

Date: 12<sup>th</sup> August, 2019

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

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

**Re: Scrip Code 542602 and Scrip Symbol “EMBASSY”**

**Sub: Outcome of the Meeting of the Board of Directors of Investment Manager held on 12<sup>th</sup> August, 2019**

Dear Sir/Madam,

We wish to inform you that the Board of Directors of Embassy Office Parks Management Services Private Limited, Manager to Embassy Office Parks REIT at its meeting held on Monday, 12<sup>th</sup> August, 2019 in Mumbai has, inter-alia:

- i. Approved Unaudited Condensed Standalone and Condensed Consolidated Financial Results of Embassy Office Parks REIT for the quarter ended 30<sup>th</sup> June, 2019;

We have enclosed the Unaudited Condensed Standalone and Condensed Consolidated Financial Results of Embassy Office Parks REIT for the quarter ended 30<sup>th</sup> June, 2019 and the Limited Review Reports of the Auditors thereon.

- ii. Declared Distribution of Rs. 4,166.99 million/Rs. 5.40 per unit for the quarter ended 30<sup>th</sup> June, 2019. The distribution comprises of Rs. 1,774.83 million / Rs. 2.30 per unit in the form of Interest, less taxes if any, Rs. 2,392.16 million / Rs. 3.10 per unit in the form of proceeds of SPV loan amortization.
- iii. Appointment of KPMG as Internal auditors of the Company and Embassy Office Parks REIT.

We also wish to inform you that record date for the distribution to Unitholders for the quarter ended 30<sup>th</sup> June, 2019 will be 21<sup>st</sup> August, 2019 and the payment of distribution will be made on or before 27<sup>th</sup> August, 2019.

**Embassy Office Parks Management Services Pvt. Ltd.**

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

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

**EMBASSY OFFICE PARKS**



For more details please log on to [www.embassyofficeparks.com](http://www.embassyofficeparks.com) under the Investor Relations section.

Kindly take the same on record.

Thanking you,

Yours sincerely,

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

**Ramesh Periasamy**  
**Company Secretary & Compliance Officer**

**Embassy Office Parks Management Services Pvt. Ltd.**

Embassy GolfLinks Business Park, Pebble Beach, Off International Ring Road, Bangalore - 560071.

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

1. We have reviewed the accompanying unaudited condensed consolidated interim Ind AS financial statements of Embassy Office Parks Real Estate Investment Trust (the "REIT"), its subsidiaries and a Joint venture (together referred as "the Group"), which comprise the unaudited condensed consolidated balance sheet as at June 30, 2019 and the related unaudited condensed statement of Profit and Loss, including other comprehensive income, unaudited condensed statement of Cash Flows and the unaudited condensed statement of changes in Unit Holder's equity for the quarter ended June 30, 2019 and a summary of the significant accounting policies and select explanatory information (together hereinafter referred to as the "Condensed Consolidated Interim Ind AS Financial Statements"). The Condensed Consolidated Interim Ind AS Financial Statements are prepared in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018 and comparative quarter ended March 31, 2019, as reported in these Condensed Consolidated Interim Ind AS Financial Statements have been approved by the Manager's Board of Directors, but have not been subjected to review.
2. The Condensed Consolidated Interim Ind AS Financial Statements are the responsibility of the Manager and has been approved by the Board of Directors of the Manager. Our responsibility is to issue a conclusion on the Condensed Consolidated Interim Ind AS Financial Statements based on our review.

**Scope of Review**

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



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

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

## Conclusion

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Ind AS Financial Statements have not been prepared in all material respects in accordance with the requirements of Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Emphasis of Matter**

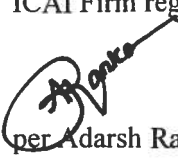
6. We draw attention to note 48(iv) to the Condensed Consolidated Interim Ind AS Financial Statements which refers to the uncertainty in relation to the pending case in the Honourable High Court of Karnataka as at June 30, 2019 against the demand order to pay a sum of Rs.2,739.50 million (including interest and penalty demanded) towards the differential property tax payable by MPPL for the period 2008-09 to 2015-16. Pending outcome of such legal matter no provision has been made in these Condensed Consolidated Interim Ind AS Financial Statements.
7. We draw attention to note 48(iv) to the Condensed Consolidated Interim Ind AS Financial Statements which refers to the uncertainty in relation to the pending case as at June 30, 2019, against the demand order to pay a sum of Rs. 760.07 million (including interest and penalty demanded) towards the difference of property tax based on the total survey report of certain buildings of MPPL. MPPL has admitted and paid an amount of Rs.286.80 million and is contesting the balance demand of Rs.473.27 million before The Joint Commissioner, BBMP which is pending for disposal. Pending outcome of such legal matter no provision has been made in these Condensed Consolidated Interim Ind AS Financial Statements for the balance amount.

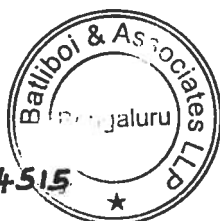
Our conclusion is not modified in respect to the above matters.

## **Other Matters**

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

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

  
per Adarsh Ranka  
Partner  
Membership No.: 209567



UDIN: 19209567-AAAA-BR4515

Place: Mumbai, India  
Date: August 12, 2019

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



	Note	As at 30 June 2019 (Unaudited)	As at 31 March 2019 (Audited)	As at 1 April 2018 (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	21,458.27	21,295.50	-
Capital work-in-progress	4	1,505.76	1,220.52	-
Investment property	5	189,296.56	189,548.97	-
Investment property under development	8	4,999.78	3,797.25	-
Goodwill	6	51,699.22	51,699.22	-
Other intangible assets	7	4,965.50	5,018.78	-
Equity accounted investee	9	23,943.87	23,574.23	-
Financial assets				-
- Investments	10	256.47	489.29	-
- Loans	12	593.19	583.63	-
- Other financial assets	13	1,118.72	2,216.54	-
Non-current tax assets (net)	14	1,377.64	1,418.90	-
Other non-current assets	15	11,211.58	11,190.69	-
<b>Total non-current assets</b>		<b>312,426.56</b>	<b>312,053.52</b>	-
<b>Current assets</b>				
Inventories	16	16.89	5.42	-
Financial assets				-
- Investments	11	7,766.72	1,455.58	-
- Trade receivables	17	440.24	335.86	-
- Loans	18	323.15	955.96	-
- Cash and cash equivalents	19A	1,930.31	49,612.75	-
- Other bank balances	19B	383.84	1,455.99	-
- Other financial assets	20	790.43	750.21	-
Other current assets	21	640.95	322.50	-
<b>Total current assets</b>		<b>12,292.53</b>	<b>54,894.27</b>	-
<b>Total assets</b>		<b>324,719.09</b>	<b>366,947.79</b>	-
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Unit capital	22	229,120.96	229,039.26	-
Other equity	23	2,125.90	(94.47)	-
<b>Total equity</b>		<b>231,246.86</b>	<b>228,944.79</b>	-
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				-
- Borrowings	24	36,522.02	68,033.29	-
- Other financial liabilities	25	3,179.61	2,781.04	-
Provisions	27	6.24	5.08	-
Deferred tax liabilities (net)	26	41,374.76	41,424.39	-
Other non-current liabilities	28	718.24	642.14	-
<b>Total non-current liabilities</b>		<b>81,800.87</b>	<b>112,885.94</b>	-
<b>Current liabilities</b>				
Financial liabilities				-
- Borrowings	29	-	3,171.09	-
- Trade payables	30	-	-	-
- total outstanding dues of micro and small enterprises		-	-	-
- total outstanding dues of creditors other than micro and small enterprises		248.60	421.87	-
- Other financial liabilities	31	10,638.66	20,778.67	-
Provisions	32	-	3.01	-
Other current liabilities	33	753.93	708.84	-
Current tax liabilities (net)	34	30.17	33.58	-
<b>Total current liabilities</b>		<b>11,671.36</b>	<b>25,117.06</b>	-
<b>Total equity and liabilities</b>		<b>324,719.09</b>	<b>366,947.79</b>	-

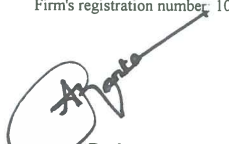
Significant accounting policies

2


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


As per our report of even date attached

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

  
Adarsh Ranka  
Partner  
Membership number: 209567  
Place: Mumbai  
Date: 12 August 2019

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

  
Jitendra Virwani  
Director  
DIN: 00027674  
Place: Mumbai  
Date: 12 August 2019

  
Tuhin Parikh  
Director  
DIN: 00544890  
Place: Mumbai  
Date: 12 August 2019

Note	For the quarter ended 30 June 2019 (Unaudited)	For the quarter ended 31 March 2019 * (Unaudited)	For the quarter ended 30 June 2018 * (Unaudited)	For the year ended 31 March 2019 (Audited)
<b>Income and gains</b>				
Revenue from operations	35	5,351.04	-	-
Interest	36	144.31	-	-
Profit on sale of assets/investments (net)		10.76	-	-
Other income	37	35.24	-	-
<b>Total Income</b>		<b>5,541.35</b>	-	-
<b>Expenses</b>				
Cost of materials consumed	38	20.39	-	-
Employee benefits expense	39	94.14	-	-
Operating and maintenance expenses	40	186.80	-	-
Repairs and maintenance	42	304.84	-	-
Valuation expenses		2.36	-	-
Audit fees		9.90	1.19	1.19
Insurance expenses		16.42	-	-
Management fees	47	172.01	-	-
Trustee fees		0.74	-	-
Legal and professional fees		96.60	-	-
Other expenses	41	268.03	93.28	93.28
		<b>1,172.23</b>	<b>94.47</b>	<b>94.47</b>
<b>Earnings/(loss) before finance costs, depreciation, amortisation and income tax</b>		<b>4,369.12</b>	<b>(94.47)</b>	<b>(94.47)</b>
Finance costs	43	832.39	-	-
Depreciation and amortisation expense	44	1,391.30	-	-
<b>Profit/(loss) before share of profit of equity accounted investee and income tax</b>		<b>2,145.43</b>	<b>(94.47)</b>	<b>(94.47)</b>
Share of profit after tax of equity accounted investee		394.69	-	-
<b>Profit/(loss) before income tax</b>		<b>2,540.12</b>	<b>(94.47)</b>	<b>(94.47)</b>
<b>Tax expense:</b>				
Current tax	45	369.37	-	-
Deferred tax charge	45	158.07	-	-
Minimum alternate tax credit entitlement	45	(207.69)	-	-
		<b>319.75</b>	-	-
<b>Profit/(loss) for the period/year</b>		<b>2,220.37</b>	<b>(94.47)</b>	<b>(94.47)</b>
<b>Items of other comprehensive income</b>				
Items that will not be reclassified subsequently to profit or loss		-	-	-
- Remeasurements of defined benefit liability, net of tax		-	-	-
<b>Total comprehensive income/(loss) for the period/year</b>		<b>2,220.37</b>	<b>(94.47)</b>	<b>(94.47)</b>
<b>Earning per Unit</b>				
Basic	46	2.88	(5.22)	(5.22)
Diluted		2.88	(5.22)	(5.22)

\* Refer note 58

**Significant accounting policies**

2

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

Firm's registration number: 101049W/E300004

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

  
**Adarsh Ranka**

Partner

Membership number: 209567

Place: Mumbai

Date: 12 August 2019

  
**Jitendra Virwani**

Director

DIN: 00027674

Place: Mumbai

Date: 12 August 2019

  
**Tubin Parikh**

Director

DIN: 00544890

Place: Mumbai

Date: 12 August 2019

	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
<b>Cashflow from operating activities</b>				
Profit/ (loss) before share of profit of equity accounted investees and income tax	2,145.43	(94.47)	-	(94.47)
Adjustments for:				
<b>Non-cash and other adjustments</b>				
Depreciation and amortisation expense	1,391.30	-	-	-
Assets no longer required, written off	4.69	-	-	-
Allowance for credit loss	0.26	-	-	-
Leasing commission paid	(5.33)	-	-	-
Profit on sale of investments	(10.76)	-	-	-
Finance costs	832.39	-	-	-
Interest income	(130.81)	-	-	-
Fair value gain on investment measured at FVTPL	(18.45)	-	-	-
<b>Operating profits before working capital changes</b>	<b>4,208.72</b>	<b>(94.47)</b>	-	<b>(94.47)</b>
<b>Working capital adjustments</b>				
- Inventories	(11.47)	-	-	-
- Trade receivables	(109.33)	-	-	-
- Loans and other financial assets (current and non-current)	607.60	-	-	-
- Other assets (current and non-current)	(284.87)	-	-	-
- Trade payables	(173.27)	-	-	-
- Other financial liabilities (current and non-current)	588.17	125.97	-	125.97
- Other liabilities and provisions (current and non-current)	119.34	-	-	-
<b>Cash generated from operating activities before taxes</b>	<b>4,944.89</b>	<b>31.50</b>	-	<b>31.50</b>
Taxes paid (net of refunds)	(331.51)	-	-	-
<b>Cash generated from operating activities</b>	<b>4,613.38</b>	<b>31.50</b>	-	<b>31.50</b>
<b>Cash flow from investing activities</b>				
Redemption of deposits with banks	2,244.66	-	-	-
Purchase of investments	(1,591.29)	-	-	-
Investments in mutual funds	(4,457.82)	-	-	-
Payment for purchase of Investment Property and Property, Plant & Equipment and intangibles	(2,183.64)	-	-	-
Payment for business acquisition	(3,450.00)	(4,681.93)	-	(4,681.93)
Interest received	96.98	-	-	-
<b>Net cash flow used in investing activities</b>	<b>(9,341.11)</b>	<b>(4,681.93)</b>	-	<b>(4,681.93)</b>
<b>Cash flow from financing activities</b>				
Interest paid	(364.65)	-	-	-
Repayments of long-term borrowings	(39,966.60)	-	-	-
Proceeds from Issue of Units	-	47,499.96	-	47,499.96
Transaction costs related to issue of units	(2,263.41)	-	-	-
Expenses for issue of Non-convertible debentures	(360.05)	-	-	-
Security deposits given	-	(31.00)	-	(31.00)
<b>Net cash generated from / (used in) in financing activities</b>	<b>(42,954.71)</b>	<b>47,468.96</b>	-	<b>47,468.96</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(47,682.44)</b>	<b>42,818.53</b>	-	<b>42,818.53</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>49,612.75</b>	-	-	-
Cash balance acquired due to business combination	-	6,794.22	-	6,794.22
<b>Cash and cash equivalents at the end of the period</b>	<b>1,930.31</b>	<b>49,612.75</b>	-	<b>49,612.75</b>
Components of cash and cash equivalents (refer note 19A)				
<b>Cash in hand</b>	<b>1.45</b>	<b>0.48</b>	-	<b>0.48</b>
Balances with banks				
- in current accounts	601.16	3,449.14	-	3,449.14
- in escrow accounts	166.10	45,580.11	-	45,580.11
- in fixed deposits	1,161.60	583.02	-	583.02
	<b>1,930.31</b>	<b>49,612.75</b>	-	<b>49,612.75</b>

