- machinery	282.05	253.51
- others	103.59	149.93
	1,794.20	1,215.38

41 Finance costs (net of capitalisation)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense		
- on borrowings from banks and financial institutions	1,016.44	310.15
- on deferred payment liability	477.76	840.19
- on lease deposits	377.62	312.09
- on lease liabilities	40.64	31.20
- on Non convertible debentures		
- Embassy REIT Series II and Series III NCD	914.43	-
Accrual of premium on redemption of debentures (Embassy REIT Series I NCD)	3,626.00	2,309.91
	6,452.89	3,803.54

Gross interest expense is Rs. 6,886.66 million (31 March 2020: 4,771.46 million) and interest capitalised is Rs.433.77 million (31 March 2020: 967.92 million) for the year ended 31 March 2021.

42 Depreciation and amortisation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment	674.89	707.68
Depreciation of investment property	4,265.26	4,412.32
Amortisation of intangible assets	766.82	161.24
	5,706.97	5,281.24

43 Tax expense*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax**	1,649.06	1,361.39
Deferred tax charge/ (credit)	(452.77)	(11.27)
Minimum Alternate Tax credit entitlement (MAT)***	(640.95)	(1,050.12)
	555.34	300.00

*refer note 54.

** includes dividend distribution tax of Rs. Nil (31 March 2020: Rs.22.83 million) payable by SPVs on dividend distributed to Group for the year ended 31 March 2021. Also includes current tax adjustments relating to earlier years of Rs. Nil (31 March 2020: Rs.42.32 million) for the year ended 31 March 2021.

*** including MAT credit entitlement relating to earlier years of Rs. Nil (31 March 2020: Rs.373.69 million).

44 Earnings Per Unit (EPU)

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

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit after tax for calculating basic and diluted EPU	6,983.53	7,655.34
Weighted average number of Units (No. in millions)*	819.60	771.67
Earnings Per Unit		
- Basic (Rupees/unit)	8.52	9.92
- Diluted (Rupees/unit)**	8.52	9.92

* The weighted average number of units have been computed prorata basis 111.34 million units issued by way of institutional placement and 64.89 million units issued by way of preferential allotment on 22 December 2020 and 24 December 2020 respectively.

** 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 year ended 31 March 2021 amounts to Rs. 535.92 million (31 March 2020: Rs. 486.13 million). There are no changes during the year 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 year ended 31 March 2021 amounts to Rs.212.23 million (31 March 2020: Rs. 214.81 million). There are no changes during the year 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 Rs. 0.10 million 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 year ended 31 March 2021 amounts to Rs.1.42 million (31 March 2020: Rs. 1.42 million). There are no changes during the year in the methodology for computation of secondment fees paid to Manager.

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46 Commitments and contingencies

Particulars	As at	As at
	31 March 2021	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)	11,968.87	11,088.92
Contingent liabilities		
Claims not acknowledged as debt in respect of Income Tax matters (refer note ii)	440.27	447.56
Claims not acknowledged as debt in respect of Indirect Tax matters (refer note iii)	769.80	730.10
Claims not acknowledged as debt in respect of Property Tax matters (refer note iv)	3,418.89	3,313.08
Others (refer notes v and vi)		

Based on management's best estimate and basis expert opinion obtained by the Group, no provisions have been made for above claims during the year. The Group will continue to monitor developments to identify significant uncertainties and change in estimates, if any, in future period.

Notes:

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

SPV	As at	As at
	31 March 2021	31 March 2020
MPPL	7,194.03	9,519.23
VTPL	1,099.60	-
OBPPL	848.10	51.78
EOPPL	1,391.46	1,423.43
SIPL	1,256.41	-
Others	179.27	94.48
	11,968.87	11,088.92

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

SPV	As at	As at
	31 March 2021	31 March 2020
MPPL	8.22	8.50
EOPPL	246.44	246.44
QBPL	77.60	77.60
QBPPL	3.76	3.76
OBPPL	69.83	72.82
IENMPL	9.25	38.44
VTPL	25.17	-
	440.27	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 31 March 2021 the CIT(A) has dismissed the appeals for AY 09-10, 11-12 and 12-13 upholding the assessment additions made. SPV has challenged the CIT(A) orders and filed appeals before Income-tax Appellate Tribunal [ITAT]. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the applications for settling these litigations and await the final settlement from the Designated Authority of Income Tax. Pending settlement of these applications, 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. During the current quarter, the appeal against order of ITAT filed before the Hon'ble High Court of Karnataka has been allowed in favour of the company. Accordingly, the SPV has disclosed Nil (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 favour 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. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation and the final settlement from the Designated Authority of Income Tax is awaited. Pending settlement of the application, the SPV has disclosed the above demand of Rs. 5.89 million (31 March 2020: Rs. 5.89 million) as a contingent liability.

46 Commitments and contingencies (continued)

QBPL: The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2015-16 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 hearing. 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 favour 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 year, the Assessing Officer has allowed the TDS credit through rectification order issued in favour 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 filed an appeal before CIT(A). Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV had filed the application for settling this litigation. Subsequent to the reporting date, the final settlement order from the Designated Authority has been received and the disputed tax demand has been paid and accordingly these claims are settled. The SPV has therefore disclosed Rs. Nil (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 had filed an appeal before CIT(A). Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation. Subsequent to the reporting date, the final settlement order from the Designated Authority has been received wherein 25% of the disputed tax demand of Rs. 3.03 million has been paid and accordingly these claims are settled. The SPV has therefore disclosed Rs. Nil (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). Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation. Subsequent to the reporting date, the final settlement order from the Designated Authority has been received wherein 25% of the disputed tax demand of Rs.3.52 million has been adjusted with the tax paid under protest Rs. 2.81 million and balance Rs. 0.70 million was paid and accordingly these claims are settled. The SPV has therefore disclosed Rs. Nil (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 and additions made u/s.14A of the Income tax Act read with Rule 8D of the Income Tax Rules. The SPV contested the said demand and has 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.

VTPL: (a) The SPV was reassessed u/s. 153C read with 143(3) of the Income Tax Act, 1961 for the AY 2003-04 and 2004-05. Certain additions u/s. 68 were made and tax demand of Rs. 25.17 million was raised. The SPV filed an appeal against the demand order before CIT(A) which was upheld in favour of SPV quashing the demand raised. Aggrieved by the CIT(A) order, Income Tax Department filed an appeal before ITAT, Delhi which was dismissed and resultantly the income tax department filed an appeal before Hon'ble High Court of Karnataka which was also dismissed for want of jurisdiction. The Income tax department has now preferred an appeal before the Hon'ble High Court of Delhi. Accordingly, the SPV has disclosed Rs. 25.17 million (31 March 2020: Nil) as contingent liability.

(b) The SPV was reassessed u/s. 147 read with section 143(3) of the Income Tax Act, 1961 for AY 2012-13 with additions made u/s. 69C and tax demand of Rs. 1.87 million was raised for the relevant year. The SPV has preferred an appeal against the assessment order before the CIT(A). Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation. Subsequent to the reporting date, the final settlement order from the Designated Authority has been received wherein the tax demand has been adjusted against accumulated loss and accordingly these claims are settled. The SPV has therefore disclosed Rs. Nil (31 March 2020: Nil) as contingent liability.

(c) The SPV was assessed u/s. 143(3) of the Income Tax Act, 1961 for AY 2017-18 with additions made u/s. 69C and u/s. 14A and a tax demand of Rs. 9.23 million was raised and adjusted with tax refunds due for the relevant year. The SPV has preferred an appeal against the assessment order before the CIT(A). Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation. Subsequent to the reporting date, the final settlement order from the Designated Authority has been received wherein the tax demand has been adjusted against accumulated loss and accordingly these claims are settled. The SPV has therefore disclosed Rs. Nil (31 March 2020: Nil) as contingent liability.

46 Commitments and contingencies (continued)

iii) Claims not acknowledged as debt in respect of Indirect Tax matters

SPV	As at 31 March 2021	As at 31 March 2020
MPPL	605.50	573.90
ETPL	64.73	64.73
GSPL	23.99	23.99
VCPPL	40.66	40.66
UPPL	30.61	26.82
VTPL	4.31	-
	769.80	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.

(c) The Customs department issued demand notice to the Oil Suppliers of the SPV with a demand of Rs.31.60 million for the period 1 April 2015 to 15 February 2016 denying duty benefit on the procurement of diesel. The Oil Suppliers have subsequently raised the demand on the SPV. Consequently, SPV preferred an appeal before the SEZ commissioner which was rejected by the Commissioner and aggrieved by the order, SPV filed a Writ Petition before the Hon'ble High Court of Karnataka and obtained an Interim stay order from the Court on 9 February 2017 which is still in force.

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 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. Accordingly, the SPV has disclosed the demand and penalty amount of Rs.29.05 million (31 March 2020: Rs.29.05 million) as contingent liability.

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 favourable 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 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. The Deputy Commissioner of Service Tax has disposed off the submissions made in the current quarter and passed an order demanding the tax dues along with interest and penalty aggregating to Rs.7.57 million. Aggrieved by the order, the SPV has preferred and appeal before the Commissioner of Appeals with pre-deposit of Rs.0.28 million. Accordingly, the aforementioned demand of Rs.7.57 million (31 March 2020: Rs.3.78 million) is disclosed as contingent liability.

VTPL: The Customs department issued demand notice to the Oil Suppliers of the SPV with a demand of Rs.4.31 million for the period 1 April 2015 to 15 February 2016 denying duty benefit on the procurement of diesel. The Oil Suppliers have subsequently raised the demand on the SPV. Consequently, SPV preferred an appeal before the SEZ commissioner which was rejected by the Commissioner and aggrieved by the order, SPV filed a Writ Petition before the Hon'ble High Court of Karnataka and obtained an Interim stay order from the Court on 9 February 2017 which is still in force.

46 Commitments and contingencies (continued)

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

SPV	As at 31 March 2021	As at 31 March 2020
MPPL	3,418.89	3,313.08
	3,418.89	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. Additionally new notices dated 24 July 2019 and 18 March 2021 were issued to pay a sum of Rs.78.56 million (including penalty) and Rs. 27.25 million (including penalty) towards the differential property tax for the year 2018-19 and 2019-20 respectively and the SPV has paid Rs.35.26 million (including Rs. 9.08 million paid subsequent to the year ended 31 March 2021) towards property tax demanded under protest. Accordingly, a net contingent liability of Rs.679.40 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. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation and the final settlement from the Designated Authority of Income Tax is awaited.

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. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation and the final settlement from the Designated Authority of Income Tax is awaited.

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 Hon'ble High Court of Karnataka and accordingly the same is disclosed as a contingent liability. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the application for settling this litigation and the final settlement from the Designated Authority of Income Tax is awaited.

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 31 March 2021 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 favourable order was received by the entity. Commissioner of Service Tax has filed an appeal before Hon'ble High Court of Karnataka and the matter is taken up for hearing by the Court and accordingly the same is disclosed as contingent liability by GLSP.

46 Commitments and contingencies (continued)

vi) Other matters

- (a) **VCPL (Forfeiture of security deposit matters):** Orange Business Services India Technology Private Limited, earlier known as Equant Technologies Services (India) Private Limited ("Equant") had filed a summary suit bearing No. 388 of 2012 with the Hon'ble Bombay High Court alleging that the SPV incorrectly terminated the letter of intent dated July 18, 2008 executed between the SPV and Equant for renting premises in Embassy 247 Park pursuant to which Equant paid to the SPV a security deposit of Rs.40.32 million, which was withheld by the SPV on account of breach of agreed terms of the said letter of intent. The matter is currently under adjudication.
- (b) **EEPL :** SPV received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on 28 February 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent company of IL&FS Solar Power Limited ('ISPL'), which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorized as operational debts) aggregating up to Rs.1,008.10 million are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the subcontractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated 1 March 2019, refuted all such claims inter alia on the basis that the payments are due from ISPL (and/ or its parent entity) to the sub-contractor and not from EEPL, and therefore the sub-contractor has no claim against EEPL. By its letters dated 18 March 2019, the subcontractor has responded to the letter from EEPL, denying all statements made by EEPL and reiterating that the unpaid amounts are due from EEPL. The sub-contractor has thereafter filed an application under Section 9 of the Code before the Bangalore bench of National Company Law Tribunal claiming debt of Rs.997.59 million and interest thereon against EEPL. During the previous 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 16 December 2019. The petitioner has filed a claim as an operational creditor of IEDCL for an amount of Rs.1,008.10 million due to him. The matter is listed for hearing on 6 May 2021 in respect of admission before the NCLT, Bangalore. The 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 1 April 2013 and 31 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 and Others. However, Electricity Supply Companies (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 : Embassy-Energy Private Limited has received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on 28 February 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent company of IL&FS Solar Power Limited ('ISPL'), which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorized as operational debts) aggregating up to 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, without prejudice to any action, including criminal, that may be taken under law including the IBC against EEPL, IEDCL, ISPL and certain representatives of these entities. The sub-contractor has thereafter filed an application under Section 9 of the Code before the Bangalore bench of National Company Law Tribunal claiming debt of Rs. 997.59 million and interest thereon against EEPL. The matter is currently pending resolution. Management based on this internal assessment on this matter has disclosed the same as a contingent liability.

EEPL : The Karnataka Electricity Regulatory Commission 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 9 August 2018 granted an interim stay on the commission's order. Pursuant to an order dated 24 July 2019, the Hon'ble High Court of Karnataka has allowed the writ petition and quashed the order dated 9 January 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 24 July 2019 by virtue of which the Writ Petition of EEPL was allowed and the order dated 9 January 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.
- (d) **VTPL:** SPV has received a demand note dated 14 August 2020 and 29 September 2020 from the Bangalore Water Supply and Sewerage Board for a payment of total charges amounting to Rs.138.64 million in relation to issuance of a no-objection certificate (NOC) for a proposed project commercial building on land parcel. SPV has filed a writ petition before the High Court of Karnataka against the State of Karnataka, Bangalore Water Supply and Sewerage Board and others challenging inter-alia, the government order dated 12 February 2016 and the demand note issued against the SPV and seeking to, inter-alia, (i) quash the demand notice dated 14 August 2020 and 29 September 2020; and (ii) issuance of NOC to SPV. SPV has obtained an ad-interim direction from the High Court of Karnataka on 17 November 2020 wherein the court has granted stay of demand notice on 14 August 2020 and 29 September 2020 limited to advance probable prorate charges and beneficiary charges and has further instructed the SPV to pay the prescribed fee for issuance of NOC. Pursuant to the same, SPV has made payments on 29 December 2020 and 30 December 2020 amounting to Rs.17.91 million towards NOC charges and treated water charges and the balance amount of Rs.120.73 million towards advance probable prorate charges and BCC charges have been stayed by the Hon'ble High Court of Karnataka have been shown as contingent liability (31 March 2020 Rs. Nil). Additionally, SPV has received the NOCs dated 30 December 2020 from BWSSB with respect to the above.

47 Business Combinations

A Business Transfer Agreement (BTA) between MPPL, EOPPL and ESPL

On 22 October 2020, MPPL and EOPPL had entered into Business Transfer Agreement (BTA) with ESPL for acquisition of the Common Area Maintenance (CAM) services for Embassy Manyata and Embassy TechZone for a total consideration of Rs. 4,730.21 million.

The acquisition cost of Rs.4,730.21 million was funded through coupon bearing debt obtained by Embassy Office Parks Group. The consideration for the aforesaid acquisition, is paid in the form of assumption and repayment of identified liabilities of ESPL and issuance of unlisted, unsecured, redeemable non-convertible debentures of MPPL and EOPPL to ESPL. The acquisition was completed on 28 October 2020. Details of assets acquired and liabilities assumed have been provided below:

Particulars	CAM services operations		Total
	Embassy Manyata	Embassy TechZone	
Assets acquired			
Intangible assets acquired [CAM service rights]	3,808.59	925.72	4,734.31
Fair value of other assets acquired	94.07	6.35	100.42
Total			4,834.73
Liabilities assumed			
Other current liabilities	94.02	10.50	104.52
Total			104.52
Fair value of net assets acquired			4,730.21
Less: Consideration	3,808.64	921.57	4,730.21
Goodwill/ Capital reserve on acquisition			-

Notes:

- The Purchase consideration mentioned above was settled through cash and issue of Non convertible debentures [refer note 29(i)].
- Embassy office parks group has obtained two independent valuation reports as required by the REIT regulations for the above acquisition and the average of the two valuations amounts to Rs. 5,179 million. Acquisition consideration is at 8.5% discount to average of two independent valuation reports. No fees or commission is payable to any associate of the related party in relation to the transaction. All the material conditions and obligations for the transaction have been complied.
- The above transaction enables full integration and overall alignment of property maintenance for two of existing REIT assets and helps further enhance service delivery to the occupants of Embassy Manyata, Bengaluru and Embassy TechZone, Pune especially important given the heightened focus on health and safety by occupiers.
- Measurement of fair values

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

Particulars	Valuation methodology
CAM service rights	The fair value of the CAM service rights was established using the "Multi-period excess earnings method (MEEM)". In MEEM method, value is estimated as the present value of the benefits anticipated from ownership of the asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits.
Assets other than those mentioned above	Book values as on the date of acquisition corresponds to the fair values which have been considered to be fully recoverable.
Liabilities	Liabilities includes trade payables and other liabilities . Book values as on the date of acquisition corresponds to the fair values.

B Acquisition of ETV Assets

During the year ended 31 March 2021, the Trust acquired Embassy Tech Village by acquiring all of the equity interest in VTPL, EOVP and SIPL (ETV Assets) held by the Embassy Sponsor, BREP entities and certain other third party shareholders. The acquisition of equity interest in EOVP (which in turn holds 60% equity interest in VTPL) and SIPL has been completed with issue proceeds received of Rs.36,852.02 million, by issue of 111,335,400 Units at a price of Rs.331.00 per Unit through the Institutional Placement.

The acquisition of balance 40% equity interest in VTPL is completed through Preferential issue of 64,893,000 Units at a price of Rs.356.70 per unit to the third party shareholders aggregating to Rs. 23,147.33 million.

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

Details of assets acquired and liabilities assumed:

Particulars	Amount
Fair value of assets acquired	
Fair value of Land (including lease hold land)	53,598.99
Fair value of Buildings	25,300.30
Fair value of other investment property, property, plant and equipment acquired	12,107.48
Fair value of other investment property under development acquired	2,681.82
Fair value of other capital work-in-progress acquired	218.31
Fair value of other assets acquired*	11,509.99
Fair value of liabilities assumed	
Fair value of borrowings assumed	41,006.43
Fair value of other liabilities assumed	6,514.98
Deferred tax liability on fair valuation of assets acquired and liabilities assumed	14,424.08
Fair value of net assets taken over	43,471.40
Total Purchase consideration	57,565.47
Goodwill on consolidation	14,094.07

* Other assets include trade receivables of Rs. 40.33 million. Gross contractual value of trade receivables acquired is Rs. 59.69 million along with allowances for impairment losses estimated at Rs. 19.36 million.

47 Business Combination (continued)

Notes:-

1. The Total purchase consideration for SIPL includes a contingent consideration of Rs. 350.00 million which shall be payable to the Embassy Sponsor in cash subject to certain conditions and timeline agreed between the parties.

The purchase consideration was settled through:

-The acquisition of equity interest in EOVPL (which in turn holds 60% equity interest in VTPL) and SIPL has been completed with issue proceeds received of Rs.36,852.02 million, by issue of 111,335,400 Units at a price of Rs.331.00 per Unit through the Institutional Placement. The acquisition of balance 40% equity interest in VTPL is completed through Preferential issue of 64,893,000 Units at a price of Rs.356.70 per unit to the third party shareholders aggregating to Rs. 23,147.33 million.

- the remaining consideration has been settled in cash.

2. Embassy Office Parks Group has obtained two independent valuation reports as required by the REIT regulations for the ETV assets and the average of the two valuations for the enterprise value amounts to Rs. 102,555 million. Acquisition consideration is at 4.6% discount to average of two independent valuation reports. No fees or commission is payable to any associate of the related party in relation to the transaction. All the material conditions and obligations for the transaction have been complied.

3. The Goodwill of Rs. 14,094.07 million mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values as well as the requirement to recognise deferred tax liability of Rs. 14,424.08 million, calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases. Goodwill is attributable due to the acquisition price being dependent on the overall property valuation assuming a discounted cash flow method computed using future cashflows and other relevant assumptions as compared with the individual assets recorded at their fair values computed basis comparable approach or depreciated replacement cost basis. Goodwill is allocated entirely to the ETV assets CGU. Goodwill is not deductible for tax purposes.

4. The above transaction enhances Embassy REIT's commercial office portfolio, facilitates the REIT's entry into Bengaluru's best-performing sub-market and further diversifies the REIT's occupier base. Based on the Management's evaluation and the accounting policy followed by the Embassy Office Parks Group, the acquisition is accounted as a business combination.

5. Measurement of fair values

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

Particulars	Valuation methodology
Property, plant and equipment and Investment property	Fair values have been determined by independent external property valuers, having appropriately recognised professional qualification and recent experience in the location and category of the properties being valued. The valuers have followed "Direct comparison approach" for land, "Depreciated replacement cost approach" for the built up component, plant and machinery, capital work-in-progress and other assets. Direct comparison approach involves comparing to similar properties that have actually been sold in an arms length transaction or are offered for sale. Depreciated replacement cost approach considers the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The methodology begins with a set of assumptions as to the projected income and expenses of the property. This methodology use market derived assumptions, including discount rates, obtained from analysed transactions.
Right-to -use trademark	The fair value of the acquired right to use trademark was established using "Relief from royalty" method. It is a methodology that assumes that if a corporation owns a trademark, then it is relieved from paying a royalty, so a hypothetical royalty payment can be estimated.
CAM service rights	The fair value of the CAM service rights was established using the "Multi-period excess earnings method (MEEM)". In MEEM method, value is estimated as the present value of the benefits anticipated from ownership of the asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits.
Assets other than those mentioned above	Book values as on the date of acquisition corresponds to the fair values which have been considered to be fully recoverable.
Contingent consideration	Contingent consideration payable are estimated based on the terms of the sale contract, the entity's knowledge of the business and how the current economic environment is likely to impact it. The fair value of contingent consideration is valued based on the present value of expected payments, discounted using a risk-adjusted discount rate. In relation to SIPL it is probable that the consideration of Rs.350 million will be paid in future to the Embassy Sponsor in cash and hence the entire payable of Rs. 350 million has been considered as contingent consideration. There is no movement in the fair value of contingent consideration during the period.
Liabilities	Liabilities includes loans and borrowings, trade payables and provision for employee benefits. Book values as on the date of acquisition corresponds to the fair values.

C Additional disclosure regarding revenue and net profit of acquired assets (Pursuant to acquisition of CAM service operations and ETV assets)

Particulars	Revenue	Net profit/ (loss)
Amounts included in the consolidated financial statements for the year ended 31 March 2021 on account of the above business combination.	2,585.87	(217.51)
Revenue and net profit/(loss) if the above acquisitions had taken place on 1 April 2020 (refer note below).	9,567.30	(466.71)

Note: The revenue and net profit numbers disclosed above is without giving effect to Embassy REIT's capital raise pursuant to acquisition i.e. institutional placement/preferential allotment or debt refinanced.

48 Financial instruments - Fair values

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	31 March 2021	31 March 2021	31 March 2020	31 March 2020
Financial assets				
Amortised cost				
Loans	836.21	-	720.20	-
Trade receivables	473.16	-	242.25	-
Cash and cash equivalents	9,174.78	-	3,249.16	-
Other bank balances	253.75	-	169.79	-
Other financial assets	8,060.97	-	1,588.00	-
Investments in debentures	-	-	724.38	-
Fair value through profit and loss				
Investments in mutual funds	-	-	11,549.21	11,549.21
Total assets	18,798.87	-	18,242.99	11,549.21
Financial liabilities				
Amortised cost				
Borrowings (including current maturities of long-term debt) - floating rates	22,843.83	-	11,163.28	-
Borrowings (including current maturities of long-term debt) - Fixed rates	83,379.08	84,630.97	46,297.56	46,243.74
Lease deposits	12,561.60	-	9,497.57	-
Trade payables	440.89	-	254.75	-
Contingent consideration	350.00	350.00	-	-
Other financial liabilities	4,376.22	-	2,893.54	-
Total liabilities	123,951.62	84,980.97	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:

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements.

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

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

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

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

Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1
Financial assets measured at fair value:			
FVTPL financial investments:			
Investment in mutual funds	31 March 2021	-	-
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 year ended 31 March 2021 and 31 March 2020.

Determination of fair values

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

- The fair value of mutual funds are based on price quotations at reporting date.
- The fair values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.
- The fair values of borrowings at fixed rates are considered to be equivalent to present value of the future contracted cashflows discounted at the current market rate. The fair value has been categorised as Level 3 Fair value.
- The fair values of contingent consideration is valued based on the present value of expected payments, discounted using a risk-adjusted discount rate.

48 Financial instruments - Fair values (continued)

C. Financial risk management

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

- market risk
- credit risk
- liquidity risk

Risk management framework

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

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

a. Market risk

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

i. Currency risk

The Group does not have a material exposure to currency risk.

ii. Interest rate risk

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

Exposure to interest rate risk:

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

Particulars	As at	As at
	31 March 2021	31 March 2020
Variable-rate instruments:		
Financial liabilities		
Borrowings (Non-current and current)	22,843.83	11,163.28
Variable rate instruments	22,843.83	11,163.28

Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	+ 1%	- 1%	+ 1%	- 1%
Impact on the statement of profit and loss	(76.36)	76.36	(37.21)	37.21

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Hence, there is no exposure as at the reporting date to the statement of profit or loss.

iii. Price risk

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

Mutual funds price risk sensitivity analysis

The Group's exposure to price risk arises from investments held by the group in short term debt mutual funds and classified in the balance sheet as fair value through statement of profit and loss. The impact on the statement of profit and loss due to price sensitivity would be as follows for the investments as at the year end:

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Increase by 1% (100 basis points)	-	115.49
Decrease by 1% (100 basis points)	-	(115.49)

b. Credit risk

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

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

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

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

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

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

48 Financial instruments - Fair values (continued)

i. Expected credit loss (ECL) assessment for customers/ tenants as at 31 March 2021 and 31 March 2020

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

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Gross carrying amount	Provision amount	Gross carrying amount	Provision amount
Up to 180 days	463.38	-	238.48	-
More than 180 days	65.99	56.21	19.79	16.02
	529.37	56.21	258.27	16.02

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

	As at 31 March 2021	As at 31 March 2020
Amount as at 1 April	16.02	42.58
Amount written off during the year	-	(12.01)
Acquired as part of business combination (refer note 47B)	19.36	-
Allowances for credit loss during the year	20.83	(14.55)
Balance as at 31 March	56.21	16.02

ii. Loans: Security deposits

Risk assessment		Year ended	Estimated gross carrying amount	Expected probability of default	ECL	Carrying amount, net of provision
Loss at 12 months ECL	Risk same since initial recognition	As at 31 March 2021	836.21	-	-	836.21
		As at 31 March 2020	720.20	-	-	720.20

iii. Cash and bank balances

The Group holds cash and cash equivalents of Rs. 9,174.78 million as at 31 March 2021 (31 March 2020: Rs. 3,249.16 million) and fixed deposits with bank of Rs. 1,099.91 million (31 March 2020: Rs. 839.85 million). The cash and cash equivalents and fixed deposits with bank are mainly held with scheduled banks which are highly regulated. The Group considers that its cash and cash equivalents and fixed deposits with bank have low credit risk based on the external credit ratings of counterparties.

iv. Other Financial Assets

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

c. Liquidity Risk

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

The Group monitors rolling forecasts of its liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by CODM. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to liquidity risk

The table below details the Group's remaining contractual maturity for its non-derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Financing Arrangements

The Group has access to the following undrawn borrowing facilities as at end of the reporting period:

Particulars	As at	As at
	31 March 2021	31 March 2020
Floating rate		
Construction finance and term loans	11,381.00	3,997.00

The above facilities may be drawn at any time and such borrowings.

48 Financial instruments - Exposure to liquidity risk (continued)

Particulars	Carrying value as at 31 March 2021	Contractual cash flows				
		Within 1 year	1-3 years	3-5 years	More than 5 years	Total
Borrowings	106,222.91	4,603.23	105,200.15	15,764.89	-	125,568.27
Trade payables	440.89	440.89	-	-	-	440.89
Lease deposits - Current and non-current	12,561.60	8,322.53	3,462.16	1,843.17	106.35	13,734.21
Lease Liability	334.87	20.36	40.72	40.72	10,598.46	10,700.26
Other financial liabilities - non current	279.65	-	279.65	-	-	279.65
Other financial liabilities - current	4,111.70	4,111.70	-	-	-	4,111.70
	123,951.62	17,498.71	108,982.68	17,648.78	10,704.81	154,834.98

Particulars	Carrying value as at 31 March 2020	Contractual cash flows				
		Within 1 year	1-3 years	3-5 years	More than 5 years	Total
Borrowings	57,460.84	2,251.67	55,100.28	8,579.79	10,517.04	76,448.78
Trade payables	254.75	254.75	-	-	-	254.75
Lease deposits - Current and non-current	9,497.57	2,070.42	3,109.64	4,053.75	1,083.48	10,317.29
Lease Liability	322.93	20.36	40.72	40.72	10,618.82	10,720.62
Other financial liabilities - non current	455.57	-	455.57	-	-	455.57
Other financial liabilities - current	2,115.04	2,115.06	-	-	-	2,115.06
	70,106.70	6,712.26	58,706.21	12,674.26	22,219.34	100,312.07

49 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital structure mainly constitutes equity in the form of unit capital and debt. The projects are initially funded through construction financing arrangements. On completion, these borrowings are restructured into lease-rental discounting arrangements or debentures. The Group's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position. The Group monitors capital using a ratio of 'Net debt' to 'Gross asset value (GAV)' of all SPV's' including fair value of its 50% investment in Golfinks Software Park Private Limited. For this purpose, Net debt is defined as Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings - Cash and other bank balances - investments in mutual funds (net of NDCF to be distributed for the recent quarter). The Group's adjusted Net debt to GAV ratio as at 31 March 2021 and 31 March 2020 are as follows:

Particulars	As at	As at
	31 March 2021	31 March 2020
Net debt	102,102.58	52,152.64
GAV	466,051.25	331,682.60
Net debt to GAV	21.91%	15.72%

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50 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 Consolidated Financial Statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the significant accounting policies.

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

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

a) Commercial Offices segment:

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

b) Hospitality segment:

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

c) Other segment:

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

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

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

Particulars	Commercial Offices		Hospitality		Other Segments		Total	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	21,823.48	18,709.58	231.46	1,173.39	1,548.26	1,566.25	23,603.20	21,449.22
Identifiable operating expenses	(2,577.83)	(2,081.97)	(575.22)	(1,067.99)	(126.68)	(129.72)	(3,279.73)	(3,279.68)
Net Operating Income (segment results for the year)	19,245.65	16,627.61	(343.76)	105.40	1,421.58	1,436.53	20,323.47	18,169.54
Other operating expenses							(1,815.52)	(1,513.12)
Interest, dividend and other income							1,185.26	990.35
Earnings before finance costs, depreciation, amortisation, impairment loss and tax							19,693.21	17,646.77
Share of profit after tax of equity accounted investees							994.48	1,169.33
Depreciation and amortisation expenses							(5,706.97)	(5,281.24)
Impairment loss (refer note 6)							(988.96)	(1,775.98)
Finance costs							(6,452.89)	(3,803.54)
Profit before tax							7,538.87	7,955.34
Tax expense							(555.34)	(300.00)
Other Comprehensive Income							0.81	0.16
Total comprehensive income for the year							6,984.34	7,655.50

50 Operating segments (continued)

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

For the year ended 31 March 2021

Particulars	REIT	MPPL	EOPPL**	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETV	Total
Segment Revenue:														
Commercial Office Segment	-	10,802.17	1,407.91	-	-	803.26	1,025.77	1,435.74	873.31	1,006.97	1,321.66	1,438.41	1,708.28	21,823.48
Hospitality Segment	-	-	-	99.75	-	-	-	-	-	131.71	-	-	-	231.46
Others	-	-	-	-	1,548.26	-	-	-	-	-	-	-	-	1,548.26
Total	-	10,802.17	1,407.91	99.75	1,548.26	803.26	1,025.77	1,435.74	873.31	1,138.68	1,321.66	1,438.41	1,708.28	23,603.20
Net Operating Income (segment results)														
Commercial Office Segment	-	9,719.10	1,271.12	-	-	679.97	936.78	1,139.71	751.09	794.49	1,169.44	1,309.70	1,474.25	19,245.65
Hospitality Segment	-	-	-	(114.56)	-	-	-	-	-	(229.20)	-	-	-	(343.76)
Others	-	-	-	-	1,421.58	-	-	-	-	-	-	-	-	1,421.58
Total	-	9,719.10	1,271.12	(114.56)	1,421.58	679.97	936.78	1,139.71	751.09	565.29	1,169.44	1,309.70	1,474.25	20,323.47

** refer note 60

For the year ended 31 March 2020

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETV	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

Information about major customers

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

For the year ended 31 March 2021

Segment	Commercial Offices												Hospitality		Other Segments	
	MPPL	EOPPL**	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETPL	VTPL	EOVPL	SIPL	UPPL	QBPL	EEPL
Number of customers	2	2	3	3	4	1	3	2	2	-	2	-	-	-	-	3
Amount	3,347.76	483.35	714.33	893.29	1,066.24	237.11	928.77	328.89	533.62	-	383.10	-	-	-	-	1,521.52

** refer note 60.

For the year ended 31 March 2020

Segment	Commercial Offices												Hospitality		Other Segments	
	MPPL	EOPPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETPL	VTPL	EOVPL	SIPL	UPPL	QBPL	EEPL
Number of customers	2	2	3	3	4	1	3	2	2	-	NA	NA	NA	-	-	3
Amount	3,032.51	613.51	836.89	726.71	1,107.79	228.02	1,400.62	301.90	537.44	-	NA	NA	NA	-	-	1,414.07

Embassy Office Parks REIT
Consolidated Financial Statements
Notes to Accounts

(all amounts in Rs. millions unless otherwise stated)

51 Related party disclosures

I. List of related parties

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

Embassy One Developers Private Limited
 D M Estates Private Limited
 Embassy Services Private Limited
 Golfinks 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 SG Oxygen Holding (NQ) Pte 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 Asia SBS Oxygen Holding (NQ) Limited
 BREP VII SBS Oxygen Holding (NQ) Limited
 BREP VII SBS Holding-NQ CO XI Limited
 BREP Asia HCC Holding (NQ) Pte Limited
 BREP VII HCC Holding (NQ) Pte Limited
 BREP Asia SG Indian Holding (NQ) Co II Pte. Limited
 BREP Asia SBS HCC Holding (NQ) Limited

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

Directors & KMPs of the Investment 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 (from 19 May 2020)
 Ramesh Periasamy - Compliance Officer and Company Secretary (Upto 6 August 2020)
 Deepika Srivastava- Compliance Officer and Company Secretary (From 7 August 2020)

B. Joint Venture

Golflink Software Parks Private Limited

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

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
 Golfinks Embassy Business 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
 Paledium Security Services LLP
 Reddy Veeranna Constructions Private Limited (upto 21 March 2020)
 HVS Anarock Hotel ADV Services Private Limited
 *together known as BREP entities.