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

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

Firm's registration number: 101049W/E300004

**Adarsh Ranka**

Partner

Membership number: 209567

Place: Mumbai

Date: 12 August 2019

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

**Jitendra Virwani**

Director

DIN: 00027674

Place: Mumbai

Date: 12 August 2019

**Tulsh Parikh**

Director

DIN: 00544890

Place: Mumbai

Date: 12 August 2019



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



**A. Unit Capital**

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

**B. Other equity**

Particulars	Retained Earnings
<b>Balance as on 1 April 2018</b>	-
Profit/ (loss) for the year	(94.47)
<b>Balance as at 31 March 2019</b>	<u>(94.47)</u>
<b>Balance as on 1 April 2019</b>	<u>(94.47)</u>
Profit/ (loss) for the quarter	2,220.37
<b>Balance as at 30 June 2019</b>	<u>2,125.90</u>

As per our report of even date attached:

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

**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Mumbai  
Date: 12 August 2019

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

**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Mumbai  
Date: 12 August 2019

**Tuhin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: 12 August 2019

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



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	Quarter ended 30 June 2019
1	Cash flows received from SPVs and investment entity in the form of:	
	• Interest	1,819.29
	• Dividends (net of applicable taxes)	
	• Repayment of Shareholder Debt	2,409.91
	• 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	13.60
5	Less: Any other expense at the Trust level and not captured herein	(0.08)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(0.74)
	• REIT Management Fees	(42.00)
	• Valuer fees	(2.36)
	• Legal and professional fees	(11.37)
	• Trademark license fees	-
	• Secondment fees	-
7	Less: Debt servicing	
	• Interest on external debt	-
	• Repayment of external debt	-
8	Less: Income tax and other taxes paid (if applicable)	(5.76)
	<b>Net Distributable Cash Flows</b>	<b>4,180.50</b>

**Notes:**

- The Board of Directors of the Manager to the Trust, in their meeting held on 12 August 2019, have declared distribution to unitholders of Rs 5.4 per unit which aggregates to Rs 4,166.99 million for the quarter ended 30 June 2019. The distributions of Rs 5.4 per unit comprises Rs 2.3 per unit in the form of interest payment and the balance Rs 3.1 per unit in the form of amortization of SPV debt.
- Since the Trust got listed only on 1 April 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

**Embassy Office Parks REIT**

**Condensed Consolidated Financial Statements**  
**Statement of Net Distributable Cashflow**

(all amounts in Rs. millions unless otherwise stated)



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

**For the quarter ended 30 June 2019**

Sl No	Particulars	EOPPL	MPPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	OBPPL	VCPPPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	115.96	680.10	21.90	(48.40)	50.39	33.51	13.19	20.10	(231.65)	55.21	23.78	734.10
	<i>Adjustment:</i>												
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:												
	• Depreciation, amortisation and impairment	87.30	344.51	86.31	60.97	48.69	19.70	178.51	80.28	86.28	29.59	58.71	1,080.85
	• Assets written off or liabilities written back	4.69	-	-	-	-	-	-	-	-	-	-	4.69
	• Current tax charge as per statement of profit and loss	57.21	198.35	6.28	0.75	13.31	21.42	46.07	8.37	-	12.70	-	364.46
	• Deferred tax	72.64	152.05	7.23	(7.57)	-	(0.79)	(7.31)	10.31	(26.34)	(0.43)	20.58	220.37
	• MAT adjustments as per statement of profit and loss	(57.21)	(126.90)	(6.28)	-	-	-	-	(8.37)	-	(8.93)	-	(207.69)
	• Ind AS adjustments not considered in any other item above	(7.46)	(15.22)	3.63	-	16.47	(0.32)	(15.51)	(25.81)	0.03	(1.58)	(99.99)	(145.76)
3	Add: Interest on shareholders debt charged to statement of profit and loss	180.56	443.97	-	55.33	24.02	78.59	91.05	119.75	363.62	98.01	145.69	1,600.59
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	177.45	352.24	191.18	(16.93)	81.12	51.27	31.79	112.78	126.63	1.01	(18.84)	1,089.70
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(242.04)	(22.27)	-	-	-	-	-	-	-	-	(264.31)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	(27.58)	(115.03)	(12.53)	(1.80)	(22.21)	(18.41)	(38.87)	(22.90)	(34.81)	(14.00)	(17.63)	(325.77)
11	Less: Income tax and other taxes paid (as applicable)	487.61	991.93	253.56	90.75	161.40	151.46	285.73	274.40	515.41	116.37	88.51	3,417.13
	<b>Total Adjustments (B)</b>	603.57	1,672.04	275.46	42.34	211.79	184.97	298.92	294.51	283.76	171.58	112.29	4,151.23
	<b>Net distributable Cash Flows C = (A+B)</b>												

\* Repayment of borrowings done at SPV level out of Initial Public Offering proceeds have not been considered for NDCF computation

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

## 1. Organisation structure

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

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

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

Embassy Office Parks REIT acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders on 22 March 2019. In exchange for these equity interests, the above shareholders have been allotted 613,332,143 Units of Embassy Office Parks REIT valued at 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 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:

**Embassy Office Parks REIT**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts (continued)**  
(all amounts in Rs. millions unless otherwise stated)



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

**Embassy Office Parks REIT**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts (continued)**  
(all amounts in Rs. millions unless otherwise stated)



Name of the SPV	Activities	Shareholding (in percentage) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
	assets (Quadron Business Park), located in Pune.		
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Qubix Business Park), located in Pune.	BREP NTPL Holding (NQ) Pte. Ltd.: 79.62% BREP VII NTPL Holding (NQ) Pte. Ltd.: 19.89% BREP VII SBS NTPL Holding (NQ) Ltd.: 0.38% BREP VII NTPL Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
OBPL	Development and leasing of office space and related interiors and maintenance of such assets (The Oxygen Park), located in Noida.	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.: 79.61% BREP VII SG Oxygen Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS Oxygen Holding (NQ) Ltd.: 0.39% BREP VII SBS Oxygen Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	India Alternate Property Limited: 95.23% Premsagar Infra Reality Private Limited: 2.51% Hiranandani Properties Private Limited: 2.26%	Embassy Office Parks REIT : 100%
VCPL	Development and leasing of office space and related interiors and maintenance of such assets (247 Park), located in Mumbai.	BREP Asia HCC Holding (NQ) Pte Ltd.: 79.81% BREP VII HCC Holding (NQ) Pte Ltd.: 19.89% BREP Asia SBS HCC Holding (NQ) Ltd.: 0.19% BREP VII SBS HCC Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
IENMPL	Development and leasing of office space and related interiors and maintenance of such assets (Express Towers Building), located in Mumbai.	Panchshil Techpark Private Limited: 51.07% BREP Asia SG Indian Holding (NQ) Co II Pte Limited: 37.27% BREP VII SG Indian Holding (NQ) Co II Pte Limited: 9.31% Shekhar Gupta jointly with Ms. Neelam: 2.11% BREP Asia SBS Holding (NQ) Co. XI Ltd.: 0.18% BREP VII SBS Holding (NQ) Co. XI Ltd.: 0.05%	Embassy Office Parks REIT : 100%

## **2. Significant accounting policies**

### **2.1 Basis of preparation of condensed consolidated financial statements**

The Condensed Consolidated Financial Statements of the Embassy Office Parks Group comprises the Consolidated Balance Sheets as at 30 June 2019, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Unit Holders' Equity and a summary of significant accounting policies and select explanatory information for the quarter ended 30 June 2019. The Condensed Consolidated Financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 12 August 2019. The Condensed Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards 34 "Interim Financial Reporting" read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS').

These condensed consolidated financial statements, for the quarter ended June 30, 2019, are the first consolidated financial statements of the Embassy Office Parks Group consequent to the Trust being listed as of 1 April 2019.

Accordingly, Embassy Office Parks Group has prepared condensed consolidated financial statements which comply with Ind AS applicable for period ending on 30 June, 2019, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these condensed consolidated financial statements, Embassy Office Parks Group's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS. Since no consolidated financial statements were prepared under the Companies (Accounts) Rules, 2014 (Previous GAAP), disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

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

#### **Statement of compliance to Ind-AS**

These Condensed Consolidated Financial Statements for the year ended 30 June 2019 are the financial statements of the Embassy Office Parks Group and have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS').

The Condensed Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except for the change in policy for recognition of leases under Ind AS 116 as referred in note 2.2(q). The financial statements of all the SPVs and the Trust used for the purpose of consolidation are drawn up to the same reporting date i.e. period ended on 30 June 2019.

### **Basis of Consolidation**

#### **(i) Subsidiaries**

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

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

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

#### **(ii) Interests in joint arrangements**

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

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

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



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

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

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

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

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

During the year ended 31 March 2018, the statutory auditors of GLSP had modified their audit for non-compliance with Section 185 of the Companies Act, 2013 in respect of a loan aggregating Rs. 190.00 million provided by GLSP to a private company which had common directors. The loan was repaid during the year ended 31 March 2019 and the non-compliance was duly rectified.

#### **Basis of Business Combination**

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

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

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

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

## 2.2 Summary of significant accounting policies

### a) Functional and presentation currency

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

### b) Basis of measurement

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

- Certain financial assets and liabilities (refer accounting policy regarding financial instrument): measured at fair values; and
- 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 accordingly the Goodwill / Capital reserve amount has been calculated.

### c) Use of judgments and estimates

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

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

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

#### i) Business combinations and impairment of Goodwill

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

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Embassy Office Parks Group's cash-generating units that are expected to benefit from the combination. In performing such impairment assessments, management compared the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill had been allocated with their respective 'value in use' computed based on discounted cash flow method, to determine if any impairment loss should be recognized. The discounted cash flow

- method involves estimating future cash flows, growth rates and discount rates which require significant management judgement. Note 2.2 (j)
- ii) Classification of lease arrangements as finance lease or operating lease - Note 2.2 (q)
  - iii) Classification of assets as investment property or as property, plant and equipment – Note 2.2 (f) and (g)
  - iv) Significant judgement involved in the purchase price allocation of the assets acquired and liabilities assumed on account of Business Combination and deferred tax accounting on the resultant fair value accounting.– refer note on Basis of Business Combination and Note 2.2 (u) (ii).
  - v) Judgements in preparing Condensed Consolidated Financial Statements– refer note 2.1

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment during the period ending 30 June 2019 is included in the following notes-

- i) Determining fair value of investment properties- The fair value of these investment properties is reviewed regularly by Management with reference to independent property valuations and market conditions existing at half yearly basis. The independent valuers are leading independent appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Judgment is also applied in determining the extent and frequency of independent appraisals
- ii) Useful lives of Investment Property and property, plant and equipment– Refer Note 2.2(f) and (g)
- iii) Valuation of financial instruments – Refer Note 2.2 (m)
- iv) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(u)(ii)

**d) Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

**e) Measurement of fair values**

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

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

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

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

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

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

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

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

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

**f) Investment properties**

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

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

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

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

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

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

**g) Property, plant and equipment and intangible assets**

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

Intangible assets are recorded at their acquisition cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

<b>Asset category</b>	<b>Estimated useful life (in years)</b>
Buildings	60 years
Plant and Machinery	15 years
Furniture and Fixtures	12 years
Electrical Equipment	15 years
Office Equipment	5 years
Computers	3 years
Computer software	3 years
Operating supplies	2-5 years
Vehicles	8 years

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

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

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

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

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

Power purchase agreement is one of the essential contracts required for a small power generating company with limited production capacity and marketability. Since sales with the customer take the form of a contract, 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 useful life of the power purchase agreements is estimated to be 25 years based on the contract period.

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

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

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

Pro-rata depreciation is provided on all fixed assets purchased or sold during the year.

**h) Non-current assets held for sale**

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

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

**i) Inventory**

**Stores and operating supplies**

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

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

**j) Impairment of non-financial assets**

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

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

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination. Goodwill is tested for impairment on an annual basis and more often, if there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's CGU expected to benefit from the synergies arising from the business combination.

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

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

**k) Foreign currency transactions**

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

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

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

**l) Financial instruments**

**i) Recognition and initial measurement**

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

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

**ii) Classification and subsequent measurement**

*Financial assets*

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and



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

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

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

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

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

*Financial assets: Business model assessment*

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

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

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

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

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

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

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

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

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

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit 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 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 expire.

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

**iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Balance Sheet when, and only when, the Embassy Office Parks Group 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.

**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 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.

**n) Impairment of financial assets**

*Financial assets*

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

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

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

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

- significant financial difficulty of the borrower or issuer
- 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 Group on terms that the Embassy Office Parks Group 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 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 availability without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Embassy Office Parks Group's historical experience and informed credit assessment and including forward-looking information.

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

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

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

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

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

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

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

**o) Embedded derivatives**

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

**p) Financial guarantee contracts**

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

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

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

**q) Leases**

**Policy applicable with effect from 1 April 2019**

**Embassy Office Parks Group as a lessee**

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

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

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

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

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

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

**Embassy Office Parks Group as a lessor**

*i. Determining whether an arrangement contains a lease*

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

*ii. Assets held under leases*

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

*iii. Initial direct costs*

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

**Transition to Ind AS 116**

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

Effective 01 April 2019, the Embassy Office Parks Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01 April 2019 using the modified retrospective method given in para C8(b)(ii) to ongoing leases as on 01 April 2019. The right of use asset and lease liability of has been recognized on the date of initial application i.e. 01 April 2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

**Embassy Office Parks Group as a lessor**

The Embassy Office Parks Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub – lease in a joint venture. The Embassy Office Parks Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Embassy Office Parks Group as a lessor does not have any impact on account of sub-lease on the application of this standard.

**Embassy Office Parks Group as lessee**

Ind AS 116 requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance lease under Ind AS 17.