Mac Charles (India) Limited
 Lounge Hospitality LLP
 EPDPL Coliving Operation LLP
 EPDPL Coliving Private Limited
 Embassy Projects Private Limited
 Technique Control Facility Management Private Limited
 Anarock Retail Advisors Private Limited
 Babblar Marketing Private Limited
 Sarla Infrastructure Private Limited (upto 24 December 2020)
 Vikas Telecom Private Limited (upto 24 December 2020)
 BREP VII SBS Holding-NQ IV Co Ltd (Cayman)*
 BREP Asia SBS Holding-NQ Co IV Ltd (Cayman)*
 BREP Asia SG India Holding (NQ) Co I Pte Ltd*
 BREP VII SG India Holding (NQ) Co I Pte Ltd*

Embassy Real Estate and Development Services Private Limited
 JV Holding Private Limited
 VTV Infrastructure Management Private Limited
 Embassy Commercial Projects (Whitefield) Private Limited
 Golfinks Embassy Business Park Management Services LLP

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51 Related party disclosures (continued)

II. Related party transactions during the period/ year

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Acquisition of Common Area maintenance services business from		
Embassy Services Private Limited	4,730.21	-
Business acquisition of ETV assets from		
Embassy Property Developments Private Limited	6,870.02	-
BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd	8,736.46	-
BREP VII SG Indian Holding (NQ) Co I Pte. Ltd	2,182.64	-
BREP Asia SBS Holding-NQ Co IV Ltd. (Cayman)	41.46	-
BREP VII SBS Holding-NQ IV Co Ltd (Cayman)	11.84	-
Non-Convertible Debentures issued to		
Embassy Services Private Limited	60.00	-
Property Management fees		
Embassy Office Park Management Services Private Limited	535.92	486.13
REIT Management fees		
Embassy Office Park Management Services Private Limited	212.23	214.81
Purchase of Intangible assets		
Embassy Office Park Management Services Private Limited	-	8.84
Purchase of Investment Property		
Reddy Veeranna Constructions Private Limited	-	4.51
Babbler Marketing Private Limited	77.11	-
Brokerage paid (capitalised)		
Anarock Retail Advisors Private Limited	8.00	-
Common area maintenance		
Embassy Services Private Limited	532.45	591.22
Golflinks Embassy Business Park Management Services LLP	18.97	24.11
FIFC Condominium	59.43	67.01
Paledium Security Services LLP	39.13	-
Technique Control Facility Management Private Limited	219.07	-
Repairs and maintenance- building		
Embassy Services Private Limited	23.83	-
Paledium Security Services LLP	0.83	-
FIFC Condominium	-	6.13

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51 Related party disclosures (continued)

II. Related party transactions during the period/ year

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Repairs and maintenance - plant and machinery		
Embassy Services Private Limited	0.41	-
Paledium Security Services LLP	1.72	-
Technique Control Facility Management Private Limited	11.04	-
Business consultancy services (capitalised)		
Embassy Property Developments Private Limited	128.05	124.90
Embassy Services Private Limited	24.20	-
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	198.49	377.32
Embassy Property Developments Private Limited	6.72	87.55
Dynasty Properties Private Limited	1.79	39.32
Golflinks Software Park Private Limited	233.68	224.87
Security Deposit given/(repaid) to/(by) related party		
Embassy Property Developments Private Limited	-	(991.50)
FIFC Condominium	-	-
Security deposits received		
Wework India Management Private Limited	105.44	-
Advance compensation received from related party		
Embassy Property Development Private Limited	559.19	-
Capital advances paid/ (refunded)		
Embassy Property Developments Private Limited	(135.24)	4,884.97
Reddy Veeranna Constructions Private Limited	-	4.02
FIFC Condominium	8.37	9.71
Babbler Marketing Private Limited	124.11	-
Rental and maintenance income		
Wework India Management Private Limited	234.21	108.85
FIFC Condominium	5.03	-
Snap Offices Private Limited	41.03	36.85



51 **Related party disclosures (continued)**

II. **Related party transactions during the period/ year**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
Golflinks Software Park Private Limited	7.29	72.19
Reddy Veeranna Construction Private Limited	-	1.53
Sarla Infrastructure Private Limited	4.76	-
Embassy Property Developments Private Limited	611.82	160.47
Other operating income		
Embassy Property Developments Private Limited	686.40	215.88
Golflinks Software Park Private Limited	45.00	45.00
Project management consultancy fees (capitalised)		
Synergy Property Development Services Private limited	-	91.53
Amount paid for civil works (capitalised)		
Synergy Property Development Services Private limited	-	539.28
Power and fuel expenses		
Embassy Services Private Limited	68.89	117.51
Reversal of impairment on investments		
Manyata Projects Private Limited	-	(156.98)
Investments written off		
Manyata Projects Private Limited	-	156.98
Legal and professional charges		
Embassy Services Private Limited	22.70	18.65
HVS Anarock Hotel ADV Services Private Limited	0.70	-
Security charges		
Embassy Services Private Limited	16.23	12.94
Trademark and license fees		
Embassy Shelters Private Limited	1.42	1.42
Purchase of consumables		
Embassy One Developers Private Limited	-	16.81
Rates and taxes		
Embassy One Developers Private Limited	-	2.06

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51 Related party disclosures (continued)

II. Related party transactions during the period/ year

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue - Room rentals, sale of food and beverages		
Jitendra Virwani	1.71	2.34
Embassy Property Developments Private Limited	0.87	5.25
Embassy One Developers Private Limited	-	1.96
Vikas Telecom Private Limited	-	0.31
JV Holding Private Limited	-	0.04
Others	3.67	4.99
Investment in debentures		
Golflinks Software Parks Private Limited	-	2,500.00
Redemption of investment in debentures		
Golflinks Software Parks Private Limited	724.38	1,775.62
Secondment fees		
Embassy Office Parks Management Services Private Limited	1.42	1.42
Trustee fees		
Axis Trustee Services Limited	2.96	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	20.50	29.77
FIFC Condominium	5.70	-
Embassy One Developers Private Limited	(12.60)	(6.26)
Embassy Office Parks Management Services Private Limited	1.63	53.87
Initial refundable receipt from Co-sponsor - received / (repaid)		
Embassy Property Development Private Limited	-	(0.50)

51 **Related party disclosures (continued)**

III. Related party balances

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings		
Embassy Services Private Limited [refer note 29(i)]	60.00	-
Security deposits		
Embassy Services Private Limited	-	60.50
VTV Infrastructure Management Private Limited	4.30	-
Advance from customers		
Wework India Management Private Limited	139.12	1.92
Trade payables		
Embassy Services Private Limited	106.68	91.74
Embassy Property Developments Private Limited	0.10	-
Embassy Real Estate and Development Services Private Limited	0.11	4.66
VTV Infrastructure Management Private Limited	13.03	-
Technique Control Facility Management Private Limited	28.95	-
Embassy Office Parks Management Service Private Limited	14.02	-
Golflinks Embassy Business Park Management services LLP	5.52	2.01
FIFC Condominium	-	17.53
Unbilled revenue		
Vikas Telecom Private Limited	-	25.05
Embassy Property Developments Private Limited	-	8.92
Dynasty Properties Private Limited	-	3.73
Golflinks Software Parks Private Limited	24.38	24.12
Other current financial assets - other receivables from related party		
Embassy Property Developments Private Limited	178.39	-
Manyata Builders Private Limited	-	5.63
Embassy One Developers Private Limited	1.22	2.31
FIFC Condominium	6.38	-
Other current financial liabilities		
Embassy One Developers Private Limited	-	0.05
Embassy Services Private Limited	79.81	115.48
Technique Control Facility Management Private Limited	78.44	-
Embassy Office Parks Management Services Private Limited	52.87	56.14
Paledium Security Services LLP	10.23	-
FIFC Condominium	0.61	0.95
VTV Infrastructure Management Private Limited	19.00	-
Contigent consideration payable		
Embassy Property Developments Private Limited	350.00	-
Other current financial liabilities - Security deposits		
Vikas Telecom Private Limited	-	105.00
Golflinks Software Parks Private Limited	80.00	80.00

51 **Related party disclosures (continued)**

III. Related party balances

Particulars	As at 31 March 2021	As at 31 March 2020
Current liabilities - Capital creditors for purchase of fixed assets		
Embassy Property Developments Private Limited	41.23	14.73
Embassy Services Private Limited	11.43	-
Others	7.81	-
Other current liabilities-Advance compensation received		
Embassy Property Developments Private Limited	559.19	-
Other non-current assets - capital advance		
Embassy Shelters Private Limited	206.35	206.34
Embassy Property Developments Private Limited	20.76	-
Reddy Veeranna Constructions Private Limited	-	6.51
FIFC Condominium	18.08	9.71
Babbler Marketing Private Limited	29.04	-
Other non-current assets- prepayments		
FIFC Condominium	-	5.64
Other current assets - Advance for supply of goods and rendering of services		
FIFC Condominium	2.67	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 58)	13,863.03	13,998.26
Receivable for rental support from a related party*		
Embassy Property Developments Private Limited	1,108.78	-
Receivable for sale of co-developer rights		
Embassy Commercial Projects (Whitefield) Private Limited	2,712.97	-
Trade receivables		
Embassy Property Developments Private Limited	171.90	51.48
Embassy One Developers Private Limited	-	1.20
VTV Infrastructure Management Private Limited	88.05	-
Golflinks Embassy Business Park Management Services LLP	1.71	1.86
Wework India Management Private Limited	64.43	0.17
Others	1.44	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	-	724.38

*Represents rental support provided by Embassy Sponsor to SIPL as part of ETV Assets acquisition starting quarter ended 31 March 2021 until the quarter ending 31 March 2022 (after which lease rentals are expected to commence from ETV Block 9).

**MPPL has provided a guarantee to a tenant (sub-lessee) of Wework India Management Private Limited (Wework), for the security deposits paid by the sub-lessee to Wework. This guarantee has been provided based on the specific request of the sub-lessee and is backed by an independent bank guarantee received by MPPL for a similar amount and duration on behalf of Wework.

52 Employee benefits

I Defined contribution plan

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Employer's contribution to Provident Fund	10.63	12.80
Employer's contribution to Employee State Insurance Corporation	1.94	2.00
Expense recognised during the year	12.57	14.80

II Defined benefit plan

A Gratuity:

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

a. Reconciliation of the net defined benefit obligations

(i) Change in projected benefit obligation:

Particulars	As at 31 March 2021	As at 31 March 2020
Obligations at beginning of the year	5.34	4.80
Current service cost	1.90	2.04
Interest on defined benefit obligation	0.35	0.23
Past service cost	-	0.27
Benefits paid	(0.93)	(1.84)
Actuarial (gains)/ losses on obligations - due to change in assumptions	(0.81)	(0.17)
Projected benefit obligations acquired as part of business combination	-	-
Obligations at the end of year	5.85	5.34

(ii) Change in plan assets:

Particulars	As at 31 March 2021	As at 31 March 2020
Plan assets at year beginning, at fair value	0.06	0.06
Expected return on plan assets (estimated)	-	-
Actuarial gain / (loss)	-	-
Interest on plan assets	-	0.00
Contributions	-	-
Benefits paid	(0.03)	-
Plan assets acquired as part of business combination	-	-
Plan assets at end of the year, at fair value	0.03	0.06

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

Closing obligations	5.85	5.34
Closing fair value of plan assets	(0.03)	(0.06)
	5.82	5.28

Liability recognized in the balance sheet

Net liability:	5.82	5.28
Non-current	5.79	5.25
Current	0.03	0.03

As at 31 March 2021, discontinuance liability of the Group towards gratuity is Rs. 9.67 million (31:March 2020: Rs. 9.58 million).

52 Employee benefits (continued)

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Service cost	1.90	2.04
Interest cost	0.35	0.23
Past service cost	-	0.27
Net gratuity cost	2.25	2.54

(ii) Remeasurements recognized in other comprehensive income:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial (gains)/ losses on obligations - due to change in assumptions	(0.81)	(0.16)
	(0.81)	(0.16)

c. Other disclosures

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	5.30% to 6.80%	5.30% to 6.85%
Salary increase	5.00%	5.00%
Attrition rate	2% to 5%	2% to 5%
Retirement age	58 years to 60 years	58 years to 60 years

(ii) Sensitivity analysis

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

Particulars	For the year ended 31 March 2021	
	Increase	Decrease
Discount rate (50 basis points movement)	(0.26)	0.39
Employee attrition rate (50 basis points movement)	(0.66)	0.90
Future salary growth (50 basis points movement)	0.40	(0.27)

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

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

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

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

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

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

Projected benefits payable in future years from the reporting date	As at	As at
	31 March 2021	31 March 2020
1st following year	0.11	0.10
2nd to 5th year	2.35	1.42
6th to 10th year	2.09	1.76
Beyond 10 years	10.45	14.56

52 Employee benefits (continued)

B Compensated absences:

The compensated absences cover the Group's liability for earned leave which are classified as other long-term benefits. According to the Group's policy on compensated absences, employees can encash their accumulated leave balance based on their last drawn gross salary.

(i) Liability recognized in the balance sheet

	As at 31 March 2021	As at 31 March 2020
Non-current	-	-
Current	1.86	2.34
Total	1.86	2.34

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Compensated absence expense	0.25	0.28
	0.25	0.28

Other disclosures

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

C Risk exposure:

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

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

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

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

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

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53 Leases

A. Group as a lessor

i. Operating leases

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

Rental income from non-cancellable leases is recognized on a straight line basis over the term of the relevant lease. For more details on accounting as a lessor, refer note 2.2 (r).

The table below provides details regarding the lease payments as at 31 March 2021 and 31 March 2020 on an undiscounted basis:

Particulars	As at	As at
	31 March 2021	31 March 2020
Not later than one year	11,420.49	7,265.96
Later than one year but within five years	16,141.06	12,176.48
Later than five years	9,394.25	952.53
	36,955.80	20,394.97

The Embassy Office Parks REIT Group has entered into operating lease agreements with its lessees. The total lease rental income recognised in the Consolidated Statement of Profit and Loss for the year ended 31 March 2021 is Rs. 18,475.51 million (31 March 2020: Rs. 16,689.99 million).

ii. Finance leases

The Embassy Office Parks Group has provided fit-outs to the tenants through finance leases. The total finance income on net investment in lease recognised in the Consolidated Statement of Profit and Loss for the year ended 31 March 2021 is Rs. 51.33 million (31 March 2020: Rs. 2.28 million). The future minimum lease receipts in respect of non-cancellable lease for fit outs given on finance lease are as follows:

Particulars	As at 31 March 2021		
	Minimum lease payments	Unearned Finance Income	Present value of minimum lease payments
Not later than one year	633.60	205.85	427.74
Later than one year but within five years	1,295.48	509.56	785.92
Later than five years	696.03	235.87	460.16
	2,625.11	951.28	1,673.82

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

B. Group as a lessee

The Group has lease contracts for land having lease term of 90 years.

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

	Balance as on 1	Additions during	Deletions during the	Depreciation for the	Carrying amount as at
	April 2020	the year	year	year	31 March 2021
Leasehold land	308.15	-	-	6.77	301.38
Total	308.15	-	-	6.77	301.38

	Balance as on 1	Additions during	Deletions during the	Depreciation for the	Carrying amount as at
	April 2019	the year	year	year	31 March 2020
Leasehold land	312.10	-	-	3.95	308.15
Total	312.10	-	-	3.95	308.15

53 Leases (continued)

Refer Statement of Cash Flow for total cash outflow on account of lease payments during the year ended 31 March 2021 and 31 March 2020.
Rental expense recorded for short-term leases was Nil (31 March 2020: Nil) for the year ended 31 March 2021.

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 and 31 March 2020 on an undiscounted basis:

Particulars	As at	As at
	31 March 2021	31 March 2020
Not later than one year	20.36	20.36
Later than one year but within three years	40.72	40.72
Later than three years but within five years	40.72	40.72
Later than five years	10,598.46	10,618.82

The effective interest rate for lease liabilities is 10.50%.

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

54 Deferred tax assets, deferred tax liabilities and tax expense

(a) Deferred tax balances

Particulars	As at	As at
	31 March 2021	31 March 2020
Deferred tax liabilities on		
Impact of difference between Property, Plant and Equipment and Investment Property as per financials and tax books	(57,381.93)	(40,014.44)
Share of profit from equity accounted investee	(5,491.62)	(5,491.62)
Financial assets and liabilities carried at amortised cost	(2.88)	(3.57)
Unbilled revenue	(99.68)	(179.58)
Fair valuation of security deposit (net of deferred income on security deposit)	(23.52)	(2.94)
Others	-	1.38
Deferred tax assets on		
Impact of difference between Property, Plant and Equipment and Investment Property as per financials and tax books	53.89	0.80
Fair valuation of security deposit (net of deferred income on security deposit)	10.76	5.01
Unabsorbed depreciation and carry forward losses	4,898.07	1,163.12
Tax impact of other consolidation adjustments	85.25	71.89
Tax impact of expenses incurred by the Group but allowable for tax purposes in future periods	75.37	-
Others	42.37	27.30
Minimum Alternate Tax credit entitlement	4,586.33	4,015.29
Net Deferred Tax Asset / (Liability)	(53,247.59)	(40,407.38)

(b) The unrecognised deferred tax assets amounts to Rs.83.00 million (31 March 2020: Rs. Nil).

(c) Reconciliation of Effective Tax Rate

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Profit Before Tax	7,538.87	7,955.34
Enacted tax rate applicable to the group	29.12%	29.12%
Income tax on accounting profits	2,195.32	2,316.60
Reconciliation items:		
Effect of Non-deductible expenses	4,117.92	2,341.42
Effect of exempt income and tax holidays	(5,307.50)	(4,422.48)
Adjustment for tax of prior years	(118.89)	(117.29)
Impact of difference in tax rate of SPV's	827.13	859.98
Deductions allowed under income tax laws but not debited to Statement of profit and loss	(453.75)	(339.78)
Expenses disallowed in prior years and allowed in current year in various SPV's under tax laws	-	34.80
Tax impact of consolidation adjustments	(816.06)	(431.22)
Adjustments on which deferred tax is not created	(162.28)	70.04
Dividend distribution tax paid by SPV's presented as current tax expense in consolidated financial statements pursuant to Ind AS requirements	-	22.83
Unrecognised deferred tax assets	83.00	-
Other Adjustments	190.45	(34.89)
Tax expense at effective income tax rate	555.34	300.00

55 Details of utilisation of proceeds of Institutional placement as on 31 March 2021 are follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Funding of consideration for the acquisition of the ETV SPV's, including subscription to Class A equity shares in EOVPL, payment of consideration to the BREP Entities and the Embassy Sponsor	34,068.14	34,068.14	-
Debt funding to the ETV SPV's for partial or full repayment or pre-payment of bank/financial institution debt and settlement of certain liabilities	1,550.00	1,550.00	-
Issue expenses	750.00	750.00	-
General purposes	483.88	84.93	398.95
Total	36,852.02	36,453.07	398.95

56 Details of utilisation of proceeds of issue of Embassy REIT Series II NCD 2020, Tranche A and Tranche B as on 31 March 2021 are follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	13,621.31	13,621.31	-
General purposes including issue expenses	1,378.69	1,378.69	-
Total	15,000.00	15,000.00	-

57 Details of utilisation of proceeds of issue of Embassy REIT Series III NCD 2021 as on 31 March 2021 are follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	24,500.00	24,500.00	-
General purposes including issue expenses	1,500.00	613.52	886.48
Total	26,000.00	25,113.52	886.48

58 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. 6,093.89 million has already been paid as of 31 March 2021 (31 March 2020: Rs. 6,229.20 million). 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 31 March 2021 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.6,133.89 million has already been paid as of 31 March 2021 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 under development and the estimated date of completion and obtaining occupancy certificate is now December 2022.

The carrying cost in the consolidated financial statements of the above advance is Rs. 9,607.18 million as at 31 March 2021 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.4,255.85 million has already been paid as of 31 March 2021 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 September 2023. MPPL is obligated to pay a development management fees of Rs.20 million and an estimated cost of conversion from bare shell to warm shell 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.4,255.85 million has already been paid as of 31 March 2021 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.

As per terms of both of these co-development agreements, consideration is contingent on pre-defined Net Operating Income achieved and therefore consideration will be trued up/down accordingly upon project completion.

59 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 29 April 2021, have declared distribution to Unitholders of Rs.5.60 per unit which aggregates to Rs.5,308.20 million for the quarter ended 31 March 2021. The distributions of Rs.5.60 per unit comprises Rs.1.24 per unit in the form of interest payment, Rs.2.21 per unit in the form of dividend and the balance Rs.2.15 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 13,055.89 million/ Rs. 15.88 per unit for the period ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to Rs.18,364.09 million/ Rs. 21.48 per unit.

60 The Board of Directors of the Manager in their meeting held on 19 May 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.

The above scheme has been approved by National Company Law Tribunal (NCLT), Mumbai bench with an effective date of 10 March 2021. Further the scheme was approved by the Board of Approval of Special Economic Zones ("BoA") in its meeting held on March 18, 2021 and the company has filed the necessary form with ROC on March 25, 2021, for all the three entities. Upon completion of the scheme, MPPL has 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 has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone, an existing asset of the Embassy Office Parks REIT.

The consideration paid by EPTPL and MPPL to give effect to the above consideration to Embassy REIT is as follows:-

- EPTPL shall issue and allot 1 fully paid equity share of face value of Rs.10 each for every 1 equity share of face value of Rs. 10 each fully paid-up held in EOPPL by Embassy REIT.

- MPPL shall issue and allot 1 fully paid equity share of face value of Rs.100 each for every 11.85 equity share of face value of Rs. 10 each fully paid-up held in EOPPL by Embassy REIT.

There is no impact to consolidated financial statements of the Group due to the above scheme of merger.

Further, for the purpose of all disclosures in the consolidated financial statements, all numbers are shown under EOPPL instead of EPTPL to facilitate comparison and ease for users of the financial statements.

61 The Board of Directors of the Manager through a resolution by circulation dated 23 January 2021 approved the Scheme of Arrangement ("the Scheme") involving EOVP and VTPL. The Scheme provides for the merger/amalgamation of EOVP into VTPL (on a going concern basis). Upon the Scheme becoming effective, with effect from the Appointed Date (as defined in the Scheme), VTPL will be a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy Tech Village. This would result in a simplified holding and management structure for Embassy REIT assets and create value for Embassy REIT and its Unitholders. The Scheme has been filed with National Company Law Tribunal (NCLT), Bengaluru Bench on 10 February 2021 and is subject to receipt of necessary statutory and regulatory approvals under applicable laws, including the approval of the NCLT.

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: 29 April 2021

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Dubai

Date: 29 April 2021

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Boston

Date: 29 April 2021

Embassy REIT Announces Full Year FY 2021 Results, Delivers a Resilient Performance

- Distributes ₹18,364 million and grows Net Operating Income YoY by 12%
- Leases 1.2 msf across 40+ deals, achieves 15% leasing spreads
- Pursues growth through 5.7 msf new development, 19% pre-committed to global banking major

Bangalore, India, April 29, 2021

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 fourth quarter and full year ended March 31, 2021.

Michael Holland, Chief Executive Officer of Embassy REIT said,

“Despite the significant challenges caused by the Covid-19 pandemic, Embassy REIT has again performed strongly and delivered on its financial guidance. We continue to provide safe work environments for our occupiers and we are working with local authorities to support the response to the second wave of the pandemic, including initiating vaccination programmes at our parks. Despite second wave headwinds, our global occupiers continue to report strong earnings and hiring growth which we believe will translate into demand for quality offices in due course. With our leading presence in India’s highest absorption markets, our low leverage levels and our access to capital markets, we are well positioned to capitalize on the fundamental global demand for Indian office space that will long outlast this pandemic.”

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 ₹5,308 million or ₹5.6 per unit for 4Q FY2021. The cumulative distribution for FY2021 totals ₹18,364 million or ₹21.48 per unit, which is on target with the guidance issued earlier by management. The record date for the 4Q FY2021 distribution is May 7, 2021 and the distribution will be paid on or before May 14, 2021.

Financial Highlights – Full Year FY2021

- Net Operating Income (**‘NOI’**) grew year-on-year by 12%, with operating margins of 86%
- Simplified the holding structure of Embassy Manyata, thereby increasing the tax-free component of distributions to 78% for 4Q FY2021
- Raised ₹52 billion debt at attractive 6.9% coupon, refinanced ₹32.8 billion leading to 336 bps interest savings
- Fortress balance sheet with liquidity of ₹15.5 billion and low leverage of 22%; ample headroom to finance on-campus development and new acquisitions

Business Highlights – Full Year FY2021

- Stable occupancy of 88.9% with strong rent collections at 99.8% on 32.3 msf operating portfolio
- Achieved rent increases of 13% on 8.4 msf across 90+ leases
- Leased 1.2 msf across 40+ deals, achieved 15% re-leasing / renewal spread
- Achieved top-out of 1.1 msf JP Morgan campus in Mar’21, on track for Sep’21 delivery
- Continued construction on additional 4.6 msf new build, targeted completion in 2 to 3 years

Other Initiatives

- Our parks remain open with focus on ensuring safe workspaces and business continuity for our occupiers
- Set up vaccine centers at Embassy Manyata and Embassy TechVillage with vaccination roll out for 4,900 frontline staff underway
- Subscribed to WELL Portfolio™ program to create healthier office buildings and thriving business ecosystems
- Built a second government school in February 2021 in partnership with ANZ, school to benefit 1,200 students

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly and full year results and performance, that includes (i) audited standalone and audited consolidated financial statements for the year ended March 31, 2021, (ii) audited condensed standalone and audited condensed consolidated financial statements for the quarter and year ended March 31, 2021, (iii) an earnings presentation covering 4Q FY2021 and FY2021 results, and (iv) supplemental operating and financial data book that is in line with leading reporting practices across global REITs. All these materials are available on our website at www.embassyofficeparks.com under the “Investors” section.

Embassy REIT will host a conference call on April 29, 2021 at 18:30 hours Indian Standard Time to discuss the 4Q FY2021 and full year FY2021 results. A replay of the call will be available till May 14, 2021 on our website at www.embassyofficeparks.com under the “Investors” section.

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 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. Embassy REIT does not provide any guarantee or assurance with respect to any distribution or the trading price of its units.

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 Embassy REIT's financial position or results of operations as reported under Ind-AS.

About Embassy REIT

Embassy REIT is India's first publicly listed Real Estate Investment Trust. Embassy REIT owns and operates a 42.4 million square feet (“msf”) portfolio of eight infrastructure-like office parks and four city-centre office buildings in India's best-performing office markets of Bangalore, Mumbai, Pune, and the National Capital Region (“NCR”). Embassy REIT's portfolio comprises 32.3 msf completed operating area and is home to over 190 of the world's leading companies. The portfolio also comprises strategic amenities, including two operational business hotels, four under-construction hotels, and a 100MW solar park supplying renewable energy to tenants.

For more information please contact:

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Phone: +91 80 4722 2222

Embassy Office Parks REIT

4Q FY2021 Earnings Materials

April 29, 2021



Press Release

Embassy REIT Announces Full Year FY 2021 Results, Delivers a Resilient Performance

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Press Release (Cont'd)

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I. Key Highlights

Embassy TechVillage, Bangalore

Business Highlights – FY2021

LEASING

Leased 1.2 msf across 43 deals, achieved 15% re-leasing / renewal spreads



JPM CAMPUS

Achieved top-out of 1.1 msf BTS in Mar'21, on track for Sep'21 delivery



DEVELOPMENT

Continued construction on 4.6 msf new build, targeted completion in 2-3 years



ACQUISITIONS

Acquired 9.2 msf ETV for ₹97.8 bn, raised ₹36.8 bn equity and ₹41 bn⁽¹⁾ debt



INFRASTRUCTURE UPGRADES

Reinforced our properties by investing in park infrastructure and upgrades



ESG AND OPERATIONS

Prioritized business continuity of our occupiers and health & wellness of employees



99.8%
Rent Collections



8.4 msf
13% Rent Escalations

Note:
(1) Includes ₹15 bn debt refinanced at 7.1% resulting in 78 bps interest savings

Financial Highlights – FY2021

NOI and EBITDA for FY2021 up 12% year-on-year with NOI and EBITDA margins at 86% and 83% respectively

	FY2021 (mn)	FY2020 (mn)	Variance %	Remarks
Revenue from Operations	₹23,603	₹21,449	+10%	<ul style="list-style-type: none"> ▶ Revenue from ETV's 6.1 msf completed area in 4Q FY2021⁽²⁾ ▶ Contracted rent escalations of 13% on 8.7 msf ▶ Revenue from 1.4 msf of new deliveries in 4Q FY2020 ▶ Partially offset by: <ul style="list-style-type: none"> – Decrease in commercial office revenues due to exits – Decrease in hotel revenues due to drop in occupancy
NOI	₹20,323	₹18,170	+12%	<ul style="list-style-type: none"> ▶ Increase in Revenue from Operations ▶ Savings due to cost saving initiatives ▶ Lower hotel, power & fuel expenses
Margin (%)	86%	85%		
EBITDA	₹19,693	₹17,647	+12%	<ul style="list-style-type: none"> ▶ Increase in NOI
Margin (%)	83%	82%		

- ▶ NOI in-line with our FY2021 annual guidance (achieved NOI of Rs.20,323 mn vs. guidance of Rs.20,314 mn)
- ▶ 99.8% rent collections and 13% rent escalations on 8.4 msf demonstrates our best-in-class portfolio

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 FY2021 was up 3% year-on-year
- (2) ETV was acquired on December 24, 2020 by Embassy REIT. The relevant asset SPVs and Holdco holding ETV have been consolidated from December 31, 2020, a date close to the acquisition date, as there are no significant transactions or events that have occurred between December 24, 2020 and December 31, 2020 and the effect thereof is considered from 4Q FY2021 onwards

Distribution Highlights – FY2021

Post successful restructuring of Embassy Manyata's legacy two-tier holding structure, tax-free component of distributions has significantly increased to 78% for Q4 FY2021

Particulars	4Q FY2021	FY2021	FY2020
Distribution period	Jan'21 – Mar'21	Apr'20 – Mar'21	Apr'19 – Mar'20
Distribution amount (mn)	₹5,308	₹18,364	₹18,821
Outstanding units (mn)	948	Q1 & Q2: 772 Q3 & Q4: 948	772
Distribution per unit (DPU)	₹5.60	₹21.48 ⁽¹⁾	₹24.39
- Interest	₹1.24	₹7.31	₹9.99
- Dividend	₹2.21	₹3.01	₹0.37
- Amortization of SPV debt	₹2.15	₹11.16	₹14.03
Announcement date	April 29, 2021	-	-
Record date	May 7, 2021	-	-
Payment date	On or before May 14, 2021	-	-

78% of Q4
Distributions are
tax-free for
Unitholders

- ▶ DPU in-line with our FY2021 annual guidance (achieved DPU of Rs.21.48 vs. guidance of Rs.21.45)
- ▶ 100% distribution payout ratio for FY2021 demonstrates our commitment to regular quarterly distributions

Note:

(1) DPU for FY2021 factors 176.23 mn new units issued pursuant to the preferential allotment and the institutional placement in connection with the ETV acquisition. However, given ETV acquisition was completed on December 24, 2020, and given relevant asset SPVs and Holdco holding ETV have been consolidated from December 31, 2020, there has not been any corresponding increase in 3Q FY2021 distribution due to ETV acquisition. For comparability purposes, the Proforma DPU excluding 176.23 mn new units issued in Dec'20 for 3Q FY2021 distributions is ₹22.52 for FY2021

Organic Growth through On-Campus Development

Our 5.7 msf development pipeline helps us expand our existing campuses to meet occupier growth needs and helps us enhance NOI and Unitholder value

Strong Balance Sheet

₹15.5 bn

Cash & Undrawn Committed Facilities⁽¹⁾

22%

Net Debt to GAV

7.9%

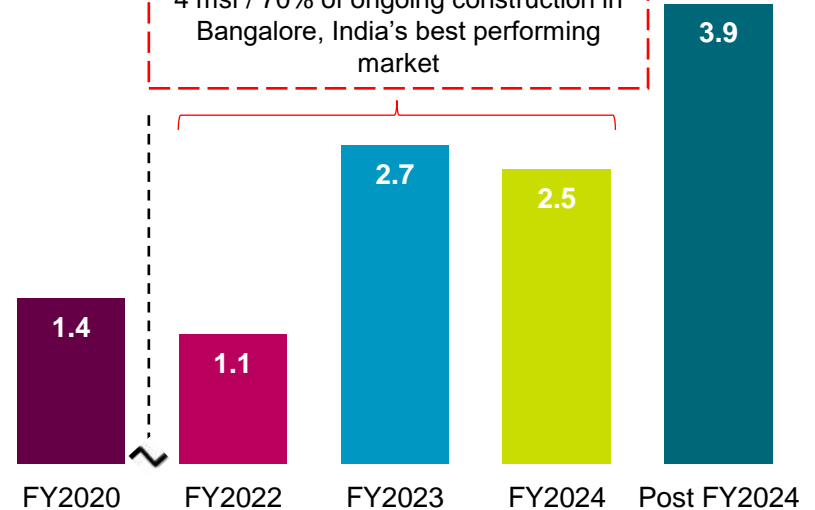
Capex Financing Cost⁽²⁾

AAA / Stable

Stable Outlook by CRISIL

Robust Development Pipeline

4 msf / 70% of ongoing construction in Bangalore, India's best performing market



- ▶ Opportunity for new development at attractive yields
 - Land already paid for and within existing REIT campuses
 - Capex financing costs amongst the lowest (sub-8% vs. 10-12% for developers)
 - 25% supply shrinkage in 2020 and further slippages are likely
 - Timing of REIT's supply ties well with anticipated demand rebound

Notes:

(1) Includes treasury balances, fixed deposits etc., net of 4Q FY2021 distribution of ₹5,308 mn

(2) ₹11 bn construction debt raised in FY2021 at average 7.9% interest rate

On-track Near term Delivery

On target to deliver 1.1msf JP Morgan campus in Sep'21. Integrated on-ground teams post ETV acquisition and achieved top-out milestone in Mar'21

JP Morgan built-to-suit Campus



Inorganic Growth Opportunities

Our strong balance sheet and network provides us with a steady acquisitions pipeline. We remain focused and disciplined to pursue opportunities which enhance Unitholder value

Acquisitions Criteria

- ▶ Large-scale, high-quality trophy assets with global occupiers
- ▶ Located in top 6 cities and dominant in respective micro-market
- ▶ Stable cash flows with strong embedded growth
 - Both MTMs on leases and new development potential
- ▶ Accretive acquisition for Unitholders, with optimum financing mix of debt and equity

Potential Pipeline⁽²⁾⁽³⁾

9.2 msf

Select
ROFO Pipeline⁽³⁾

23.2 msf

Assets within
Partner(s) Network
And Third Party
Opportunity

ETV Backland ROFO⁽¹⁾⁽²⁾ (Bangalore, upto c.4.2 msf)



Embassy Splendid TechZone ROFO⁽²⁾ (Chennai, c.5 msf)



Our strategy is to create value by having a long-term perspective and pursuing accretive acquisitions, thereby enhancing value for our Unitholders

Notes:

- (1) Acquisition of ETV by the Embassy REIT excluded approximately 19.39 acres being developed by Embassy Commercial Projects (Whitefield) Private Limited ("Embassy Whitefield"), an entity which is owned by certain Blackstone entities and certain third-party shareholders, which area has been leased by VTPL to Embassy Whitefield on a long-term basis. The Embassy REIT has been granted a right of first offer in respect of the controlling interest in Embassy Whitefield by the shareholders of Embassy Whitefield
- (2) The pipeline is indicative only. There can be no assurance that above opportunities or other pipeline opportunities will materialize in current form or at all or result in transactions.
- (3) Embassy REIT has c.31.2 msf of ROFO opportunity from Embassy Sponsor and upto c.4.2 msf of ROFO opportunity from others

II. Overview



Express Towers, Mumbai

Who We Are: Quick Facts

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

42.4 msf⁽¹⁾

Portfolio

195

Blue-chip occupiers

88.9%

Occupancy

12

Commercial Offices

1,614⁽¹⁾

Hotel Keys

100 MW

Solar Park

29%

Mark-to-Market Upside

48%

Gross Rents from Fortune 500 occupiers

7.0 Years

WALE

₹23,603 mn

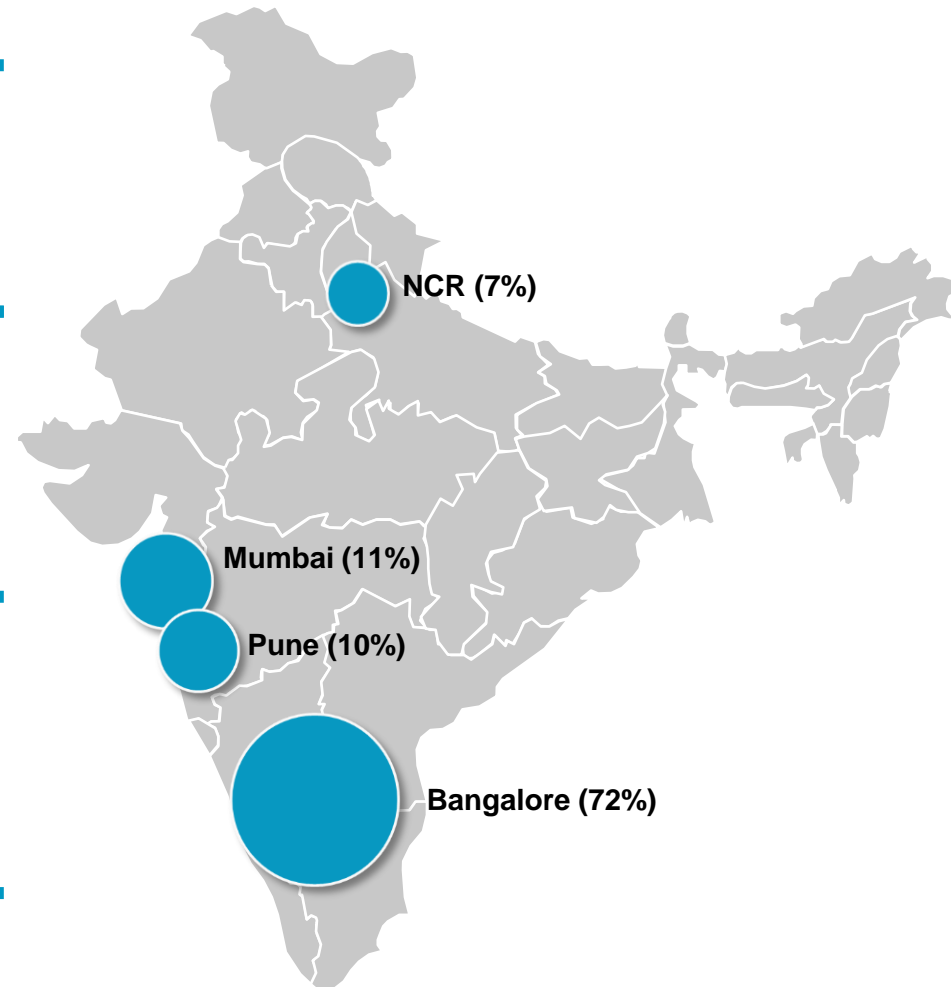
FY2021 Revenue from Operations

₹18,364 mn

FY2021 Distribution

22%

Net Debt to GAV



Notes: City wise split by % of Gross Asset Value (GAV) considered per Mar'21 valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually. For further details refer notes on slide 52