On transition, the Embassy Office Parks Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date. The Embassy Office Parks Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets.

On transition, the Embassy Office Parks Group recognised a lease liability measured at the present value of the remaining lease payments.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

**r) Revenue recognition**

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

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

***ii) Income from finance lease***

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

***iii) Revenue from Room Rentals***

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

***iv) Revenue from contract with customers***

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



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

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

c) ***Other operating income***

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

v) ***Recognition of dividend income, interest income***

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

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

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

s) **Employee benefits**

**Defined contribution plan**

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

**Gratuity**

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

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any,

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

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

#### **Compensated absences**

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

#### **t) Borrowing costs**

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

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

#### **u) Taxation**

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

##### **(i) Current tax:**

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

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

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is

convincing evidence that the Embassy Office Parks Group will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(ii) Deferred tax:

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

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Embassy Office Parks Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

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

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

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

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

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

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

v) **Provisions and contingencies**

The Embassy Office Parks Group recognises a provision when there is a present obligation (legal or constructive) as a result of a past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for

a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

**w) Operating segments**

An operating segment is a component of the Embassy Office Parks Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by a representative of the Embassy Office Parks Group, the Embassy Office Parks Group's Chief Operating Decision Maker ('CODM'), to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

**- Commercial Offices segment:**

NOI for commercial offices is defined as Revenue from operations (which includes (i) facility rentals, (ii) maintenance services income, (iii) income from finance lease, and (iv) other operating income for Commercial Offices) less Direct operating expenses (which includes (i) Operating and maintenance expenses excluding repairs to buildings and property management fees (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 expenses excluding property management fees, and (ii) Other expenses).

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

**x) Errors and estimates**

The Embassy Office Parks Group revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to

the users of the condensed consolidated financial statements. Changes in accounting policies are applied retrospectively.

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

**y) Cash and cash equivalents**

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

**z) Consolidated Statement of Cash flows**

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

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

**aa) Earnings per unit**

The basic earnings per unit is computed by dividing the net profit/ (loss) attributable to the unit holders 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.

**ab) Earnings before finance costs, depreciation, amortisation and income tax**

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

3 Property, plant and equipment

Reconciliation of carrying amounts for the quarter ended 30 June 2019

Particulars	Land-freehold	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Gross block (cost or deemed cost)										
At 1 April 2018			7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
Additions due to business combination*	6,087.66	7,057.90								
Deletion										
At 31 March 2019	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
At 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
Addition for the quarter	317.87									317.87
Deletion										
At 30 June 2019	6,405.53	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,613.37
Accumulated depreciation										
At 1 April 2018										
Charge for the year										
At 31 March 2019										
At 1 April 2019										
Charge for the quarter		13.94	92.45	22.78	9.30	9.10	3.65	3.76	0.12	155.10
At 30 June 2019		13.94	92.45	22.78	9.30	9.10	3.65	3.76	0.12	155.10
Carrying amount (net)										
As at 31 March 2019	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
As at 30 June 2019	6,405.53	7,043.96	7,045.06	462.54	439.53	8.16	7.86	7.86	37.77	21,458.27

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

4 Capital work-in-progress

Particulars	As at	
	30 June 2019	31 March 2019
MPPL- Hotel (Front Parcel)	1,505.76	1,220.52
	1,505.76	1,220.52

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5 Investment property

Reconciliation of carrying amounts for the quarter ended 30 June 2019

Particulars	Land-freehold	Land-leasehold (Refer notes)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Vehicle	Computer	Total
Gross block (cost or deemed cost)										
At 1 April 2018	-	-	-	-	1,515.73	1,598.38	501.72	5.23	2.69	189,548.97
Additions due to business combination*	68,057.50	34,151.69	74,796.95	8,919.08	1,515.73	1,598.38	501.72	5.23	2.69	189,548.97
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	68,057.50	34,151.69	74,796.95	8,919.08	1,515.73	1,598.38	501.72	5.23	2.69	189,548.97
At 1 April 2019	68,057.50	34,151.69	74,796.95	8,919.08	1,515.73	1,598.38	501.72	5.23	2.69	189,548.97
Additions	298.51	312.13	328.51	-	-	5.93	-	-	-	945.07
Disposals/adjustments	(161.60)	-	-	147.07	-	-	-	-	-	(14.53)
At 30 June 2019	68,194.41	34,463.82	75,125.46	9,066.15	1,515.73	1,604.31	501.72	5.23	2.69	190,479.51
Accumulated depreciation										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	-	-	-	-	-	-	-
Charge for the quarter	-	265.48	463.25	230.87	93.53	117.45	8.79	3.23	0.31	1,182.92
At 30 June 2019	-	265.48	463.25	230.87	93.53	117.45	8.79	3.23	0.31	1,182.92
Carrying amount (net)										
As at 31 March 2019	68,057.50	34,151.69	74,796.95	8,919.08	1,515.73	1,598.38	501.72	5.23	2.69	189,548.97
As at 30 June 2019	68,194.41	34,198.32	74,662.23	8,835.28	1,422.20	1,486.86	492.93	2.00	2.38	189,296.56

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

- i. **MPPL** - The SPV had entered into land lease agreement with Karnataka Industrial Area Development Board (KIADB) for a period of 10 years from the lease date. As per the lease agreement KIADB could sell the land to MPPL at any time during the tenure of the lease or on expiry of the lease period for an additional consideration, if any which had to be decided at the time of entering into sale agreement. Considering that the title to the said land was to be transferred to MPPL under the agreement, it had classified the land as a finance lease and no depreciation was charged on the same. During the year ended 31 March 2019, the said land has been converted into freehold land by executing a sale agreement.
- ii. **EOPLL** - The leasehold land is taken from Maharashtra Industrial Development Corporation (MIDC) on a lease for a period of 95 years. The lease expires in July 2100. EOPLL had made an application dated 13 September 2017 with "The Development Commissioner, SEZ, Ministry of Commerce and Industry, Aundhri, Mumbai" for conversion of its Non SEZ portion of business into SEZ. Based on such application the Company and the valuers have considered assumptions assuming the entire business park to be an SEZ unit while undertaking fair valuation of its investment property as at 31 March 2019. The said application for conversion of Non SEZ portion into SEZ is approved by the Government on 14 May 2019.
- iii. **OBPPL** - The leasehold land is taken from New Okhla Industrial Development Authority (NOIDA) on a lease for a period of 90 years. The lease expires in September 2097.
- iv. **ETPL** - The leasehold land 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 is taken from New Okhla Industrial Development Authority (NOIDA) on a lease for a period of 90 years. The lease expires in June 2095.
- vi. **IENMPL** - The leasehold land is taken from the Government of Maharashtra on a lease of 99 years (from 1963-64). The lease expires in August 2063.
- vii. **QBPL** - SPV entered into Business Transfer Agreement (BTA) with Embassy One Developer Pvt Ltd on 11 March 2019 through Business Transfer Agreement. QBPL has purchased assets and liabilities for Hotel Business and Commercial Business from Embassy One Developer Pvt Ltd. Refer note no 50.
- viii. During the year 2006-07, QBPL obtained leasehold land from Maharashtra Industrial Development Corporation (MIDC) for a lease term of 95 years. As per the lease agreement the Company can renew the lease for a further period of 95 years.
- ix. Post acquisition of the SPV's, the Embassy Office Parks Group has revisited the useful life of the investment properties and aligned the same across the Embassy Office Parks Group. The Embassy Office Parks Group has also aligned its method of depreciation to straight-line method for some of its SPV's.
- x. Post acquisition of the SPV's, the Embassy Office Parks Group has revisited the useful life of the property, plant and equipment and aligned the same across the Embassy Office Parks Group. The Embassy Office Parks Group has also aligned its method of depreciation to straight-line method for some of its SPV's.
- xi. 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.
- xii. The investment property have been leased out to lessees / held for lease on operating lease basis.
- xiii. 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.
- xiv. Additions to investment property and investment property under development include borrowing cost at a capitalisation rate which is the SPV specific " Weighted Average Borrowing Cost" (WABC).
- xv. During the quarter ended 30 June 2019 cost of freehold of Rs. 161.60 million has been transferred to Karnataka Power Transmission Corporation Limited (KPTCL) along with the 220 KVA substation constructed at the Embassy Manyata Tech Park. Since these are enabling assets to the overall Park the cost of land has been transferred to plant & machinery and being depreciated over the useful life of the substation.

**6 Goodwill (refer note 2.1 b and note 51)  
As at 30 June 2019 and 31 March 2019**

SPVs	Consideration Transferred	Fair value of net assets	Goodwill
MPPL	48,790.52	37,774.36	11,016.16
EOPPL	62,768.25	50,854.97	11,913.28
EBPL	732.79	464.95	267.84
UPPL	2,841.67	2,151.80	689.87
ETPL	12,138.78	9,239.55	2,899.23
GSPL	4,662.50	2,700.39	1,962.11
IENMPL	13,210.97	7,139.40	6,071.57
OBPPL	12,308.89	5,779.40	6,529.49
QBPL	5,595.08	3,998.26	1,596.82
QBPL	13,689.26	9,201.53	4,487.73
VCPL	10,710.94	6,445.82	4,265.12
<b>Total</b>	<b>187,449.65</b>	<b>135,750.43</b>	<b>51,699.22</b>

**7 Other intangible assets**

**Reconciliation of carrying amounts for the quarter ended 30 June 2019**

Particulars	Power Purchase Agreement*	Right to use trade name	Computer software	Total
Gross Block				
At 1 April 2018	-	-	-	-
Additions due to business combination *	3,348.00	1,582.81	87.97	5,018.78
At 31 March 2019	3,348.00	1,582.81	87.97	5,018.78
At 1 April 2019	3,348.00	1,582.81	87.97	5,018.78
Addition during the quarter	-	-	-	-
At 30 June 2019	3,348.00	1,582.81	87.97	5,018.78
Accumulated amortisation				
At 1 April 2019	-	-	-	-
Amortisation for the quarter	36.39	-	16.89	53.28
At 30 June 2019	36.39	-	16.89	53.28
Carrying amount (net)				
As at 31 March 2019	3,348.00	1,582.81	87.97	5,018.78
As at 30 June 2019	3,311.61	1,584.19	69.70	4,965.50

\* refer note 51



**8 Investment property under development (IPUD):**

IPUD mainly comprises upcoming buildings in various parks. The park-wise SPV wise details are as follows:

SPV	Nature	As at	As at	As at
		30 June 2019	31 March 2019	1 April 2018
<b>Base build</b>				
MPPL	Front Parcel NXT block	2,012.34	1,680.97	-
MPPL	Other blocks	54.13	-	-
EOPPL	Hudson	55.17	42.56	-
EOPPL	Ganges	17.04	16.45	-
OBPL	Tower 2	1,410.07	1,099.28	-
<b>Infrastructure Upgrade</b>				
MPPL	Master plan upgrade	1,047.00	664.67	-
EOPPL	Master plan upgrade	190.68	101.39	-
ETPL	Others	1.53	-	-
IENMPL	Others	16.01	16.01	-
VCPL	Façade work	195.81	175.92	-
		<b>4,999.78</b>	<b>3,797.25</b>	-

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**9 Equity accounted investee**

Particulars	As at 30 June 2019	As at 31 March 2019	As at 1 April 2018
<b><i>Investment in joint venture</i></b>			
Golflinks Software Park Private Limited - 10,000 (31 March 2019 - 10,000) equity share of Rs 10 each, fully paid up	23,943.87	23,574.23	-
	<b>23,943.87</b>	<b>23,574.23</b>	-
Goodwill on acquisition included as a part of carrying cost	10,449.36	10,449.36	-
	<b>As at 30 June 2019</b>	<b>As at 31 March 2019</b>	<b>As at 1 April 2018</b>
Percentage ownership interest	50%	50%	-
Fair value of net assets on Purchase Price Allocation	27,013.95	26,247.74	-
Embassy Office Parks Group's share of net assets (50%)	13,506.97	13,123.87	-
Carrying amount of interest (including goodwill)	23,943.87	23,574.23	-

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#### 10 Non-current investments

Particulars	As at 30 June 2019	As at 31 March 2019	As at 1 April 2018
<b>Trade, unquoted, at amortised cost</b>			
Investment in debentures of a joint venture (refer note i below) (refer note 54) 2,500 (31 March 2019: Nil) 8.5% debentures of Rs 1 million each. (Non-current portion)	256.47	-	-
<b>Investment in preference shares</b>			
Manyata Projects Private Limited 15,698,440 (31 March 2019: 15,698,440) 0.01% optionally convertible redeemable preference shares of Rs 10 each, fully paid-up	156.98	156.98	
Less: Impairment	(156.98)	(156.98)	
<b>Non-trade investments measured at fair value through profit and loss</b>			
<b>Unquoted</b>			
<b>Investment in mutual funds **</b>			
SBI Magnum Instacash Fund-Growth Option	-	313.96	-
IDFC Cash Fund - Growth Direct Plan	-	175.33	-
	<b>256.47</b>	<b>489.29</b>	-

\*\* These mutual fund balances are held as lien towards Debt Service Reserve requirement for loan taken.

i. 2500 (31 March 2019 : Nil) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of Rs.10,00,000.00 each. Outstanding as on 30 June 2019 Rs.2,070.09 millions ( 31 March 2019:Nil).

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

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

Redemption : Debentures shall be redeemed in 16 monthly 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.

<b>Investments measured at amortised cost</b>	256.47	0.00	-
<b>Investments measured at fair value through profit or loss</b>	-	489.29	-
<b>Aggregate amount of impairment recognised</b>	156.98	156.98	-

#### 11 Current investments

Particulars	As at 30 June 2019	As at 31 March 2019	As at 1 April 2018
<b>Trade, unquoted, at amortised cost</b>			
Investment in debentures of joint venture (refer note 54) 2,500 (31 March 2019: Nil) 8.5% debentures of Rs 1 million each (current portion).	1,813.62	-	-
<b>Non-trade investments measured at fair value through profit and loss</b>			
<b>Unquoted, Investment in mutual funds</b>			
HDFC Liquid Fund-Direct Plan-Growth Option	1,345.67	285.05	-
ICICI Prudential Liquid Fund-Growth Option	1,811.93	285.61	-
Aditya Birla Sunlife Liquid Fund - Growth option	590.03	-	-
Franklin India Liquid Fund - Super Institutional Plan-Growth option	1,771.17	-	-
SBI Liquid Fund Regular - Growth option	191.81	722.39	-
SBI Liquid Fund Direct - Growth option	5.09	-	-
SBI Magnum Instacash Fund - Growth Option	130.01	14.78	-
SBI Magnum Insta Cash Fund - Growth	35.45	147.75	-
IDFC Cash Fund - Growth option	71.94	-	-
	<b>7,766.72</b>	<b>1,455.58</b>	-
<b>Investment measured at amortised cost</b>	<b>1,813.62</b>	-	-
<b>Investment measured at fair value through profit or loss</b>	<b>5,953.10</b>	<b>1,455.58</b>	-

**Non-current financial assets**

**12 Loans**

Particulars	As at 30 June 2019	As at 31 March 2019	As at 1 April 2018
<i>Unsecured, considered good</i>			
Security deposits			
- others	593.19	583.63	-
	<b>593.19</b>	<b>583.63</b>	-

**13 Other financial assets**

Particulars	As at 30 June 2019	As at 31 March 2019	As at 1 April 2018
<i>Unsecured, considered good</i>			
Fixed deposits with banks*	971.55	2,144.06	-
Unbilled revenue (refer note 54)	115.33	0.00	-
Interest accrued but not due			
- from fixed deposits	2.94	8.90	-
Receivable under finance lease	28.89	63.58	-
	<b>1,118.72</b>	<b>2,216.54</b>	-
* Includes fixed deposits held as lien against loan availed and margin money for bank	880.48	2,098.06	-

**14 Non-current tax assets (net)**

Particulars	As at 30 June 2019	As at 31 March 2019	As at 1 April 2018
Advance tax, net of provision for tax	1,377.64	1,418.90	-
	<b>1,377.64</b>	<b>1,418.90</b>	-

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**15 Other non-current assets**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Advance paid for co-development of a property, including development rights on land (refer note 54)	8,774.00	8,774.00	-
Other capital advances			
- related party (refer note 54)	340.32	340.32	-
- others	1,128.09	1,073.62	-
Balances with government authorities	208.76	237.68	-
Paid under protest to government authorities (refer note 48)	674.48	674.51	-
Prepayments	85.93	90.56	-
	<b>11,211.58</b>	<b>11,190.69</b>	-

Note: The amount represents fair value of advance paid (Rs 8,774 million) to Embassy Property Developments Private Limited ('EPDPL') under various composite agreements. As per the said composite agreements, MPPL shall pay an amount of Rs 6,550 million to EPDPL as consideration for co-development of a bare shell building for MPPL (M3 block). Aforesaid Rs 6,550 million is towards development consideration, one time lease premium, development fee and construction of bare shell building

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

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Stock of consumables	16.89	5.42	-
	<b>16.89</b>	<b>5.42</b>	-

**17 Trade receivables**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
<i>Unsecured</i>			
Considered good (refer note 54)	440.24	335.86	-
Credit impaired	42.90	42.58	-
Less: Allowances for impairment losses	(42.90)	(42.58)	-
	<b>440.24</b>	<b>335.86</b>	-

The Embassy Office Parks Group's exposure to credit and currency risks, and loss allowances related to trade receivables is disclosed in note 53

**18 Loans**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Security deposits			
- related party (refer note 54)	321.57	953.64	-
- others	1.58	2.32	-
	<b>323.15</b>	<b>955.96</b>	-

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**19A Cash and cash equivalents**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Cash on hand	1.45	0.48	-
Balances with banks			
- in current accounts	601.16	3,449.14	-
- in escrow accounts*	166.10	45,580.11	-
- in deposit accounts with original maturity of less than three months	1,161.60	583.02	-
	<b>1,930.31</b>	<b>49,612.75</b>	-

\* Represents the balance Rs. 49.30 million (31 March 2019 - Rs. 42,818.03 million) from proceeds of initial public offer of REIT Units (Total proceeds Rs. 47,499.96 million). As at 30 June 2019 and as at 31 March 2019, this amount held in the Escrow account can be withdrawn for specific purposes.

**19B Other bank balances**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Balances with banks			
- in fixed deposit accounts with original maturity greater than three months and maturity less than twelve months from the reporting date	383.84	1,455.99	-
	<b>383.84</b>	<b>1,455.99</b>	-

Deposit for availing letter of credit facilities 295.88 750.17  
Deposit aggregating Rs.1 million are lien marked towards the performance guarantee of the Company towards Karnataka renewable energy development Limited (KREDL) and Karnataka Power Transmission Corporation Limited (KPTCL).

**20 Other financial assets**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Interest accrued but not due			
- on fixed deposits	37.21	21.63	-
- on statutory deposits	23.99	31.97	-
- on others	5.51	2.03	-
Unbilled revenue	203.93	192.33	-
Unbilled maintenance charges	72.51	71.54	-
Receivable under finance lease	38.10	73.94	-
Other receivables			
- related parties (refer note 54)	230.74	225.22	-
- others	178.44	131.55	-
	<b>790.43</b>	<b>750.21</b>	-

**21 Other current assets**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Advance for supply of goods and rendering of services			
- to others	15.74	22.08	-
Balances with government authorities	224.70	212.65	-
Prepayments	385.38	85.66	-
Other advances	15.13	2.11	-
	<b>640.95</b>	<b>322.50</b>	-

## 22 Unit Capital

A. Unit Capital	No in Million	Amount
As at 1 April 2018	-	-
Units issued during the year		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	158.34	47,499.96
- in exchange for equity interest in SPVs (refer note iii below)	613.33	183,999.64
Less: Issue expenses (refer note iv)	-	(2,460.34)
<b>Closing balance as at 31 March 2019</b>	<b>771.67</b>	<b>229,039.26</b>
As at 1 April 2018	771.67	229,039.26
Units issued during the year	-	-
Add: Reversal of issue expenses no more payable	-	81.70
<b>Closing balance as at 30 June 2019</b>	<b>771.67</b>	<b>229,120.96</b>

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 as at 31 March 2019. Further, during the quarter ended 30 June 2019, excess provision no longer payable, has been reversed amounting to Rs.81.70 million.

### (a) Terms/rights attached to Units

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

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

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

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

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

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

Name of the unit holder	As at 30 June 2019		As at 31 March 2019	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Pvt Ltd.				
	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Ltd.	104,094,966	13.49%	104,094,966	13.49%
BRE Mauritius Investments	93,610,755	12.13%	93,610,755	12.13%
Veeranna Reddy	65,472,582	8.48%	65,472,582	8.48%
BRE/Mauritius Investments II	45,630,850	5.91%	45,630,850	5.91%
India Alternate Property Limited	39,446,986	5.11%	39,446,986	5.11%
	<b>463,740,941</b>	<b>60.10%</b>	<b>463,740,941</b>	<b>60.10%</b>

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

23 Other Equity\*

Particulars	As at	
	30 June 2019	31 March 2019
(i) Reserves and Surplus		
Retained earnings	2,125.89	(94.47)
	<u>2,125.90</u>	<u>(94.47)</u>

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

**Retained earnings**

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

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## 24 Borrowings\*

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
<b>Secured</b>			
Non-convertible debentures			
- Embassy REIT Series I NCD 2019 (refer note i)	30,174.04	-	-
Terms loans			
- from banks	42.02	41,311.61	-
- from financial institutions	-	16,850.86	-
Overdraft facility (Asset backed loan)	-	3,514.31	-
Deferred payment liability (refer note ii)	6,304.28	6,354.83	-
Obligation under finance lease	1.68	1.68	-
	<b>36,522.02</b>	<b>68,033.29</b>	-

\* Balances as at 31 March 2019 includes certain loans/ borrowings secured by way of assignment/ charge/ hypothecation/ mortgage of certain project receivables, underlying land, building and movable property, plant and equipment and investment property for certain SPVs. These loans have been settled during the quarter ended 30 June 2019

### Notes:

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

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

### Security terms

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

1. A sole and exclusive first ranking charge created by MPPL on the (a) land measuring 112.475 acres at Bangalore together with blocks and various commercial buildings; (b) 1.022 acres and 1.631 acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park"
2. A sole and exclusive first ranking pledge created by the REIT and EOPPL over their total shareholding in the SPV's namely Qubix, ETPL, VCPPL, Galaxy and MPPL together known as "secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables
4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.
5. A negative pledge on all assets of each secured SPV except MPPL.

### Redemption terms:

1. These debentures are redeemable by way of bullet payment at the end of 37 months from the date of allotment, i.e. 02 June 2022.
2. These debentures have a redemption premium of 9.4% IRR compounded annually.
3. In case of downgrading of credit rating, the IRR shall be increased by 0.25% - 1.25% over and above the applicable IRR calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the IRR shall be restored/decreased by 0.25% - 1.00% over and above the applicable IRR calculated from the date of change of rating.
4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between May 2021 to May 2022) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures is being redeemed.

### (ii) Deferred payment liability

The Company has entered into a deferred payment agreement with IL & FS Solar Power Limited for Rs. 6,853.90 millions, for the purpose of financing the construction and development of a solar photovoltaic electricity generation facility with a minimum capacity of 100 MW AC.

The liability is repayable in 180 months equal instalments starting from April 2018 and to be settled by Feb 2033. The loan carries interest at an IRR of 12.72% with a fixed EMI.

**25 Other financial liabilities**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Lease deposits (refer note 54)	2,841.48	2,734.68	-
Lease liability	291.75	-	-
Payable for purchase of fixed assets	46.38	46.36	-
	<b>3,179.61</b>	<b>2,781.04</b>	-

**26 Deferred tax liabilities (net)**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Deferred tax liabilities (net)	41,374.76	41,424.39	-
	<b>41,374.76</b>	<b>41,424.39</b>	-

**27 Provisions**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Provision for employee benefits			
- gratuity	4.06	3.01	-
- compensated absences	2.18	2.07	-
	<b>6.24</b>	<b>5.08</b>	-

**28 Other non-current liabilities**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Deferred lease rental	692.62	611.63	-
Advances from customers	25.62	30.51	-
	<b>718.24</b>	<b>642.14</b>	-

**29 Borrowings**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
<i>Secured:</i>			
<b>Loans repayable on demand</b>			
- construction loan from financial institution	-	2,344.63	-
<b>Other short-term borrowings</b>			
lease rental discounting loan from bank	-	826.46	-
	-	<b>3,171.09</b>	-

**30 Trade payables**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Trade payable			
- Total outstanding dues other than micro and small enterprises	129.51	408.16	-
- to related parties (refer note 54)	119.09	13.71	-
	<b>248.60</b>	<b>421.87</b>	-

**31 Other financial liabilities**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Current maturities of long-term debt			
- from banks	2,001.69	5,335.61	-
- from financial institutions	-	1,930.45	-
- deferred payment liability	763.69	640.10	-
Security deposits			
- related party (refer note 54)	185.00	185.00	-
Lease deposits	5,903.18	5,934.32	-
Capital creditors for purchase of fixed assets			
- to related party (refer note 54)	41.01	50.94	-
- to others	668.09	451.15	-
- lease liability	20.36	-	-
Deposits from customers	83.10	83.10	-
Other liabilities			
- to related party (refer note 54)	205.15	186.87	-
- to others	767.39	5,981.13	-
	<b>10,638.66</b>	<b>20,778.67</b>	-

**32 Provisions**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Provision for employee benefits			
- gratuity	-	1.73	-
- compensated absences	-	1.28	-
	-	<b>3.01</b>	-

**33 Other current liabilities**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Unearned income	47.68	43.68	-
Advances received from customers	212.66	183.63	-
Statutory dues	236.30	212.86	-
Deferred lease rentals	257.29	268.68	-
	<b>753.93</b>	<b>708.84</b>	-

**34 Current tax liabilities (net)**

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
Provision for income-tax, net of advance tax	30.17	33.58	-
	<b>30.17</b>	<b>33.58</b>	-

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**35 Revenue from operations**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
Facility rentals	4,287.58	-	-	-
Maintenance services	439.81	-	-	-
Income from finance lease	0.85	-	-	-
Room rentals	137.12	-	-	-
Sale of food and beverages	64.34	-	-	-
Income from generation of renewable energy	388.37	-	-	-
Other operating income				
- hospitality	21.41	-	-	-
- others	11.54	-	-	-
	<b>5,351.04</b>	-	-	-

**36 Interest income**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
- on debentures (Refer note 54)	26.58	-	-	-
- on fixed deposits with bank	67.96	-	-	-
- on security deposits	30.69	-	-	-
- on other statutory deposits	5.37	-	-	-
- on Income-tax refund	13.50	-	-	-
- others	0.20	-	-	-
	<b>144.31</b>	-	-	-

**37 Other income**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
- Net changes in fair value of financial assets	18.45	-	-	-
- Miscellaneous	16.79	-	-	-
	<b>35.24</b>	-	-	-

**38 Cost of materials consumed**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
Purchases	31.30	-	-	-
Add: Increase/(decrease) in inventory	(10.91)	-	-	-
	<b>20.39</b>	-	-	-

**39 Employee benefits expense \***

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
Salaries and wages	72.98	-	-	-
Contribution to provident and other funds	5.45	-	-	-
Staff welfare	15.71	-	-	-
	<b>94.14</b>	-	-	-

\* refers to employee benefits expense of the hospitality segment (also refer note 53)

**40 Operating and maintenance expenses**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
Power and fuel (net)	181.53	-	-	-
Operating consumables	5.27	-	-	-
	<b>186.80</b>	-	-	-

**41 Other expenses**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
Property tax (net)	162.79	-	-	-
Rates and taxes	7.95	-	-	-
Advertisement and business promotion	10.16	93.28	-	93.28
Assets and other balances written off	4.69	-	-	-
Allowances for credit loss	0.26	-	-	-
Bank charges	4.29	-	-	-
Brokerage and commission	5.78	-	-	-
Net changes in fair value of financial assets	-	-	-	-
Lease rent	9.25	-	-	-
Travel and conveyance	6.93	-	-	-
Corporate Social Responsibility (CSR) contribution	8.00	-	-	-
Miscellaneous expenses	47.93	-	-	-
	<b>268.03</b>	<b>93.28</b>	-	<b>93.28</b>

**42 Repairs and Maintenance**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
Repairs and maintenance				
- common area maintenance	172.40	-	-	-
- buildings	41.72	-	-	-
- machinery	64.88	-	-	-
- others	25.84	-	-	-
	<b>304.84</b>	-	-	-

**43 Finance costs (net of capitalisation) #**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
Interest expense				
- on borrowings from banks and financial institutions	190.03	-	-	-
- on deferred payment liability	212.46	-	-	-
- on lease deposits	87.15	-	-	-
- accrual of premium on redemption of debentures *	342.76	-	-	-
	<b>832.39</b>	-	-	-

\* relates to accrual of premium on redemption of Embassy REIT Series I NCD 2019.