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

Eight Infrastructure-like Office Parks (40.1 msf)⁽¹⁾

Embassy Manyata
Bangalore (14.8 msf)



Embassy TechVillage
Bangalore (9.2 msf)



Embassy Golflinks
Bangalore (2.7 msf)



Embassy Quadron
Pune (1.9 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)

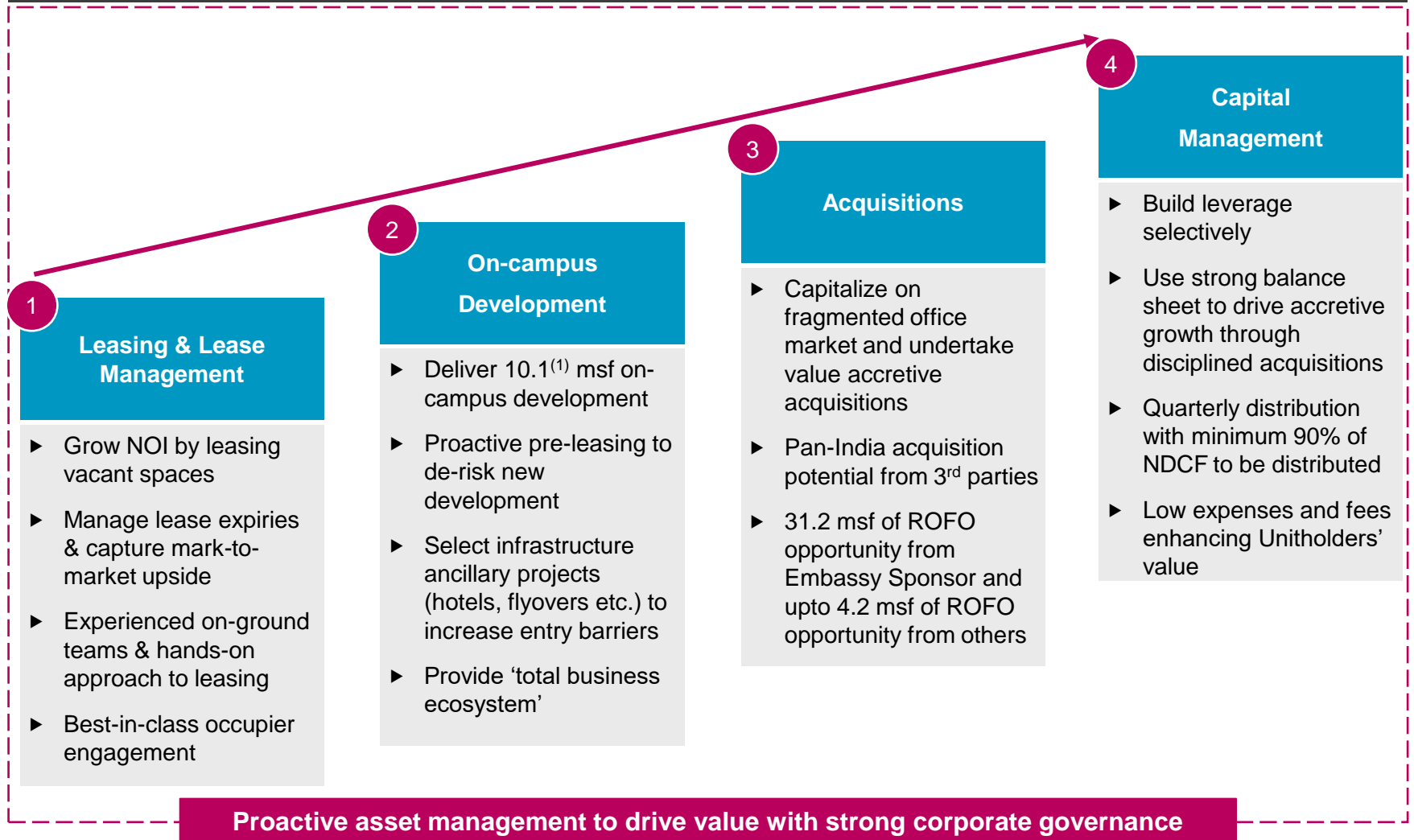


Embassy One
Bangalore (0.3 msf)



What We Do: Our Strategy

Maximize distribution and NAV per unit through leasing, on-campus developments and acquisitions

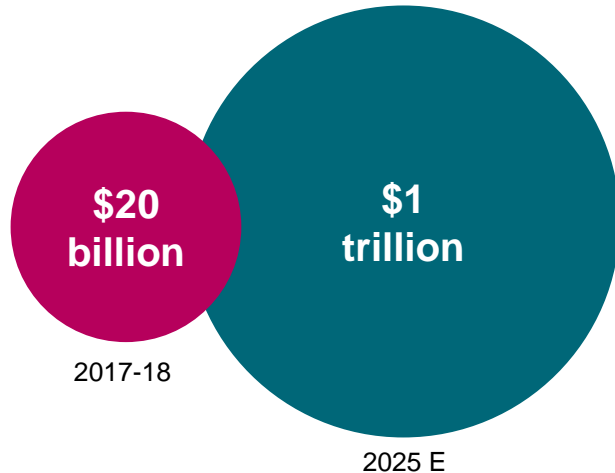


Note:
 (1) Includes U/C area of 5.7 msf and proposed future development of 4.4 msf

Our Opportunity: India's 'Tech'vantage

COVID response has significantly accelerated digital transformation and technology spends globally. With its large talent pool at reasonable costs, India continues to attract significant tech investments

Digital Tech spends set for exponential growth⁽²⁾



- ▶ Strong tech performance through the pandemic
 - Acceleration of digital transformation globally
 - 3Cs at the heart of recovery – Cloud, Collaboration and Cybersecurity
- ▶ Surge in India's tech and digital investments by leading global enterprises
 - Digital Talent nation advantage to accelerate India's tech opportunities
- ▶ Highest ever headcount addition of 350k+ for IT industry expected in FY2022⁽⁴⁾

India Advantage

Large Talent Pool

- ▶ India leads in STEM⁽¹⁾ talent
- ▶ Over 2 million⁽²⁾ students graduating each year
- ▶ Digital talent to grow by 30% CAGR⁽²⁾ over next 3 years

Cost Advantage

- ▶ Employee cost in India is around 20-25% of comparable costs in occupier's country of origin⁽³⁾

Affordable Rents

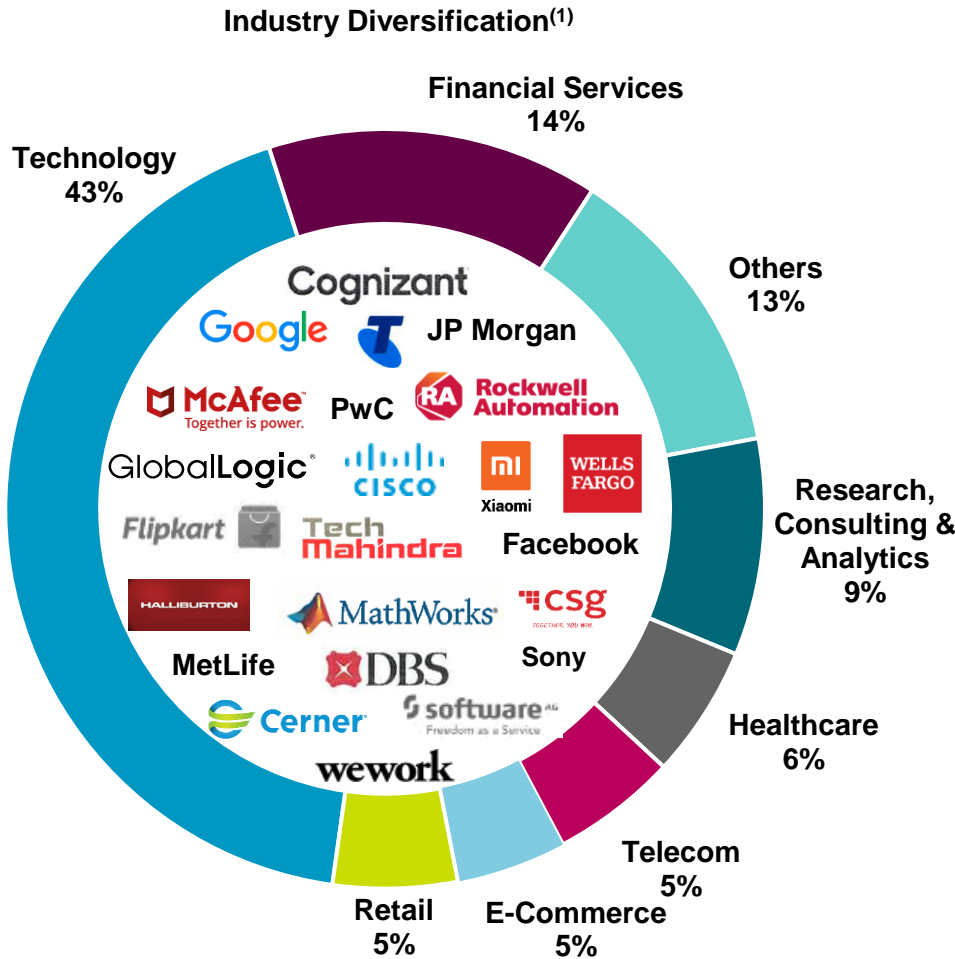
- ▶ India is one of the most affordable office markets globally
 - Average rent of \$1 psf / month⁽³⁾
- ▶ Rent costs merely 2-6% of occupier revenues⁽³⁾

Notes:

(1) STEM refers to Science, Technology, Engineering, Mathematics
 (2) Source: NASSCOM - The Technology Sector in India 2021
 (3) Source: CBRE Research, ICICI Securities Research, Embassy REIT
 (4) NASSCOM, Kotak research

Our Occupier Base

Global business with a diversified, resilient and high credit-quality occupier base



39% of Gross Rent From Top 10 Occupiers

Top 10 Occupiers	Sector	% of Rentals
Global Technology & Consulting Major	Technology	10%
Cognizant	Technology	7%
NTT Data	Technology	3%
Flipkart	E-commerce	3%
JP Morgan	Financial Services	3%
Wells Fargo	Financial Services	3%
ANSR	Research & Analytics	3%
Cerner	Healthcare	2%
PwC	Research & Analytics	2%
WeWork	Co-working	2%
Total		39%

Notes: Actual legal entity names of occupiers may differ

(1) Represents industry diversification percentages based on Embassy REIT's share of gross rentals

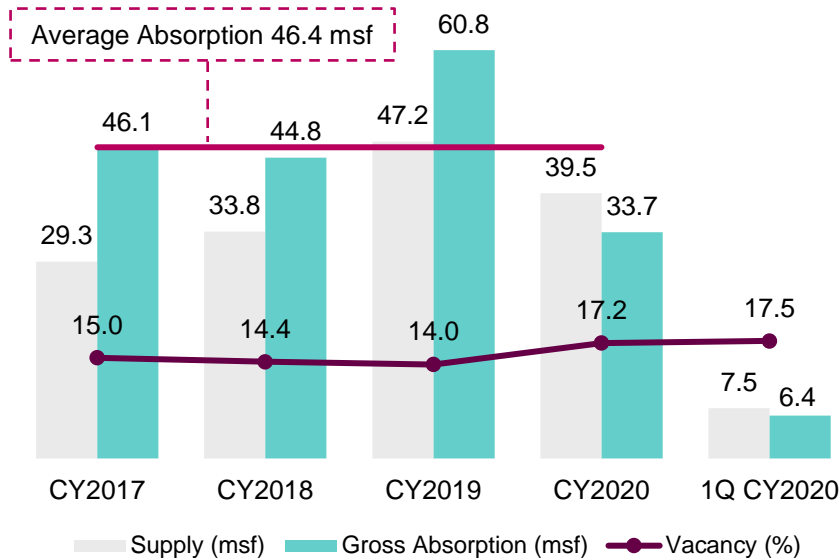


III. Market Outlook

Market Fundamentals – Update

Concerns of spike in COVID-19 cases in Q1 CY2021 led the occupiers to press ‘pause’ again and postpone their real estate decisions

Absorption Trends (CY2017 – to date)



City-wise Performance (Apr'20 – Mar'21)

City	Absorption ⁽¹⁾ (msf)	Supply (msf)	Vacancy (%)
Bangalore	10.9	10.4	8%
Pune	1.9	1.8	12%
Mumbai	1.7	2.6	24%
NCR	4.1	5.2	26%
Embassy REIT Markets	18.6	20.1	17%
Hyderabad	6.7	9.8	15%
Chennai	3.6	3.3	12%
Kolkata	0.4	0.1	36%
Other Markets	10.7	13.2	17%
Grand Total	29.2	33.2	17%

1Q CY2021 Highlights

- ▶ Leasing momentum slowed down to 6.4 msf in Q1 CY2021, 30% lower than previous quarter
 - Occupier sentiment hit with resurgence in COVID-19 cases across all major cities
 - Occupiers continued to pause new deals unless driven by immediate business needs
- ▶ Bangalore and Tech sector were major demand drivers, contributed to 45% and 35% respectively of pan-India absorption
- ▶ Despite the resilience, timing of real estate plans to be impacted by the second wave related uncertainty

Source: CBRE Research, Embassy REIT

Note:

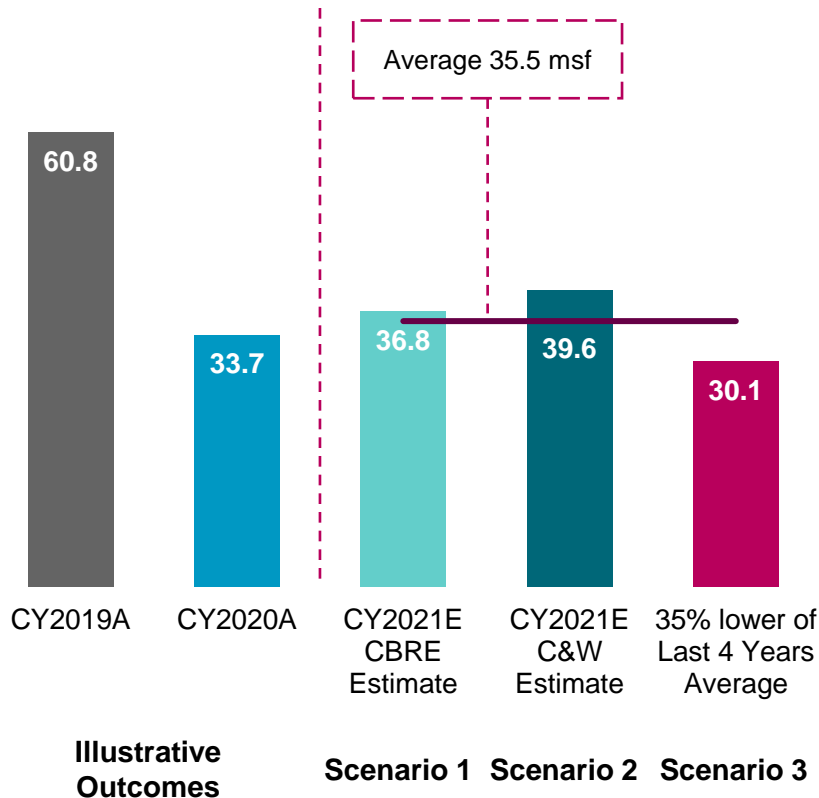
(1) Represents gross absorption figures

Market Fundamentals – Demand Trends

Office leasing expected to gain traction by end CY2021 based on broad-based vaccine rollout. Institutionally owned high quality properties with focus on wellness to benefit

Proforma Demand Analysis

Gross Absorption (msf)



Demand Trends

► Short-term Outlook

- Spike in active COVID-19 cases has pushed occupiers to pause and postpone their real-estate decisions
- Demand likely to remain subdued in the short term
- Broad-based vaccine roll-out to help revive business sentiments and drive demand

► Medium-term Outlook

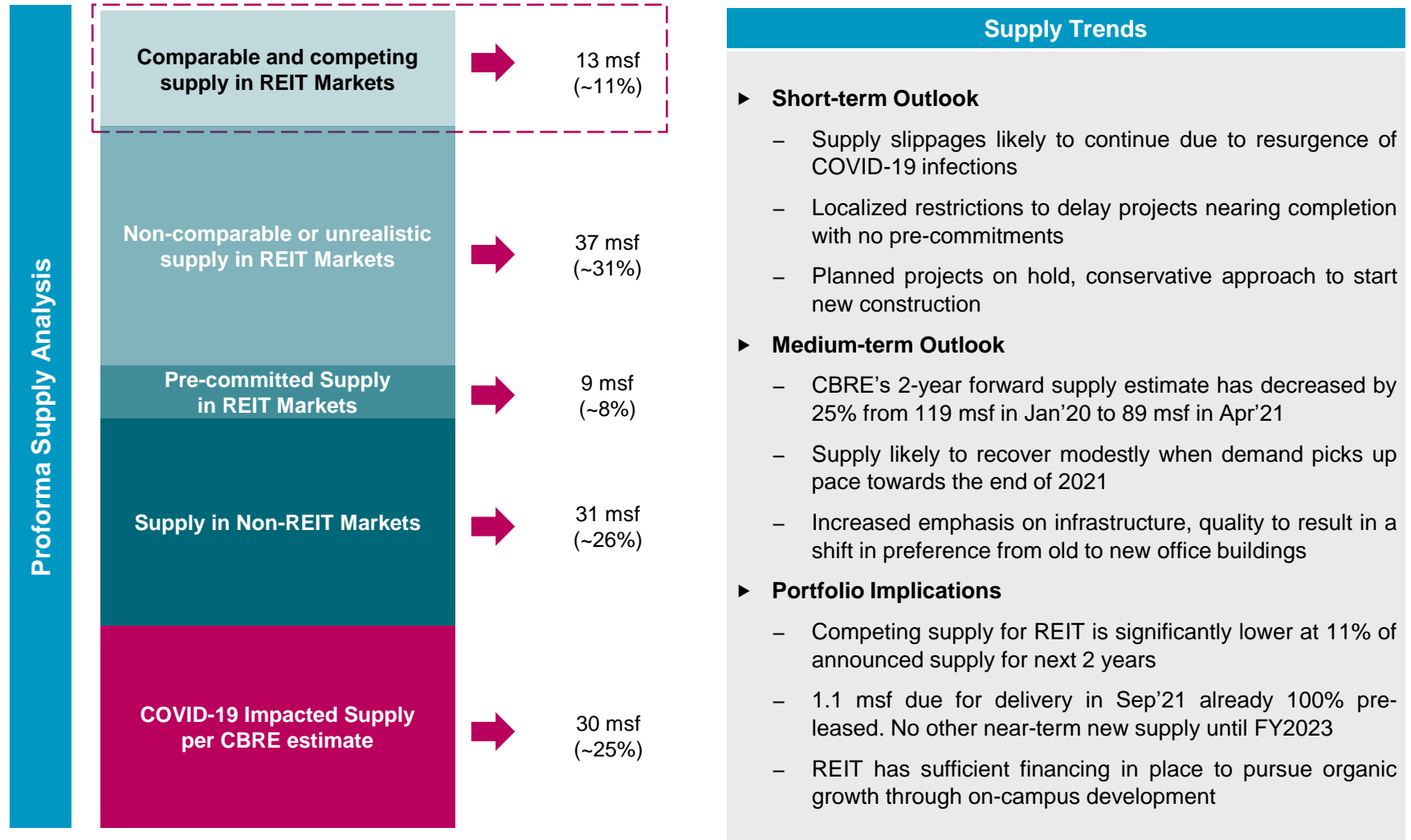
- Resurgence in demand to depend on time taken to contain second wave and to roll-out vaccines
- Several ongoing deals likely to see traction / conclusion towards end of 2021, a full rebound expected in CY2022
- Demand likely from large occupiers to plan for their growth, large scale consolidations/ expansions to come back gradually

► Portfolio Implications

- Existing REIT portfolio to remain resilient given asset and occupier quality, long WALE and below market rents
- Limited risk on 14% contracted escalations on 7.7 msf leases in FY22
- ESG & Wellness priorities to drive demand - large campuses and institutionally owned properties such as Embassy REIT are to benefit

Market Fundamentals – Supply Trends

Supply shrinkage of over 25% since the start of the pandemic. Supply expected to recover modestly post demand picks up momentum towards end of CY2021



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.

IV. Navigating COVID-19



FOUR SEASONS
HOTEL
WELCOMES YOU

FOUR SEASONS

Embassy One, Bangalore

COVID-19 Operations Update

Our response to the second wave is focussed on supporting business continuity of our occupiers and ensuring safety and well-being of their employees and all stakeholders

► COVID-19 in India

- Second wave surge, localized restrictions implemented by state governments
- 142 mn⁽¹⁾ vaccine shots administered, fastest country to achieve this milestone
- Liberalized and accelerated Phase 3 vaccination strategy w.e.f May'21

► Our Response

- All properties continue to remain open to support business continuity
- Vaccination drive in our properties, in partnership with civic authorities and leading hospitals
- Wellness-focused initiatives - thermal cameras, PHI for AHUs, safety certifications, etc.

► Impact on Our Operations

- Pause in back-to-office ramp-up since Apr'21, post an 18% uptick in Q4
- No rent rebates for office occupiers, rent reliefs to F&B and retail tenants (<1% of NOI)
- Construction continues per schedule, enhanced safety and wellness protocols

100%

Business parks and buildings operational⁽²⁾

~19k

Employees working from our properties across India⁽³⁾

1,200+

CRE touchpoints for daily property-specific updates

90%+

Occupiers operating from our properties across India

Vaccination Drive at Embassy Manyata



Our business continues to be resilient given the underlying covenants of our global occupiers and our best-in-class properties. A broad-based vaccine roll-out will accelerate return-to-workplace efforts

Notes:

(1) As of April 27, 2021

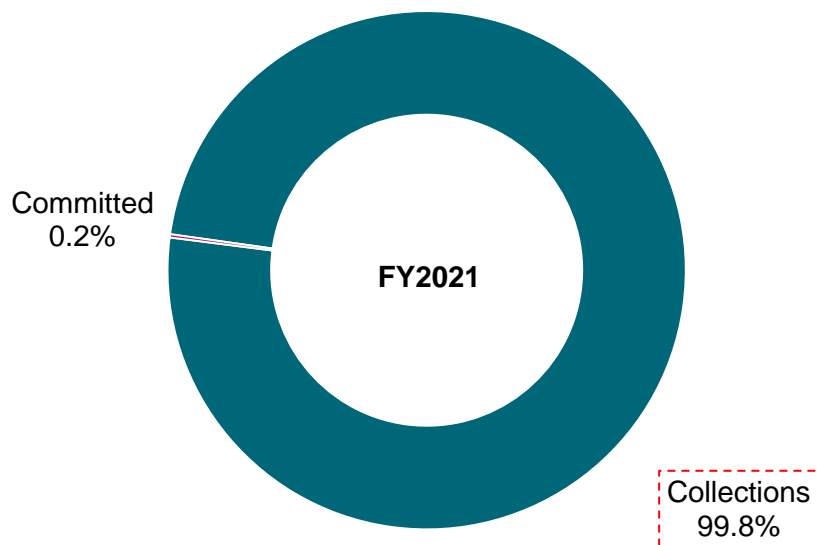
(2) Our properties remained open throughout since the initial lockdown period and complied with all government regulations to support business continuity of our occupiers

(3) Data basis to date average for Apr'21

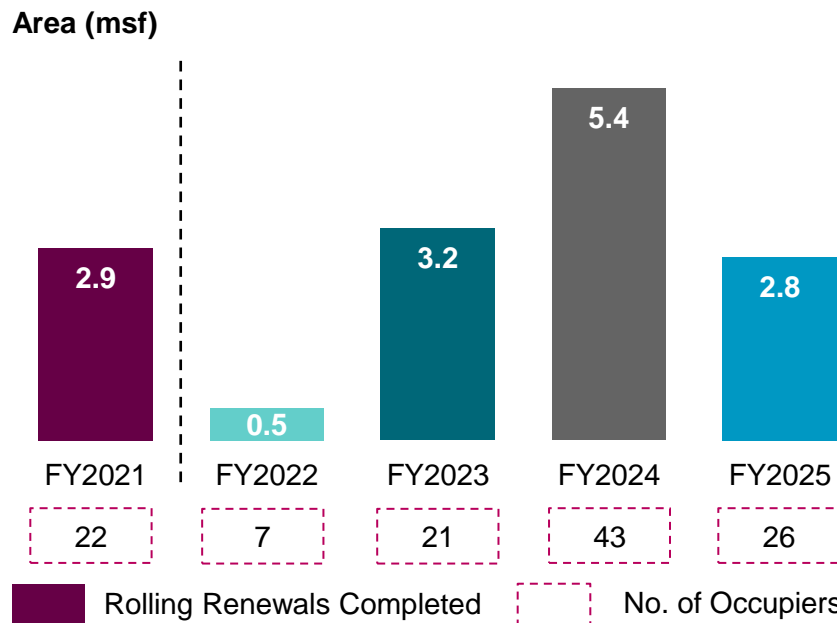
Rent Collections and Rolling Renewals Update

Rent collections for FY2021 from office occupiers remained robust at 99.8%; achieved rolling renewals of 2.9 msf FY2021 across 22 leases

Robust Office Rent Collections



Continued Momentum in Rolling Renewals



- ▶ Office rent collections for FY2021 at 99.8%
- ▶ In-line with robust office rent collections of 100% for 3Q FY2021, 100% for 2Q FY2021 and 100% for 1Q FY2021
- ▶ No waivers to office occupiers. Rebate granted to F&B and ancillary retail tenants, representing 0.6% of annual rents

- ▶ Continued momentum in rolling renewals given in-place rents are significantly below market
- ▶ Achieved rolling renewals on 2.9 msf during FY2021, representing 9.8% of annual rents
- ▶ On track for 0.5 msf of rolling renewals due in FY2022

V. Commercial Office Update



Embassy Quadron, Pune

Leasing Highlights for FY2021

1.2 msf total lease-up across 43 deals in FY2021, comprising of 581k sf new lease-up at 18% re-leasing spread and 589k sf renewals at 13% renewal spread

FY2021 Highlights			New Leases Signed			
New Leases signed ('000 sf)	(A)	581	Occupier	Property	Sector	Area ('000 sf)
– Releasing ('000 sf)		499	Quarter 4			50
– Re-leasing Spread		18%	Great West Global	ETV	Financial Services	14
Renewals ('000 sf)	(B)	589	Morae Global	Embassy Manyata	Technology	16
– Renewal Spread		13%	WeWork ⁽³⁾	Express Towers	Co-working	16
Total Leases Signed ('000 sf)	(A + B)	1,170	Quarter 3			206
Pipeline discussions ('000 sf)		c.150	Quarter 2			124
			Quarter 1			201
			Total			581

New Leases in FY2021



Notes:

- (1) New leases signed includes re-leases, excludes renewals
- (2) Actual legal entity names of occupiers may differ
- (3) Arm's length benchmarking undertaken by Grant Thornton

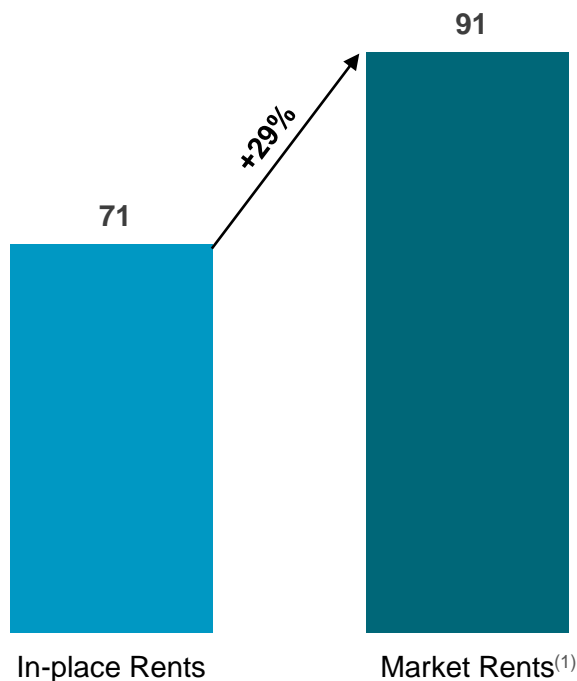
Embedded Rent Escalations

Achieved rent escalations of 13% on 8.4 msf across 94 leases in FY2021. On track for additional 14% rent escalations due on 7.7 msf across 89 leases in FY2022

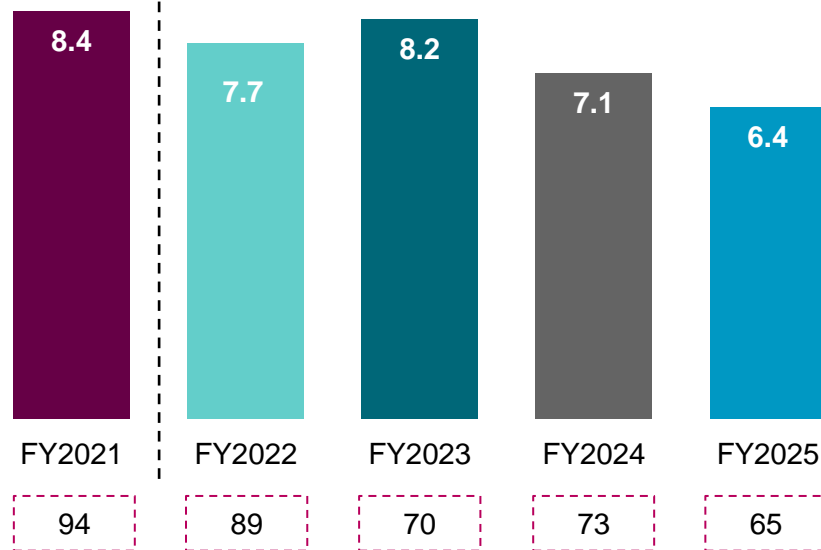
Market rents 29% above in-place rents

Embedded rent escalations of 10-15% aids NOI growth

Rent (₹ psf / month)



Area (msf)



	FY2021	FY2022	FY2023	FY2024	FY2025
Rent Escalations	14%	14%	13%	13%	14%
Post-escalation MTM opportunity	10%	13%	30%	30%	31%

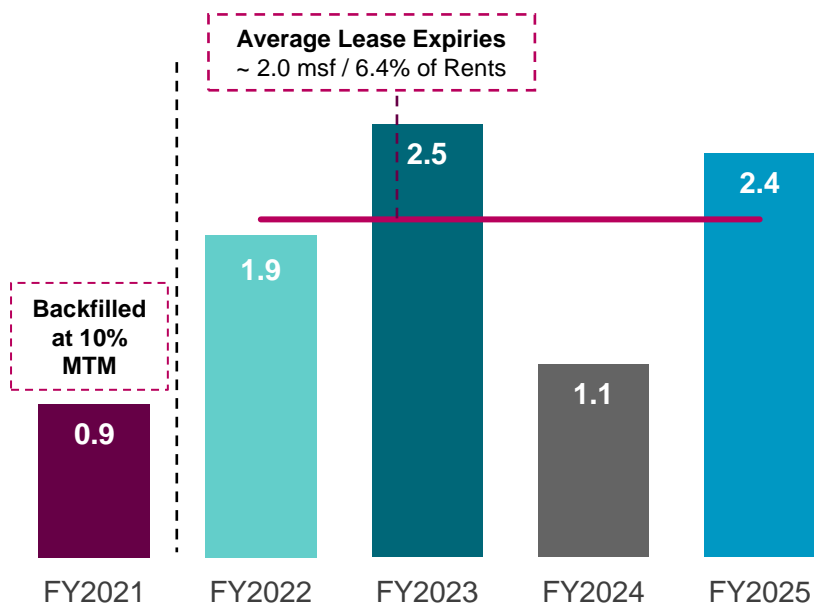
FY2021 Update: Achieved 13% rent increase on 8.4 msf

Embedded Mark-to-Market Potential

Successfully backfilled 0.9 msf of expiries in FY2021 at 10% MTM spread despite overall pause in decision making. Of the 1.9 msf upcoming lease expiries in FY2022, 0.5 msf are likely renewals

25% of leases expire between FY2022–25

Area Expiring (msf)



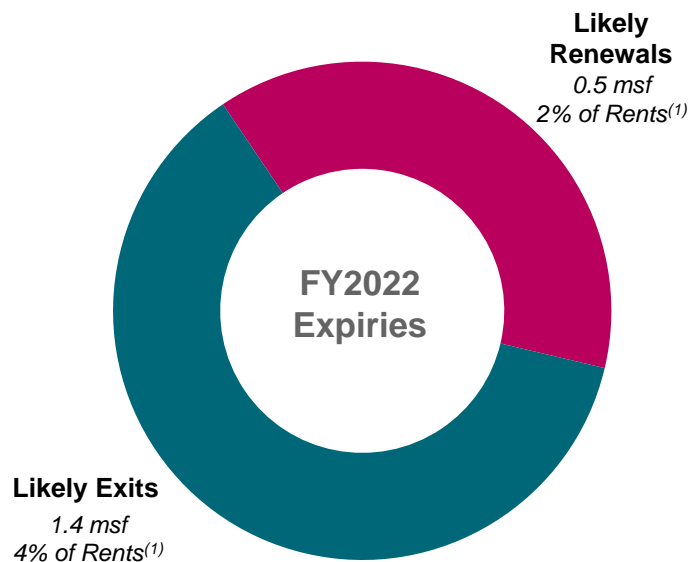
Mark-to-market opportunity

47% 44% 17% 40%

Rents Expiring

6% 6% 5% 8%

FY2022 Lease Expiries Update



- ▶ 1.9 msf upcoming expiries in FY22 comprising only 6% of revenue
 - In-place rents 47% lower vs. market rents per CBRE
- ▶ 0.5 msf likely renewals, comprising 2% of revenue
- ▶ 1.4 msf likely exits, comprising 4% of revenue
 - ‘business as usual’ churn, portfolio housekeeping and COVID induced exits

Note:
(1) Refers to annualized rent obligations for Embassy REIT

VI. Development Update



Embassy
TechVillage

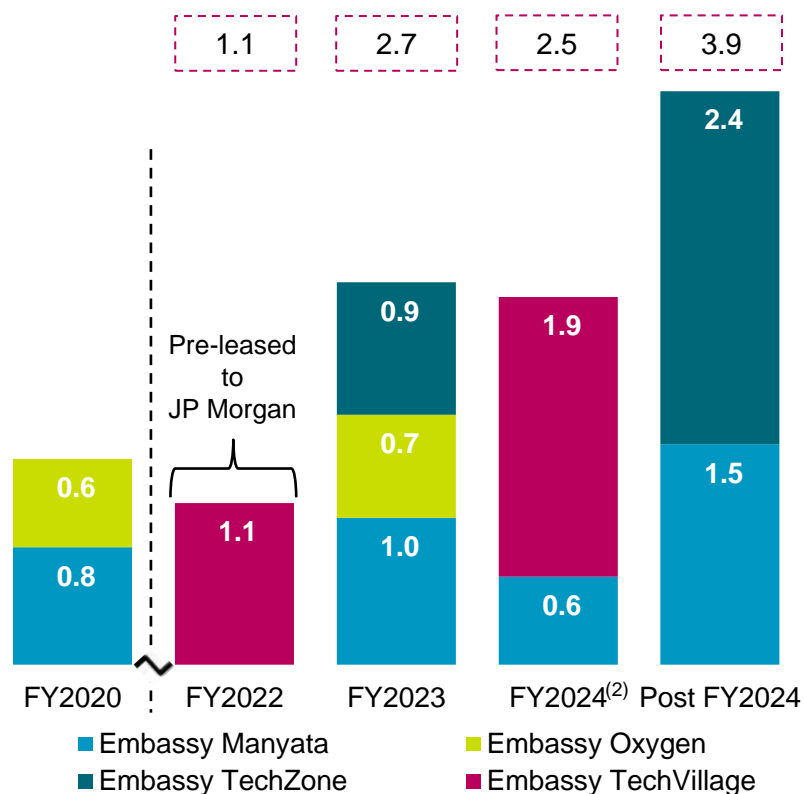
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Development Pipeline

With the launch of an additional 1.9 msf of new office development at ETV in Q4, construction currently underway on 5.7 msf across portfolio

Development Pipeline⁽¹⁾ (msf)

Area (msf)



1.1 msf JP Morgan built-to-suit 100% pre-committed and on-track for Sep'21 delivery