# Gross interest expense is Rs. 1,050.65 million and interest capitalised during the quarter is Rs. 218.25 million

**44 Depreciation and amortisation**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
Depreciation of property, plant and equipment	155.10	-	-	-
Depreciation of investment property	1,182.92	-	-	-
Amortisation of intangible assets	53.28	-	-	-
	<b>1,391.30</b>	-	-	-

**45 Tax expense**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
Current tax	369.37	-	-	-
Deferred tax charge	158.07	-	-	-
Minimum Alternate Tax credit entitlement	(207.69)	-	-	-
	<b>319.75</b>	-	-	-

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#### 46 Earnings Per Unit (EPU)

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

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

	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
Profit after tax for calculating basic and diluted EPU	2,220.37	(94.47)	-	(94.47)
Weighted average number of Units (No. in millions)	771.67	18.10	-	18.10
Earnings Per Unit				
- Basic (Rupees/unit)	2.88	(5.22)	-	(5.22)
- Diluted (Rupees/unit)*	2.88	(5.22)	-	(5.22)

\* The Trust does not have any dilutive outstanding units

#### 47 Management Fees

##### Property Management Fee

Pursuant to the Investment Management Agreement dated 12 June 2017 as amended, Investment Manager is entitled to fees @ 3% of the Facility Rentals per annum of the relevant property in respect to operations, maintenance, administration and management of the Holdco or the SPV, as applicable. The fees has been determined to meet the ongoing costs of the Investment Manager to undertake the services provided to the Embassy REIT and its SPVs. Property Management fees for the period ended 30 June 2019 amounts to Rs 118.94 million (31 March 2019: Rs Nil). There are no changes during the period in the methodology for computation of fees paid to Investment Manager.

##### REIT Management Fees

Pursuant to the Investment Management Agreement dated 12 June 2017 as amended, Investment Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the REIT and its investments. REIT Management fees accrued for the period ended 30 June 2019 amounts to Rs. 42 million (Previous year: Rs Nil). There are no changes during the period in the methodology for computation of fees paid to Investment Manager

##### Secondment fees

Pursuant to the Secondment Agreement dated 11 March 2019, Investment Manager is entitled to fees of One Lakh (Rs 1,00,000) per month in respect certain employees of Investment Manager being deployed to the Embassy office Parks REIT in connection with the operation and management of the assets of the Embassy REIT. Secondment Fees for the period ended 30 June 2019 amounts to Rs 0.35 million (31 March 2019 - Rs Nil). There are no changes during the period in the methodology for computation of fees paid to Investment Manager.

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#### 48 Commitments and contingencies

Particulars	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
<b>Capital commitments</b>			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (Refer note i)	4,727.33	5,369.00	-
<b>Contingent liabilities</b>			
Claims not acknowledged as debt in respect of Income Tax matters (Refer note ii)	390.03	390.03	-
Claims not acknowledged as debt in respect of Service Tax matters (Refer note iii)	598.90	598.90	-
Claims not acknowledged as debt in respect of Property Tax matters (Refer note iv)	3,212.76	3,212.76	-
<b>Others (Refer note v)</b>			

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	As at
	30 June 2019	31 March 2019	1 April 2018
EOPPL	475.51	424.23	-
MPPL	3,438.30	3,859.26	-
EEPL	134.55	134.55	-
IENMPL	-	7.46	-
VCPPL	27.10	49.73	-
OBPPL	651.87	893.77	-
	<b>4,727.33</b>	<b>5,369.00</b>	-

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

SPV	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
MPPL	0.28	0.28	-
EOPPL	172.28	172.28	-
QBPL	145.57	145.57	-
QBPPL	3.76	3.76	-
IENMPL	68.14	68.14	-
	<b>390.03</b>	<b>390.03</b>	-

**EOPPL:** During the year ended 31 March 2019, the SPV received a demand of Rs 172.28 million pertaining to AY 2016-17 towards disallowance u/s 14 A and addition to income. The SPV has filed an appeal against such order at the CIT (A) and has paid Rs. 14.06 million under protest. Accordingly the SPV has disclosed Rs. 172.28 million (31 March 2019 : 172.28 million) as contingent liability.

**QBPL (a):** The SPV had received an assessment order for AY 2012-13 wherein the assessing officer has raised a demand of Rs.68.68 million , which was mainly on account of income from leasing of immovable property which has been treated as income from house property, as against the head 'profits and gains from business or profession' as taken by the SPV in its returns. A part of said tax demand amounting to Rs.21.68 adjusted against the refund for AY 2009-10. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. During the previous year, the CIT(A) has been disposed the appeal in favour of the SPV. Income tax department filed an appeal with ITAT against the said order of CIT(A). Accordingly the SPV has disclosed Rs.68.68 million (31 March 2019 : Rs.68.68 million) as a contingent liability.

(b). The SPV had received a demand notice of Rs 72.00 million for AY 2010-11, which mainly comprised of disallowance of the deduction under section 80IAB for certain incomes as claimed by the SPV. The SPV contested this demand and had filed appeal before CIT(A). A part of said tax demand amounting to Rs 54.00 million was adjusted against the refund for AY 2012-13. The CIT(A) has passed necessary order upholding the stand of the Assessing Officer. The SPV thereafter filed an appeal with the Income-tax Appellate Tribunal [ITAT] against the said order of CIT(A) , Of the total demand of Rs. 72.00 million the SPV has accepted a part of the claim, amounting to Rs. 1.00 million and provided the same. During the year, the ITAT has disposed the appeal in favor of the SPV. Income tax Department has moved to Hon. High Court of Bombay against ITAT order with a stand of allowing certain income shall not be part of Income eligible for deduction under section 80IAB of Income Tax Act 1961. Accordingly, the SPV has disclosed the above net demand of Rs.71.00 millions (31 March 2019: 71.00 Millions) as a contingent liability.

(c): The SPV had received a penalty order of Rs. 5.89 million for AY 2014-15 wherein the assessing officer had disallowed the loan processing fees. The SPV contested this penalty and filed an appeal with CIT(A) against the said order contesting that the SPV is eligible for deduction under section 80-IAB and such disallowance does not have any impact on total income as the SPV is paying income tax under section 115-JB of Income Tax Act. Accordingly, the SPV has disclosed the above demand of Rs. 5.89 million (31 March 2019: Rs. 5.89 million) as a contingent liability.

#### 48 Commitments and contingencies (continued)

**IENMPL:** Income tax demands comprise of demand received from the tax authorities towards payment of additional income tax of Rs. 65.28 million (31 March 2019: Rs. 65.28 million), upon completion of tax assessment for the AY 2009-10 to AY 2014-15. The tax demands are mainly on account of short credit of tax deducted at source (TDS) granted, disallowance on account of inadmissible expenditure incurred towards earning exempt income, considered excess amount of refund than actual amount refunded for the AY 2012-13 and incorrect addition on account of cash deposits, dividend distribution tax and interest thereon for the AY 2010-11. In respect of AY 2011-12 and AY 2012-13, the SPV during the year has received order u/s 271(1)(c) of Income-tax Act, 1961 with regards to penalty on asset management fees disallowed in respective years resulting into increase in contingent liability by Rs 23.39 million. Accordingly the SPV has filed Appeal with CIT(A) against these assessment order received, amounting to Rs. 2.86 million. The CIT(A) has issued appellate order in favour of the SPV for the AY 2009-10 and AY 2012-13 with regard to disallowance made for bad debt and inadmissible expenditure towards exempt income, however the tax department has filed an appeal against the said order received. Since the SPV is contesting the demands at different forums, all such matters have been disclosed as contingent liabilities.

#### iii) Claims not acknowledged as debt in respect of Service Tax matters (continued.)

SPV	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
MPPL	522.04	522.04	-
ETPL	12.30	12.30	-
GSPL	1.02	1.02	-
VCPPL	40.66	40.66	-
UPPL	22.88	22.88	-
	<b>598.90</b>	<b>598.90</b>	-

**MPPL:** The SPV had received a demand order dated 23 December 2015 to pay a sum of Rs. 522.04 million (including interest and penalty) from the Commissioner of Central Excise Bangalore-V Commissionerate towards wrongly/irregularly availed Cenvat credit during the period 1 April 2006 to to 31 March 2012. Appeal has been filed before CESTAT dated 18 April 2016. As at 30 June 2019 the appeal is still pending before CESTAT.

**GSPL:** The SPV had received an Order-in-Original passed by the Ld. Deputy Commissioner, Service Tax, Division - III, Noida, demanding Rs 1.02 million in respect of denial of CENVAT credit utilised on the basis of photocopy of invoices for the AY 2014-15. Against the aforesaid Order, the SPV has filed an appeal before the Commissioner (Appeals) - Customs, Excise & Service Tax (CESTAT) which directed the SPV to deposit Rs 0.08 million and staying the recovery of the balance amount. However the SPV has paid the aforesaid demand of Rs. 1.02 million in full under protest and such appeal is currently pending for disposal. Accordingly the aforementioned demand of Rs. 1.02 million (31 March 2019 Rs. 1.02 million) is disclosed as contingent liability.

**VCPPL:** During the year SPV has received a show cause cum demand notice issued by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Mumbai for AY 2013-14 and 2015-16 demanding Rs. 29.91 million in respect of inclusion of notional interest accrued on security deposit in the taxable value and penalty of Rs. 10.75 million. Against the aforesaid order, the SPV has filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal. Currently this appeal is pending for disposal, the SPV has paid a pre-deposit charge of Rs. 2.01 million. Accordingly the said demand of Rs. 40.66 million (31 March 2019 Rs. 40.66 million) has been disclosed as contingent liability.

**UPPL:** The SPV had received show cause notices dated 3 July 2015 for demand on irregular cenvat credit availed for Rs 22.88 million relating to period from 1 April 2011 to 31 March 2015. Responses for all basis documents has been filed in August 2017.

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

SPV	As at	As at	As at
	30 June 2019	31 March 2019	1 April 2018
MPPL	3,212.76	3,212.76	-
	<b>3,212.76</b>	<b>3,212.76</b>	-

**MPPL:** The SPV had received a demand order dated 5 October 2015 to pay a sum of Rs 2,739.49 million (including interest and penalty) towards the difference property tax payable, which was 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 schedule property is an industrial estate and it has been developed as special economic zone which is classified under 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 schedule 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 High Court of Karnataka. The said court has upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of Writ Petition, the SPV 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 had been posted to 29 August 2016 and is currently pending. However, as of the date of these financial statements, no further developments have taken place. The management believes that the SPV has reasonable grounds to succeed in the said writ appeal based on an independent legal opinion obtained and accordingly The SPV has not made any provision in relation to the demand. SPV has paid Rs 646.69 million (31 March 2019 : Rs. 646.69 million) under protest against the above demand.

The SPV had also received a demand order dated 09 Oct 2017 to pay a sum of Rs. 760.07 million (including interest and penalty) towards the differential property tax based on the total survey report certain blocks. Appeal dated 07 Dec 2017 has been filed before The Joint Commissioner, BBMP, Bytarayanapura, Bangalore objecting towards the total survey report and property tax assessment notice. The same is still pending for disposal. The management believes that the SPV has reasonable grounds to succeed based on an independent legal opinion and accordingly the SPV has not made any provisions in relation to the demand. However, the SPV has paid Rs 286.80 million against the above demand in the previous year. Hence, a net contingent liability of Rs 473.27 million (31 March 2019: 473.27 million) has been disclosed.



**48 Commitments and contingencies (continued)**

**v) Others**

**(a) Forfeiture of security deposit matters**

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

**(b) EEPL :** Karnataka Electricity Regulatory Commission (KERC) Bengaluru has issued an order dated 14 May 2018 withdrawing the exemption from payment of wheeling and banking charges, cross subsidy charges etc. which were promised for a period of ten years from the date of commissioning. As per the earlier orders issued by KERC an exemption was granted to all solar power generators in the State achieving commercial operation date between 1 April 2013 to 31 March 2018 and selling power to customers within the state on open access or wheeling, from payment of wheeling and bank charges, cross subsidy charges etc. for a period of 10 years from the date of commissioning.

The SPV commissioned the solar plant during the FY 2017-2018 and as per the old Regulation, the charges did not apply to the SPV for a period of 10 years. The SPV filed a writ petition with the Honourable High Court of Karnataka challenging the KERC Order and obtained an interim Stay Order dated 24 May 2018. BESCOM filed preliminary statement of objections and also filed application seeking recalling of interim order. The application seeking recalling of interim order has been rejected. The said writ petition, after granting the interim order on 24 May 2018 was listed before the Honourable court. The Hon'ble High Court has passed the judgment on 13 March 2019, thereby allowing the Writ Petition and has quashed the order dated 14 May 2018 passed by KERC. The SPV has filed the Caveat Petition and the Court will notify before granting any interim order in case a Writ Appeal is filed by any of the Respondents. KERC has filed a common writ appeal against all the writ petitioners on 22 April 2019. However, the relevant documents w.r.t the appeal are yet to be received by the SPV.

**(c) GLSP (50% equity accounted investee - joint venture) :** GLSP has received a Tribunal order for AY 2005-06 to 2014-15 (excluding AY 2010-11) upholding the taxability of interest income basis information in the Annual Information Return (for AY 2007-08 only), upholding the disallowance on interest paid towards loans allegedly used for on-lending to certain parties and remanding the issue of disallowance on interest paid towards loans allegedly used for on-lending to certain parties. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all years put together is Rs 1,174.00 million. GLSP is currently in the process of filing an appeal with the High Court on these matters. Management has not made any provision against this demand basis consultation with external tax counsel.

**(d) GLSP (50% equity accounted investee - joint venture):** GLSP has received demand orders 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 dated 6 December 2011, 12 March 2013 and 11 April 2016. As at 30 June 2019 the appeal is pending before CESTAT for hearing.

**(e) EEPL - SPV** has received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on 28 February 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent company of IL&FS Solar Power Limited ('ISPL'), which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorized as operational debts) aggregating up to Rs. 1,008.1 million are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the subcontractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated 1 March 2019, refuted all such claims inter alia on the basis that the payments are due from ISPL (and/ or its parent entity) to the sub-contractor and not from EEPL, and therefore the sub-contractor has no claim against EEPL. By its letters dated 18 March 2019, the subcontractor has responded to the letter from EEPL, denying all statements made by EEPL and reiterating that the unpaid amounts are due from EEPL, without prejudice to any action, including criminal, that may be taken under law including the IBC against EEPL, IEDCL, ISPL and certain representatives of these entities. The matter is currently pending resolution. Based on internal assessment done, the management is confident of maintaining its claim and is of the view that no adjustments are required to be made to the condensed financial statements for the quarter ended 30 June 2019.

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#### 49 Business Transfer Agreement (BTA) between QBPL and EODPL

During the year ended 31 March 2019, QBPL had entered into Business Transfer Agreement (BTA) with EODPL on 11 March 2019 and completed the purchase of the assets and liabilities for Hotel Business and Commercial Business from EODPL as per the BTA.

QBPL borrowed Rs. 4681.93 millions from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired and purchase consideration amounting to Rs. 1,402.19 millions has been recognised as goodwill as at 31 March 2019.

Particulars	Hotel Business	Commercial Business	Total
<b>Tangible assets acquired</b>	7,982.42	4,148.00	12,130.42
Other current assets			134.32
<b>Total</b>			<b>12,264.74</b>
<b>Liabilities assumed</b>			
Loan from banks			(8,961.78)
Other current liabilities			(23.22)
<b>Total</b>			<b>(8,985.00)</b>
<b>Fair value of net assets taken over</b>			<b>3,279.74</b>
Less: BTA consideration			(4,681.93)
<b>Goodwill on acquisition</b>			<b>1,402.19</b>

#### 50 Business Combination

Embassy Office Parks REIT has acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of Rs. 300 each amounting to Rs 183,888.64 millions and by assuming liability towards purchase of equity interest in IENML amounting to Rs. 3,450 million (paid subsequently on 2 April 2019). The accounting for the business combination has been done in accordance with Ind AS-103 "Business Combination". Refer Note 2.1 "Basis of Business Combination" for more details.

Entity	Fair value of assets acquired	Fair value of liabilities assumed	Deferred tax liability on fair valuation of assets acquired and liabilities assumed	Fair value of net assets taken over	Purchase consideration	Goodwill on consolidation
EOPPL(Refer note i below)	66,677.98	7,268.06	8,554.93	50,854.99	62,768.25	11,913.26
EEPL	2,149.42	1,488.28	196.19	464.95	732.79	267.84
MPPL	77,213.62	27,492.06	11,947.20	37,774.36	48,790.52	11,016.16
UPPL	5,208.49	2,571.62	485.07	2,151.79	2,841.67	689.88
QBPL (Refer note ii below)	27,074.33	14,476.40	1,994.19	10,603.74	13,689.26	3,085.52
QBPPL	9,279.40	3,494.06	1,787.09	3,998.25	5,595.08	1,596.83
GSPL	6,233.07	2,875.44	657.25	2,700.38	4,662.50	1,962.12
OBPPL	13,652.04	6,382.50	1,490.14	5,779.40	12,308.89	6,529.49
ETPL	10,642.16	1,329.82	72.79	9,239.55	12,138.78	2,899.23
VCPPPL	13,114.17	5,468.05	1,200.31	6,445.81	10,710.94	4,265.13
IENMPL (Refer note iii below)	15,103.00	5,003.61	2,960.00	7,139.39	13,210.97	6,071.58
<b>Total</b>	<b>246,347.68</b>	<b>77,849.90</b>	<b>31,345.16</b>	<b>137,152.61</b>	<b>187,449.65</b>	<b>50,297.03</b>

**Note:**

- Purchase consideration amounting to Rs. 71,078.44 millions is towards issue of 209,227,490 units at Rs. 300 each. An amount of Rs. 8,310.19 millions is paid by SPV before the date of acquisition by Embassy Office Parks REIT, towards equity investment in MPPL of Rs. 8,309.11 million, in EEPL of Rs. 1 million and in GLSP of Rs. 0.08 million.
- During the year ended 31 March 2019, QBPL had entered into Business Transfer Agreement (BTA) with EODPL on 11 March 2019 and completed the purchase of the assets and liabilities for Hotel Business and Commercial Business from EODPL as per the BTA. QBPL borrowed Rs. 4,681.78 millions from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired (Rs 3,376.22 millions) and purchase consideration (Rs 4,681.93 millions) amounting to Rs. 1,258.41 millions has been recognised as goodwill as at 31 March 2019. This transaction is part of the goodwill on consolidation as shown in the table above
- Purchase consideration includes assumption of liability of Rs. 3,450 million towards one of the erstwhile shareholders of the SPV. The liability has been settled in cash on 2 April 2019

**51 Business Combination (continued)**

**Measurement of fair values**

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

Particulars	Valuation methodology
Property, plant and equipment and Investment property	Fair values have been determined by independent external property valuers , having appropriately recognised professional qualification and recent experience in the location and category of the properties being valued. The valuers have followed "Direct comparison approach" for land except Umbel where the valuers have followed "Residual Approach", "Depreciated replacement cost approach" for the built up component, plant and machinery, capital work-in-progress and other assets and "Discounted cashflow method" for co-development. Direct comparison approach involves comparing to similar properties that have actually been sold in an arms length transaction or are offered for sale. The Residual Method is based on the assumption that the development is complete as on the date of valuation and value of the subject property is assessed by subtracting revenues from the development expenses as well as the developer margin. Depreciated replacement cost approach considers the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The Discounted Cash Flow Methodology is based upon an estimation of future results. The methodology begins with a set of assumptions as to the projected income and expenses of the property. This methodology use market derived assumptions, including discount rates, obtained from analysed transactions.
Right-to -use trademark	The fair value of the acquired right to use trademark was established using "Relief from royalty" method. It is a methodology that assumes that if a corporation owns a trademark, then it is relieved from paying a royalty, so a hypothetical royalty payment can be estimated.
Power purchase agreement	The fair value of the power purchase agreement was established using the " Multi-period excess earnings method (MEEM)". In MEEM method, value is estimated as the present value of the benefits anticipated from ownership of the asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits.
Other assets other than those mentioned above	Book values as on the date of acquisition have been considered as fair values.
Liabilities	Liabilities includes loans and borrowings, trade payables and provision for employee benefits. Book values as on the date of acquisition have been considered as fair values.

Goodwill is attributable due to the acquisition price being dependent on the overall property valuation assuming a discounted cash flow method computed using future cashflows and other relevant assumptions as compared with the individual assets recorded at their fair values computed basis comparable approach or depreciated replacement cost basis. The acquisition was done on 22 March 2019 and thus is not assessed for impairment. Impairment assessment of goodwill will be done by the Management annually for the year ending 31 March 2020.

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

**52 Financial instruments - Fair values and risk measurement**

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	30 June 2019	30 June 2019	31 March 2019	31 March 2019
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	916.34	-	1,539.59	-
Trade receivables	440.24	-	335.86	-
Cash and cash equivalents	1,930.31	-	49,612.75	-
Other bank balances	383.84	-	1,455.99	-
Other financial assets	1,909.15	-	2,966.75	-
Investments in debentures	2,070.08	-	-	-
<b>Fair value through profit and loss</b>				
Investments in mutual funds	5,953.11	5,953.11	1,944.87	1,944.87
<b>Total assets</b>	<b>13,603.07</b>	<b>5,953.11</b>	<b>57,855.82</b>	<b>1,944.87</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Borrowings (including current maturities of long-term debt)	36,522.02	-	76,539.99	-
Lease deposits	8,744.66	-	8,669.01	-
Trade payables	248.60	-	421.87	-
Other financial liabilities	5,073.61	-	9,555.09	-
<b>Total liabilities</b>	<b>50,588.89</b>	<b>-</b>	<b>95,185.96</b>	<b>-</b>

The management has assessed that fair value of cash and cash equivalents, fixed deposits, trade receivables, investment in debentures, inter-corporate deposits taken and given, borrowings, lease deposits, trade payables, loans and other financial assets and liabilities approximate their carrying amounts and hence the same has not been disclosed in the table above.

**B. Measurement of fair values**

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

- 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 31 March 2019:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value:</b>					
<b>FVTPL financial investments:</b>					
Investment in mutual funds	30 June 2019	5,953.11	5,953.11	-	-
Investment in mutual funds	31 March 2019	1,944.87	1,944.87	-	-

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

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

**Determination of fair values**

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

- 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.

### 53 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 excluding repairs to buildings and property management fees (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 excluding property management fees, 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.

Particulars	Commercial Offices*		Hospitality*		Other Segment*		Total	
	For the period/year ended 30 June 2019	31 March 2019	For the period/year ended 30 June 2019	31 March 2019	For the period/year ended 30 June 2019	31 March 2019	For the period/year ended 30 June 2019	31 March 2019
<b>Revenue from operations</b>	4,738.22	-	224.45	-	388.37	-	5,351.04	-
Identifiable operating expenses	(553.32)	-	(238.45)	-	(30.89)	-	(822.66)	-
<b>Net Operating Income (segment results)</b>	<b>4,184.90</b>	<b>-</b>	<b>(14.00)</b>	<b>-</b>	<b>357.48</b>	<b>-</b>	<b>4,528.38</b>	<b>(94.47)</b>
Other operating expenses							(349.57)	(94.47)
Interest, dividend and other income							190.31	-
<b>Earnings before finance costs, depreciation, amortisation and income tax excluding share of profit of equity accounted investees</b>							<b>4,369.12</b>	<b>(94.47)</b>
Share of profit after tax of equity accounted investees							394.69	-
Depreciation and amortisation expenses							(1,391.30)	-
Finance costs							(832.39)	-
<b>Profit/(loss) before income tax</b>							<b>2,540.12</b>	<b>(94.47)</b>
Tax expense							(319.75)	-
Other Comprehensive Income							-	-
<b>Total comprehensive income/(loss) for the period/year</b>							<b>2,220.37</b>	<b>(94.47)</b>

\* Above mentioned segment details for the quarter ended 31 March 2019 and the quarter ended 30 June 2018 are not provided since the amounts for these periods are Nil

53 Operating segments (continued)

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

For the quarter ended 30 June 2019

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPPL	QBPL	VCPPPL	IENMPL	Total
Segment Revenue:													
Commercial Office Segment	-	2,131.86	507.06	-	-	226.24	170.72	355.37	228.65	374.74	355.41	388.17	4,738.22
Hospitality Segment	-	-	-	205.80	-	-	-	-	-	18.65	-	-	224.45
Others	-	-	-	-	388.37	-	-	-	-	-	-	-	388.37
<b>Total</b>	-	<b>2,131.86</b>	<b>507.06</b>	<b>205.80</b>	<b>388.37</b>	<b>226.24</b>	<b>170.72</b>	<b>355.37</b>	<b>228.65</b>	<b>393.39</b>	<b>355.41</b>	<b>388.17</b>	<b>5,351.04</b>
<b>Net Operating Income (segment results)</b>													
Commercial Office Segment	-	1,974.74	466.96	-	-	169.88	148.96	271.85	192.55	297.33	308.20	354.43	4,184.90
Hospitality Segment	-	-	-	69.99	-	-	-	-	-	(83.99)	-	-	(14.00)
Others	-	-	-	-	357.48	-	-	-	-	-	-	-	357.48
<b>Total</b>	-	<b>1,974.74</b>	<b>466.96</b>	<b>69.99</b>	<b>357.48</b>	<b>169.88</b>	<b>148.96</b>	<b>271.85</b>	<b>192.55</b>	<b>213.34</b>	<b>308.20</b>	<b>354.43</b>	<b>4,528.38</b>

For the year ended 31 March 2019

Particulars	REIT	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPPL	QBPL	VCPPPL	IENMPL	Total
Segment Revenue:													
Commercial Office Segment	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospitality Segment	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Income (segment results)</b>													
Commercial Office Segment	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospitality	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-	-

\* Above mentioned segment details for the quarter ended 31 Mar 2019 and the quarter ended 30 June 2018 are not provided since the amounts for these periods are Nil

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

54

**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
- Axis Trustee Services Limited - Trustee

The co-sponsor groups consist of the below entities

**Embassy Property Developments Private Limited - Co-Sponsor**

- Embassy Property Developments Private Limited
- Embassy One Developers Private Limited
- D M Estates Private Limited
- Embassy Services Private Limited
- Gofflinks 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 I;
- BREP NTPL Holding (NQ) Pte Limited
- BREP VII NTPL Holding (NQ) Pte Limited
- BREP Asia SBS NTPL Holding (NQ) Limited

- BREP VII SBS NTPL Holding (NQ) Limited
- BREP GML Holding (NQ) Pte Limited
- BREP VII GML Holding (NQ) Pte Limited
- BREP Asia SBS GML Holding (NQ) Limited
- BREP VII SBS GML Holding (NQ) Limited
- BREP Asia SG Oxygen Holding (NQ) Pte Limited
- BREP VII SG Oxygen Holding (NQ) Pte Limited

- BREP Asia SBS Oxygen Holding (NQ) Limited
- BREP VII SBS Oxygen Holding (NQ) Limited
- BREP Asia HCC Holding (NQ) Pte Limited
- BREP VII HCC Holding (NQ) Pte Limited
- BREP Asia SBS HCC Holding (NQ) Limited
- BREP VII SBS HCC Holding (NQ) Limited
- India Alternate Property Limited

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

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

**Directors**

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

**KMPs**

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

**B.**

**Joint Venture**

- Gofflink Software Parks Private Limited

**C.**

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

- Vikas Telecom Private Limited
- Dynasty Properties Private Limited
- Snap Offices Private Limited
- Udhyan Investments Private Limited
- Synergy Property Development Services Private Limited
- Embassy Industrial Parks Private Limited
- Gofflinks Embassy Management Services LLP
- Wework India Management Private Limited
- Embassy Shelters Private Limited
- Manyata Builders Private Limited
- Manyata Projects Private Limited