Development Status as of April 28, 2021

<p>Embassy TechVillage (JPM BTS, 1.1 msf) (Parcel 8, 1.9 msf)</p>	<ul style="list-style-type: none"> ▶ JP Morgan BTS <ul style="list-style-type: none"> - Tower A – Top-out completed. Building, MEP & façade works in progress - Tower B – Structural works completed. MEP & façade works in progress - Targeting Sep'21 completion ▶ Parcel 8 <ul style="list-style-type: none"> - Design finalized & excavation initiated - Targeting Mar'24 completion
<p>Embassy Manyata M3 Parcel (Block A – 1.0 msf)</p>	<ul style="list-style-type: none"> ▶ M3 Block A – 4th floor slab works completed; 5th floor structural steel works in progress ▶ Targeting Dec'22 completion
<p>Embassy TechZone (Hudson, 0.5 msf) (Ganges, 0.4 msf)</p>	<ul style="list-style-type: none"> ▶ Hudson and Ganges Block – Design and sub-structure works completed; 5th floor slab work in progress ▶ Targeting Jun'22 completion
<p>Embassy Oxygen (Tower 1, 0.7 msf)</p>	<ul style="list-style-type: none"> ▶ Design, excavation and sub-structure works completed. Ground floor slab works in progress ▶ Targeting Mar'23 completion

Notes:

- (1) Excludes 1,137 hotel keys across Hilton & Hilton Garden Inn at Embassy Manyata and Embassy TechVillage
(2) Includes acquisition of 0.6 msf M3 Block B located within overall Embassy Manyata campus upon estimated building completion in Sep'23

Under Development Projects

Embassy TechVillage - JP Morgan BTS (1.1 msf)

Embassy Manyata – M3 Block A (1.0 msf)

Design Perspective



Actual Progress at Site⁽¹⁾



Note:
(1) Apr'21 pictures

Under Development Projects (Cont'd)

Embassy Oxygen – Tower 1 (0.7 msf)

Design Perspective



Embassy TechZone – Hudson and Ganges (0.9 msf)



Actual Progress at Site⁽¹⁾



Note:
(1) Apr'21 pictures

VII. Asset Management Update



Embassy Qubix, Pune

Investing in our Asset Infrastructure

Fortifying our properties for the next phase of growth through continued investments in infrastructure and amenities

Flyover at Embassy Manyata (WIP, Jun'21)



North Side Skywalk at Embassy Manyata (WIP, Jun'21)



South Side Skywalk at Embassy Manyata (WIP, Dec'21)



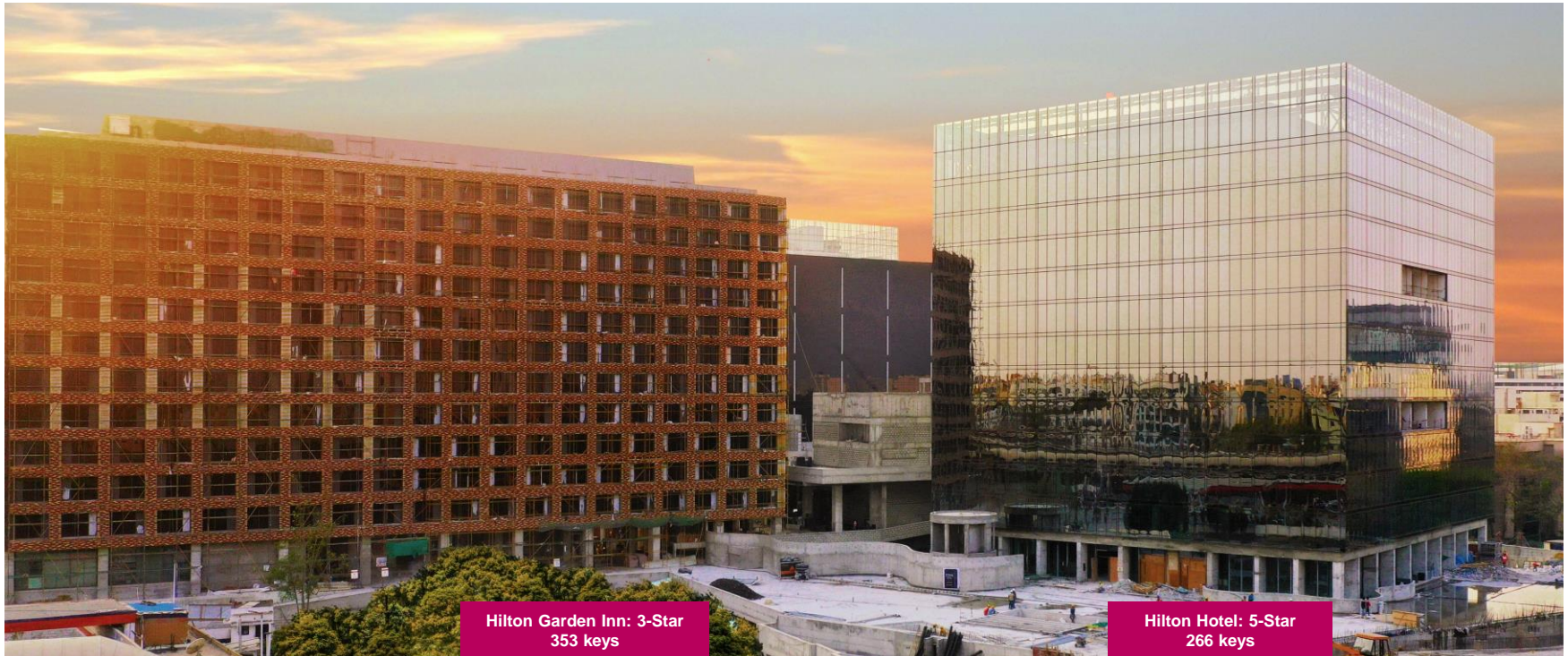
Skywalk at Embassy TechVillage (WIP, Jun'21)



Note:
(1) Apr'21 pictures

Infrastructure and Upgrade Projects

Construction underway for 619 key dual branded Hilton hotels at Embassy Manyata and pre-operational activities initiated



▶ **Hilton – 5 Star (266 keys) at Embassy Manyata**

- Structure and façade work completed. MEP works majorly done and Guest Room works currently in progress

▶ **Hilton Garden Inn – 3 Star (353 keys) at Embassy Manyata**

- Structure work completed. MEP works majorly done and Guest Room works currently in progress
- ▶ Pre-operational activities initiated and key management personnel on board

Embassy Quadron Asset Re-positioning

Comprehensive asset re-positioning at Embassy Quadron on track for Sep'21 completion. Leased 51k sf to Australian telecom major at 32% re-leasing spread, with further 51k sf growth option

New Revamped Lobby (Completed, Dec'20)



Entry Portal (WIP, Sep'21)



Outdoor Food-court (Completed, Mar'21)



Landscape Upgrade (WIP, Jun'21)



Note:
(1) Apr'21 pictures

Hospitality Update

While 477 key operating hotels witnessed an uptick in occupancy in Q4, recent second wave likely to adversely impact recovery timelines

Hilton at Embassy GolfLinks



247 Keys

5-Star Hotel

Operational

Q4 Occupancy : 22.4% (vs 14% in Q3)

Q4 EBITDA: ₹(20) mn

'Ranked #8 - TripAdvisor'

- out of 1,628 hotels in Bangalore

Four Seasons at Embassy One



230 Keys

5-Star Luxury Hotel

Operational

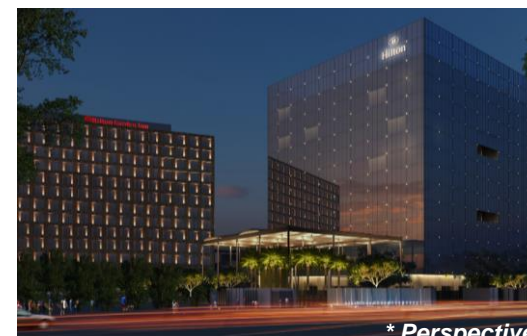
Q4 Occupancy : 12.6% (vs 11% in Q3)

Q4 EBITDA: ₹(45) mn

'Far and East: Best Chinese Premium Dining'

– by Times Food & Nightlife Awards 2021

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** – Current second wave is likely to delay recovery, demand expected to remain muted in FY2022

► **Action Plan** – Implemented significant cost saving measures and initiatives to improve occupancy. Also, implemented global safety protocols for guests to aid in occupancy ramp-up

Limited impact of COVID-19 induced hospitality slowdown on our portfolio given – Hotels contribute < 5% of GAV and < 1% of pre-COVID NOI (FY2020)

VIII. Financial Update

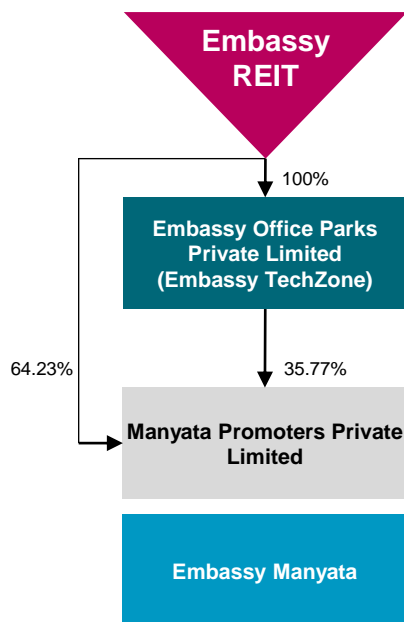


Embassy TechZone, Pune

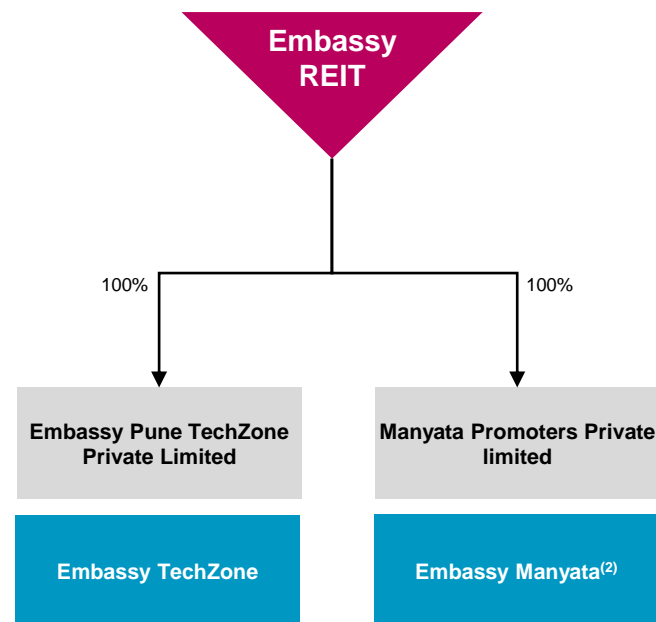
Simplified Embassy Manyata Holding Structure

Successfully simplified ownership structure of our largest asset i.e., Embassy Manyata, thereby enhancing dividend component of distributions to Unitholders

Pre-Restructuring



Post-Restructuring



Given REIT dividends are tax-free, simplification of holding structure of Embassy Manyata has positively impacted distribution to the benefit of our Unitholders

Notes:

- (1) Above structure represents simplified extract(s) of Embassy REIT's structure in relation to its ownership of Embassy Manyata asset. Refer slide 51 for Embassy REIT's detailed structure
- (2) Post restructuring, MPPL has become a 100% Holdco of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL and 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone

Financial Highlights – 4Q FY2021

NOI and EBITDA for Q4 up 33% and 22% year-on-year respectively with NOI and EBITDA margins at 83% and 76%. Distributions for Q4 stood at ₹5,308 mn

	4Q FY2021 (mn)	4Q FY2020 (mn)	Variance %	Remarks
Revenue from Operations Revenue from Operations	₹7,387	₹5,434	+36%	<ul style="list-style-type: none"> ▶ Revenue from ETV's 6.1 msf completed area ▶ Contracted rent escalations on 4.6 msf ▶ Revenue from 1.4 msf of new deliveries in 4Q FY2020 ▶ Partially offset by: <ul style="list-style-type: none"> – Decrease in commercial office revenues due to exits – Decrease in hotel revenues due to drop in occupancy
NOI Margin (%)	₹6,161 83%	₹4,618 85%	+33%	<ul style="list-style-type: none"> ▶ Increase in Revenue from Operations
EBITDA Margin (%)	₹5,627 76%	₹4,622 85%	+22%	<ul style="list-style-type: none"> ▶ Increase in NOI ▶ Partially offset by <ul style="list-style-type: none"> – One-off stamp duty expense⁽²⁾ in relation to restructuring of Embassy Manyata – Lower treasury income

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 4Q FY2021 was down 10% year-on-year
 (2) ₹229 mn has been provisioned in 4Q FY2021 consolidated financials statements towards stamp duty liability for Embassy Manyata restructuring

Strong Balance Sheet with Ample Liquidity

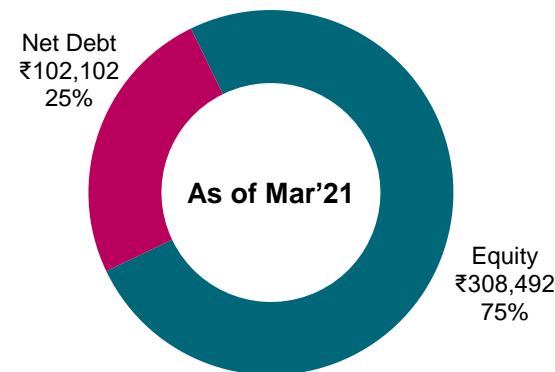
At 22% Net Debt to GAV, our conservative Balance Sheet provides flexibility to pursue growth through on-campus development and accretive acquisitions

Total Enterprise Value ('TEV')

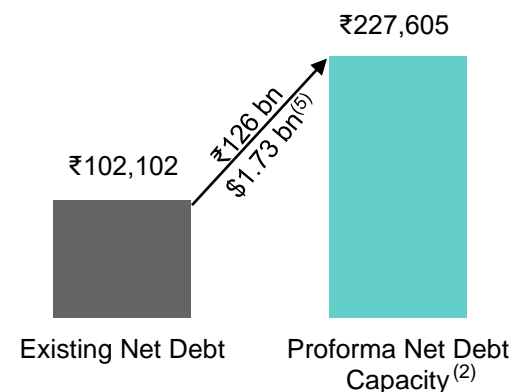
Particulars (₹ mn)	March 31, 2021
Gross Asset Value (GAV) ^(2,3)	466,051
Add: Other Assets	81,820
Less: Other Liabilities	(74,298)
Less: Gross Debt	(106,223)
Net Asset Value (NAV)	367,350
Number of Units	947,893,743
NAV per Unit (₹)	387.54

Particulars	March 31, 2021
Net Debt to GAV	22%
Net Debt to EBITDA ⁽⁴⁾	4.2x
Interest Coverage Ratio	
– <i>excluding capitalized interest</i>	3.3x
– <i>including capitalized interest</i>	3.0x
Available Debt Headroom	₹126 bn

Net Debt to Market Capitalization⁽¹⁾



Debt Headroom



Notes:

- (1) Closing price on National Stock Exchange as at March 31, 2021
- (2) Gross Asset Value (GAV) considered per Mar'21 valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually. For further details refer notes on slide 52
- (3) Given Embassy REIT owns 50% economic interest in GLSP, GAV includes fair value of equity investment in GLSP basis equity valuation method
- (4) ETV was acquired by Embassy REIT on December 24, 2020. The relevant asset SPVs and Holdco holding ETV have been consolidated from December 31, 2020, a date close to the acquisition date. Hence, Net Debt to EBITDA ratio has been computed and presented by including annualized figures for ETV based on 4Q FY2021
- (5) \$1 = ₹73

Proactive Capital Management

Successfully raised ₹52 bn in FY2021 at 6.9% and refinanced ₹32.8 bn in-place debt resulting in 336 bps interest savings

₹15,502 mn

Cash & Undrawn Committed Facilities⁽¹⁾

₹41,000 mn

Listed NCD Issuances

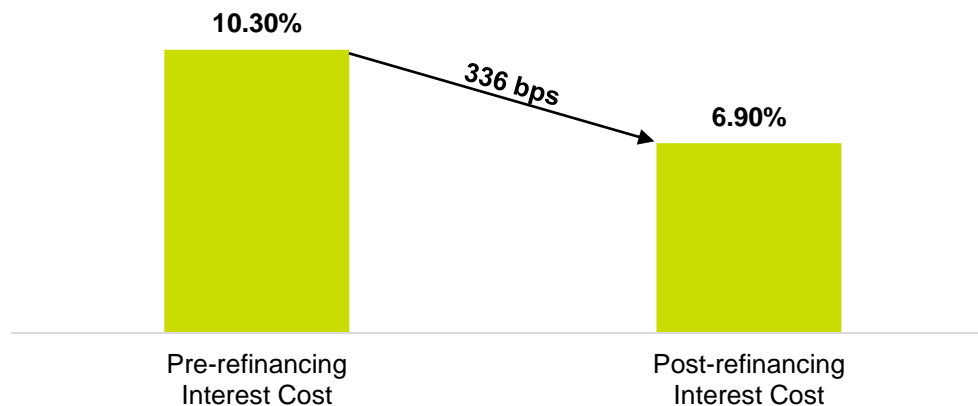
6.6%

Interest Cost for Listed NCDs

AAA / Stable

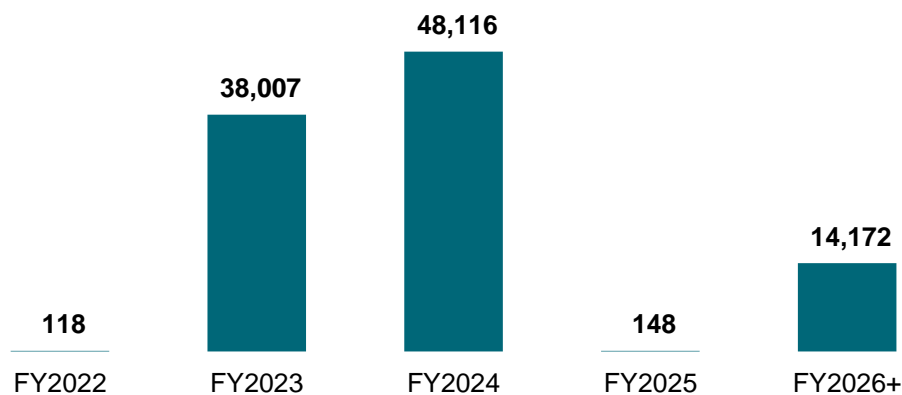
Rating of Listed NCDs by CRISIL

Lowered cost of debt by 336 bps on ₹ 32.8 bn refinancing



Principal Maturity Schedule

(Amount in ₹ mn)



Notes:

(1) Includes treasury balances, fixed deposits etc., net of 4Q FY2021 distribution of ₹5,308 mn

IX. Appendix



Embassy Galaxy, Noida

Walkdown of Key Financial Metrics

Particulars (₹mn)	4Q FY2021	4Q FY2020	Variance (%)	FY2021	FY2020	Variance (%)	
Revenue from Operations	7,387	5,434	36%	23,603	21,449	10%	NOI
Property Taxes and Insurance	(268)	(210)	28%	(849)	(771)	10%	
Direct Operating Expenses	(958)	(605)	58%	(2,431)	(2,509)	(3%)	
Net Operating Income	6,161	4,618	33%	20,323	18,170	12%	NDCF at SPV level
Other Income	290	332	(13%)	1,084	734	48%	
Dividends from Embassy GolfLinks	350	365	(4%)	915	559	64%	
Property Management Fees ⁽¹⁾	(175)	(127)	37%	(536)	(486)	10%	
Indirect Operating Expenses	(348)	(168)	107%	(708)	(661)	7%	
EBITDA	6,279	5,021	25%	21,078	18,316	15%	
Working Capital Adjustments	289	541	(47%)	418	2,429	(83%)	
Cash Taxes (net of refunds)	54	(343)	(116%)	(522)	(1,381)	(62%)	
Principal Repayment on External Debt	(27)	(91)	(70%)	(133)	(416)	(68%)	
Interest on External Debt	(521)	(364)	43%	(1,422)	(1,150)	24%	
Non-Cash Adjustments	(11)	99	(111%)	(679)	(855)	(21%)	
NDCF at SPV level	6,062	4,863	25%	18,740	16,943	11%	Distribution
Distribution from SPVs to REIT	6,062	4,885	24%	18,862	17,206	10%	
Distribution from Embassy Golflinks	-	480	(100%)	738	1,920	(62%)	
Interest on External Debt	(638)	-	NA	(914)	-	NA	
REIT Management Fees ⁽¹⁾	(54)	(56)	(3%)	(212)	(215)	(1%)	
Other Inflows at REIT level (net of expenses)	(45)	5	(1,006%)	(117)	(45)	161%	
NDCF at REIT level	5,324	5,314	0%	18,356	18,866	(3%)	
Distribution	5,308	5,317	(0%)	18,364	18,821	(2%)	

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

Portfolio Summary

32.3 msf completed Grade A office assets (88.9% occupied, 7 years WALE, 29% MTM opportunity)

Property	Completed	Development	Total	(yrs)	(%)	In-place	Market	MTM (%)	₹ mn	% of total
Embassy Manyata	11.8	3.1	14.8	6.9	93.5%	61	92	50%	173,579	37%
Embassy TechVillage	6.1	3.1	9.2	9.3	97.8%	70	92	31%	106,491	23%
Embassy GolfLinks ⁽¹⁾	2.7	-	2.7	8.0	97.2%	119	148	25%	28,053	6%
Embassy One	0.3	-	0.3	7.9	5.5%	159	147	(8%)	4,324	1%
Bangalore Sub-total	20.9	6.2	27.0	7.9	94.2%	72	103	42%	312,447	67%
Express Towers	0.5	-	0.5	3.7	91.0%	262	270	3%	18,403	4%
Embassy 247	1.2	-	1.2	3.7	82.1%	102	110	7%	16,914	4%
FIFC	0.4	-	0.4	3.0	77.5%	297	270	(9%)	13,889	3%
Mumbai Sub-total	2.0	-	2.0	3.5	83.3%	176	177	1%	49,206	11%
Embassy TechZone	2.2	3.3	5.5	4.8	88.6%	49	48	(1%)	22,827	5%
Embassy Quadron	1.9	-	1.9	4.7	49.7%	47	48	2%	12,938	3%
Embassy Qubix	1.5	-	1.5	5.0	91.1%	40	48	19%	10,414	2%
Pune Sub-total	5.5	3.3	8.8	4.8	75.9%	46	48	5%	46,179	10%
Embassy Oxygen	2.5	0.7	3.3	10.9	73.3%	47	54	14%	23,694	5%
Embassy Galaxy	1.4	-	1.4	1.9	98.5%	35	45	28%	9,028	2%
Noida Sub-total	3.9	0.7	4.6	7.8	82.1%	42	50	19%	32,722	7%
Subtotal (Office)	32.3	10.1	42.4	7.0	88.9%	71	91	29%	440,553	95%
Four Seasons at Embassy One	230 Keys	-	230 Keys	-	6.5%	-	-	-	7,278	2%
Hilton at Embassy GolfLinks	247 Keys	-	247 Keys	-	13.7%	-	-	-	3,995	1%
Hilton Hotels at Embassy Manyata	-	619 Keys	619 Keys	-	-	-	-	-	4,341	1%
Hilton Hotels at Embassy TechVillage	-	518 Keys	518 Keys	-	-	-	-	-	582	0%
Embassy Energy	100MW	-	100MW	-	-	-	-	-	9,302	2%
Subtotal (Infrastructure Assets)	477 Keys / 100MW	1,137 Keys	1,614 Keys / 100MW						25,499	5%
Total	32.3 msf/477 Keys/100MW	10.1 msf / 1,137 Keys	10.1 msf / 1,137 Keys						466,051	100%

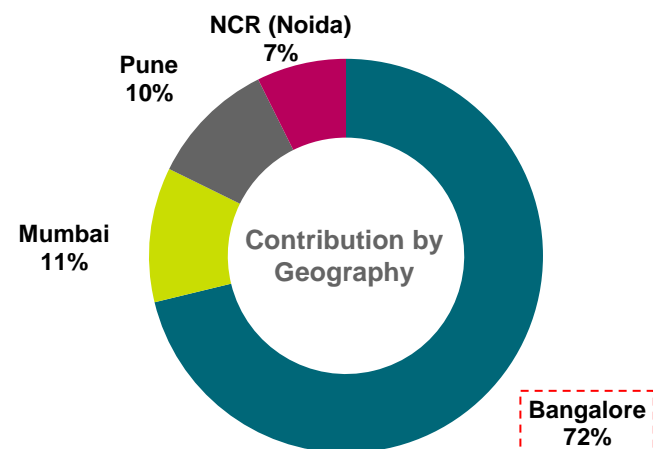
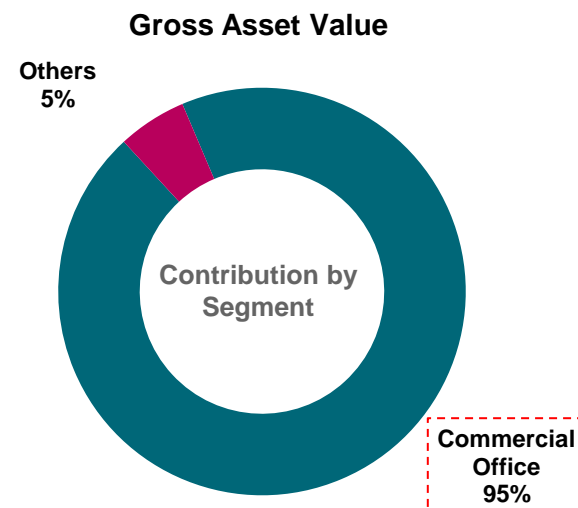
Notes:

- (1) Details included in the above table are for 100% stake in Embassy GolfLinks, except GAV which reflects Embassy REIT's 50% economic interest in GLSP
- (2) Weighted against Gross Rentals assuming occupier exercise their renewal options after the end of the initial commitment period
- (3) Gross Asset Value (GAV) considered per Mar'21 valuation undertaken by iVAS Partners represented by Mr. Manish Gupta, partner, with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually. For further details refer notes on slide 52

Valuation Contribution by Segment and Geography

Gross Asset Value of the best-in-class portfolio stood at ₹466 bn with 95% of value in commercial office segment and 72% of value in Bangalore, underpinning Embassy REIT's asset quality

Property	Segment	March 31, 2021 (₹ mn)	September 30, 2020 (₹ mn)	Variance (%)
Embassy Manyata	Commercial Office	173,579	156,439	11%
Embassy TechVillage	Commercial Office	106,491	-	NA
Embassy GolfLinks ⁽¹⁾	Commercial Office	28,053	27,428	2%
Embassy One	Commercial Office	4,324	4,532	(5%)
Express Towers	Commercial Office	18,403	17,722	4%
Embassy 247	Commercial Office	16,914	16,404	3%
FIFC	Commercial Office	13,889	13,908	(0%)
Embassy TechZone	Commercial Office	22,827	21,607	6%
Embassy Quadron	Commercial Office	12,938	13,104	(1%)
Embassy Qubix	Commercial Office	10,414	10,153	3%
Embassy Oxygen	Commercial Office	23,694	21,242	12%
Embassy Galaxy	Commercial Office	9,028	8,783	3%
Hilton at Embassy GolfLinks	Hospitality	3,995	4,375	(9%)
Four Seasons at Embassy One	Hospitality	7,278	7,545	(4%)
Hilton at Embassy Manyata	Hospitality	4,341	4,122	5%
Hilton at Embassy TechVillage	Hospitality	582	-	NA
Embassy Energy	Others	9,302	10,002	(7%)
Gross Asset Value		466,051	337,366	38%
Other Assets		81,820	67,060	
Other Liabilities		(180,521)	(115,038)	
NAV		367,350	289,388	
NAV per unit		387.54	375.02	3.3%



Notes:

(1) Details include 50% GLSP. Embassy REIT owns 50% economic interest in GLSP

Environment, Social & Governance

Focus on addressing climate change risks along with enhancing Employee Health & Safety

100 MW (AC) Solar Plant
(Reduces 200mn kg CO₂ emissions annually)



525 kW Solar Roof top at Embassy 247, Mumbai
(Awarded 'Best Green Building Project of the Year')



Environment and Safety Certificates



Received British Safety Council Certification for global benchmark in COVID-19 control measures



Subscribed to WELL's Portfolio program to create healthier office buildings and thriving business ecosystems



Granted assurance certificate on our Environment, Social & Governance processes for FY2020

Environment, Social & Governance (Cont'd)

Partnering with local communities through our Corporate Connect Program

Government School Project for 1,200 students
(in collaboration with ANZ)



Reading Room at 19 Government Schools
(Library Program)



Community Clean-up Drives
(EcoGram Waste Management Project)



Dry Ration Distribution
(For 3,500 Families)

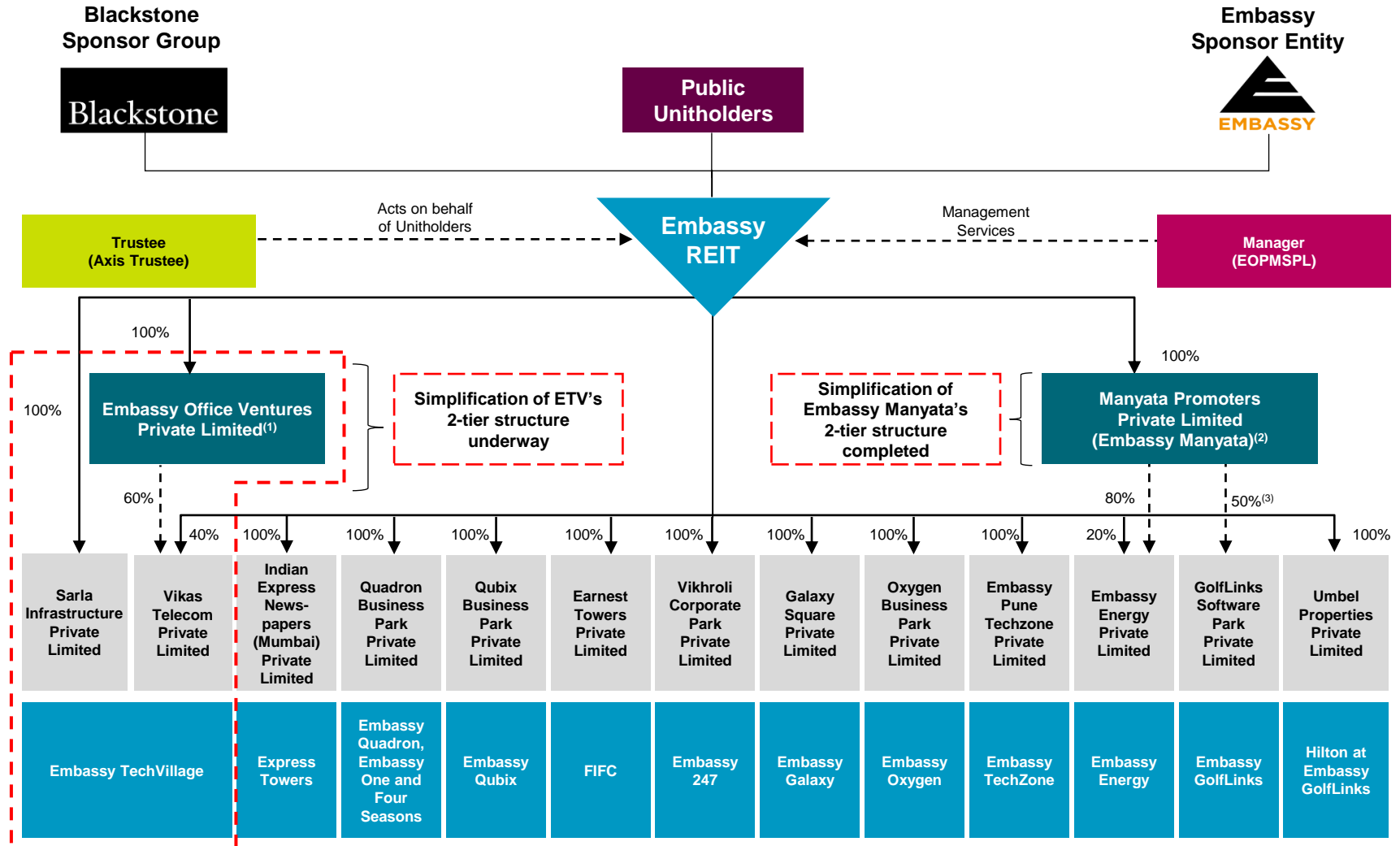


Environment, Social & Governance (Cont'd)

Embassy REIT has adopted strong corporate governance standards

Asset	<ul style="list-style-type: none">▶ Minimum 80% of value in completed and income generating▶ Minimum 90% of distributable cash flows to be distributed▶ Restrictions on vacant land acquisition
Debt	<ul style="list-style-type: none">▶ Majority unitholder approval required if debt exceeds 25% of asset value▶ Debt cannot exceed 49% of asset value
Manager	<ul style="list-style-type: none">▶ 50% independent directors on the Board, with 50% representation on key 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	<ul style="list-style-type: none">▶ Sponsors, sponsor group and associates are prohibited from voting on related party transactions (RPTs)▶ Majority Unitholder approval required for total value of RPTs in a financial year pertaining to acquisition or sale of property which exceeds 10% of REIT value▶ Acquisition or sale price of property cannot be at a price greater than 110% of average valuation of two independent valuers or at a price lower than 90% of the average of two independent valuer's valuation respectively▶ Fairness opinion from independent valuer required if leases to related parties exceed 20% of the underlying assets based on certain parameters

Embassy REIT Structure



Notes:

- (1) Does not reflect the restructuring pursuant to scheme of arrangement between VTPL and EOVP, filed before NCLT in Feb'21. Upon the scheme becoming effective, EOVP will merge into VTPL and the existing 60% investment in the share capital of VTPL held by EOVP will stand cancelled and VTPL will become a 100% directly-held SPV of Embassy REIT
- (2) Pursuant to a composite scheme of arrangement (the "Scheme") involving MPPL, EOPL and EPTPL which was approved by National Company Law Tribunal (NCLT), Mumbai bench via order dated 10 March 2021, MPPL has become a 100% Holdco of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL and 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone
- (3) Balance 50% owned by JV partner
- (4) The 100% owned entities are held jointly with nominee shareholders for the Embassy REIT

Key Terms & Definitions

Notes:

- ▶ All figures in this presentation are as of March 31, 2021
 - ▶ 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) December 31 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 Embassy REIT's 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, 2021 undertaken by IVAS Partners represented by Mr. Manish Gupta, partner, with value assessment services undertaken by CBRE
 - ▶ Key Terms and Definitions:
1. 4Q/Q4/Three Months ended – Quarter ending March 31
 2. ADR – Average Daily Rate (ADR) is a measure of the average rate charged for rooms sold and is calculated by dividing total rooms revenue for a period by the number of rooms sold during that period
 3. Annualized Rental Obligations – Defined as Gross Rentals multiplied by twelve (12)
 4. Average Occupancy – Commercial Offices - Occupied Area / Completed Area. Hotels - Occupied Rooms / Completed Rooms or Keys
 5. Base Rentals – Rental income contracted from the leasing of Completed Area; does not include fit-out & car parking income
 6. bn – Billions
 7. bps – Basis points
 8. BSE – BSE Limited
 9. CAM – Common Area Maintenance
 10. C&W – Cushman & Wakefield
 11. CAGR – Compounded Annual Growth Rate
 12. CBRE – CBRE South Asia Private Limited
 13. Completed Area – The Leasable Area of a property for which occupancy certificate has been received
 14. CRE – Corporate real estate
 15. DPU – Distribution per unit
 16. EBITDA – Earnings/ (loss) before finance costs, depreciation, amortisation, impairment loss and income tax excluding share of profit of equity accounted investee
 17. Embassy TechVillage / ETV – Comprises of the legal entities Vikas Telecom Private Limited (VTPL), Embassy Office Ventures Private Limited (EOVPL) and Sarla Infrastructure Private Limited (SIPL)
 18. Embassy Group – refers to the Embassy Sponsor or its subsidiaries or limited liability partnerships
 19. Embassy REIT refers to Embassy Office Parks REIT
 20. EOPMSPL – Embassy Office Parks Management Services Private Limited
 21. EOPPL – Embassy Office Parks Private Limited, a former holding company of Embassy REIT which has been dissolved pursuant to restructuring involving MPPL, EOPPL and EPTPL through NGLT scheme
 22. FY – Period of 12 months ended March 31 of that particular year, unless otherwise stated
 23. GAV – Gross Asset Value
 24. GCC – Global Capability Centre
 25. GLSP – GolfLinks Software Park Private Limited
 26. Grant Thornton – Grant Thornton Bharat LLP
 27. Holdco – Refers to EOPL and MPPL
 28. Investment Entity – Refers to GolfLinks Software Park Private Limited
 29. IPO – Initial Public Offering of units of Embassy Office Parks REIT
 30. Leasable Area – Total square footage that can be occupied by an 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
 31. LTM – Last twelve months
 32. Manager – Embassy Office Parks Management Services Private Limited
 33. MEP – Mechanical, Electrical & Plumbing
 34. mn – Millions
 36. MNC – Multinational Corporation
 37. msf – Million square feet
 38. MTM – Mark to Market
 39. Mumbai – Mumbai Metropolitan Region (MMR)
 40. MW – Mega-Watt
 41. NAV – Net Asset Value
 42. NCD – Non-Convertible Debentures
 43. NDCF refers to Net Distributable Cash Flows
 44. Net Debt – Gross Debt minus short term treasury investment and cash and cash equivalents
 45. NM – Not material
 46. NOI – Net Operating Income
 47. NR – Not Relevant
 48. NSE – The National Stock Exchange of India Limited
 49. NTM – Next twelve months
 50. NXT – Manyata front parcel office towers
 51. OC – Occupancy certificate
 52. Occupancy / % Occupied / % Leased – Occupancy is defined as the ratio of the Occupied Area and the Completed Area
 53. Occupied Area – Completed area of property which has been leased or rented out in accordance with an agreement entered into for the purpose
 54. Proforma DPU – DPU for FY2021 computed excluding impact of 176.23 million new units issued in 3Q FY2021 pursuant to the preferential allotment and the institutional placement of units in connection with ETV acquisition
 55. Proforma Debt Headroom – Proforma Debt Capacity (Maximum debt as per REIT Regulations) - Current Net Debt
 56. Portfolio – Together, the Portfolio Assets and the Portfolio Investment
 57. 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
 58. QoQ – Quarter on quarter
 59. REIT Regulations – Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
 60. 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 March 2021
 61. RevPAR – Revenue Per Available Room (RevPAR) is a hotel industry financial metric calculated by multiplying the Average Daily Rate by the percentage occupancy
 62. Re-leasing spread – Refers to the change in rent psf between new & expiring leases, expressed as a percentage
 63. Restructuring – Pursuant to a composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL which was approved by National Company Law Tribunal (NCLT), Mumbai bench via order dated 10 March 2021, MPPL has become a 100% Holdco of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPPL and 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone
 64. ROFO – Right of First Offer
 65. Same-Store KPIs – Same-Store KPIs represents KPIs (Occupancy/ Revenue/ NOI) from properties which are in service in both the current and prior year reporting periods adjusted to exclude straight-line & other non-cash IndAS income, as applicable, to make comparisons between periods more meaningful. For example, for 4QFY2021 and FY2021, Same-Store occupancy is computed for the portfolio excluding ETV's 6.1 msf completed area
 66. sf / psf – Square feet / per square feet
 67. Sponsor(s) – Embassy Property Developments Private Limited and BRE / Mauritius Investments
 68. SPV – Special purpose vehicles, as defined in Regulation 2(j)(zs) of the REIT Regulations, in this case being UPPL, EEPL, IENMPL, VCPPL, ETPL, QBPL, QBPPL, OBPPL, VTPL, SIPL, EPTPL and GSPL
 69. Target – Includes SIPL, EOPL & VTPL
 70. TEV – Total Enterprise Value
 71. TI / TIs – Tenant Improvement / (s)
 72. tn – Trillions
 73. Under Construction / U/C Area – Leasable Area for which internal development plans have been finalized and requisite approvals as required under law for the commencement of construction have been applied for, construction has commenced and the occupancy certificate is yet to be received
 74. Units – An undivided beneficial interest in the Embassy REIT, and such units together represent the entire beneficial interest in the Embassy REIT
 75. WALE – Weighted Average Lease Expiry (weighted according to facility rentals excluding impact of Ind-AS adjustments) assuming that each occupier exercises the right to renew for future terms after expiry of initial commitment period
 76. WFH – Work from home
 77. WIP – Work-in-progress
 78. Years – Refers to fiscal years unless specified otherwise
 79. YoY – Year on year
 80. YTD – Year to date
 81. YTM – Yield to Maturity

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EMBASSY OFFICE PARKS REIT ('Embassy REIT')
Supplemental Operating and Financial Data
for the Quarter and Financial Year Ended March 31, 2021
('Supplementary Databook')
Published on April 29, 2021

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The body of generally accepted accounting principles is commonly referred to as “GAAP.” The Manager believes that the presentation of certain non-GAAP measures provides additional useful information to investors regarding the Embassy REIT’s performance and trends related to results of operations. Accordingly, the Manager believes that when non-GAAP financial information is viewed with GAAP or Ind-AS financial information, investors are provided with a more meaningful understanding of the Embassy REIT’s ongoing operating performance and financial results. For this reason, this Supplementary Package contains information regarding EBITDA, EBITDA Margin, Net Distributable Cash Flow, Net Operating Income, and other metrics based on or derived from these metrics.

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Snapshot

as of 31-Mar-2021

Key Portfolio Information

Commercial Offices¹

Number of Completed Office buildings	92
Leasable Area (msf)	42.4
Completed Area (msf)	32.3
Under Construction Area (msf)	5.7
Proposed Development Area (msf)	4.4

Hospitality

Number of Completed Hotels	2
Number of Hotel keys	1,614
Completed (keys)	477
Under Construction (keys)	1,137

Others²

Solar Park Capacity	100MW (AC)
---------------------	------------

Key Financial Information

Closing Price (Rs. per Unit) ³	325.45
52-Week High (Rs. per Unit) ³	397.40
52-Week Low (Rs. per Unit) ³	318.65
52-Week ADTV (Units) ⁴	1,053,100
52-Week ADTV (Rs. mn) ⁴	363.60
Units Outstanding (mn)	947.89
Market Capitalization (Rs. mn) ³	308,492
Net Debt (Rs. mn)	102,102
Total Enterprise Value (Rs. mn) ⁵	410,594
NAV per unit (Rs) ⁶	387.54
Distribution for quarter ended March 31, 2021 (Rs. per Unit)	5.60
Distribution for financial year ended March 31, 2021 (Rs. per Unit) ⁷	21.48

Ratings

Embassy Office Parks REIT (Issuer Rating)	ICRA AAA (Stable) Reaffirmed on February 02, 2021
Embassy Office Parks REIT Series I NCD (Tranche I & II) ⁸	CRISIL AAA/Stable Reaffirmed on January 19, 2021
Embassy Office Parks REIT Series II NCD (Tranche A & B) ⁹	CRISIL AAA/Stable Reaffirmed on January 19, 2021
Embassy Office Parks REIT Series III NCD ¹⁰	CRISIL AAA/Stable Issued on January 19, 2021

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

²Comprises Solar Park located at Bellary district, Karnataka

³NSE as at March 31, 2021

⁴Average of units/volume traded on NSE & BSE

⁵Market Capitalization + Net Debt

⁶Refer Statement of Net Asset at Fair Value which is included as part of audited consolidated financial statement as at March 31, 2021

⁷DPU for FY2021 factors 176.23 mn new units issued pursuant to the preferential allotment and the institutional placement in connection with the ETV acquisition. However, given ETV acquisition was completed on December 24, 2020, and given relevant asset SPVs and Holdco holding ETV were consolidated from December 31, 2020, there was no corresponding increase in 3Q FY2021 distribution due to ETV acquisition. For comparability purposes, the Proforma DPU excluding 176.23 mn new units issued in Dec'20 for 3Q distributions is Rs.22.52 for FY2021

⁸ISIN|Security code - INE041007019|958770 (Tranche I) & INE041007027|959074 (Tranche II)

⁹ISIN|Security code - INE041007035|959990 (Tranche A) & INE041007043|960165 (Tranche B)

¹⁰ISIN|Security code - INE041007050|960421

Strategy

Embassy REIT aims to maximize the total return for Unitholders by targeting growth in distributions and in NAV per Unit.

The operating and investment strategies we intend to execute to achieve this goal include:

- (1) Capitalizing on our Portfolio's embedded organic growth and new development opportunities by:
 - Lease-up vacant space
 - Deliver 'on-campus' development
- (2) Disciplined acquisition strategy with strong balance sheet including:
 - Right of First Offer ('ROFO') assets to drive growth
 - Third Party acquisitions with focus on long-term growth
- (3) Proactive asset management to drive value through:
 - Proactive Property Management
 - Focus on Occupier Retention
- (4) Good Corporate Governance
 - 50% of Directors are Independent
 - Strong safeguard related to Leverage, Related Party Transactions and Unitholders' Interest

Management

Management Team of the Manager

Michael Holland - Chief Executive Officer
 Vikaash Khdloya - Deputy CEO and Chief Operating Officer
 Aravind Maiya - Chief Financial Officer
 Sachin Shah - Chief Investment Officer
 Rishad Pandole - National Leasing Co-Head
 Ritwik Bhattacharjee - Head - Capital Markets and Investor Relations
 Rajendran Subramaniam - Head - Projects
 Rajan MG - Head - Operations
 Raghu Sapra - Assistant Vice President - Hospitality
 Donnie Dominic George - General Counsel
 Deepika Srivastava - Company Secretary and Compliance Officer
 Mansi Bahl - Human Resources

Nominee Directors of the Manager

Jitendra Virwani - Managing Director, Embassy Group
 Aditya Virwani - Chief Operating Officer, Embassy Group
 Robert Christopher Heady - Head of Real Estate (Asia), The Blackstone Group¹
 Tuhin Parikh - Head of Real Estate (India), The Blackstone Group

Independent Directors of the Manager

Dr. Punita Kumar Sinha - Chairperson - Stakeholders Relationship Committee
 Vivek Mehra - Chairman - Audit Committee
 Anuj Puri - Chairman - Investment Committee
 Dr. Ranjan Pai - Chairman - Nomination & Remuneration Committee

Manager Fees

for 31-Mar-2021

(in Rs. mn)

		Financial year ended	
		31-Mar-21	31-Mar-20
Property Management Fees	3% of Facility Rentals ²	536	486
REIT Management Fees	1% of REIT Distributions	212	215
Acquisition Fees	NIL	NIL	NIL
Divestment Fees	NIL	NIL	NIL
AUM linked Fees	NIL	NIL	NIL
Total Fees (% of Revenue from Operations)		3.17%	3.27%
Total Fees (% of GAV ^{3,4})		0.20%	0.21%

Timing of Earnings Announcements

Quarterly results will be announced according to the following tentative schedule:

1Q FY2022	Week commencing Jul 26, 2021
2Q FY2022	Week commencing Oct 25, 2021
3Q FY2022	Week commencing Jan 24, 2022
4Q FY2022	Week commencing Apr 25, 2022

¹Asheesh Mohta - Head of Acquisitions (India), The Blackstone Group, has been nominated as Alternate Director

²Property management fees include 3% of facility rentals from only Commercial Office segment and does not include fees on Hospitality and Other segments

³Gross Asset Value (GAV) considered per Mar'21 and Mar'20 respectively, valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually

⁴Given ETV was acquired by Embassy REIT on December 24, 2020, Manager fees pursuant to ETV acquisition has been annualized to arrive at total fees as a percentage of GAV

Business Highlights^{1,2}

As of

	31-Mar-21		31-Mar-20	
Commercial Offices				
Completed Area (msf)	32.3		26.2	
Occupancy	88.9%		92.8%	
Same-Store Occupancy	86.8%		94.5%	
No of Occupiers	195		164	
WALE (yrs)	7.0		7.0	
Average in-place rents (Rs psf pm)	71		68	
Average Market rents (Rs psf pm) ³	91		89	
MTM opportunity	29%		30%	
	Three months ended		Financial year ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Total Lease-up	124	527	1,170	2,925
- New Lease-up ('000 sf)	50	389	581	2,351
Re-leased Area ('000 sf)	50	75	499	1,131
Re-leasing spread (%)	57%	20%	18%	53%
- Renewed Area ('000 sf)	75	138	589	574
Renewal spread (%)	1%	46%	13%	19%
Hospitality				
Completed Keys (Nos.)	477	477	477	477
Average Occupancy (%)	18%	38%	10%	42%
Average Daily Rate (ADR) (Rs.)	5,369	9,460	5,754	9,646
RevPAR (Rs.)	NM	3,592	NM	4,072
Others⁴				
Solar Energy generated (mn units)	53	56	190	186

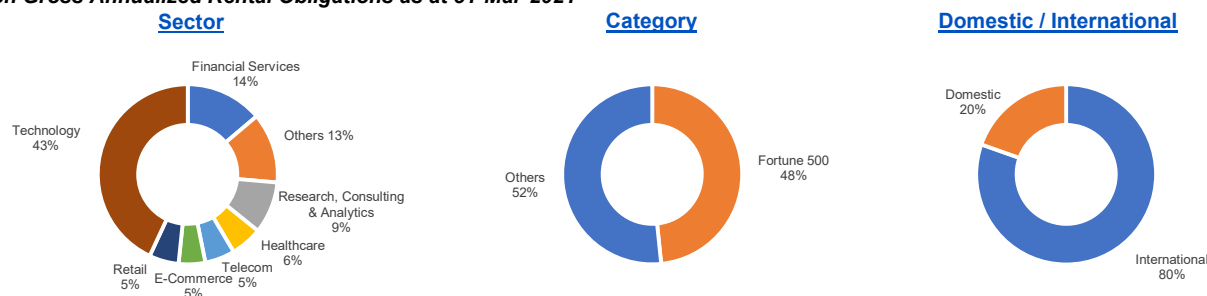
Top 10 Occupiers⁵

% of Gross Annualized Rental Obligations

Occupiers	As of 31-Mar-2021	Occupiers	As of 31-Mar-2020
Global Technology and Consulting Major	9.8%	Global Technology and Consulting Major	12.0%
Cognizant	6.9%	Cognizant	8.9%
NTT Data	3.5%	NTT Data	4.3%
Flipkart	3.3%	ANSR	3.4%
JP Morgan	3.1%	Cerner	2.5%
Wells Fargo	3.1%	PwC	2.4%
ANSR	2.8%	Google India	2.4%
Cerner	2.1%	NOKIA	2.2%
PwC	2.0%	JP Morgan	2.0%
Wework	2.0%	L&T Infotech	1.9%
Total	38.6%	Total	42.0%

Occupier Mix

Based on Gross Annualized Rental Obligations as at 31-Mar-2021



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

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

³Market rent as per CBRE assessment as of Mar'21

⁴Comprises Solar Park located at Bellary district, Karnataka

⁵Actual legal entity name may be different

Portfolio Overview

as of 31-Mar-2021

Commercial Offices

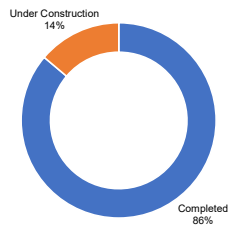
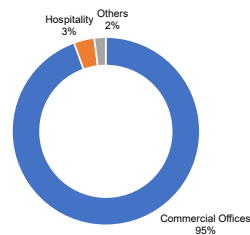
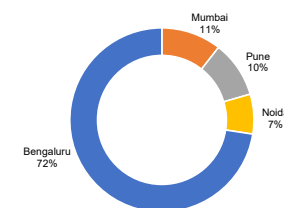
Asset	Location	Leasable Area (msf)			WALE (yrs)	Rent (Rs psf pm)			GAV ⁵ as of Mar-21 (Rs mn)				
		Completed	Under Construction	Proposed Development		Occupancy (%) ¹	In-place	Market	MTM (%)	Completed	Under Construction	% of total	
Embassy Manyata	Bengaluru	11.8	1.1	2.0	14.8	6.9	93.5%	61	92	50%	149,163	24,415	37%
Embassy TechVillage	Bengaluru	6.1	3.1	-	9.2	9.3	97.8%	70	92	31%	80,863	25,629	23%
Embassy GolfLinks ²	Bengaluru	2.7	-	-	2.7	8.0	97.2%	119	148	25%	28,053	-	6%
Embassy One	Bengaluru	0.3	-	-	0.3	7.9	5.5%	159	147	(8%)	4,324	-	1%
Bengaluru Sub-total		20.9	4.1	2.0	27.0	7.9	94.2%	72	103	42%	262,403	50,044	67%
Express Towers	Mumbai	0.5	-	-	0.5	3.7	91.0%	262	270	3%	18,403	-	4%
Embassy 247	Mumbai	1.2	-	-	1.2	3.7	82.1%	102	110	7%	16,914	-	4%
FIFC	Mumbai	0.4	-	-	0.4	3.0	77.5%	297	270	(9%)	13,889	-	3%
Mumbai Sub-total		2.0	-	-	2.0	3.5	83.3%	176	177	1%	49,206	-	11%
Embassy TechZone	Pune	2.2	0.9	2.4	5.5	4.8	88.6%	49	48	(1%)	15,869	6,958	5%
Embassy Quadron	Pune	1.9	-	-	1.9	4.7	49.7%	47	48	2%	12,938	-	3%
Embassy Qubix	Pune	1.5	-	-	1.5	5.0	91.1%	40	48	19%	10,414	-	2%
Pune Sub-total		5.5	0.9	2.4	8.8	4.8	75.9%	46	48	5%	39,221	6,958	10%
Embassy Oxygen	Noida	2.5	0.7	-	3.3	10.9	73.3%	47	54	14%	21,077	2,617	5%
Embassy Galaxy	Noida	1.4	-	-	1.4	1.9	98.5%	35	45	28%	9,028	-	2%
Noida Sub-total		3.9	0.7	-	4.6	7.8	82.1%	42	50	19%	30,105	2,617	7%
Sub-Total (Commercial Offices)		32.3	5.7	4.4	42.4	7.0	88.9%	71	91	29%	380,935	59,618	95%

Hospitality

Asset	Location	Keys			Occupancy (%) ¹	GAV ⁵ as of Mar-21 (Rs mn)			
		Completed	Under Construction	Proposed Development		Completed	Under Construction	% of total	
Hilton at Embassy GolfLinks	Bengaluru	247 Keys	-	-	247 Keys	14%	3,995	-	1%
Four Seasons at Embassy One	Bengaluru	230 Keys	-	-	230 Keys	7%	7,278	-	2%
Hilton and Hilton Garden Inn at Embassy Manyata	Bengaluru	-	619 Keys	-	619 Keys	-	-	4,341	1%
Hilton and Hilton Garden Inn at Embassy TechVillage	Bengaluru	-	-	518 Keys	518 Keys	-	-	582	0%
Sub-Total (Hospitality)		477 Keys	619 Keys	518 Keys	1,614 Keys		11,273	4,923	3%

Others³

Asset	Location	MW			Generated (mn units) ¹	Average Tariff ⁴	GAV ⁵ as of Mar-21 (Rs mn)			
		Completed	Under Construction	Proposed Development			Completed	Under Construction	% of total	
Embassy Energy	Karnataka	100MW	-	-	100MW	190	8.4	9,302	-	2%
Sub-Total (Others)		100MW	-	-	100MW			9,302	-	2%
Total		32.3 msf/477 Keys/100MW	5.7 msf/619 Keys	4.4 msf/518 Keys	42.4 msf/1,614 Keys/100MW			401,510	64,541	100%

Gross Asset Value
By Construction Status

By Asset type

By Geography

¹Represents occupancy as at March 31, 2021 for commercial offices (on completed area basis and includes only those leases for which definitive agreements have been executed). Hospitality occupancy and units generated for Embassy Energy are for year ended March 31, 2021

²Details include 100% of Embassy GolfLinks except Gross Asset Value (GAV) which reflects only our 50% economic interest in Embassy GolfLinks and accounts for only the proportionate profits of Embassy GolfLinks basis the equity method

³Comprises Solar Park located at Bellary district, Karnataka

⁴Average blended realised tariff for the period ended March 31, 2021

⁵Gross Asset Value (GAV) considered per Mar'21, valuation undertaken by IVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually

Leasing Highlights for the three months ended March 31, 2021^{1,2}

Asset	Completed Area (msf)	Occupancy at Dec'20	Area Added (msf)	Expired or Vacated (msf)	New Lease-up ³ (msf)	Occupancy at Mar'21	Vacant Area (msf)
Embassy Manyata	11.8	95.5%	-	0.3	0.0	93.5%	0.8
Embassy TechVillage	6.1	97.8%	-	0.0	0.0	97.8%	0.1
Embassy GolfLinks	2.7	97.2%	-	-	-	97.2%	0.1
Embassy One	0.3	5.5%	-	-	-	5.5%	0.2
Express Towers	0.5	87.6%	-	-	0.0	91.0%	0.0
Embassy 247	1.2	82.1%	-	0.0	-	82.1%	0.2
FIFC	0.4	77.5%	-	-	-	77.5%	0.1
Embassy TechZone	2.2	88.6%	-	0.0	-	88.6%	0.2
Embassy Quadron	1.9	61.7%	-	0.2	-	49.7%	1.0
Embassy Qubix	1.5	93.9%	-	0.0	-	91.1%	0.1
Embassy Oxygen	2.5	75.6%	-	0.1	-	73.3%	0.7
Embassy Galaxy	1.4	98.6%	-	0.0	-	98.5%	0.0
Total	32.3	90.6%	-	0.6	0.1	88.9%	3.6

Net increase/(decrease) in available space

for the three months ended March 31, 2021		Area (msf)
Vacant space available at the beginning of the period		3.0
Add		
New space added		-
Leases Expired/Area Vacated		0.6
Less		
1 st Generation Leases		-
2 nd Generation Leases		0.1
Vacant space available for lease at the end of the period		3.6
Net increase/(decrease) in available space		0.5

New Lease Analysis	Three months ended	Financial year ended	Renewal Analysis	Three months ended	Financial year ended
	31-Mar-21	31-Mar-21		31-Mar-21	31-Mar-21
New Lease-up Area ('000 sf) (A)	50	581	Renewed Area ('000 sf) (B)	75	589
Re-leased Area ('000 sf)	50	499	Renewal spread (%)	1%	13%
Releasing Spread (%)	57%	18%			
Total Lease-up Area ('000 sf) (A+B)	124	1,170			
WALE on new lease-up (Years)	9	10	WALE on renewal (Years)	5	5
New Leasing to Existing Portfolio Occupiers	100%	69%			
Pipeline Discussions ('000 sf)	c.150	NR			

Notable Deals Signed for the three months ended March 31, 2021

Occupier ⁴	Asset	City	Area ('000 sf)	Sector	Remarks
Morae Global	Embassy Manyata	Bengaluru	16	Technology	Existing Portfolio Occupier
Wework	Express Towers	Mumbai	16	Co-working	Existing Portfolio Occupier
Great West Global	Embassy TechVillage	Bengaluru	14	Financial Services	Existing Portfolio Occupier
			50		

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

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

³New Lease-up excludes renewals with existing occupiers at the end of the lease tenure

⁴Actual legal entity name may differ

Notable Deals Signed for the year ended March 31, 2021¹

Occupier ²	Asset	City	Area ('000 sf)	Sector	Quarter	Remarks
GlobalLogic	Embassy Oxygen	Noida	37	Technology	Q1	Existing Portfolio Occupier
Rockwell Automation	Embassy TechZone	Pune	36	Engineering & Manufacturing	Q1	Existing Portfolio Occupier
Philips	Embassy Manyata	Bengaluru	27	Engineering & Manufacturing	Q1	Existing Portfolio Occupier
Volkswagen	Embassy TechZone	Pune	23	Engineering & Manufacturing	Q1	Existing Portfolio Occupier
Indegene	Embassy Manyata	Bengaluru	16	Healthcare	Q1	Existing Portfolio Occupier
Luxoft	Embassy Quadron	Pune	11	Technology	Q1	New Occupier
Others	Various	Various	50	Various	Q1	Various
Sub-total			201			
ATC Tires	Embassy 247	Mumbai	36	Engineering & Manufacturing	Q2	New Occupier
Mitel	Embassy Manyata	Bengaluru	44	Telecom	Q2	Existing Portfolio Occupier
Mindtree Limited	Embassy Manyata	Bengaluru	44	Technology	Q2	New Occupier
Sub-total			124			
Telstra	Embassy Quadron	Pune	51	Telecom	Q3	Existing Portfolio Occupier
Wells Fargo	Embassy TechVillage	Bengaluru	51	Financial Services	Q3	Existing Portfolio Occupier
Maxlinear	Embassy TechVillage	Bengaluru	27	Others	Q3	Existing Portfolio Occupier
Enfusion	Embassy TechVillage	Bengaluru	26	Technology	Q3	New Occupier
Halliburton	Embassy TechVillage	Bengaluru	16	Engineering & Manufacturing	Q3	Existing Portfolio Occupier
Bain Capital	Express Towers	Mumbai	10	Financial Services	Q3	New Occupier
Others	Various	Various	26	Various	Q3	Various
Sub-total			206			
Morae Global	Embassy Manyata	Bengaluru	16	Technology	Q4	Existing Portfolio Occupier
Wework	Express Towers	Mumbai	16	Co-working	Q4	Existing Portfolio Occupier
Great West Global	Embassy TechVillage	Bengaluru	14	Financial Services	Q4	Existing Portfolio Occupier
Others	Various	Various	3	Various	Q4	Various
Sub-total			50			
Total			581			

¹Includes only those leases for which definitive agreements have been executed

²Actual legal entity name may differ

Lease Expiry Schedule^{1,2}

as of 31-Mar-2021

FY 2022

	Area Expiring (^{'000} sf)	% of Gross Rentals	In-place Rent (At Expiry - Rs psf pm)	Market Rent ³ (Rs psf pm)	MTM Opportunity (%)
Portfolio Assets					
Embassy Manyata	1,053	8%	45	94	109%
Embassy TechVillage	-	-	-	-	-
Embassy One	-	-	-	-	-
Express Towers	36	7%	229	270	18%
Embassy 247	16	2%	115	110	(4%)
FIFC	49	22%	368	270	(27%)
Embassy TechZone	52	3%	50	48	(4%)
Embassy Quadron	260	24%	42	48	15%
Embassy Qubix	227	19%	45	48	8%
Embassy Oxygen	-	-	-	-	-
Embassy Galaxy	199	18%	42	45	8%
Total - Asset Portfolio	1,894	7%	57	84	47%
Portfolio Investment					
Embassy GolfLinks	-	-	-	-	-
Total - Portfolio	1,894	6%	57	84	47%

FY 2023

	Area Expiring (^{'000} sf)	% of Gross Rentals	In-place Rent (At Expiry - Rs psf pm)	Market Rent ³ (Rs psf pm)	MTM Opportunity (%)
Portfolio Assets					
Embassy Manyata	572	4%	35	101	188%
Embassy TechVillage	7	0%	46	101	119%
Embassy One	-	-	-	-	-
Express Towers	66	18%	313	276	(12%)
Embassy 247	50	6%	113	112	(0%)
FIFC	6	2%	299	276	(8%)
Embassy TechZone	258	12%	33	50	52%
Embassy Quadron	378	42%	50	50	(0%)
Embassy Qubix	95	7%	43	50	16%
Embassy Oxygen	-	-	-	-	-
Embassy Galaxy	1,084	78%	37	47	26%
Total - Asset Portfolio	2,516	7%	48	68	43%
Portfolio Investment					
Embassy GolfLinks	25	1%	75	158	112%
Total - Portfolio	2,541	6%	48	69	44%

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

²Percentage of Gross Rentals expiring are for respective portfolio asset and portfolio investment

³Market rent on lease expiry as per CBRE assessment as of Mar'21

Lease Expiry Schedule^{1,2}

as of 31-Mar-2021

FY 2024

	Area Expiring (^{'000} sf)	% of Gross Rentals	In-place Rent (At Expiry - Rs psf pm)	Market Rent ³ (Rs psf pm)	MTM Opportunity (%)
Portfolio Assets					
Embassy Manyata	406	4%	62	109	78%
Embassy TechVillage	15	0%	110	109	(1%)
Embassy One	-	-	-	-	-
Express Towers	81	19%	278	284	2%
Embassy 247	446	46%	116	116	-
FIFC	35	11%	288	284	(1%)
Embassy TechZone	134	6%	49	52	7%
Embassy Quadron	-	-	-	-	-
Embassy Qubix	10	1%	54	52	(3%)
Embassy Oxygen	-	-	-	-	-
Embassy Galaxy	5	0%	37	49	32%
Total - Asset Portfolio	1,132	6%	105	122	17%

Portfolio Investment

Embassy GolfLinks	-	-	-	-	-
Total - Portfolio	1,132	5%	105	122	17%

FY 2025

	Area Expiring (^{'000} sf)	% of Gross Rentals	In-place Rent (At Expiry - Rs psf pm)	Market Rent ³ (Rs psf pm)	MTM Opportunity (%)
Portfolio Assets					
Embassy Manyata	873	8%	73	115	58%
Embassy TechVillage	54	1%	98	115	17%
Embassy One	-	-	-	-	-
Express Towers	17	4%	314	293	(7%)
Embassy 247	135	14%	125	119	(5%)
FIFC	22	8%	343	293	(15%)
Embassy TechZone	550	33%	53	55	4%
Embassy Quadron	-	-	-	-	-
Embassy Qubix	-	-	-	-	-
Embassy Oxygen	-	-	-	-	-
Embassy Galaxy	-	-	-	-	-
Total - Asset Portfolio	1,651	10%	82	99	21%

Portfolio Investment

Embassy GolfLinks	722	18%	100	175	75%
Total - Portfolio	2,373	8%	88	122	40%

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

²Percentage of Gross Rentals expiring are for respective portfolio asset and portfolio investment

³Market rent on lease expiry as per CBRE assessment as of Mar'21

Hospitality Highlights

as of 31-Mar-2021

Three months ended

	Hilton at Embassy GolfLinks		Four Seasons at Embassy One		Total	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Keys	247	247	230	230	477	477
Occupancy	22%	51%	13%	25%	18%	38%
Rooms Available	22,230	22,477	20,700	20,930	42,930	43,407
Rooms Sold	4,979	11,361	2,599	5,120	7,578	16,481
ADR (Rs.)	4,543	9,490	6,953	9,393	5,369	9,460
RevPAR (Rs.)	NM	4,797	NM	2,298	NM	3,592
Total Revenue (Rs. mn)	39	159	63	125	102	284
GOP Margin	NM	26%	NM	NM	NM	NM
NOI (Rs. mn)	(19)	46	(45)	(65)	(64)	(19)
EBITDA (Rs. mn)	(20)	43	(45)	(51)	(65)	(8)

Financial year ended

	Hilton at Embassy GolfLinks		Four Seasons at Embassy One		Total	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Keys	247	247	230	230	477	477
Occupancy	14%	64%	7%	17%	10%	42%
Rooms Available	90,155	90,402	83,950	77,280	174,105	167,682
Rooms Sold	12,344	57,545	5,430	13,243	17,774	70,788
ADR (Rs.)	4,920	9,509	7,651	10,238	5,754	9,646
RevPAR (Rs.)	NM	6,053	NM	NM	NM	4,072
Total Revenue (Rs. mn)	100	826	132	348	231	1,174
GOP Margin	NM	38%	NM	NM	NM	NM
NOI (Rs. mn)	(115)	324	(229)	(219)	(344)	105
EBITDA (Rs. mn)	(114)	287	(229)	(224)	(343)	63

Others¹ Highlights

	Three months ended		Financial year ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Capacity (MW)	100	100	100	100
Solar Units Generated (mn units)	53	56	190	186
Solar Units Consumed (mn units)	48	53	183	184
Average Blended Tariff (Rs. per unit) ²	8.7	8.9	8.4	8.7

¹Comprises of Solar Park located at Bellary district, Karnataka

²Average blended realised tariff

Financial Highlights¹

as of 31-Mar-2021	Three months ended			Financial year ended		
	31-Mar-21	31-Mar-20	Variance (%)	31-Mar-21	31-Mar-20	Variance (%)
<i>(in Rs. mn except for Distribution per unit which is in Rs.)</i>						
REIT Consolidated						
Revenue	7,387	5,434	36%	23,603	21,449	10%
Same-Store Revenue	4,622	4,571	1%	18,523	18,525	(0%)
NOI	6,161	4,618	33%	20,323	18,170	12%
Same-Store NOI	4,123	4,086	1%	16,805	16,443	2%
EBITDA	5,627	4,622	22%	19,693	17,647	12%
CFO	6,085	4,539	34%	18,705	16,957	10%
NDCF						
NDCF (SPV Level)	6,062	4,863	25%	18,740	16,943	11%
NDCF (REIT Level)	5,324	5,314	0%	18,356	18,866	(3%)
Total Distributions	5,308	5,317	(0%)	18,364	18,821	(2%)
Distribution per unit (DPU) ²	5.60	6.89	(19%)	21.48	24.39	(12%)
<i>Interest</i>	1.24	2.49	(50%)	7.31	9.99	(27%)
<i>Dividend</i>	2.21	0.23	863%	3.01	0.37	712%
<i>Proceeds from SPV debt amortization</i>	2.15	4.17	(48%)	11.16	14.03	(20%)
Proforma DPU ²	NA	NA	NA	22.52	NA	NA
Segment-wise						
Commercial Offices						
Revenue	6,869	4,687	47%	21,823	18,710	17%
NOI	5,837	4,202	39%	19,246	16,628	16%
Hospitality						
Revenue	102	284	(64%)	231	1,173	(80%)
NOI	(64)	(19)	236%	(344)	105	(427%)
Others³						
Revenue	416	462	(10%)	1,548	1,566	(1%)
NOI	388	435	(11%)	1,422	1,437	(1%)
Consolidated Ratios						
NOI Margin	83%	85%	(2%)	86%	85%	1%
EBITDA Margin	76%	85%	(9%)	83%	82%	1%
NDCF as % of NOI (at SPV Level)	98%	105%	(7%)	92%	93%	(1%)
Distribution Payout Ratio ⁴	100%	100%	0%	100%	100%	0%

¹Excludes contribution from Embassy GolfLinks. ETV has been consolidated from December 31, 2020 and hence figures for 4Q FY2021 include contribution from ETV

²DPU for FY2021 factors 176.23 mn new units issued pursuant to the preferential allotment and the institutional placement in connection with the ETV acquisition. However, given ETV acquisition was completed on December 24, 2020, and given relevant asset SPVs and Holdco holding ETV have been consolidated from December 31, 2020, there was no corresponding increase in 3Q FY2021 distribution due to ETV acquisition. For comparability purposes, the Proforma DPU excluding 176.23 mn new units issued in Dec'20 for 3Q distributions is Rs.22.52 for FY2021

³Comprises Solar Park located at Bellary district, Karnataka

⁴Distribution Payout is computed based on NDCF at REIT level

Selected Items (Portfolio assets and Portfolio Investment)

as of 31-Mar-2021 (in Rs. mn)	Three months ended			Financial year ended		
	31-Mar-21	31-Mar-20	Variance (%)	31-Mar-21	31-Mar-20	Variance (%)
Revenue from Operations						
<u>Portfolio Assets</u>						
Embassy Manyata	2,868	2,306	24%	10,802	8,795	23%
Embassy TechVillage ¹	1,708	-	-	1,708	-	-
Embassy One ²	14	10	48%	37	32	17%
Express Towers	378	377	0%	1,438	1,490	(3%)
Embassy 247	317	305	4%	1,322	1,375	(4%)
FIFC	251	258	(3%)	1,026	926	11%
Embassy TechZone	373	337	11%	1,408	1,498	(6%)
Embassy Quadron ²	184	349	(47%)	970	1,440	(33%)
Embassy Qubix	216	221	(2%)	873	904	(3%)
Embassy Oxygen	349	327	7%	1,436	1,379	4%
Embassy Galaxy	210	197	7%	803	870	(8%)
Hilton at Embassy GolfLinks	39	159	(75%)	100	826	(88%)
Four Seasons at Embassy One ²	63	125	(50%)	132	348	(62%)
Embassy Energy	416	462	(10%)	1,548	1,566	(1%)
Total - Asset Portfolio	7,387	5,434	36%	23,603	21,449	10%
<u>Portfolio Investment</u>						
Embassy GolfLinks ³	1,027	1,135	(10%)	4,007	3,911	2%
Net Operating Income						
<u>Portfolio Assets</u>						
Embassy Manyata	2,414	2,158	12%	9,719	8,225	18%
Embassy TechVillage ¹	1,474	-	-	1,474	-	-
Embassy One ²	0	2	(96%)	(9)	(23)	(62%)
Express Towers	350	331	6%	1,310	1,327	(1%)
Embassy 247	272	250	9%	1,169	1,176	(1%)
FIFC	240	239	0%	937	841	11%
Embassy TechZone	309	328	(6%)	1,271	1,411	(10%)
Embassy Quadron ²	137	296	(54%)	803	1,201	(33%)
Embassy Qubix	184	178	3%	751	752	(0%)
Embassy Oxygen	280	265	5%	1,140	1,054	8%
Embassy Galaxy	177	155	14%	680	662	3%
Hilton at Embassy GolfLinks	(19)	46	(142%)	(115)	324	(135%)
Four Seasons at Embassy One ²	(45)	(65)	(31%)	(229)	(219)	5%
Embassy Energy	388	435	(11%)	1,422	1,437	(1%)
Total - Asset Portfolio	6,161	4,618	33%	20,323	18,170	12%
<u>Portfolio Investment</u>						
Embassy GolfLinks ³	956	1,058	(10%)	3,696	3,585	3%

¹ETV was acquired on December 24, 2020 by Embassy REIT. The relevant asset SPVs and Holdco holding ETV have been consolidated from December 31, 2020, a date close to the acquisition date, as there are no significant transactions or events that have occurred between December 24, 2020 and December 31, 2020 and hence figures for FY2021 include contribution from ETV only for 4Q FY2021

²Embassy Quadron, Embassy One and Four Seasons at Embassy One are part of the same legal entity, namely Quadron Business Park Private Limited. Embassy One asset comprises the commercial office block (Pinnacle) (0.3 msf) and Four Seasons at Embassy One comprising 230 keys

³Details include 100% of Embassy GolfLinks. Embassy REIT owns 50% economic interest in Embassy GolfLinks and accounts for only the proportionate profits of Embassy GolfLinks basis the equity method.