54 **Related party disclosures (contd.)**

II. **Related party transactions**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
<b>Property Management fees</b>				
Embassy Office Park Management Services Private Limited	118.94	-	-	-
<b>REIT Management fees</b>				
Embassy Office Park Management Services Private Limited	42.00	-	-	-
<b>Maintenance charges</b>				
Embassy Services Private Limited	134.68	-	-	-
Golflinks Park Management Services LLP	6.03	-	-	-
<b>Business consultancy services (capitalised)</b>				
Embassy Property Developments Private Limited	30.75	-	-	-
<b>Recovery of Maintenance charges</b>				
Wework India Management Private Limited	5.07	-	-	-
<b>Reimbursement of Electricity Charges</b>				
Wework India Management Private Limited	2.33	-	-	-
<b>Income from generation of renewable energy from the tenants of</b>				
Vikas Telecom Private Limited	106.88	-	-	-
Embassy Property Developments Private Limited	22.07	-	-	-
Dynasty Properties Private Limited	9.79	-	-	-
Golflinks Software Park Private Limited	56.21	-	-	-
<b>Security Deposit given/(repaid) to/(by) related party</b>				
Embassy Property Developments Private Limited	(660.79)	-	-	-
<b>Rental income</b>				
Wework India Management Private Limited	21.59	-	-	-
Snap Offices Private Limited	9.21	-	-	-
<b>Interest income</b>				
Golflinks Software Park Private Limited	25.05	-	-	-
Reddy Veeranna Construction Private Limited	1.53	-	-	-
<b>Project management consultancy fees (capitalised)</b>				
Synergy Property Development Services Private limited	40.82	-	-	-
<b>Amount paid for civil works (capitalised)</b>				
Synergy Property Development Services Private limited	450.28	-	-	-
<b>Power and fuel expenses</b>				
Embassy Services Private Limited	43.66	-	-	-
<b>Legal and professional charges</b>				
Embassy Services Private Limited	3.00	-	-	-
<b>Security charges</b>				
Embassy Services Private Limited	1.00	-	-	-
<b>Trademark and license fees</b>				
Embassy Shelters Private Limited	0.35	-	-	-



54 **Related party disclosures (contd.)**

**II. Related party transactions**

Particulars	For the quarter ended 30 June 2019	For the quarter ended 31 March 2019	For the quarter ended 30 June 2018	For the year ended 31 March 2019
<b>Revenue - Room rentals, sale of food and beverages</b>				
Embassy Industrial Parks Private Limited	0.06	-	-	-
Embassy Property Developments Private Limited	1.12	-	-	-
Embassy Services Private Limited	0.01	-	-	-
Golflinks Embassy Management Services LLP	0.42	-	-	-
<b>Investment in debentures</b>				
Golflinks Software Parks Private Limited	2,500.00	-	-	-
<b>Redemption of investment in debentures</b>				
Golflinks Software Parks Private Limited	429.91	-	-	-
<b>Secondment fees</b>				
Embassy Office Parks Management Services Private Limited	0.35	-	-	-
<b>Trustee fee expenses</b>				
Axis Trustee Services Limited	0.74	-	-	-
<b>Reimbursement of expenses</b>				
Embassy One Developers Private Limited	-	9.54	-	9.54
Embassy Office Parks Management Services Private Limited	-	157.50	-	157.50
<b>Initial receipt from Co-sponsor - received / (repaid)</b>				
Embassy Property Development Private Limited	(0.50)	-	-	0.50
<b>Issue of Unit capital (in exchange of the Investment in equity shares of SPVs)</b>				
Embassy Property Development Private Limited	-	34,645.44	-	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	31,228.49	-	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	20.24	-	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	135.39	-	135.39
BRE/ Mauritius Investments	-	28,083.23	-	28,083.23
India Alternate Property Limited	-	11,834.10	-	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	7,770.49	-	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	1,941.58	-	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	38.24	-	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	10.66	-	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	8,548.39	-	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	2,130.08	-	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	20.36	-	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	12.10	-	12.10
BRE/Mauritius Investments II	-	13,689.26	-	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	4,454.94	-	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	1,112.97	-	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	21.13	-	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	6.04	-	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	9,798.86	-	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	2,448.42	-	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	48.25	-	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	13.36	-	13.36
BREP GML Holding (NQ) Pte. Limited.	-	3,712.50	-	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	927.45	-	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	17.54	-	17.54
BREP VII SBS GML Holding (NQ) Limited	-	5.01	-	5.01
<b>Margin money kept on behalf of Trust</b>				
Embassy Office Parks Management Services Private Limited	-	20.00	-	20.00

54 **Related party disclosures (contd.)**

III. **Related party balances**

Particulars	As at 30 June 2019	As at 31 March 2019	As at 1 April 2018
<b>Trade payables</b>			
Embassy Services Private Limited	89.30	-	-
Embassy Office Parks Management Service Private Limited	29.79	9.89	-
<b>Unbilled revenue</b>			
Vikas Telecom Private Limited	20.14	-	-
Golflinks Software Parks Private Limited	15.39	-	-
Embassy Services Private Limited	54.90	-	-
<b>Other current financial assets - other receivables from related party</b>			
Embassy Property Developments Private Limited	225.22	225.22	-
Manyata Builders Private Limited	5.52	-	-
<b>Other current financial liabilities</b>			
Embassy Property Developments Private Limited	0.05	19.33	-
Embassy One Developers Private Limited	-	9.54	-
Embassy Shelters Private Limited	0.35	-	-
Embassy Services Private Limited	135.90	-	-
Embassy Office Parks Management Services Private Limited	84.57	158.00	-
Axis Trustee Services Limited	0.74	-	-
<b>Short-term loans and advances - Security deposit</b>			
Embassy Property Developments Private Limited	321.57	953.64	-
<b>Current liabilities - payable for purchase of fixed assets</b>			
Embassy Property Developments Private Limited	11.01	20.94	-
Reddy Veeranna Constructions Private Limited	30.00	30.00	-
Synergy Property Development Services Private limited	2.16	-	-
<b>Other non-current assets - capital advance</b>			
Embassy Shelters Private Limited	340.32	340.32	-
<b>Other non-current assets - advance paid for purchase of development rights on a land and purchase of land</b>			
Embassy Property Developments Private Limited *	8,774.00	8,774.00	-
Synergy Property Development Services Private limited	188.33	-	-
<b>Trade receivables</b>			
Jitendra Virwani	0.30	0.39	-
K J George	8.12	8.12	-
Embassy Property Developments Private Limited	1.44	2.00	-
Embassy Industrial Parks Private Limited	0.05	-	-
Golflinks Embassy Management Services LLP	1.14	-	-
Embassy Office Parks Private Limited	0.03	-	-
Wework India Management Private Limited	1.30	0.05	-
<b>Lease deposits</b>			
Wework India Management Private Limited	7.20	7.20	-
<b>Investment in Debentures (current and non-current)</b>			
Golflinks Software Parks Private Limited	2,070.09	-	-
<b>Liability towards margin money kept on behalf of Trust</b>			
Embassy Office Parks Management Services Private Limited	20.00	20.00	-
<b>Corporate guarantee/ letter of undertaking received for loan taken</b>			
Embassy Property Developments Private Limited	-	2,300.00	-
<b>Intital refundable receipt from co-sponsor</b>			
Embassy Property Developments Private Limited	-	0.50	-
<b>Other current financial liabilities - Security deposit</b>			
Vikas Telecom Private Limited	105.00	-	-
Golflinks Software Parks Private Limited	80.00	80.00	-

\*The advance paid to Embassy Property Development Private Limited at cost aggregates to Rs. 5,640 millions. However, the current company cost in the financial statements is Rs. 8,774 million which takes into account the fair valuation done on business combination.

**55 Transition to Ind AS 116**

On transition, the Embassy Office Parks Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date. The Embassy Office Parks Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets.

On transition, the Embassy Office Parks Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability measured on the transition date. Accordingly, a right-of-use asset of Rs. 312.13 million and a corresponding lease liability of Rs. 312.13 million has been recognised. The principal portion of the lease payments have been disclosed under cash flows from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flows from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

**Group as a lessor**

The Embassy Office Parks Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub - lease. The Embassy Office Parks Group accounted for its leases in accordance with Ind AS 116 from the date of transition. The Group does not have any significant impact on account of sub-lease on the application of this standard.

**The details of the right-of-use assets (capitalised under leasehold land) held by the Group is as follows:**

	Balance as on transition date (1 April 2019)	Depreciation for the quarter	Carrying amount as at 30 June 2019
Leasehold land	312.13	0.99	311.14
<b>Total</b>	<b>312.13</b>	<b>0.99</b>	<b>311.14</b>

**Impact of application of Ind AS 116:**

	Quarter ended 30 June 2019
Increase in Depreciation	(0.99)
Increase in Interest on lease liabilities	(7.80)
Decrease in Rental expenses	9.34
<b>Impact on Profit before tax</b>	<b>0.55</b>

**56 Details of utilisation of proceeds of IPO are as follows:**

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2019	Unutilised amount as at 31 March 2019	Actual utilisation upto 30 June 2019	Unutilised amount as at 30 June 2019
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of the Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes	3,918.03	-	3,918.03	3,868.73	49.30
<b>Total</b>	<b>45,699.96</b>	<b>4,681.93</b>	<b>41,018.03</b>	<b>45,650.66</b>	<b>49.30</b>

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

**57 Distributions**

The Board of Directors of the Manager has declared a distribution per unit of Rs 5.4 to the Unitholders of the REIT for the period 1 April 2019 to 30 June 2019 in their Board meeting held on 12 August 2019. The distributions of Rs 5.4 per unit comprises Rs 2.3 per unit in the form of interest payment and the balance Rs 3.1 per unit in the form of amortization of SPV level debt

**58** The Condensed Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards 34 "Interim Financial Reporting" read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'). Accordingly, Embassy Office Parks Group has prepared condensed consolidated financial statements which comply with Ind AS applicable for period ending on 30 June 2019, together with the comparative period data as at and for the year ended 31 March 2019, as described in the summary of significant accounting policies. In preparing these condensed consolidated financial statements, Embassy Office Parks Group's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS. Further, the accompanying Condensed Consolidated Financial Statements for the quarter ended 30 June 2019 may require adjustment before constituting the final consolidated Ind AS financial statements as of and for the year ending 31 March 2020.

**59** The REIT acquired the SPVs by issuing units to the erstwhile shareholders of the SPVs on 22 March 2019. The results of the SPVs have been consolidated accordingly and hence the numbers are not comparable. Further, the consolidated figures for the corresponding quarter ended June 30, 2018 and comparative quarter ended March 31, 2019, as reported in these Condensed Consolidated Financial Statements have been compiled by the management and approved by the Board of Directors to give a true and fair view of the results in accordance with Ind AS. This information has not been subject to any limited review or audit.

The condensed consolidated financial statements of the Embassy Office Parks Group for the year ended 31 March 2019 have been audited by a firm of chartered accountants other than S R Batliboi & Associates LLP.


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



**Adarsh Ranka**  
*Partner*

Membership number: 209567  
Place: Mumbai  
Date: 12 August 2019

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



**Jitendra Virwani**  
*Director*

DIN: 00027674  
Place: Mumbai  
Date: 12 August 2019



**Tuhin Parikh**  
*Director*

DIN: 00544890  
Place: Mumbai  
Date: 12 August 2019

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

### Introduction

1. We have reviewed the accompanying unaudited condensed standalone interim Ind AS financial statements of Embassy Office Parks Real Estate Investment Trust (the "REIT") which comprise the unaudited condensed standalone balance sheet as at June 30, 2019 and the related unaudited condensed statement of Profit and Loss, including other comprehensive income, unaudited condensed statement of Cash Flows and the unaudited condensed statement of changes in Unit holders equity for the quarter ended June 30, 2019 and a summary of the significant accounting policies and select explanatory information (together hereinafter referred to as the "Condensed Standalone Interim Ind AS Financial Statements"). The Condensed Standalone Interim Ind AS Financial Statements are prepared in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Attention is drawn to the fact that the standalone figures for the corresponding quarter ended June 30, 2018 and comparative quarter ended March 31, 2019, as reported in these Condensed Standalone Interim Ind AS Financial Statements have been approved by the Manager's Board of Directors, but have not been subjected to review.
2. The Condensed Standalone Interim Ind AS Financial Statements are the responsibility of the Manager and has been approved by the Board of Directors of the Manager. Our responsibility is to issue a conclusion on the Condensed Standalone Interim Ind AS Financial Statements based on our review.

### Scope of Review

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



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

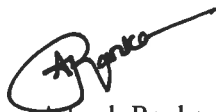
## Conclusion

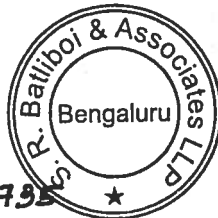
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Condensed Standalone Interim Ind AS Financial Statements have not been prepared in all material respects in accordance with the requirements of Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

## Other Matters

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

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

  
per Adarsh Ranka  
Partner  
Membership No.: 209567



UDIN: 19209567AAAABQ1795

Place: Mumbai, India  
Date: August 12, 2019

	Note	As at 30 June 2019 (Unaudited)	As at 31 March 2019 (Audited)	As at 1 April 2018 (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Financial assets				
- Investments	3	187,706.12	187,449.64	-
- Loans	4	65,408.53	4,712.93	-
Non-current tax assets (net)	5	0.85	-	-
<b>Total non-current assets</b>		<b>253,115.50</b>	<b>192,162.57</b>	-
<b>Current assets</b>				
Financial assets				
- Investments	6	7,190.67	-	-
- Cash and cash equivalents	7	365.29	42,818.53	-
- Other financial assets	8	65.43	-	-
Other current assets	9	26.43	-	-
<b>Total current assets</b>		<b>7,647.82</b>	<b>42,818.53</b>	-
<b>Total assets</b>		<b>260,763.32</b>	<b>234,981.10</b>	-
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Unit capital	10	229,120.96	229,039.26	-
Other equity	11	1,217.72	(94.47)	-
<b>Total equity</b>		<b>230,338.68</b>	<b>228,944.79</b>	-
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	12	30,174.04	-	-
<b>Total non-current liabilities</b>		<b>30,174.04</b>	-	-
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables	13	-	-	-
- total outstanding dues of micro and small enterprises		-	-	-
- total outstanding dues of creditors other than micro and small enterprises		0.30	-	-
- Other financial liabilities	14	208.28	6,036.31	-
Other current liabilities	15	42.02	-	-
<b>Total current liabilities</b>		<b>250.60</b>	<b>6,036.31</b>	-
<b>Total equity and liabilities</b>		<b>260,763.32</b>	<b>234,981.10</b>	-
<b>Significant accounting policies</b>	2			