Selected Items (Portfolio assets and Portfolio Investment)

<i>as of 31-Mar-2021</i>	<i>Three months ended</i>			<i>Financial year ended</i>		
(in Rs. mn)	31-Mar-21	31-Mar-20	Variance (%)	31-Mar-21	31-Mar-20	Variance (%)
NDCF (SPV Level)						
<i>Portfolio Assets</i>						
Embassy Manyata ¹	1,891	2,140	(12%)	8,553	7,941	8%
Embassy TechVillage ²	1,933	-	-	1,933	-	-
Express Towers	237	227	5%	1,104	940	17%
Embassy 247	236	261	(10%)	1,041	808	29%
FIFC	166	216	(23%)	766	809	(5%)
Embassy TechZone ¹	238	506	(53%)	1,037	1,813	(43%)
Embassy Quadron ³	137	207	(34%)	319	881	(64%)
Embassy Qubix	124	180	(31%)	622	684	(9%)
Embassy Oxygen	293	279	5%	1,005	930	8%
Embassy Galaxy	121	195	(38%)	553	596	(7%)
Hilton at Embassy GolfLinks	(25)	65	(139%)	(155)	290	(153%)
Embassy Energy	362	223	62%	1,049	693	51%
Investment Entity						
Dividends from Embassy GolfLinks ¹	350	365	(4%)	915	559	64%
NDCF (SPV Level)	6,062	4,863	25%	18,740	16,943	11%
Distributions from SPVs to Trust	6,062	4,885	24%	18,862	17,206	10%
Distributions from Embassy GolfLinks to Trust	-	480	(100%)	738	1,920	(62%)
Interest on external debt	(638)	-	NR	(914)	-	NR
REIT Management Fees	(54)	(56)	(3%)	(212)	(215)	(1%)
Trust level expenses, net of income	(45)	5	(1,006%)	(117)	(45)	161%
NDCF (REIT Level)	5,324	5,314	0%	18,356	18,866	(3%)

¹ For comparability purposes, dividends received from Embassy GolfLinks, an investment entity has been excluded from NDCF of Embassy Manyata and Embassy Techzone and is shown separately

² ETV was acquired on December 24, 2020 by Embassy REIT. The relevant asset SPVs and Holdco holding ETV have been consolidated from December 31, 2020, a date close to the acquisition date, as there are no significant transactions or events that have occurred between December 24, 2020 and December 31, 2020 and hence figures for FY2021 include contribution from ETV only for 4Q FY2021

³ NDCF for Embassy Quadron, Embassy One and Four Seasons at Embassy One are presented together as these properties are part of the same legal entity i.e. Quadron Business Park Private Limited

Guidance and Actuals

(Unless otherwise mentioned, all figures in Rs. mn except for Distribution per unit which is in Rs.)

FY2021 Guidance and Actuals	Revised guidance for FY 2021 as at 12-Feb-2021			Actuals for FY 2021
	Low	High	Mid-Point	Actuals
NOI	20,009	20,619	20,314	20,323
NDCF	18,065	18,615	18,340	18,356
Distributions	18,065	18,615	18,340	18,364
No. of Units (mn)	H1 - 772 H2 - 948	H1 - 772 H2 - 948	H1 - 772 H2 - 948	H1 - 772 H2 - 948
DPU	21.13	21.78	21.45	21.48
Proforma DPU ¹	22.16	22.83	22.49	22.52

¹DPU for FY2021 factors 176.23 mn new units issued pursuant to the preferential allotment and the institutional placement in connection with the ETV acquisition. However, given ETV acquisition was completed on December 24, 2020, and given relevant asset SPVs and Holdco holding ETV have been consolidated from December 31, 2020, there was no corresponding increase in 3Q FY2021 distribution due to ETV acquisition. For comparability purposes, the Proforma DPU excluding 176.23 mn new units issued in Dec'20 for 3Q distributions is Rs.22.52 for FY2021

Balance Sheet Highlights

as of 31-Mar-2021

As on

(in Rs. mn)

ASSETS

	31-Mar-21	31-Mar-20	Variance (%)
Property, plant and equipment	22,067	20,699	7%
Investment property	272,346	194,076	40%
Capital work-in-progress/Investment property under development	13,708	4,107	234%
Intangible assets (including Goodwill)	79,871	55,291	44%
Equity accounted investee	24,119	24,091	0%
Cash and cash equivalents including investments ¹	9,429	15,693	(40%)
Financial assets	9,370	2,550	267%
Other current & non-current assets including tax assets	19,934	18,394	8%
Total	450,844	334,902	35%

EQUITY AND LIABILITIES

Unit capital	288,262	229,121	26%
Other equity	(17,331)	(5,943)	192%
Debt	106,223	57,461	85%
Other financial liabilities	17,729	12,646	40%
Deferred tax liabilities (net)	53,296	40,407	32%
Other liabilities	2,665	1,210	120%
Total	450,844	334,902	35%

Capitalization

(in Rs. mn)

GAV ²	466,051	331,683	41%
Market Capitalization ³ (A)	308,492	270,654	14%
Net Debt (B)	102,102	47,947	113%
Total Enterprise Value (A+B)	410,594	318,601	29%
NAV per unit	387.54	374.64	3%

Leverage Ratios

Interest Coverage Ratio (including capitalized interest)	3.0x	4.0x
Interest Coverage Ratio (excluding capitalized interest)	3.3x	5.1x
Gross Debt to GAV	23%	17%
Net Debt to GAV	22%	14%
Net Debt to TEV	25%	15%
Net Debt to EBITDA ⁴	4.2x	2.7x

¹Includes short term liquid funds, fixed deposits and Q4 distributions of Rs.5,308mn & Rs.5,317mn for respective years

²Gross Asset Value (GAV) considered per Mar'21, valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually

³Closing price at NSE as at last date of respective month

⁴ETV was acquired by Embassy REIT on December 24, 2020. The relevant asset SPVs and Holdco holding ETV have been consolidated from December 31, 2020, a date close to the acquisition date. Hence, Net Debt to EBITDA ratio has been computed and presented by including annualized figures for ETV based on 4Q FY2021.

Walkdown of Financial Metrics

(in Rs. mn)	Three months ended			Financial year ended		
	31-Mar-21	31-Mar-20	Variance (%)	31-Mar-21	31-Mar-20	Variance (%)
SPV Level						
Facility Rentals	5,499	4,045	36%	18,476	16,690	11%
Income from Hotels	102	284	(64%)	231	1,173	(80%)
Income from Generation of Renewable Energy	416	462	(10%)	1,548	1,566	(1%)
Maintenance Services and Other Operating Income	1,370	642	113%	3,348	2,020	66%
Revenue from Operations	7,387	5,434	36%	23,603	21,449	10%
Property Taxes	(240)	(195)	23%	(767)	(704)	9%
Insurance	(28)	(15)	85%	(82)	(67)	22%
Direct Operating Expenses	(958)	(605)	58%	(2,431)	(2,509)	(3%)
Net Operating Income (NOI)	6,161	4,618	33%	20,323	18,170	12%
Property Management Fees ²	(175)	(127)	37%	(536)	(486)	10%
Repairs to Buildings	(72)	(6)	1,092%	(127)	(76)	67%
Other Indirect Operating Expenses	(276)	(162)	71%	(581)	(585)	(1%)
Dividends from Embassy GolfLinks	350	365	NR	915	559	64%
Other Income	290	332	(13%)	1,084	734	48%
EBITDA	6,279	5,021	25%	21,078	18,316	15%
Working Capital changes	289	541	(47%)	418	2,429	(83%)
Cash Taxes, net of refunds	54	(343)	NR	(522)	(1,381)	(62%)
Principal Repayment on external debt	(27)	(91)	(70%)	(133)	(416)	(68%)
Interest on external debt	(521)	(364)	43%	(1,422)	(1,150)	24%
Non-Cash Adjustments	(11)	99	NR	(679)	(855)	(21%)
NDCF (SPV Level)	6,062	4,863	25%	18,740	16,943	11%
Distributions from SPVs to Trust	6,062	4,885	24%	18,862	17,206	10%
Distributions from Embassy GolfLinks to Trust	-	480	(100%)	738	1,920	(62%)
Interest on external debt	(638)	-	NR	(914)	-	NR
REIT Management Fees ³	(54)	(56)	(3%)	(212)	(215)	(1%)
Trust level expenses, net of income	(45)	5	NR	(117)	(45)	161%
NDCF (REIT Level)	5,324	5,314	0%	18,356	18,866	(3%)
Distribution from Embassy REIT	5,308	5,317	(0%)	18,364	18,821	(2%)
Interest	1,175	1,921	NR	6,217	7,709	NR
Dividend	2,095	177	NR	2,716	286	NR
Proceeds from Amortization of SPV level debt	2,038	3,218	NR	9,431	10,826	NR

SPV Level¹

REIT Level

¹Walkdown of Financial Metrics upto 'NDCF (SPV Level)' represents financial numbers of all SPV's consolidated excluding Embassy REIT's standalone numbers

²Property management fees includes 3% of facility rentals from only Commercial Office segment and does not include fees on Hospitality and Other segments

³REIT Management Fees is 1% of Embassy REIT distributions

Debt Analysis

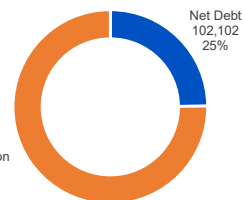
as of 31-Mar-2021

Debt Maturity Schedule (Rs. mn)

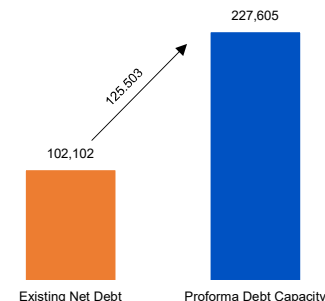
Description	Rating	Fixed/ Floating	Total Facility	Balance Facility	Outstanding Principal	Amortized Cost	Interest Rate	Maturity Date	Principal Repayment Schedule					
									FY22	FY23	FY24	FY25	FY26 & Beyond	Total
At REIT														
Embassy Office Parks REIT Series I NCD (Tranche I)	CRISIL AAA/Stable	Fixed	30,000	-	30,000	35,504	9.40%	Jun-22 ¹	-	30,000	-	-	-	30,000
Embassy Office Parks REIT Series I NCD (Tranche II)	CRISIL AAA/Stable	Fixed	6,500	-	6,500	7,276	9.05%	Jun-22 ¹	-	6,500	-	-	-	6,500
Embassy Office Parks REIT Series II NCD (Tranche A)	CRISIL AAA/Stable	Fixed	7,500	-	7,500	7,382	7.25%	Oct-23 ²	-	-	7,500	-	-	7,500
Embassy Office Parks REIT Series II NCD (Tranche B)	CRISIL AAA/Stable	Fixed	7,500	-	7,500	7,438	6.70%	Oct-23 ²	-	-	7,500	-	-	7,500
Embassy Office Parks REIT Series III NCD	CRISIL AAA/Stable	Fixed	26,000	-	26,000	25,719	6.40%	Feb-24 ³	-	-	26,000	-	-	26,000
At SPV														
Construction Finance (Embassy Manyata)	CRISIL AAA/Stable	Floating	8,400	3,216	5,184	5,180	8.20%	Sep-23	-	-	5,184	-	-	5,184
Construction Finance (Embassy Manyata)	CRISIL AAA/Stable	Floating	6,000	4,215	1,785	1,726	8.15%	Mar-24	-	-	1,785	-	-	1,785
Term Loan (Embassy TechVillage)	CARE AAA/Stable	Floating	7,500	-	7,484	7,450	7.05%	Oct-25	53	75	75	75	7,206	7,484
Term Loan (Embassy TechVillage)	CARE AAA/Stable	Floating	7,500	250	7,235	7,199	7.15%	Oct-25	51	73	73	73	6,966	7,235
Construction Finance (Embassy TechVillage)	CRISIL AA/Stable	Floating	3,000	1,800	1,196	1,178	7.90%	Feb-23	-	1,196	-	-	-	1,196
Term Loan (Embassy Oxygen)	CRISIL AA+/Stable	Floating	2,000	1,900	100	94	7.30%	Feb-23	-	100	-	-	-	100
Others ⁴	-	-	NM	-	77	77	NM	Various	14	63	-	-	-	77
Total			111,900	11,381	100,561	106,223	7.81%		118	38,007	48,116	148	14,172	100,561

Gross Debt	106,223
Less: Cash and Cash Equivalents including investments ⁵	4,120
Net Debt	102,102

Net Debt to TEV (Rs. mn)



Proforma Debt Headroom (Rs. mn)⁶



Leverage Ratios

as of 31-Mar-2021

Particulars	31-Mar-21	31-Mar-20
Gross Debt to GAV	23%	17%
Net Debt to GAV	22%	14%
Net Debt to TEV	25%	15%
Proforma Debt Headroom (Rs. mn)	125,503	113,629

¹Embassy REIT has option to redeem all or part of the debentures on a pro-rata basis at any time on a specified call option date (between May'21 to May'22) subject to terms of the Debenture Trust Deed

²Embassy REIT has option to redeem all or part of the debentures on a pro-rata basis at any time on a specified call option date (between Mar'23 to Sep'23) subject to terms of the Debenture Trust Deed

³Embassy REIT has option to redeem all or part of the debentures on a pro-rata basis at any time on a specified call option date (between Jul'23 to Jan'24) subject to terms of the Debenture Trust Deed

⁴Others includes vehicle loans

⁵Includes short term liquid funds, fixed deposits net of Q4 distributions of Rs.5,308mn

⁶Computed basis Gross Asset Value (GAV) considered per Mar'21, valuation undertaken by IVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually

Valuation Highlights (Rs.mn)

as of 31-Mar-2021

Asset	Leasable Area (msf)/Keys/MW			Valuation Assumptions ^{1,2}				GAV ^{1,2} as of Mar-21 (Rs. mn)		
	Completed	Proposed/ U/C	Total	Discount Rate Completed	Discount Rate U/C	Cap Rate/ EBITDA Multiple	Rent/ ADR/Tariff Rate ⁵	Completed	Proposed/ U/C	Total
Commercial Assets										
Embassy Manyata	11.8	3.1	14.8	11.70%	13.00%	8.00%	92	149,163	24,415	173,579
Embassy TechVillage	6.1	3.1	9.2	11.70%	13.00%	8.00%	92	80,863	25,629	106,491
Embassy GolfLinks ³	2.7	-	2.7	11.70%	NA	8.00%	148	28,053	-	28,053
Embassy One	0.3	-	0.3	11.70%	NA	7.50%	147	4,324	-	4,324
Express Towers	0.5	-	0.5	11.70%	NA	7.50%	270	18,403	-	18,403
Embassy 247	1.2	-	1.2	11.70%	NA	8.00%	110	16,914	-	16,914
FIFC	0.4	-	0.4	11.70%	NA	7.75%	270	13,889	-	13,889
Embassy TechZone	2.2	3.3	5.5	11.70%	13.00%	8.25%	48	15,869	6,958	22,827
Embassy Quadron	1.9	-	1.9	11.70%	NA	8.25%	48	12,938	-	12,938
Embassy Qubix	1.5	-	1.5	11.70%	NA	8.25%	48	10,414	-	10,414
Embassy Oxygen	2.5	0.7	3.3	11.70%	13.00%	8.25%	54	21,077	2,617	23,694
Embassy Galaxy	1.4	-	1.4	11.70%	NA	8.25%	45	9,028	-	9,028
Sub-Total (Commercial Offices)	32.3	10.1	42.4					380,935	59,618	440,553
Hospitality Asset										
Hilton at Embassy GolfLinks	247 Keys	-	247 Keys	12.38%	-	14.0x	9,000	3,995	-	3,995
Four Seasons at Embassy One	230 Keys	-	230 Keys	12.38%	-	14.0x	11,000	7,278	-	7,278
Hilton and Hilton Garden Inn at Embassy Manyata	-	619 Keys	619 Keys	-	13.60%	14.0x	8,000	-	4,341	4,341
Hilton and Hilton Garden Inn at Embassy TechVillage	-	518 Keys	518 Keys	-	13.60%	14.0x	5,500	-	582	582
Sub-Total (Hospitality)	477 Keys	1,137 Keys	1,614 Keys					11,273	4,923	16,196
Others⁴										
Embassy Energy	100MW	-	100MW	13.50%	-	NA	8.5	9,302	-	9,302
Sub-Total (Others)	100MW	-	100MW					9,302	-	9,302
Total	32.3 msf/477 Keys/100MW	10.1 msf/1,137 Keys	42.4 msf/1,614 Keys/100MW					401,510	64,541	466,051
% Split								86%	14%	100%

¹Gross Asset Value (GAV) considered per Mar'21 valuation undertaken by IVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually.

²Given the COVID-19 related uncertainties, the independent valuers have, as a precautionary measure, referenced material valuation uncertainty in arriving at their valuation as at Mar'21

³Details include 50% Embassy GolfLinks except leasable area. Embassy REIT owns 50% economic interest in Embassy GolfLinks and accounts for only the proportionate profits of Embassy GolfLinks basis the equity method

⁴Comprises of Solar Park located at Bellary district, Karnataka

⁵ADR/ Tariff Rates presented on a stabilised basis. ADR/Tariff Rates assumed by valuers for initial 8 quarters are lower. Please refer valuation report for further details

Development in Progress¹

as of 31-Mar-2021

Asset	Projects	Development		Pre-committed/Leased		Occupier	Estimated Completion Date	Balance cost to be spent (Rs. mn)
		Area (msf)	Keys	Area (%)				
Base-Build Projects (Completed)								
Embassy Manyata	NXT Blocks	0.8	NA	72%		ANSR, Mitel, WeWork	Completed	302
Embassy Oxygen	Tower 2	0.6	NA	43%		MetLife	Completed	182
Total (Completed)		1.4	-	60%				484
Base-Build Projects (Under Construction)								
Embassy Manyata	Front Parcel - Hilton Hotels	NA	619	NA		NA	Jun-22	4,105
Embassy Manyata ²	M3 Block A	1.0	NA	-		-	Dec-22	2,084
Embassy TechVillage	Parcel 9 - JPM BTS	1.1	NA	100%		JP Morgan	Sep-21	1,499
Embassy TechVillage	Block 8	1.9	NA	-		-	Mar-24	7,783
Embassy TechZone	Hudson Block	0.5	NA	-		-	Jun-22	1,226
Embassy TechZone	Ganges Block	0.4	NA	-		-	Jun-22	1,241
Embassy Oxygen	Tower 1	0.7	NA	-		-	Mar-23	2,276
Sub-total		5.7	619	19%				20,213
Infrastructure and Upgrade Projects³								
Embassy Manyata	Flyover	NA	NA	NA		NA	Jun-21	902
Embassy Manyata	Master Plan Upgrade	NA	NA	NA		NA	Sep-22	1,085
Embassy TechVillage	Master Plan Upgrade	NA	NA	NA		NA	Mar-24	1,543
Embassy TechZone	Master Plan Upgrade	NA	NA	NA		NA	Jun-21	414
Embassy Quadron	Master Plan Upgrade	NA	NA	NA		NA	Sep-21	218
Others ⁴	Various	NA	NA	NA		NA	Various	3,992
Sub-total		NA	NA	NA		NA		8,153
Total (Under Construction)		5.7	619					28,850

Proposed Development (as of March 31, 2021)

Asset	Projects	Development		Remarks
		Area (msf)	Keys	
Base-Build Projects				
Embassy Manyata	L4 Block	0.7	NA	Design finalized
Embassy Manyata	F1 Block	0.7	NA	Design to be initiated
Embassy Manyata ²	M3 Block B	0.6	NA	Design finalized, excavation and plan sanction underway
Embassy TechVillage	Hilton Hotels	NA	518	Design finalized, independent feasibility assessment underway
Embassy TechZone	Blocks 1.4, 1.9 & 1.10	2.4	NA	Design to be initiated
Total		4.4	518	

Refer page no. 22 for detailed footnotes

Development in Progress (Cont'd)

Notes:

¹Excludes GolfLinks as it is a portfolio investment

²Manyata Promoters Private Limited ('MPPL') and Embassy Property Developments Private Limited ('EPDPL') entered into a co-development agreement on March 8, 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.6,510mn to EPDPL, of which Rs.6,094mn has already been paid as of March 31, 2021. 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.40mn to EPDPL along with an estimated cost of such conversion from bare shell to warm shell of Rs.1,706mn, of which Rs.40mn towards development management fees has already been paid as of March 31, 2021 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.8,256mn, of which Rs.6,134mn has already been paid as of March 31,2021 and balance is to be disbursed linked to achievement of development milestones. EPDPL is obligated to obtain Occupancy Certificate (OC) for the buildings by Dec'19. In case of any delay in obtaining the OC beyond the agreed delivery date, EPDPL is obligated to pay a rental compensation of Rs.57mn 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 Dec'22.

During the year ended March 31, 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 March 31, 2022 for a total consideration of Rs.6,767mn to EPDPL, of which Rs.4,256mn has already been paid as of March 31, 2021 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 Sep'23. MPPL is obligated to pay a development management fees of Rs.20mn and an estimated cost of conversion of Rs.580mn 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.7,367mn, of which Rs.4,256mn has already been paid as of March 31,2021 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.

As per terms of both of these co-development agreements, consideration is contingent on pre-defined Net Operating Income achieved and therefore consideration will be trued up/down accordingly upon project completion and achieving leasing milestones

³Over the next 3 years

⁴Includes select infrastructure and upgrade projects across the portfolio

ETV Acquisition Financing

Asset overview

Name	Location	Ownership	Agreed Enterprise Value(Rs. mn)	Leasable Area (msf)	Occupancy at Mar'21
Embassy TechVillage	Bengaluru	100%	97,824	9.2	97.8%

Net acquisition cost

(in Rs. mn)

Enterprise Value	97,824
Closing Adjustments ⁽¹⁾	(213)
Net Acquisition Cost	97,611

Sources and Uses

Sources of Funds	(Rs. million)	Uses of Funds	(Rs. million)
Equity Issuance		Consideration to Embassy and Blackstone entities	
Institutional Placement ⁽²⁾	36,852	Embassy group	21,986
Preferential Issue ⁽³⁾	23,147	Blackstone Entities	10,972
Debt Issuance⁽⁴⁾	26,000	Units Issued to Sellers	
In-place Target Net Debt	11,612	Third-party Shareholders	23,147
		Debt Repayment, General Corporate Purposes and Transaction Expenses⁽⁵⁾	29,894
		Target Net Debt Rolled over	11,612
Total Sources of Funds	97,611	Total Uses of Funds	97,611

(1) Net acquisition cost of Rs. 97,611 mn arrived at after adjusting for closing adjustments such as security deposits and other balance sheet items. Net Acquisition Cost = Enterprise Value - Security Deposits + Transaction Expenses + Other Adjustments

(2) Issue of Units through an Institutional Placement aggregating to Rs.36,852.02 million, comprising 111.34 million Units at a price of Rs.331.00 per Unit to institutional investors

(3) Issue of Units through a Preferential Issue of 64.89 million units at a price of Rs.356.70 per unit to the third party shareholders of VTPL aggregating to Rs. 23,147.33 million as consideration for the transfer of their shareholding to the Embassy REIT

(4) Series III NCD issued by Embassy REIT on January 15, 2021 amounting to Rs. 26,000 million at a quarterly coupon of 6.40% p.a

(5) Includes amounts aggregating to Rs.389 million from the proceeds of equity and debt issuance which is pending utilization as at March 31, 2021

Potential ROFO Assets (as of March 31, 2021)

Embassy Sponsor ROFO assets

	Embassy Splendid Techzone	Embassy Knowledge Park	Embassy Concord
Location	Thoraipakkam-Pallavaram Radial Road, Chennai	Bellary Road, Bengaluru	Whitefield, Bengaluru
Land area (in acres)	NA	Approx 204.3	Approx 60.6
Project Status	Operational and Under Construction	Land Acquired	Land Acquired
Leasable Area (in msf)	c.5.0	c.17.7	c.8.5
Completed Area (in msf)	c.1.0	-	-
Occupancy ²	c. 48%	-	-
Under Construction Area (in msf)	c.2.0	-	-
Pre-committed Area (%)	24%	-	-
Proposed Development Area (in msf)	c.2.0	c.17.7	c.8.5

Other ROFO assets

	Embassy Whitefield ¹
Location	ORR, Embassy TechVillage Campus, Bengaluru
Land area (in acres)	c. 19.39
Project Status	Under Construction
Leasable Area (in msf)	Upto 4.2
Completed Area (in msf)	-
Occupancy ²	-
Under Construction Area (in msf)	c. 1.7
Pre-committed Area (%)	46%
Proposed Development Area (in msf)	c. 2.5
No. of Hotel Keys	-

¹Acquisition of ETV by the Embassy REIT excluded approximately 19.39 acres being developed by Embassy Commercial Projects (Whitefield) Private Limited ("Embassy Whitefield"), an entity which is owned by certain Blackstone entities and certain third-party shareholders, which area has been leased by VTPL to Embassy Whitefield on a long-term basis. The Embassy REIT has been granted a right of first offer in respect of the controlling interest in Embassy Whitefield by the shareholders of Embassy Whitefield

²Occupancy as at Mar'21

Equity Research Coverage

Firm	Analyst	Contact
Ambit Capital	Karan Khanna	karan.khanna@ambit.co
Axis Capital	Aditya Bagul	Aditya.bagul@axiscap.in
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HSBC Securities	Puneet Gulati	Puneetgulati@hsbc.co.in
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Nirmal Bang	Amit Agarwal	Amit.agarwal@nirmalbang.com
UBS Securities	Sourabh Taparia	sourabh.taparia@ubs.com

NOTES

1. All figures in this presentation are as of March 31, 2021 unless specified otherwise
2. All figures corresponding to year denoted with "FY" are as of or for the one-year period ended (as may be relevant) 31st March of the respective year
3. Some of the figures in this Supplementary Databook have been rounded-off to the nearest decimal for the ease of presentation.
4. All details included in this Supplementary Databook considers 100% stake in GLSP unless otherwise stated. However, Embassy REIT owns 50% economic interest in GLSP and accounts for only the proportionate profits of GLSP basis the equity method. Accordingly, its revenues are not consolidated into Embassy REIT Revenue from Operations. Also, Market Value or GAV reflects only Embassy REIT 50% economic interest.
5. During the quarter ended December 31, 2020, Embassy REIT acquired VTPL, EOVP and SIPL by acquiring all of the equity interest held by the Embassy Sponsor, Blackstone group and certain other third party shareholders ("ETV Acquisition"). The acquisition of equity interest in the SPVs and Holdco has been done by unit capital issuance of Rs. 59,999.35 million comprising (i) issue of Units through a preferential issue of 64.89 million units at a price of Rs.356.70 per unit to the third party shareholders aggregating to Rs. 23,147.33 million as consideration for the transfer of their shareholding to the Embassy REIT ("Preferential Issue) and (ii) issue of Units through an institutional placement aggregating to Rs.36,852.02 million, comprising 111.34 million Units at a price of Rs.331.00 per Unit ("Institutional Placement).
6. GAV considered per Mar'21 valuation of the portfolio undertaken by IVAS Partners, represented by Mr Manish Gupta, in conjunction with value assessment services undertaken by CBRE.

GENERAL TERMS, DEFINITIONS AND ABBREVIATIONS

Terms, Definitions and Abbreviations	Description
3Q/Q3	Quarter ending December 31
4Q/Q4/Three Months ended	Quarter ending March 31
1 st Generation Leases	1 st generation leases are defined as leases for space that has been leased for the 1 st time
2 nd Generation Leases	2 nd generation leases are defined as leases for space that had previously been leased
ADR	Average Daily Rate (ADR) is a measure of the average rate charged for rooms sold and is calculated by dividing total rooms revenue for a period by the number of rooms sold during that period
ADTV	Average daily trading volume
Annualized Rental Obligations	Annualized Rental Obligations is defined as Gross Rentals multiplied by twelve (12).
AUM	Assets under Management
Average Occupancy	Commercial Offices - Occupied Area / Completed Area Hotels - Occupied Rooms or Keys / Completed Rooms or Keys
BSE	BSE Limited
CAM	Common Area Maintenance
CFO/Cash flows from operating activities	Cash flows from Operating activities is computed in accordance with the requirements of Ind-AS 7 – Statement of Cash Flows
Commercial Offices	Together the Portfolio Assets excluding EEPL, UPPL, Hilton and Hilton Garden Inn at Embassy Manyata and Embassy TechVillage and Four Seasons at Embassy One and the Portfolio Investment. For details, refer to Portfolio Overview
Completed Area (sf)	Leasable Area for which occupancy certificate has been received and includes area for which construction has been completed and occupancy certificate is awaited
COVID-19	Coronavirus disease (COVID-19) pandemic
Current Portfolio	Refers to Embassy REIT's enlarged portfolio of 42.4 msf post factoring ETV acquisition on December 24, 2020
EBITDA	Earnings/ (loss) before finance costs, depreciation, amortisation, impairment loss and income tax excluding share of profit of equity accounted investee.
Embassy Office Parks Group	Embassy Office Parks Group is comprised of the Embassy Office Parks REIT and the SPVs and holdcos
Embassy REIT	Embassy Office Parks REIT, set up on March 30, 2017 as an irrevocable trust under provisions of the Indian Trusts Act, 1882 and registered with SEBI as a real estate investment trust under the REIT Regulations
Embassy TechVillage / ETV	Comprises of the legal entities Vikas Telecom Private Limited (VTPL), Embassy Office Ventures Private Limited (EOVPL) and Sarla Infrastructure Private Limited (SIPL)
EOPPL	Embassy Office Parks Private Limited, a former holding company of the Embassy REIT, which has been dissolved pursuant to the restructuring involving MPPL, EOPPL and EPTPL through an NCLT scheme
Fiscal or FY or Financial Year	Year ending March 31
GAV	Gross Asset Value
GOP	Gross Operating Profit
Gross Rentals	Gross Rentals is the sum of monthly Base Rentals, fit-out and car parking income from Occupied Area, as of the last day of the reporting period
Initial Portfolio	Initial portfolio refers to Embassy REIT's portfolio of 33.3 msf prior to ETV acquisition in Dec'20.
In-place Rent (psf per month)	Base Rent for the month of Mar'21
Manager	Embassy Office Parks Management Services Private Limited (EOPMSPL)
Market Capitalization	It is the Market value of a publicly traded company's outstanding shares
mn	Million
msf	Million square feet
MTM Opportunity	Mark to market Opportunity
NDCF	Net Distributable Cash Flow. NDCF is a significant performance metric, the framework for which is adopted by the Manager in line with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 issued by SEBI on September 26, 2014, as amended from time to time and any circulars and guidelines issued thereunder. The Manager believes this metric serves as a useful indicator of the REIT's expected ability to provide a cash return on investment. NDCF does not have a standardized meaning and is not a recognized measure under Ind AS or IFRS, and may not be comparable with measures with similar names presented by other companies. NDCF should not be considered by itself or as a substitute for net income, operating income or cash flow from operating activities or related margins or other measures of operating performance, liquidity or ability to pay dividends.
NA	Not Applicable
NM	Not Material
NOI	Net Operating Income calculated by subtracting Direct Operating Expenses from Revenue from Operations. NOI does not have a standardised meaning, nor is it a recognized measure under Ind AS or IFRS, and may not be comparable with measures with similar names presented by other companies. NOI should not be considered by itself or as a substitute for comparable measures under Ind AS or IFRS or other measures of operating performance, liquidity or ability to pay dividends. Our NOI may not be comparable to the NOI of other companies/REITs due to the fact that not all companies/REITs use the same definition of NOI. Accordingly, there can be no assurance that our basis for computing this non-GAAP measure is comparable with that of other companies/REITs.
NR	Not Relevant
NSE	National Stock Exchange of India Limited
OC	Occupancy Certificate
Occupied Area	The Completed Area of a property which has been leased or rented out in accordance with an agreement entered into for the purpose
Portfolio	Together, the Portfolio Assets and the Portfolio Investment
Portfolio Assets and Asset SPVs and holdcos (together the Asset Portfolio)	All the Portfolio Assets together are referred to as the Asset Portfolio
Portfolio Investment/Embassy GolfLinks	Embassy GolfLinks Software Park Private Limited or GLSP or Embassy GolfLinks or Investment Entity which owns Embassy GolfLinks Business Park. GLSP is classified as Portfolio Investment as defined under regulation 18(5)(d) as per REIT Regulations and is not considered as a SPV as per REIT regulations. Accordingly, it is not required to comply with the investment and distribution policy as required under REIT regulations. While GLSP is not a SPV, considering that it is a significant portfolio investment, the Manager has provided additional disclosures for GLSP. Embassy REIT owns 100% in MPPL which holds 50% of the equity shareholding in GLSP. All numbers presented for Embassy GolfLinks in this report represent the entity as a whole and are not pro-rated to 50% unless otherwise specified
Proforma Debt Headroom	Proforma Debt Capacity (Maximum debt as per REIT Regulations) - Current Net Debt
Proforma DPU	DPU for FY2021 computed excluding impact of 176.23 million new units issued in 3Q FY2021 pursuant to the preferential allotment and the institutional placement of units in connection with ETV acquisition
Proposed Development Area (sf)	Leasable Area of a property for which the master plan for development has been obtained, internal development plans are yet to be finalized and applications for requisite approvals required under law for commencement of construction are yet to be made
psf pm	per sf per month
Re-leasing spread	Refers to the change in rent per square foot between new and expiring leases, expressed as a percentage
Restructuring	Pursuant to a composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL which was approved by National Company Law Tribunal (NCLT), Mumbai bench via order dated 10 March 2021, MPPL has become a 100% Holdco of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL and 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone
RevPAR	Revenue Per Available Room (RevPAR) is a hotel industry financial metric calculated by multiplying the Average Daily Rate by the percentage occupancy
ROFO	Right of First Offer
Rs.	Indian rupees
Same-Store KPIs	Same-Store KPIs represents KPIs (Occupancy/ Revenue/ NOI) from properties which are in service in both the current and prior year reporting periods to make comparisons between periods more meaningful. For example, for 4QFY2021 and FY2021, Same-Store occupancy is computed for the portfolio excluding ETV's 6.1 msf completed area
sf	Square feet
Sponsors	Embassy Property Developments Private Limited (EPDPL) and BRE/Mauritius Investments
Target	SIPL, EOVP and VTPL
TEV	Total Enterprise Value
TI	Tenant Improvement
Trustee	Axis Trustee Services Limited
Under construction area (sf)	Leasable Area for which internal development plans have been finalized and requisite approvals as required under law for the commencement of construction have been applied for, construction has commenced and the occupancy certificate is yet to be received
WALE	Weighted Average Lease Expiry (weighted according to facility rentals excluding impact of Ind-AS adjustments) assuming that each occupier exercises the right to renew for future terms after expiry of initial commitment period
YTD	Year to date

FINAL SUMMARY VALUATION REPORT

Embassy Office Parks Management Services Private Limited in its capacity as manager of The Embassy Office Parks REIT

EMBASSY MANYATA, BENGALURU
EMBASSY TECHVILLAGE, BENGALURU
EXPRESS TOWERS, MUMBAI
EMBASSY 247, MUMBAI
FIRST INTERNATIONAL FINANCE CENTRE (FIFC), MUMBAI
EMBASSY TECHZONE, PUNE
EMBASSY QUADRON, PUNE
EMBASSY QUBIX, PUNE
EMBASSY OXYGEN, NOIDA
EMBASSY GALAXY, NOIDA
EMBASSY GOLFLINKS, BENGALURU
EMBASSY ONE, BENGALURU
HILTON AT EMBASSY GOLFLINKS, BENGALURU
EMBASSY ENERGY, BELLARY DISTRICT, KARNATAKA

DATE OF VALUATION: MARCH 31, 2021

DATE OF REPORT: APRIL 26, 2021

Value Assessment
Service

Valuer under SEBI (REIT)
Regulations, 2014

CBRE

IVAS

1 Instruction

iVAS Partners, represented by Mr. Manish Gupta, has been instructed by **Embassy Office Parks Management Services Private Limited** (the ‘Client’, the ‘Instructing Party’) in its capacity as **Manager of The Embassy Office Parks REIT (Embassy REIT)** to reward upon the Market Value (MV) of properties comprising of commercial office real estate assets located across Bengaluru, Pune, Mumbai and Noida as well as affiliated facilities including a solar park, retail spaces and hotels (together herein referred as subject properties across the report).

CBRE has been instructed by the Client to be the ‘Value Assessment Service Provider’ for providing market intelligence to the ‘Valuer’ (iVAS Partners, represented by Mr. Manish Gupta) and forecasting cash flows from the respective assets. The Valuer has utilized the market intelligence provided by CBRE and independently reviewed the cash flows to arrive at the Market Value of the respective assets as per the SEBI (REIT) regulations 2014. iVAS Partners (represented by Mr. Manish Gupta) and CBRE are collectively referred to as the Consultants for the purpose of this report.

The details of the subject properties under the purview of this valuation exercise are tabulated below:

Development Name	Location
Embassy Manyata	Bengaluru
Embassy TechVillage	Bengaluru
Express Towers	Mumbai
Embassy 247	Mumbai
First International Finance Centre	Mumbai
Embassy TechZone	Pune
Embassy Quadron	Pune
Embassy Qubix	Pune
Embassy Oxygen	Noida
Embassy Galaxy	Noida
Embassy GolfLinks	Bengaluru
Embassy One	Bengaluru
Hilton at Embassy GolfLinks	Bengaluru
Embassy Energy	Bellary District, Karnataka

1.1 Purpose

The Valuer understands that the valuation is required by the Client for financial and investor reporting purposes to comply with the requirements of Regulation 21 of the SEBI (REIT) Regulations, 2014.

1.2 Reliant Party

Reliant parties to this report shall mean Embassy Office Parks Management Services Private Limited (EOPMSPL), the Embassy Office Parks REIT (“Embassy REIT”) and their Unit Holders and Axis Trustee Services Limited (the Trustee for the Embassy REIT) for the purpose (of the valuation) as highlighted in this report. The auditors and advisors would be extended reliance by the ‘Consultants’ but would extend no liability to the auditors and advisors.

The valuation will be prepared strictly and only for the use of the Reliant Party and for the Purpose specifically stated. The instructing party would make all reliant parties aware of the terms and conditions of this agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

1.3 Limitation of Liability

- The ‘Consultants’ provide the Services exercising due care and skill, but the ‘Consultants’ do not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the properties. Further, the ‘Consultants’ shall not accept liability for any errors, misstatements, omissions in the Report caused due to false, misleading or incomplete information or documentation provided to the ‘Consultants’ by the Instructing Party.
- The Consultants’ maximum aggregate liability for claims arising out of or in connection with the Valuation Report, under this contract shall not exceed Indian Rupees 30 Mn.

- In the event that any of the Sponsor, Manager, Trustee, Embassy REIT in connection with the report be subject to any claim (“Claim Parties”) in connection with, arising out of or attributable to the Valuation Report, the Claim Parties will be entitled to require the ‘Consultants’ to be a necessary party/ respondent to such claim and the ‘Consultants’ shall not object to their inclusion as a necessary party/ respondent. If the ‘Consultants’ do not co-operate to be named as a necessary party/ respondent to such claims or co-operate in providing adequate/ successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the ‘Consultants’ in this regard and the Consultants’ liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.
- The Consultants will neither be responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls etc.

1.4 Capability of Valuer and Value Assessment Service Provider

Valuer under SEBI (REIT) Regulations, 2014: iVAS Partners, represented by Mr. Manish Gupta

iVAS Partners, represented by Mr. Manish Gupta (Valuer Registration Number: IBBI/RV-E/02/2020/112) delivers reliable and independent valuation (across categories viz. land & building and plant & machinery), advisory and technical due diligence services, that combine professional expertise with comprehensive databases, analytics and market intelligence across various asset classes and locations in India.

Manish Gupta, Partner at iVAS Partners, is a Registered Architect with Council of Architecture (COA) and a member of the Royal Institute of Chartered Surveyors (MRICS) and Institution of Valuers (IOV), with over 12 years of experience in the real estate industry. Manish is a seasoned professional with experience in providing real estate valuation services to a wide spectrum of clients including financial institutions, private equity funds, developers, NBFCs, corporate houses, banks, resolution professionals, land owners, etc.

He has worked on variety of valuation, consulting and technical due-diligence assignments for various purposes including investment related due diligence, mortgage/collateral appraisals, financial reporting, listing purposes, IBC led requirements, etc. across a range of asset classes such as residential projects, integrated township developments, hospitality assets, commercial (office and retail) projects, industrial developments, warehousing parks, educational projects, healthcare developments, etc. for both national as well as international clients.

Value Assessment Service Provider: CBRE South Asia Pvt. Ltd.

CBRE Advisory Services India is an integral part of CBRE Global Valuation & Advisory Services team. The Global VAS team comprises of over 1,500 professionals across approximately 280 offices globally and India Advisory Services team comprises of more than 280 professionals.

CBRE Advisory Services India have completed over 100,000 valuation and advisory assignments across varied asset classes spread across 20 states and 300+ cities. CBRE provides quality valuation, risk advisory and consulting services across a range of property types including residential, hospitality, retail, commercial, institutional, Special Economic Zone (SEZ), industrial, etc. CBRE derives global best practices while maintaining the complexities of Indian real estate markets and are ideally positioned to help solve any valuation related real estate challenge, ranging from single asset valuations to valuation of multi-market and multi-property portfolios.

Our dedicated and experienced professionals provide quality services from 9 offices across India (Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Gurgaon, Hyderabad, Pune, and Ahmedabad). Our professionals have a varied qualification base such as Royal Institute of Chartered Surveyors (RICS) or IOV certified valuation professionals, master planners, Architects, MBA, CA, CFA, etc. and this entire multi-faceted experience helps us in achieving our commitment to provide the highest level of professional expertise to our clients.

CBRE Advisory Services India team has substantial experience with several institutional clients including financial institutions, real estate funds, private equity funds, developers, corporates, banks, NBFCs, etc.

1.5 Disclosures

The Consultants hereby certify that:

- iVAS Partners (Valuer Registration Number: IBBI/RV-E/02/2020/112), represented by Mr. Manish Gupta (hereinafter referred to as the Valuer), is eligible to be appointed as a valuer in terms of Regulation 2(1)(zz) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
- Neither CBRE nor iVAS Partners (represented by Mr. Manish Gupta - Partner, iVAS Partners) are an associate of the instructing party
- Mr. Manish Gupta, Partner, iVAS Partners (the Valuer) has a minimum of five years of experience in the valuation of real estate
- The Valuer has not been involved with the acquisition or disposal of the subject property in the last twelve months, other than such cases where the valuer was engaged by the Embassy REIT for such acquisition or disposal
- The Valuer has adequate and robust internal controls to ensure the integrity of the valuation reports
- The Valuer has sufficient key personnel with adequate experience and qualification to perform services related to property valuation at all times
- The Valuer has sufficient financial resources to enable them to conduct their business effectively and meet their liabilities
- The Valuer has acquainted itself with all laws or regulations relevant to such valuation
- The valuation of assets undertaken is impartial, true and fair and in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
- The Valuer and any of its employees/ consultants involved in valuation of the REIT assets are not invested in units of the REIT or in the assets being valued till the time such person is designated as valuer of such REIT and not less than 6 months after ceasing to be valuer of the REIT
- The Valuer has conducted the valuation of the REIT assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise professional judgement
- The Valuer has acted with independence, objectivity and impartiality in performing the valuation
- The Valuer has discharged its duties towards the Embassy REIT in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete the said assignment
- The Valuer shall not accept remuneration, in any form, for performing a valuation of the REIT assets from any person other than the Embassy REIT or its authorized representatives.
- The Valuer shall before accepting any assignment from any related party to the Embassy REIT, shall disclose to the Embassy REIT, any direct or indirect consideration which the valuer may have in respect of such assignment
- The Valuer shall disclose to the trustee of the Embassy REIT, any pending business transactions, contracts under negotiation and other arrangements with the Instructing Party or any other party whom the Embassy REIT is contracting with and any other factors which may interfere with the Valuer's ability to give an independent and professional valuation of the property
- The Valuer shall not make false, misleading or exaggerated claims in order to secure assignments
- The Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information
- The Valuer shall not accept an assignment that includes reporting of the outcome based on predetermined opinions and conclusions required by the Embassy REIT
- The valuer has valued the subject property based on the valuation standards as specified under sub-regulation 10 of regulation 21 of SEBI (REIT) Regulations 2014.
- The valuation undertaken by the Valuer abides by international valuation standards
- The Valuer is competent to undertake the valuation of the subject property. Further the Valuer has independently undertaken the valuation and the report is prepared on a fair and unbiased basis
- The Valuer notes that there are encumbrances, however, no options or pre-emptions rights in relation to the assets based on the title report prepared by King & Partridge, Shardul Amarchand Mangaldas & Co, Cyril Amarchand Mangaldas, Little & Company, Jayashree Sridhar and Law Shield (hereinafter collectively referred to as 'Legal Counsels')

1.6 Assumptions, Disclaimers, Limitations & Qualifications to Valuation

Valuation Subject to Change:	The subject valuation exercise is based on prevailing market dynamics as on the date of valuation and does not take into account any unforeseeable developments which could impact the same in the future
Our Investigations:	The Consultants are not engaged to carry out all possible investigations in relation to the subject properties. Where in our report the Consultants identify certain limitations to our investigations, this is to enable the reliant party to instruct further investigations where considered appropriate or where the Consultants recommend as necessary prior to reliance. The Consultants are not liable for any loss occasioned by a decision not to conduct further investigations
Assumptions:	Assumptions are a necessary part of undertaking valuations. The Valuer adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The reliant parties accept that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation
Information Supplied by Others:	The valuations are based on the information provided by the Instructing Party (Embassy Office Parks Management Services Private Limited). The same has been assumed to be correct and has been used for valuation exercise. Where it is stated in the report that another party has supplied information to the 'Consultants', this information is believed to be reliable but the 'Consultants' can accept no responsibility if this should prove not to be so. However, please note that wherever we have relied on information from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context
Future Matters:	To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to the 'Consultants' at the date of this document. The 'Consultants' do not warrant that such statements are accurate or correct
Map and Plans:	Any sketch, plan or map in this report is included to assist reader while visualizing the properties and assume no responsibility in connection with such matters
Site Details:	Based on title due-diligence information provided by the Client, the Valuer understands that the subject properties are free from any encroachments and are available as on the date of the valuation
Property Title:	For the purpose of this valuation exercise, the Valuer has relied on the Title Reports prepared by the Legal Counsels for each of the properties and has made no further enquiries with the relevant local authorities in this regard. The Valuer understands that the subject properties may have encumbrances, disputes and claims. The Valuer does not have the expertise or the preview to verify the veracity or quantify these encumbrances, disputes or claims. For the purpose of this valuation, the Valuer has assumed that the respective assets have title deeds that are clear and marketable.
Environmental Conditions:	The Valuer has assumed that the subject properties are not contaminated and are not adversely affected by any existing or proposed environmental law and any processes which are carried out on the properties are regulated by environmental legislation and are properly licensed by the appropriate authorities
Town Planning:	The current zoning of the subject properties has been adopted on the basis of review of various documents (title deeds) provided by the Instructing Party and the current land use maps for the subject region. The same has been considered for the purpose of this valuation exercise. Further, it has been assumed that the development on the subject properties adheres/ would adhere to the development regulations as prescribed by the relevant authorities. The Valuer has not made any enquiries with the relevant development authorities to validate the legality of the same.
Area:	Various areas related to the properties considered for the purpose of this valuation exercise are based on the rent rolls/ Architect certificate provided by the Instructing Party. It must be noted that the above information has been provided by the Client and has been verified based on the approvals/ layout plans/building plans provided by the Client. However, the Valuer has not undertaken additional verification and physical measurement for the purpose of this valuation exercise
Condition & Repair:	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present which might adversely affect the current or future occupation, development or value of the property; the property is free from rot, infestation, structural or latent defect; no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts
Not a Structural Survey:	The Valuer states that this is a valuation report and not a structural survey
Legal:	Unless specifically disclosed in the report, the Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the subject property.

Others: Considering the unorganized nature of real estate markets in India, all comparable evidence (if any) provided in the valuation report has been limited to the basic details such as the area of asset, rate at which transacted, broad location, etc. other specific details would be provided only if the information is available in public domain

The actual market price achieved may be higher or lower than our estimate of value depending upon the circumstances of the transaction, nature of the business, etc. The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion may not necessarily be the price at which actual transaction takes place

We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences

Other Assumptions: Please note that all the factual information such as tenants' leasable area, lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the subject properties is based on the appropriate relevant documents provided by the Client and the same has been adopted for the purpose of this valuation exercise. While we have reviewed a few lease deeds on a sample basis, the Consultants do not take any responsibility towards authenticity of the rent rolls provided by the Client. Any change in the above information will have an impact on the assessed value and in that case the Valuer will have to relook at the assessed value. The relevant information sources are represented in section 2.5

All measurements, areas and ages quoted in our report are approximate

We are not advisors with respect to legal tax and regulatory matters for the transaction. No investigation of the respective Special Purpose Vehicles (SPVs) holding the assets' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility is assumed for matters of a legal nature

Kindly note that we have undertaken a quarterly assessment of cash flows for the purpose of the valuations

Material Valuation Uncertainty from Novel Coronavirus: The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject property, there is a shortage of market evidence for comparison purposes, to inform opinions of value.

Our valuation of the property is therefore reported as being subject to ‘material valuation uncertainty’. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

Values may change more rapidly and significantly than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation(s) contained within this report under frequent review

Additional: In the current uncertain environment caused by the outbreak of the Novel Coronavirus (COVID-19), we have considered / relooked at various asset/ market specific parameters and have adopted heuristic/ careful interventions (including but not limited to the points mentioned below) to our projected cashflows based on our view as of the date of valuation.

- Limited/ no growth in rent and ARR has been considered over the next few quarters
- Considering challenges in the short term, timelines have been extended for new space take-up/ future leasing
- For the operational hotels, occupancy has been rationalized in the short term

2 Valuation Approach & Methodology

2.1 Scope of Valuation

The valuation exercise is aimed at the assessment of the Market Value (MV) of the subject property. In considering the value of the property, the Valuer has considered the guidelines laid out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS).

2.2 Basis of Valuation

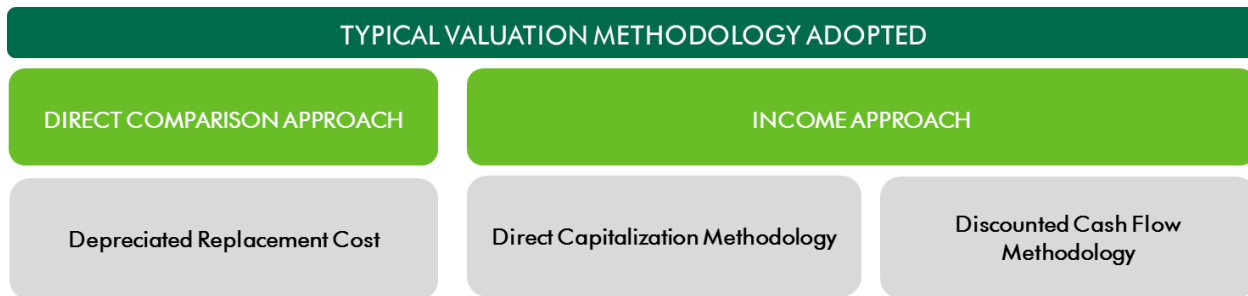
The valuations have been conducted in accordance with the RICS Valuation – Global Standards 2020 (Red Book Global Incorporating the IVSC International Valuation Standards issued in November 2019, effective from 31 January 2020) and is in compliance with the International Valuation Standards (IVS). The valuation exercise has been undertaken by appropriately qualified Valuer and would be aimed at assessing the Market Value of subject properties.

As per the Valuation and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS) the market value is defined as:

‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion’.

2.3 Approach and Methodology

The purpose of this valuation exercise is to estimate the Market Value (MV) of the subject properties. Market Value is derived through the following Methodologies:



2.3.1 Direct Comparison Approach

In **‘Direct Comparison Approach’**, the subject property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). The comparable evidence gathered during research is adjusted for premiums and discounts based on property specific attributes to reflect the underlying value of the property.

2.3.2 Income Approach

The income approach is based on the premise that value of an income - producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of the income approach in real estate valuation namely, direct capitalization and discounted cash flow (DCF).

A. Direct Capitalization Method

Direct capitalization involves capitalizing a ‘normalized’ single - year net income estimated by an appropriate yield. This approach is best utilized with stable revenue producing assets, whereby there is little volatility in the net annual income.

B. Discounted Cash Flow Method

Using this valuation method, future cash flows from the property are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income associated with the property. These future financial benefits are then discounted to a

present-day value (valuation date) at an appropriate discount rate. A variation of the Discounted Cash Flow Method is illustrated below:

B.1. Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants – typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, the Valuer has considered the impact of such sub/ above market leases on the valuation of the subject property.

2.4 Approach and Methodology Adopted

A large number of leases at the subject properties were executed at rentals prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, tenants looking at spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rentals may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or sub markets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved, the value of the office component in the subject properties has been assessed through the Discounted Cash Flow Method using Rental Reversion and the value of the Solar Park and hotel component at the respective properties have been valued using Discounted Cash Flow Method. Further, the following steps have been adopted as part of the valuation for the respective subject properties (assets).

Asset-specific Review:

1. As the first step to the valuation of the asset, the rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, top 10 tenants have been reviewed from their lease terms perspective. For anchor tenants, discounts on marginal rent or additional lease-up timeframe have been adopted upon lease reversion.
2. Title documents and architect certificates were reviewed for validation of area details, ownership of the asset

Micro-market Review:

1. A detailed assessment of the site and surroundings has been undertaken with respect to the prevalent activities, change in dynamics impacting the values and the optimal use of the respective properties vis-à-vis their surrounding sub-market, etc. Further, a primary and secondary research exercise has been carried out in the catchment areas for the respective assets to ascertain the transaction activity of commercial, retail and hospitality developments. This has been achieved through interactions with various market players such as developers, real estate brokers, key office tenants, hospitality occupiers, etc. Peers to the assets were identified in terms of potential competition (both completed and under-construction/planned assets), comparable recent lease transactions witnessed in the micro-market were analysed along with the historical leasing and re-leasing history within the asset over the last 2 – 3 years. This was undertaken to assess the applicable market rent (applicable rental for the micro-market where the asset is located) and applicable marginal rental (the Consultants' view on rental for the asset – used for leasing vacant spaces as well as upon releasing).
2. The Consultants also analysed the historical leasing within the asset for anchor tenants to identify the discount that is extended to such tenants at the time of fresh leasing or lease renewals. Every lease deed of large anchor tenant were analysed and applicable discount to marginal rental was estimated for individual leases. For other tenants occupying relatively large space within the properties, the Valuer assumed the leases to revert to marginal rentals (duly escalated from the date of valuation) post expiry of the lease, factoring appropriate re-leasing time.

Cash Flow Projections:

1. The cash flows for the operational and under-construction/proposed area were projected separately to arrive at their respective value conclusion.

2. The Valuer has utilized the EBIDTA to arrive at the value of the subject properties. The following steps were undertaken to arrive at the value for operational and under-construction/proposed area respectively.

The Valuer has projected future cash flows from the property based on existing lease terms for the operational area till the expiry of the leases or re-negotiation (using the variance analysis), whichever is earlier. Post which, the lease terms have been aligned with marginal rentals. For vacant area and under-construction/proposed area, the Valuer has projected the marginal rent led cash flows factoring appropriate lease-up time frame for vacant/under-construction/proposed area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for assessment of terminal value). These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate.

For each lease, the following steps have been undertaken to assess the rental over a 10-year time horizon:

- a. **Step 1:** Project the rentals for identified tenancies up to the period of lease expiry, lock-in expiry, first escalation, second escalation, etc. whichever is applicable. In the event of vacant/ to be leased spaces, market-led rentals to be adopted with suitable lease-up time
 - b. **Step 2:** Generating a marginal rental stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step
 - c. **Step 3:** In the event the escalated contracted rental is above the marginal rent (viz. by 10% for Bengaluru/ Mumbai assets & 15% for Pune/ Noida assets), the contracted terms are discarded, and the terms are reverted to market. In the event the escalated contracted rent is below the marginal rent by the threshold highlighted above, the contracted terms are adopted going forward until the next lease review/ renewal. Intent of this step is to project the rental for respective leases until lease expiry as well as post expiry
 - d. **Step 4:** Computing the monthly income based on rentals projected as part of Step 3 and translating the same to a quarterly income (for the next 10 years and 11th year – considered for calculation of terminal value)
3. Adjustments for other revenues and recurring operational expenses, fit-out income (if any – projected till first term expiry and discounted to present day – the same has been considered below the NOI and does not get capitalized) and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to factor potential rent free terms as well as outflows towards brokerage. For all assets, the Valuer has looked at the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
 4. The net income on quarterly basis have been projected over the next 10 years and the 1 year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net income over the next 10 years along with the terminal value during the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the asset through this approach.
 5. For the hospitality component, future cash flows from the property, were projected based on our assessment of ARRs and Occupancy. Adjustments for other revenues and recurring operational expenses, have been adopted in-line with prevalent market dynamics. The net income on quarterly basis have been projected over the next 10 years and the 1 year forward EBITDA (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net income over the next 10 years along with the terminal value during the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the asset.

2.5 Information Sources for Valuation

Property related information referred to for the valuation exercise has been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

2.6 Scope of Services for Value Assessment Service Provider

CBRE has been engaged by the Instructing Party to provide value assessment services and accordingly, would be responsible for the below scope as part of this exercise.

- Provide market intelligence to the Valuer on the following aspects:
 - Economic and Investment Overview
 - India Real Estate Overview
 - IT/ ITES Industry Dynamics
 - Key Office Markets
 - Outlook
 - For cities housing Embassy REIT Assets
 - Key Office Markets
 - General market practices
 - Demand Supply for Key Office Markets & Rental Trends
 - Outlook
- Review rent roll and forecast cash flows from the respective assets for the Valuer to independently review and work towards assessing the valuation of each Asset

Official Signatory for Value Assessment Service Provider:



Name: Vamshi KK Nakirekanti | MRICS | FIE | FIV | CEng (India)

Designation: Executive Director, Head – Valuation and Advisory Services, India & South East Asia

Firm: CBRE South Asia Pvt Ltd

3 Nature of the Interest of the Embassy REIT

The table below highlights the nature of interest of the Embassy REIT:

Property	Interest Valued	Interest Embassy REIT holds	Remainder of term in case of Leasehold (approx.)
Embassy Manyata, Bengaluru	Freehold ¹	100.0%	NA
Embassy TechVillage, Bengaluru	Freehold ²	100.0%	NA
Express Towers, Mumbai	Freehold	100.0%	NA
Embassy 247, Mumbai	Freehold	100.0%	NA
First International Financial Center, Mumbai	Leasehold	100.0%	67 Years
Embassy TechZone, Pune	Leasehold	100.0%	79 Years
Embassy Quadron, Pune	Leasehold	100.0%	79 Years
Embassy Qubix, Pune	Freehold	100.0%	NA
Embassy Oxygen, Noida	Leasehold	100.0%	76 Years
Embassy Galaxy, Noida	Leasehold	100.0%	74 Years
Embassy GolfLinks, Bengaluru	Freehold	50.0%	NA
Embassy One, Bengaluru	Freehold	100.0%	NA
Hilton at GolfLinks, Bengaluru	Freehold	100.0%	NA
Embassy Energy, Bellary District, Karnataka	Freehold	100.0%	NA

¹ Excluding the M3 block which is being developed on a leasehold land parcel (6.64 Acres)

² Total land area under the ownership of Vikas Telecom Private Limited ("VTPL") is 80.05 acres and under Sarla Infrastructure Private Limited ("SIPL"), is 4.00 acres. Further, it is understood that out of total land area of 80.05 acres under the ownership of VTPL, 4.00 acres is leased to SIPL. Additionally, approx. 1.93 acres out of the total land extent is leasehold

4 Value Summary

The following table highlights the summary of the market value of each property which is a part of the said Embassy REIT portfolio as on March 31, 2021:

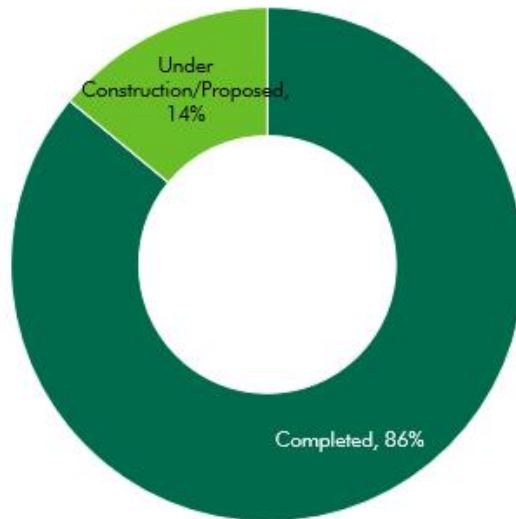
Property	Asset Type	Leasable Area	Market Value (INR Mn)		
			Completed	Under construction (UC) / Proposed	Total
Embassy Manyata, Bengaluru	Mixed-use (Office (IT/ ITeS SEZ ³ / Non-SEZ), Hotel, Retail, Convention Centre)	Completed office – 11.8 msf Proposed/ UC ⁴ office - 3.1 msf UC Hotel (5 star) - 266 keys UC Hotel (3 star) - 353 keys	149,163	28,756	177,920
Embassy TechVillage, Bengaluru	Mixed-use (Office (IT/ ITeS SEZ/ Non-SEZ), Hotel, Retail, Convention Centre)	Completed office – 6.1 msf Proposed/ UC office - 3.1 msf UC Hotel (5 star) - 311 keys UC Hotel (3 star) - 207 keys	80,863	26,211	107,073
Express Towers, Mumbai	Office (Non-SEZ)	Completed office - 0.5 msf	18,403	-	18,403
Embassy 247, Mumbai	Office (Non-SEZ)	Completed office - 1.2 msf	16,914	-	16,914
First International Financial Centre, Mumbai	Office (Non-SEZ)	Completed office - 0.4 msf	13,889	-	13,889
Embassy TechZone, Pune	Office (IT/ ITeS SEZ)	Completed office - 2.2 msf Proposed/ UC office - 3.3 msf	15,869	6,958	22,827
Embassy Quadron, Pune	Office (IT/ ITeS SEZ)	Completed office - 1.9 msf	12,938	-	12,938
Embassy Qubix, Pune	Office (IT/ ITeS SEZ)	Completed office - 1.5 msf	10,414	-	10,414
Embassy Oxygen, Noida	Office (IT/ ITeS SEZ)	Completed office - 2.5 msf Proposed/ UC office - 0.7 msf	21,077	2,617	23,694
Embassy Galaxy, Noida	Office (Non-SEZ)	Completed office - 1.4 msf	9,028	-	9,028
Embassy One, Bengaluru	Mixed-use (Office (Non-SEZ), Hotel, Retail)	Office & Retail - 0.3 msf Hotel (5 star) - 230 Keys	11,601	-	11,601
Hilton at Embassy GolfLinks, Bengaluru	Hotel	Hotel (5 star) - 247 Keys	3,995	-	3,995
Embassy Energy, Bellary District, Karnataka	Solar park	Installed capacity of 130 MW DC (100 MW AC)	9,302	-	9,302
Total – 100% owned assets			373,456	64,542	437,998
Embassy GolfLinks, Bengaluru	Office (Non-SEZ)	Completed office - 2.7 msf	28,053	-	28,053⁵
Total			401,509	64,542	466,051

³ SEZ – Special Economic Zone

⁴ UC -under construction

⁵ Indicative of Embassy REIT's economic interest in the asset, viz. 50%

Market value break-up of assets valued for the Embassy REIT



Assumptions, Disclaimers, Limitations & Qualifications

This summary valuation report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use of the parties as mentioned in Section 1.2 of this summary report.

Prepared by:

iVAS Partners, represented by Mr. Manish Gupta

Official Signatory:

Name: Mr. Manish Gupta

Designation: Partner, iVAS Partners

Valuer Registration Number: IBBI/RV-E/02/2020/112

5 Assets

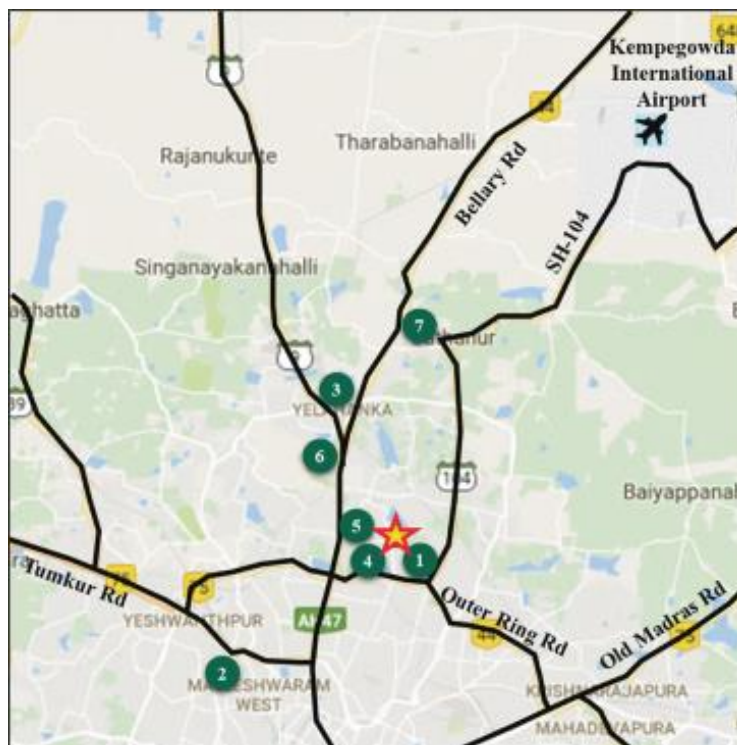
5.1 Embassy Manyata

Property Name:	Embassy Manyata is a commercial office development located along Outer Ring Road, Nagavara, Bengaluru, Karnataka
Property Address:	Nagavara Village, Kasaba Hobli, Bengaluru North Taluk, Bengaluru District and Rachenahalli and Thanisandra Villages, Krishnarajapuram Hobli, Bengaluru East Taluk, Bengaluru District, Karnataka
Land Area:	Based on review of the title report (for Manyata Promoters Pvt Ltd and M3 Block respectively), the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 121.76 acres
Brief Description:	<p>The subject property is the second largest commercial office asset in India (in terms of scale), largest in Bengaluru and is a landmark in North Bengaluru. The property is accessible through the Nagavara Outer Ring Road emanating from Hebbal. Further, the subject development is strategically located in proximity to micro-markets of Thanisandra & Hennur Road which are amongst the fastest developing vectors in North Bengaluru.</p> <p>The subject property is located in close proximity to the Nagavara Outer Ring Road, which connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer Ring Road, Old Madras Road, etc. Further, it is located at a distance of 1-2 km from Nagavara Junction, 3-4 km from Hebbal Junction, 7-8 km from Yelahanka Junction, 11-14 km from MG Road (CBD) and 29-31 km from Kempegowda International Airport</p>
Statement of Assets (sf):	Based on review of various documents (such as rent roll, lease deeds, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 11.8 msf of completed leasable area out of which occupancy is approximately 93.5% as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Particular	Area (sf)	Occupancy (%)
Completed Blocks	11,751,174	93.5%
Under Construction Blocks	1,652,929	NA
Proposed Blocks	1,415,550	NA
Total – Office/Retail	14,819,653	
Hotel (including convention center) ~ Under Construction	619 keys (Hotel - 722,678 Convention – 58,000)	NA

Source: Architect certificates, rent roll, lease deeds; Note – office & retail refers to leasable area while hotel & convention refers to developable area

Location Map



#	Key Office Developments
	Embassy Manyata
1	MFAR Manyata Tech Park
2	Brigade Gateway (WTC)
3	RMZ Galleria
4	Karle Town Centre
5	Kirloskar Business Park
6	NCC Urban Windsor
7	Hinduja Ecopolis

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR Mn	14,113 ⁶
Proposed project completion timelines (all blocks)	Quarter, Year	Q3, FY 2026
Revenue assumptions (as on March 31, 2021)		
Lease completion	Year	FY 2026
In-place rent	INR psf/mth	61
Marginal rent – IT office component	INR psf/mth	92
Marginal rent – Non IT office component	INR psf/mth	106
Marginal rent – Retail component	INR psf/mth	120
Parking rent (Effective)	INR / bay/mth	3,750
ARR – 5 star hotel	INR / room / day	8,000
Stabilized Occupancy – 5 star hotel	%	70%
ARR – 3 star hotel	INR / room / day	5,500
Stabilized Occupancy – 3 star hotel	%	70%
Other financial assumptions		
Cap rate – commercial components	%	8.00%
Cap rate – hotel components	%	7.14%
		(viz. an EV-EBITDA multiple of 14)
WACC rate (operational)	%	11.70%
WACC rate (under-construction/proposed)	%	13.00%
WACC rate (under-construction hotel)	%	13.60%

Market Value: **INR 177,920 Mn**

⁶ Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works

5.2 Embassy TechVillage

Property Name: ‘Embassy TechVillage’ is a commercial office development with ancillary retail and hospitality component located along Sarjapur Outer Ring Road, Devarabeesanahalli, Bengaluru, Karnataka

Property Address: Devarabeesanahalli Village & Kariammana Agrahara Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru, Karnataka

Land Area: Based on information provided by the Client (viz. title report), the Valuer understands that the total land area of the larger land parcel admeasures approx. 103.44 acres and the land area under the purview of this exercise admeasures approx. 84.05 acres. Total land area under the ownership of Vikas Telecom Private Limited (“VTPL”) is 80.05 acres and under Sarla Infrastructure Private Limited (“SIPL”), is 4.00 acres. Further, it is understood that out of total land area of 80.05 acres under the ownership of VTPL, 4.00 acres is leased to SIPL and same is considered for the purpose of this valuation exercise.

Brief Description: The subject property “Embassy TechVillage” is an office park located in Bengaluru comprising of commercial development, consisting of approximately 6.1 million square feet (msf) of completed office area, approximately 3.1 msf of under-construction area and 518 proposed hotel keys along with the associated business of common area maintenance services

The subject property is located along the Sarjapur Outer Ring Road (ORR), which is a prominent arterial road in the city. It is the south-eastern portion of the concentric outer ring road. Sarjapur Outer Ring road has emerged as one of the most prominent commercial office hubs of Bengaluru, on account of the premium quality of commercial office spaces and connectivity to other established micro-markets across the city. Some of the prominent commercial developments along Sarjapur-ORR include Embassy TechVillage (subject property), RMZ Ecospace, RMZ Ecoworld, Prestige Tech Park, Cessna Business Park, etc.

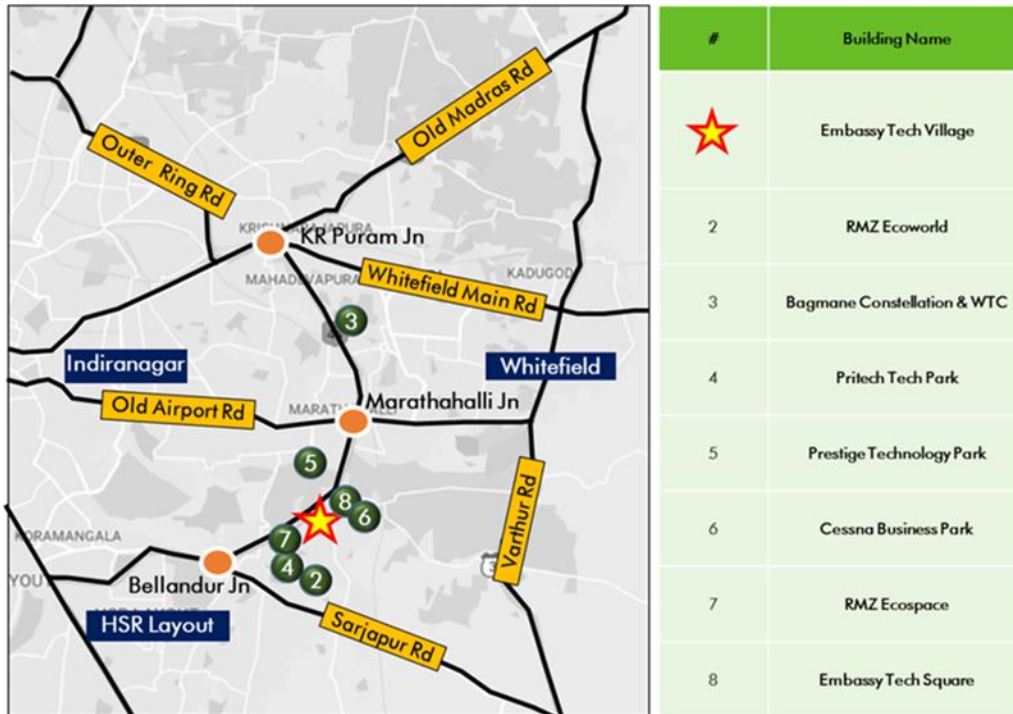
The subject property is located at a distance of 4-5 km from Marathahalli junction, 5-6 km from Sarjapur road-ORR interchange, 9-10 km from Koramangala & K R Puram Junction, 13-14 km from MG Road (CBD) and 43-44 km from Kempegowda International Airport

Statement of Assets (sf): Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational office asset with approximately 6.1 msf of completed leasable area with an occupancy of approximately 97.8% as on the date of valuation. Table below highlights the leasable area break-up for the subject development commensurate to the interest valued in Embassy TechVillage:

Particular	Area (sf)	Occupancy (%)
Completed Blocks	6,137,842	97.8%
Under Construction Blocks	3,034,590	NA
Total – Office/Retail	9,172,432	
Hotel (including convention centre) ~ Under Construction	518 keys (Hotel and Convention Centre: 782,669 sft)	NA

Source: Architect certificates, rent roll, lease deeds; Note – office & retail refers to leasable area while hotel & convention refers to developable area

Location Map



Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR mn	17,617 ⁷
Proposed project completion timelines (all blocks)	Quarter, Year	Q4, FY 2024
Revenue assumptions (as on March 31, 2021)		
Lease completion	Year	FY 2024
In-place rent	INR psf/mth	70
Marginal rent – IT office component	INR psf/mth	92
Marginal rent – Retail component	INR psf/mth	120
Parking rent (Effective)	INR / bay/mth	4,500
ARR – 5 star hotel	INR / room / day	8,000
Stabilized Occupancy – 5 star hotel	%	70%
ARR – 3 star hotel	INR / room / day	5,500
Stabilized Occupancy – 3 star hotel	%	70%
Other financial assumptions		
Cap rate – commercial components	%	8.00%
		7.14%
Cap rate – hotel components	%	(viz. an EV-EBITDA multiple of 14)
WACC rate (operational)	%	11.70%
WACC rate (under-construction/proposed)	%	13.00%
WACC rate (under-construction hotel)	%	13.60%

Market Value: **INR 107,073 Mn**

⁷ Indicative of pending cost towards base build works and does not includes the cost for refurbishments/ infrastructure upgrade works

5.3 Express Towers

Property Name: 'Express Towers' is an operational office asset located along Barrister Rajni Patel Marg, Nariman Point, Mumbai

Property Address: Barrister Rajni Patel Marg, Nariman Point, Mumbai

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 1.46 acres

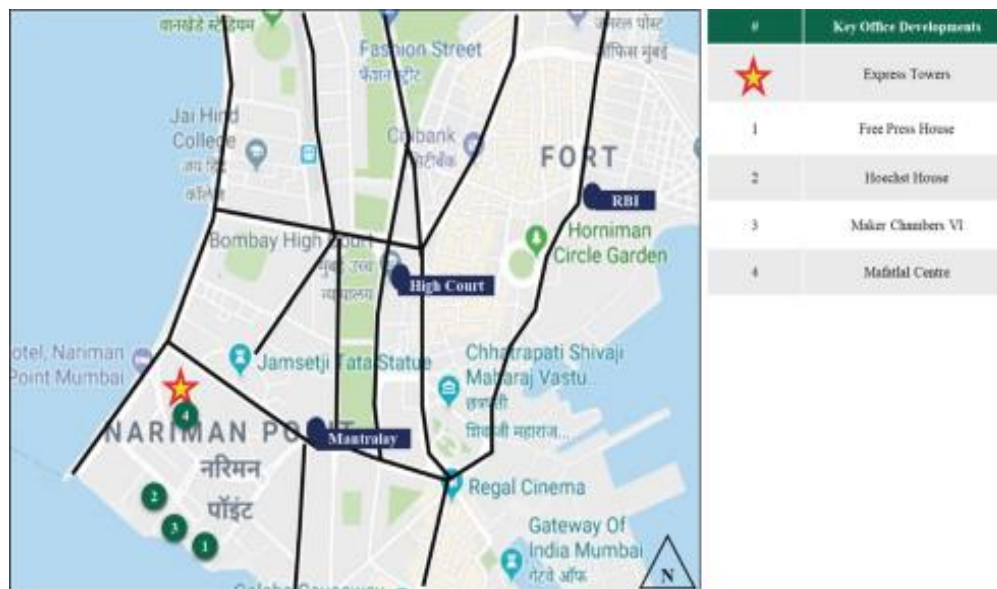
Brief Description: The subject property 'Express Towers' is an office asset situated in Nariman Point. The subject property is located opposite to the Oberoi Trident hotel. The G+25 floor storey structure was constructed in the late 1960s and has been refurbished in the past few years. Nariman Point is located at the southernmost tip of the Mumbai City, at a distance of approximately 1 - 2 km from the Churchgate Railway Station; approximately 25 - 28 km from the Domestic / International City Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 472,377 sf of completed leasable area, which is approximately 90.9% occupied as on the date of valuation. Also, the top 2 floors viz the 24th and 25th floor are not owned by the Client. Table below highlights the leasable area details for the subject development under the ownership of the Client.

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	472,377	90.9%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	472,377	

Source: Architect certificate, Rent roll, lease deeds;

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2021)		
Lease completion	Year	FY 2022
In-place rent	INR psf/mth	262 ⁸
Marginal Rent – Commercial office component	INR psf/mth	270
Other financial assumptions		
Cap rate – commercial components	%	7.50%
WACC rate (operational)	%	11.70%

Market Value: INR 18,403 Mn

⁸ denotes the weighted average rentals for leased office/restaurant spaces

5.4 Embassy 247

Property Name:	'Embassy 247' is an operational office asset located along LBS Road, Gandhinagar, Vikhroli West, Mumbai
Property Address:	LBS Marg, Vikhroli (W), Mumbai, Maharashtra.
Land Area:	Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 7.27 acres
Brief Description:	The subject property, "Embassy 247", is an operational office asset located along LBS Road in Gandhinagar, Vikhroli West, Mumbai. The development is divided in three towers viz. A, B & C. The towers A & C are identical to each other and have an elevation of 2 Basement + Ground + 11 upper floors. Tower B situated in between Tower A & C has an elevation of 2 Basement + Ground + 14 upper floors. Based on the site visit, it is understood that all the three towers are internally connected from basement to the 3 rd floor and floors 10 and 11. The entire development has a total completed leasable area of approximately 1,186,149 sf. The subject property is located in proximity to established residential and commercial locations within the city such as Bhandup, Kanjurmarg, Ghatkopar etc.

The subject property is located at a distance of approximately 28-30 km from the Central Business District of Mumbai (viz. Nariman Point), approximately 11-12 km from Domestic Airport, approximately 10-12 km from the Chhatrapati Shivaji International Airport Terminal, Mumbai etc.

Statement of Assets (sf):	Based on information provided by the Client, the total completed leasable area considered for the purpose of this valuation is 1,186,149 sf. Table below highlights the leasable area details for the subject development:
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Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	1,186,149	82.1%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	1,186,149	

Source: Architect certificate, Rent roll, lease deeds;

Location Map:



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2021)		
Lease completion	Year	FY 2023
In-place rent	INR psf/mth	102 ⁹
Marginal rent – Commercial office component	INR psf/mth	110 ¹⁰
Marginal rent – Retail component	INR psf/mth	78
Parking rent (Effective)	INR / bay/mth	-
Other financial assumptions		
Cap rate – commercial components	%	8.00%
WACC rate (operational)	%	11.70%

Market Value:

INR 16,914 Mn

⁹ denotes the weighted average rentals for leased office/retail and food-court spaces

¹⁰ Inclusive of car park rent

5.5 First International Finance Centre (FIFC)

Property Name: First International Finance Centre is a commercial office development located on Bandra Kurla Complex Road, Bandra Kurla Complex, Mumbai, Maharashtra

Property Address: G-Block, Bandra Kurla Complex road, Bandra Kurla Complex, Mumbai, Maharashtra

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 1.99 Acres

Brief Description: The subject property, “First International Finance Centre”, is an operational office asset located along BKC Road in G Block, Bandra Kurla Complex, Mumbai. This office asset has a total leasable area of approximately 658,390 sf. The development is operated as a condominium and is co-owned by two entities i.e., a leading bank and the Client. Based on review of the title report for the subject property, the Client has an ownership of approximately 360,947 sf of the total area and the same has been considered for the purpose of this valuation exercise (this area will be considered as the subject property hereinafter). The subject property is located in proximity to locations such as Kurla, Bandra, Santacruz etc., which are considered as established residential and commercial locations within the city.

The subject property is located at a distance of approximately 20-22 km from the Central Business District of Mumbai (viz. Nariman Point), approximately 6-8 km from Domestic Airport, approximately 8-9 km from the Chhatrapati Shivaji International Airport Terminal, Mumbai etc.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect’s Certificate, lease deeds, etc.), the subject property is an operational office asset with approximately 360,947 sf of completed leasable area out of which approximately 77.5% is leased as on the date of valuation. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	360,947	77.5%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	360,947	

Source: Architect certificate, rent roll, lease deeds.

Location Map



#	Key Office Developments
★	First International Financial Centre (FIFC)
1	TCG Financial Centre
2	The Capital
3	One BKC
4	Rajeev Tower
5	Godrej BKC
6	Maker Moxity

Key Assumptions	Particulars	Unit	Details
	Revenue assumptions (as on March 31, 2021)		
	Lease completion	Year	FY 2023
	In-place rent	INR psf/mth	297 ¹¹
	Marginal rent – Office Component	INR psf/mth	270
	Marginal rent – Retail	INR psf/mth	297
	Parking rent (Effective)	INR / bay/mth	-
	Other financial assumptions		
	Cap rate – commercial components	%	7.75%
	WACC rate (operational)	%	11.70%

Market Value: **INR 13,889 Mn**

¹¹ denotes the weighted average rentals for leased office/retail spaces

5.6 Embassy TechZone

Property Name: 'Embassy TechZone' is an operational office asset located in Phase 2, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No. 3/A and Plot No. 3/B, Rajiv Gandhi Infotech Park, Hinjewadi, Phase-II, Village Marunji, Taluka Mulshi, District Pune, Maharashtra

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 67.45 acres

Brief Description: 'Embassy TechZone', has been conceptualized as an office asset spread across a total land area of approximately 67.45 acres. The property is an office asset leased to various tenants and is also well equipped with number of facilities and amenities like food court, amphitheater, intra park shuttles, gymnasium, multilevel car parking, sports ground, etc. 'Embassy TechZone' is strategically located in Hinjewadi which is a prominent technology hub of Pune city. 'Embassy TechZone' is located at a distance of approximately 5 – 6 km from National Highway 48 (Connecting Mumbai – Pune – Bengaluru), 20 – 21 km from Pune CBD (Peth areas), 20 – 21 km from Pune Railway Station and approximately 26 – 27 km from Pune International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, lease deeds, Architect's Certificate, etc.), the Valuer understands that 'Embassy TechZone' is an operational office asset with approximately 2.2 msf of completed leasable area out of which occupancy is approximately 88.6% as on the date of valuation. Further, approximately 3.3 msf is currently under construction/ planning stage. Table below highlights the leasable area for individual blocks that form part of the subject development:

Particular	Leasable area (sf)	Occupancy (%)
Completed Blocks	2,160,055	88.6%
Under Construction/ Proposed Blocks	3,312,891	NA
Total	5,472,946	

Source: Rent roll, lease deeds, architect certificate provided by the Client;

Location Map



Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete (overall)	INR Mn	13,116 ¹²
Proposed project completion timelines	Year	FY 2027
Revenue assumptions (as on March 31, 2021)		
Lease completion	Year	FY 2029
In-place rent	INR psf/mth	49
Marginal rent – IT SEZ office component	INR psf/mth	48
Parking rent (Effective)	INR / bay/mth	1,500
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	11.70%
WACC rate (under-construction/proposed)	%	13.00%

Market Value: **INR 22,827 Mn**

¹² Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works

5.7 Embassy Quadron

Property Name: 'Embassy Quadron' is a Commercial Office Business Park located in Phase 2, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No. 28, Hinjewadi Phase II, Rajiv Gandhi Infotech Park, Pune, Maharashtra, 411057

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 25.52 acres

Brief Description: 'Embassy Quadron', has been conceptualized as an IT SEZ office development leased to various domestic and multi-national IT/ ITeS tenants. The property is well equipped with number of facilities and amenities like enhanced landscapes, Q café food court, grocery stores, ATMs, indoor sports zone, gymnasium, crèche, two-wheeler and four-wheeler car parking spaces, etc. The property has been constructed in phased manner between 2008 to 2011.

The development currently includes four operational buildings (Q1 to Q4).

Further, 'Embassy Quadron' is strategically located in Hinjewadi which is a prominent technology hub of Pune city. 'Embassy Quadron' is located at a distance of approximately 7 – 8 km from National Highway 48 (connecting Mumbai – Pune – Bengaluru), 22 – 23 km from Pune CBD (Peth areas), 22 – 23 km from Pune Railway Station and approximately 26 - 27 km from Pune International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the Valuer understands that 'Embassy Quadron' is an operational SEZ office asset with approximately 1.9 msf of completed leasable area out of which occupancy is approximately 49.7% as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Particular	Leasable area (sf)	Occupancy (%)
Completed Blocks	1,894,674	49.7%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	1,894,674	

Source: Rent roll, lease deeds, architect certificate provided by the Client;

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2021)		
Lease completion	Year	FY 2025
In-place rent	INR psf/mth	47 ¹³
Marginal rent – IT SEZ office component	INR psf/mth	48
Parking rent (Effective)	INR / bay/mth	1,500
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	11.70%

Market Value: **INR 12,938 Mn**

¹³ denotes the weighted average rental for leased office/retail spaces

5.8 Embassy Qubix

Property Name: ‘Embassy Qubix’ is a Commercial Office Business Park located in Phase 1, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No.2, Blue Ridge Township, Near Rajiv Gandhi Infotech Park – Phase I, Hinjewadi, Pune, Maharashtra 411057

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 25.16 acres

Brief Description: “Embassy Qubix”, has been conceptualized as an IT SEZ office development leased to various domestic and multi-national technology tenants. The property is well equipped with number of facilities and amenities like enhanced landscapes, Q Court Courtyard, grocery stores, ATMs, two-wheeler and four-wheeler car parking spaces, etc. The property has been constructed in phased manner between 2010 to 2012.

The development currently includes six operational buildings (IT 1 to IT 6).

Further, Embassy Qubix is strategically located in Hinjewadi which is a prominent technology hub of Pune city. Embassy Qubix is located at a distance of approximately 3 – 4 km from National Highway 48 (connecting Mumbai – Pune – Bengaluru), 18 – 19 km from Pune CBD (Peth areas), 19 – 20 km from Pune Railway Station and approximately 23 - 24 km from Pune International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect’s Certificate, etc.), the Valuer understands that “Embassy Qubix” is an operational SEZ office asset with approximately 1.5 msf of completed leasable area, which is 91.1% occupied as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	1,450,494	91.1%
Under Construction Blocks	-	NA
Proposed Development	-	NA
Total	1,450,494	

Source: Rent roll, lease deeds, architect certificate;

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2021)		
Lease completion	Year	FY 2022
In-place rent	INR psf/mth	40 ¹⁴
Marginal rent – IT SEZ office component	INR psf/mth	48
Parking rent (Effective)	INR / bay/mth	1,500
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	11.70%

Market Value: **INR 10,414 Mn**

¹⁴ denotes the weighted average rental for leased office/retail spaces

5.9 Embassy Oxygen

Property Name: ‘Embassy Oxygen’ is an operational IT/ ITeS SEZ office development located at Sector 144, Noida, Uttar Pradesh

Property Address: Plot No. – 07, Sector 144, Noida, Uttar Pradesh, India

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 24.83 Acres

Brief Description: The subject property “Embassy Oxygen” is a partly operational office asset, leased to technology occupiers. The subject property is located at Sector 144, Noida in proximity to Noida – Greater Noida Expressway, which is an emerging commercial / residential vector of Noida. The property is a two side open plot with accessibility via approximately 45 m and 24 m wide roads. The subject property lies in proximity to various office assets such as Candor TechSpace, Assotech Business Cresterra, Advant Navis Business Park, Stellar 135, Express Trade Towers 2, etc.

The subject property is located in close proximity to Noida – Greater Noida Expressway, which makes it easily accessible from other regions of NCR (National Capital Region) such as Delhi, Greater Noida, etc. Further, it is located at a distance of approximately 16 – 17 km from the established commercial hub of Noida viz. Sector-18, approximately 16 – 17 km from DND Flyway and approximately 38 – 39 km from Indira Gandhi International Airport, Delhi

Statement of Assets (sf): Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational SEZ office asset with approximately 2.5 msf of completed leasable area, out of which occupancy is approximately 73.3% as on the date of valuation. Table below highlights the leasable area for operational and under construction/ proposed blocks that form part of the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	2,517,307	73.3%
Under Construction Blocks	737,000	NA
Proposed Development	NA	NA
Total	3,254,307	

Source: Architect Certificate, Rent roll, lease deeds provided by the Client

Location Map:



#	Key Office Developments
	Embassy Oxygen
1	Candor Techspace
2	Advaat Navin Business Park
3	Asotech Business Centers
4	Express Trade Towers 2
5	Stellar 115

Key Assumptions:

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete (overall)	INR mn	2,458 ¹⁵
Proposed project completion timelines (overall)	Quarter, Year	Q4, FY 2023
Revenue assumptions (as on March 31, 2021)		
Lease completion	Year	FY 2024
In-place rent	INR psf/mth	47
Marginal rent – IT SEZ office component	INR psf/mth	54
Parking rent (Effective)	INR / bay/mth	-
Other financial assumptions		
Cap rate	%	8.25%
WACC rate (operational)	%	11.70%
WACC rate (under-construction/proposed)	%	13.00%

Market Value: **INR 23,694 Mn**

¹⁵ Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works

5.10 Embassy Galaxy

Property

Name: 'Embassy Galaxy' is an operational IT/ ITeS office development located at Sector 62, Noida, Uttar Pradesh

Property

Address: A-44 & 45, Sector 62, Noida, Uttar Pradesh, India – 201309

Land Area:

Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 9.88 Acres

Brief

Description: The subject property "Embassy Galaxy" is an operational office asset, leased to technology occupiers. The subject property is located at Sector 62, Noida, which is an established commercial vector of Noida. The property is accessible by an internal road of Sector 62 (approximately 45 m wide). The subject property lies in proximity to various office assets such as 3C Green Boulevard, Stellar IT Park, Logix Cyber Park, Candor Techspace, etc.

The subject property is located in close proximity to National Highway (NH) – 24, which makes it easily accessible from other regions of NCR (National Capital Region) such as Delhi, Ghaziabad, etc. Further, it is located at a distance of approximately 9 – 10 km from the established commercial hub of Noida viz. Sector-18, approximately 10 – 11 km from DND Flyway and approximately 31 – 32 km from Indira Gandhi International Airport, Delhi

Statement of Assets (sf):

Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational office asset with approximately 1.4 msf of completed leasable area, which is approximately 98.5% leased as on the date of valuation. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	1,357,029	98.5%
Under Construction Blocks	-	NA
Proposed Development	-	NA
Total	1,357,029	

Source: Architect certificate, Rent roll, lease deeds provided by the Client;

Location Map:



#	Key Office Developments
★	Embassy Galaxy
1	Candor Techspace
2	Logix Cyber Park
3	Stellar IT Park
4	Knowledge Boulevard
5	Geos Boulevard
6	Glaxo Center

Key Assumptions:

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2021)		
Lease completion	Year	FY 2022
In-place rent	INR psf/mth	35
Marginal rent – IT office component	INR psf/mth	45
Other financial assumptions		
Cap rate	%	8.25%
WACC rate (operational)	%	11.70%

Market Value: INR 9,028 Mn

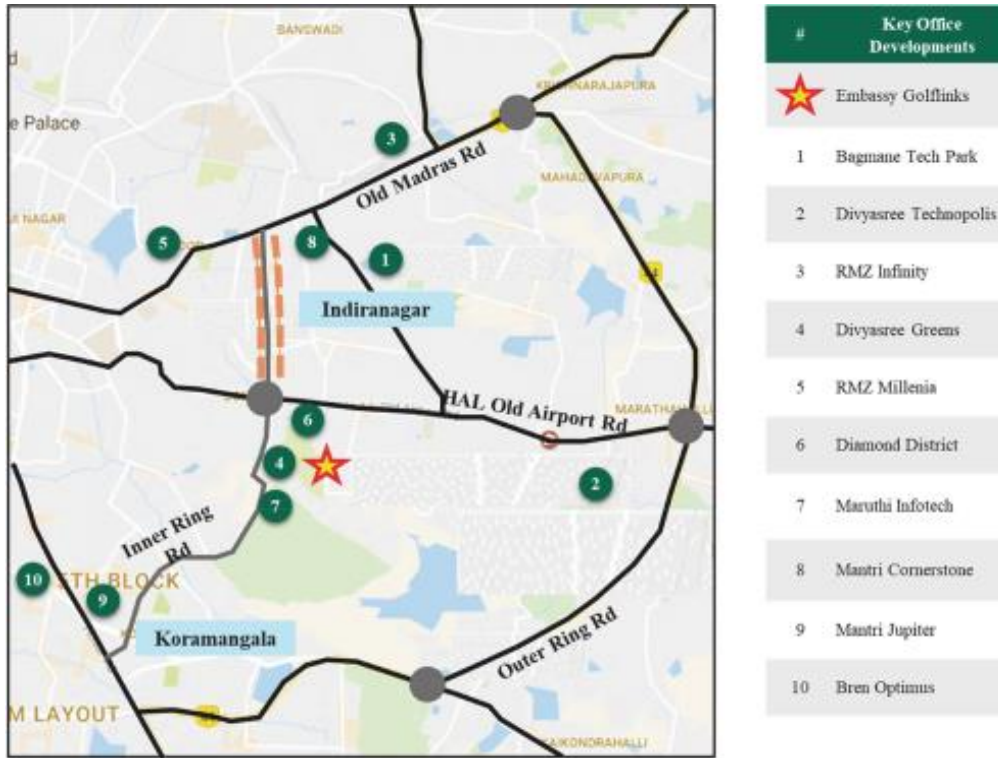
5.11 Embassy GolfLinks

Property Name:	Embassy GolfLinks is an office asset located along Intermediate Ring Road, Bengaluru, Karnataka
Property Address:	Challaghatta Village, Varthur Hobli, Mahadevapura, Bengaluru East Taluk, Bengaluru, Karnataka
Land Area:	Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 37.11 acres.
Brief Description:	The subject property, “Embassy GolfLinks”, is an operational office asset located along Intermediate Ring Road, Bengaluru. This office asset has a total leasable area of approximately 4.5 msf. The interest being valued corresponds to approximately 2.7 msf of office area which forms part of the economic interest of the Client. The larger development also includes an operational hotel (Hilton at Embassy GolfLinks). The immediate surroundings of the subject property comprises of large aggregates of land owned by the Defence Services of the Country Karnataka Golf Association’s operational golf course, Diamond District, DivyaSree Greens, Maruthi Infotech Park, etc. In addition, the subject property is located in proximity to locations such as Indiranagar, Koramangala etc., which are considered as established residential and commercial locations within the city. The subject property is located at a distance of approximately <1 km from the Domlur flyover, 1 – 2 km from Indiranagar, 2-3 km from Koramangala, 7-8 km from MG Road and approximately 43 - 45 km from Bengaluru International Airport.
Statement of Assets (sf):	Based on review of various documents (such as rent roll, Architect’s Certificate, etc.), the subject property is an operational office asset with approximately 2.7 msf of completed leasable area and is 97.2% occupied as on the date of valuation. Table below highlights the leasable area for subject property that form part of the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	2,737,442	97.2%
Under Construction Blocks	-	NA
Proposed Development	-	NA
Total	2,737,442	

Source: Source: Rent roll, lease deeds, architect certificate provided by the Client

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2021)		
In-place rent	INR psf pm	119
Marginal rent – office component	INR psf pm	148
Parking rent (Effective)	INR / bay/mth	4,500
Other financial assumptions		
Cap rate – commercial components	%	8.00%
WACC rate	%	11.70%

Market Value:

INR 56,105 Mn

Note:

1. The valuation presented is for 100% interest in the asset. However, based on inputs provided by the Client, the REIT hold 50% of the interests in the asset (viz. INR 28,053 Mn)
2. The above valuation excludes valuation of Hilton at Embassy GolfLinks. The valuation of Hilton at Embassy GolfLinks is presented in section 5.12

5.12 Embassy One

Property Name: 'Embassy One' is a premium mixed-used development (High-end office, retail and hospitality components) located along Bellary Road, Ganga Nagar, Bengaluru, Karnataka

Property Address: Bellary Road, Ganga Nagar, Bengaluru, Karnataka

Land Area: Based on review of the title report, the Valuer understand that the total land area of the subject property under the ownership of the Client is approximately 5.62 acres (which includes residential component). The interest being valued as part of this assessment is an undivided share of 3.19 acres (for the office, retail and hospitality components).

Brief Description: The subject property is a premium mixed-used development comprising of commercial, retail and hospitality components. Subject property is located in a premium location in close proximity to the CBD, approximately 6-7 km from MG Road. The stretch between the CBD and Mekhri Circle is recognized as a premium residential and hospitality hub of Bengaluru. Subject location lies in close proximity to premium residential colonies of Sheshadripuram, Sadashiva Nagar, Dollars colony, Fraser Town, Jayamahal, etc., which house affluent population of businessmen community, ministers, etc. Further, the location is considered an established hub for premium hotels, housing prominent 5 star hotels such as Windsor Manor, Lalit Ashok, & Taj Westend. As per information provided by the client, the Valuer understands that 5.5% of total area is leased as of date of valuation.

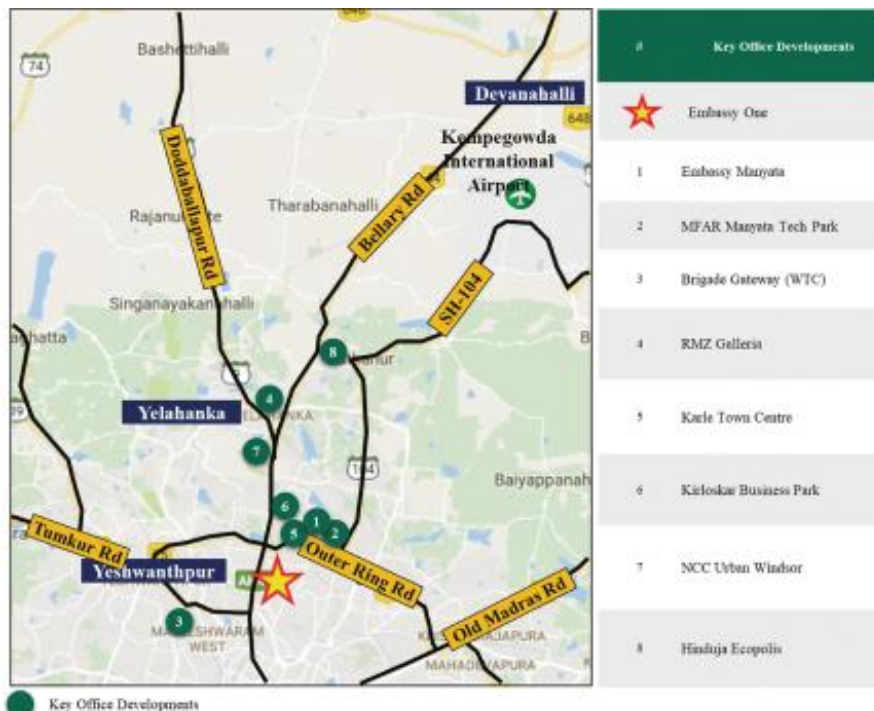
The subject property's location along the initial stretch of Bellary Road further adds to the attractiveness of the development. Bellary Road connects the city center to the airport and also provides connectivity to all major hubs within Bengaluru City. Further, the subject property's proximity to the Hebbal Outer Ring Road, connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer ring road, Old Madras road, etc. Further, it is located at a distance of 1-2 km from Mekhri Circle, 3-4 km from Hebbal ORR Junction, 6-7 km from MG Road, 27-28 K from Bengaluru International Airport.

Statement of Assets (sf): Table below highlights the leasable area for individual blocks that form part of the subject development:

Block	No of Keys/ Leasable Area (sf)
Office	194,948
Retail	55,148
Hotel (Four Seasons at Embassy One)	230 keys
Total	230 keys / 250,096

Source: Architect certificate provided by the Client

Location Map



Key Assumptions

Particulars	Unit	Details
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Revenue assumptions (as on March 31, 2021)		
Lease completion	Year	Q1, FY 2025
In-place rent	INR psf/mth	159
Marginal rent – Non IT office component	INR psf/mth	147 ¹⁶
Marginal rent – Retail component	INR psf/mth	150
Parking rent (Effective)	INR / bay/mth	-
ARR – Four Seasons at Embassy One	INR / room / day	Year 1: 7,500 Year 2: 9,000 On Stabilization: 12,223
Stabilized Occupancy – Four Seasons at Embassy One	%	70%
Other financial assumptions		
Cap rate – commercial components	%	7.50%
		7.14%
Cap rate – hotel components	%	(viz. an EV-EBITDA multiple of 14)
WACC rate (operational)	%	11.70%
WACC rate (hotel)	%	12.38%

Market Value: **INR 11,601 Mn**

¹⁶ Inclusive of car park rent

5.13 Hilton at Embassy GolfLinks

Property Name: Hilton at Embassy GolfLinks is an operational hospitality development as part of a larger office asset 'Embassy GolfLinks' located along Intermediate Ring Road, Bengaluru, Karnataka

Property Address: Challaghatta Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru, Karnataka

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 3.58 acres

Brief Description: The subject property, Hilton at Embassy GolfLinks, is an operational hospitality development located along Intermediate Ring Road, Bengaluru. The interest being valued corresponds to a developed area of 448,156 sf of hotel with 247 keys (operational since March 2014 and operated by Hilton). The immediate surroundings of the subject property comprise of large aggregates of land owned by the Defence Services of the Country Karnataka Golf Association's operational golf course, Diamond District, DivyaSree Greens, Maruthi Infotech Park, etc. In addition, the subject property is located in proximity to locations such as Indiranagar, Koramangala etc., which are considered as established residential and commercial locations within the city. In addition to the subject property, the micro-market also comprises of other hotels such as The Leela, Taj Vivanta, Hyatt, The Paul, Ramada Encore, etc.

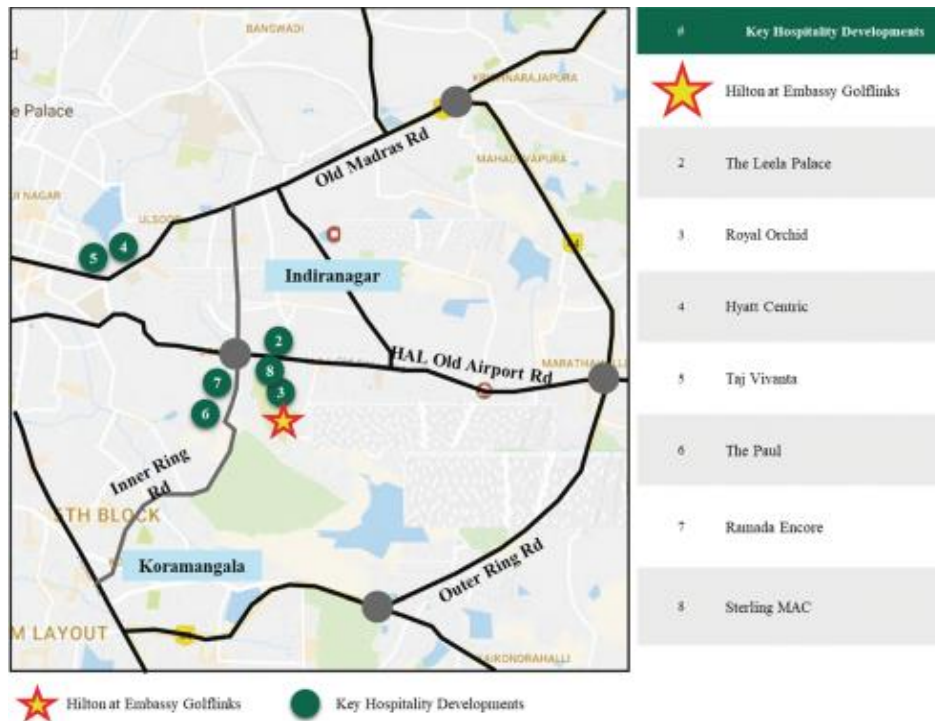
The subject property is located at a distance of approximately <1 km from the Domlur flyover, 1 – 2 km from Indiranagar, 2-3 km from Koramangala, 7-8 km from MG Road and approximately 43 - 45 km from Bengaluru International Airport.

Statement of Assets (sf): Based on the information provided by the client, the subject property is an operational hospitality development. Table below highlights the total operational area of the subject development:

Property	No of Keys
Hotel (Hilton at Embassy GolfLinks)	247 keys (developed area - 448,156 sf)

Source: Architect certificate provided by the Client

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2021)		
ARR – Hilton at Embassy GolfLinks	INR / room / day	Year 1: 5,000; Year 2: 6,500 On Stabilization: 9,427
Stabilized Occupancy – Hilton at Embassy GolfLinks	%	72
Other financial assumptions		
Cap rate – hotel components	%	7.14% (viz. an EV-EBITDA multiple of 14)
WACC rate	%	12.38%

Market Value: **INR 3,995 Mn**

5.14 Embassy Energy

Property Name: ‘Embassy Energy’ is a Solar PV electricity generation facility spread across Villages Ittigi, Mooregeri and Nellukudure, Bellary District, Karnataka

Property Address: Villages Ittigi and Mooregeri in Huvin Hadagali Taluka and Nellukudure in Hagri Bommanhalli Taluka, Bellary District, Karnataka

Land Area: The Valuer understands from the Client, title reports, site plans, letter highlighting Commercial Operations Date and site visit, that the park is spread over 465.77 Acres of which the land aggregation is in place by way of sale deed, Agreement to Sell (ATS) or General Power of Attorney (GPA), etc. The Valuer understands that currently only about 254.47 Acres is owned by the company by way of Sale Deed whereas the rest is under various stages of sale and conversion – below is a table which highlights the current status of the Land Aggregation. Further, the Valuer understands that physical possession of the land is with EEPL and/or its contractors and sub-contractors and that the solar park has been constructed on most of the land. It is assumed that the sale and conversion would be successful and any adverse impact has not been factored in the valuation.

Particular	Area (acres)
Total extent of identified Land	465.77
Registered ATS and POA completed	465.77
Applied for approval u/s 109	464.51
Extent of land approved/recommended by DC u/s 109	442.54
Final approval received u/s 109	442.54
Sale Deed executed favouring EEPL	254.47

Brief Description: The subject property is an operational solar park under the ownership of ‘Embassy-Energy Private Limited (EEPL)’. The subject site is spread across three villages namely Ittigi, Mooregeri and Nellukudure in Bellary District. The subject location is situated at a distance of more than 300 km from Bengaluru City and is currently a nascent vector in terms of real estate activity. Being a peripheral location, the region is predominantly characterized by the presence of agricultural land parcels (with black cotton soil). However, a few solar parks are currently operational/ proposed at the subject location by prominent players such as Adani, ReNew, etc. The accessibility of the subject region is via State Highway – 45 (SH – 45).

On account of being accessible through the State Highway – 45 (SH – 45), the subject property enjoys good connectivity to neighbouring towns and villages. Further, it is located at a distance of approximately 3 – 4 km from the 220 KV Sub-station (Ittigi), approximately 3 – 4 km from Ittigi Village Centre, approximately 65 – 70 km from Davangere and approximately 300 – 310 km from MG Road (Bengaluru).

Based on review of power purchase agreements between EEPL and the power purchasers, the Valuer understands that the solar plant supplies electricity to the existing office parks / hotels of Embassy in Bengaluru. In lieu of the same, EEPL has already signed power purchase agreements (PPAs) for 25 years with various entities for commercial and industrial category.

Statement of Assets:

Based on review of various documents (such as deferred payment agreement, project development agreement, commissioning certificates, Government Order, etc.), the solar park has an installed capacity of approximately 130 Mega Watts (MW) DC (output will be 100 MW AC), capable of generating at least 215 Million Units (MU) of electricity by the end of the first 12 months from the date on which it achieves COD and subject to plant stabilization. Table below highlights the details for the subject plant:

Particular	Detail
Capacity (MW) (A)	130 MW DC (100 MW AC)
Plant Load Factor (%) (B)	18.88%
Number of hours in a day (C)	24
Days in a year (D)	365
Total units generated (kWH) (A * B * C * D) * 1000	215 Million Units (MU) ¹⁷ in kWh in Year 1

Source: Various documents/ inputs provided by the Client

As per the PPAs executed with various entities, the purchasers have agreed to purchase at least 85% of the contracted quantity (**‘minimum guaranteed offtake’**) each tariff year, commencing from the commercial operation date until the end of the term.

¹⁷ Subject to plant stabilization, however, considering the past performance of the subject plant, the maximum generation has been capped at approx. 200 Million Units (MU) for any given year

Key Assumptions:	Particulars	Unit	Details
	Development Timelines		
	COD	Date	28 th February 2018 ¹⁸
	Revenue assumptions (as on March 31, 2021)		
	BESCOM Tariff – Commercial	INR per kWh	9.25
	BESCOM Tariff – Industrial	INR per kWh	7.65
	Blended Tariff	INR per kWh	9.01¹⁹
	Adopted Tariff	INR per kWh	8.50
	Other financial assumptions		
	Useful Life	Years	25 years
	Cost of Equity	%	13.50%

INR 9,302 Mn

¹⁸ 40% commenced operations on 23rd January 2018 and balance 60% on 28th February 2018

¹⁹ In proportion of the distribution between commercial and industrial category consumers