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

As per our report of even date attached

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

  
**Adarsh Ranka**  
Partner

Membership number: 209567  
Place: Mumbai

Date: **August 12, 2019**

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

  
**Jitendra Virwani**  
Director

DIN: 00027674  
Place: Mumbai

Date: **12 August 2019**

  
**Tuhin Parikh**  
Director

DIN: 00544890  
Place: Mumbai

Date: **12 August 2019**

	Note	Quarter-ended		For year ended	
		30 June 2019 ( Unaudited )	31 March 2019 ( Unaudited )*	30 June 2018 ( Unaudited )*	31 March 2019 ( Audited )
<b>Income and gains</b>					
Interest	16	1,832.12	-	-	-
Other income	17	10.18	-	-	-
<b>Total Income</b>		<b>1,842.30</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>					
Valuation expenses		2.36	-	-	-
Audit fees		0.30	1.19	-	1.19
Insurance expenses		-	-	-	-
Management fees		42.00	-	-	-
Trustee fees		0.74	-	-	-
Legal and professional fees		11.14	-	-	-
Other expenses	18	-	93.28	-	93.28
		<b>56.54</b>	<b>94.47</b>	<b>-</b>	<b>94.47</b>
<b>Earnings/ (loss) before finance costs, depreciation, amortisation and income tax</b>					
Finance costs	19	1,785.76	(94.47)	-	(94.47)
Depreciation and amortisation expense		468.66	-	-	-
		-	-	-	-
<b>Profit/ (loss) before income tax</b>		<b>1,317.10</b>	<b>(94.47)</b>	<b>-</b>	<b>(94.47)</b>
<b>Tax expense:</b>					
Current tax	20	4.91	-	-	-
Deferred tax charge		-	-	-	-
		<b>4.91</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/ (loss) for the period / year</b>		<b>1,312.19</b>	<b>(94.47)</b>	<b>-</b>	<b>(94.47)</b>
<b>Items of other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurements of defined benefit liability, net of tax					
<b>Total comprehensive income for the period/ year</b>		<b>1,312.19</b>	<b>(94.47)</b>	<b>-</b>	<b>(94.47)</b>
<b>Earning per unit - refer Note 21</b>					
Basic		1.70	(5.22)	-	(5.22)
Diluted		1.70	(5.22)	-	(5.22)

\* refer note 28

**Significant accounting policies**

2

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

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

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)



Adarsh Ranka  
Partner  
Membership number: 209567  
Place: Mumbai  
Date: August 12, 2019



Jitendra Virwani  
Director  
DIN: 00027674  
Place: Mumbai  
Date: 12 August 2019



Tuhin Parikh  
Director  
DIN: 00544890  
Place: Mumbai  
Date: 12 August 2019




	For the quarter ended 30 June 2019	For the year ended 31 March 2019
<b>Cash flows from operating activities</b>		
Profit/ (loss) before income tax	1,317.10	(94.47)
Adjustments:		
Interest income	(1,832.12)	-
Net changes in fair value of financial assets	(9.42)	-
Finance costs	468.66	-
<b>Operating cash flows before working capital changes</b>	<b>(55.78)</b>	<b>(94.47)</b>
Changes in:		
Other current assets	(26.44)	-
Other current and non-current liabilities and provisions	42.02	-
Other non-current financial liabilities	-	-
Other current financial liabilities	(32.92)	125.97
Trade payables	0.30	-
<b>Cash (used in)/ generated from operation</b>	<b>(72.82)</b>	<b>31.50</b>
Income taxes paid, net	(5.76)	-
<b>Net cash (used in)/ generated from operating activities</b>	<b>(78.58)</b>	<b>31.50</b>
<b>Cash flow from investing activities</b>		
Loans given to subsidiaries (SPVs)	(62,675.60)	(4,681.93)
Loans repaid by subsidiaries (SPVs)	1,980.00	-
Investment in subsidiary (SPV)	(3,450.00)	-
Investment in debentures of joint venture	(2,500.00)	-
Redemption of debentures issued by joint venture	429.91	-
Interest received	1,832.12	-
Redemption / (Investments) in mutual funds, (net)	(5,367.63)	-
<b>Net cash used in investing activities</b>	<b>(69,751.20)</b>	<b>(4,681.93)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of units	-	47,499.96
Expenses incurred towards Initial Public Offering	(2,263.41)	-
Proceeds from Issue of Non-convertible debentures	30,000.00	-
Expenses for issues of Non-convertible debentures	(360.05)	-
Security deposits given	-	(31.00)
Finance costs paid	-	-
<b>Net cash generated from financing activities</b>	<b>27,376.54</b>	<b>47,468.96</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(42,453.24)</b>	<b>42,818.53</b>
Cash and cash equivalents at the beginning of the year	42,818.53	-
<b>Cash and cash equivalents at the end of the period/ year</b>	<b>365.29</b>	<b>42,818.53</b>
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	-	-
Balances with banks		
- in current accounts	315.99	0.50
- in escrow accounts	49.30	42,818.03
<b>Cash and cash equivalents at the end of the period/ year (refer note 7)</b>	<b>365.29</b>	<b>42,818.53</b>

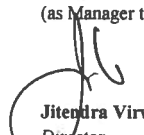
Note: The Trust has issued Units in exchange for investments in SPVs during the year ended 31 March 2019. The same has not been reflected in Standalone Statement of Cash Flows since these were non-cash transactions.


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

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

  
**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Mumbai  
Date: August 12, 2019

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

  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Mumbai  
Date: 12 August 2019

  
**Tubin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: 12 August 2019

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



**A. Unit Capital**

<b>Balance as on 1 April 2018</b>	-
Add: Units issued during the year - refer Note: 10	231,499.60
Less: Issue expenses	(2,460.34)
<b>Balance as at 31 March 2019</b>	<b>229,039.26</b>
<b>As at 1 April 2019</b>	229,039.26
Less: reversal of issue expenses no more payable	81.70
<b>Closing balance as at 30 June 2019</b>	<b>229,120.96</b>

**B. Other equity**

Particulars	Retained Earnings	Total
<b>Balance as on 1 April 2018</b>	-	-
Profit/ (loss) for the year	(94.47)	(94.47)
<b>Balance as at 31 March 2019</b>	<b>(94.47)</b>	<b>(94.47)</b>
<b>Balance as on 1 April 2019</b>	<b>(94.47)</b>	<b>(94.47)</b>
Profit/ (loss) for the period	1,312.19	1,312.19
<b>Balance as at 30 June 2019</b>	<b>1,217.72</b>	<b>1,217.72</b>

As per our report of even date attached:

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

**Adarsh Ranka**  
 Partner  
 Membership number: 209567  
 Place: Mumbai  
 Date: **August 12, 2019**

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

**Jitendra Virwani**  
 Director  
 DIN: 00027674  
 Place: Mumbai  
 Date: **12 August 2019**

**Tuhin Parikh**  
 Director  
 DIN: 00544890  
 Place: Mumbai  
 Date: **12 August 2019**

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

Sl No	Particulars	Quarter ended 30 June 2019
1	Cash flows received from SPVs and investment entity in the form of:	
	• Interest	1,819.29
	• Dividends (net of applicable taxes)	-
	• Repayment of Shareholder Debt	2,409.91
	• 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	13.60
5	Less: Any other expense at the Trust level, and not captured herein	-
6	Less: Any fees, including but not limited to:	-
	• Trustee fees	(0.74)
	• REIT Management Fees	(42.00)
	• Valuer fees	(2.36)
	• Legal and professional fees	(11.44)
	• Trademark license fees	-
	• Secondment fees	-
7	Less: Debt servicing	-
	• Interest on external debt	-
	• Repayment of external debt	-
8	Less: Income tax and other taxes paid (if applicable)	(5.76)
<b>Net Distributable Cash Flows</b>		<b>4,180.50</b>

Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on 12 August 2019, have declared distribution to unitholders of Rs 5.4 per unit which aggregates to Rs 4,166.99 million for the quarter ended 30 June 2019. The distributions of Rs 5.4 per unit comprises Rs 2.3 per unit in the form of interest payment and the balance Rs 3.1 per unit in the form of amortization of SPV debt.
- Since the Trust got listed only on 1 April 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

## **1. Trust Information**

Embassy Property Developments Private Limited ('EPDPL') and BRE/Mauritius Investments ('BMI') collectively known as (the 'Sponsors' or the 'Co-Sponsors') have set up the Embassy Office Parks REIT (or the "EOP REIT" or the "Trust") on 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 EOP 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 EOP 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 EOP REIT are to undertake activities in accordance with the provisions of the SEBI REIT Regulations and the Trust Deed. The principal activity of EOP REIT is to own and invest in rent or income generating real estate and related assets in India with the objective of producing stable and sustainable distributions to Unitholders.

The 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.

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

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

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

**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)



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

**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)



Name of the SPV	Activities	Shareholding (in percentage) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	India Alternate Property Limited: 95.23% Premasagar Infra Reality Private Limited: 2.51% Hiranandani Properties Private Limited: 2.26%	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.	BREP NTPL Holding (NQ) Pte. Limited.: 79.62% BREP VII NTPL Holding (NQ) Pte. Limited.: 19.89% BREP VII SBS NTPL Holding (NQ) Limited.: 0.38% BREP VII NTPL Holding (NQ) Limited.: 0.11%	Embassy Office Parks REIT : 100%
OBPL	Development and leasing of office space and related interiors and maintenance of such assets (The Oxygen Park), located in Noida.	BREP Asia SG Oxygen Holding (NQ) Pte. Limited.: 79.61% BREP VII SG Oxygen Holding (NQ) Pte. Limited.: 19.89% BREP Asia SBS Oxygen Holding (NQ) Limited.: 0.39% BREP VII SBS Oxygen Holding (NQ) Limited.: 0.11%	Embassy Office Parks REIT : 100%
VCPPL	Development and leasing of office space and related interiors and maintenance of such assets (247 Park), located in Mumbai.	BREP Asia HCC Holding (NQ) Pte Limited.: 79.81% BREP VII HCC Holding (NQ) Pte Limited.: 19.89% BREP Asia SBS HCC Holding (NQ) Limited.: 0.19% BREP VII SBS HCC Holding (NQ) Limited.: 0.11%	Embassy Office Parks REIT : 100%

<b>Name of the SPV</b>	<b>Activities</b>	<b>Shareholding (in percentage) upto 21 March 2019</b>	<b>Shareholding (in percentage) from 22 March 2019</b>
IENMPL	Development and leasing of office space and related interiors and maintenance of such assets (Express Towers Building), located in Mumbai.	Panchshil Techpark Private Limited: 51.07% BREP Asia SG Indian Holding (NQ) Co II Pte Limited: 37.27% BREP VII SG Indian Holding (NQ) Co II Pte Limited: 9.31% Shekhar Gupta jointly with Ms. Neelam: 2.11% BREP Asia SBS Holding (NQ) Co. XI Limited.: 0.18% BREP VII SBS Holding (NQ) Co. XI Limited.: 0.05%	Embassy Office Parks REIT : 100%

## **2. Significant accounting policies**

### **2.1 Basis of preparation of Condensed Standalone Financial statements**

The Interim Condensed Standalone Financial Statements ('Condensed Standalone Financial statements') of the Trust comprises the Standalone Balance Sheet as at 30 June 2019; the Standalone Statement of Profit and Loss, the Standalone Statement of Cash Flow, the Standalone Statement of Changes in Unit Holder's Equity and a summary of significant accounting policies and select explanatory notes for the quarter ended 30 June 2019. The Condensed Standalone Financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 12 August 2019.

The Condensed Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards 34 "Interim Financial Reporting" read with Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS').

These condensed standalone financial statements, for the quarter ended June 30, 2019, are the first condensed standalone financial statements of the Embassy Office Parks REIT consequent to the Trust being listed as of 1 April 2019.

Accordingly, Embassy Office Parks REIT has prepared condensed standalone financial statements which comply with Ind AS applicable for period ending on 30 June, 2019, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these condensed standalone financial statements, Embassy Office Parks REIT's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS. There were no adjustments made by the Trust in restating Indian GAAP financial statements, and accordingly disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

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

### **Statement of compliance to Ind-AS**

These Condensed Standalone Financial Statements for the period ended 30 June 2019 are the financial statements of the Embassy Office Parks REIT and have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 “Interim Financial Reporting” read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 (‘Ind AS’).

## **2.2 Summary of significant accounting policies**

### **a) Functional and presentation currency**

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

### **b) Basis of measurement**

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

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

### **c) Use of judgments and estimates**

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

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

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

- i) Classification of lease arrangements as finance lease or operating lease - Note 2.2 (m)
- ii) Judgements in preparing Condensed Standalone Financial Statements— refer note 2.1



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

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

**d) Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

**e) Measurement of fair values**

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

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

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

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

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

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

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

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

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

**f) Impairment of non-financial assets**

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

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

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

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

**g) Foreign currency transactions**

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

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

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

**h) Financial instruments**

**i) Recognition and initial measurement**

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

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

**ii) Classification and subsequent measurement**

*Financial assets*

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

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

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

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

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

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

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

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

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

*Financial assets: Business model assessment*

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

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

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

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

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

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

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

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

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

*Financial assets: Subsequent measurement and gains and losses*

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

*Financial liabilities: Classification, subsequent measurement and gains and losses*

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

**iii) Derecognition**

*Financial assets*

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

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

*Financial liabilities*

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

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

**iv) Offsetting**

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

**i) Compound financial instruments**

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

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

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

**j) Impairment of financial assets**

*Financial assets*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**k) Embedded derivatives**

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

**l) Financial guarantee contracts**

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

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

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



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

**Embassy Office Parks REIT as a lessee**

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

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

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

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

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

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

**Embassy Office Parks REIT as a lessor**

*i. Determining whether an arrangement contains a lease*

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

*ii. Assets held under leases*

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

*iii. Initial direct costs*

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

**Transition to Ind AS 116**

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

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

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

**n) Revenue recognition**

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

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

***Recognition of dividend income, interest income***

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

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

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

**o) Investments in subsidiaries and joint ventures**

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

**p) Borrowing costs**

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

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

**q) Taxation**

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

**(i) Current tax:**

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

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

(ii) Deferred tax:

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

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

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

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

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

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

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

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

**r) Provisions and contingencies**

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

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

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

**s) Operating segments**

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

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

**t) Errors and estimates**

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

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

**u) Cash and cash equivalents**

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

**v) Standalone Statement of Cash flows**

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

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

**w) Earnings per unit**

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

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

**x) Earnings before finance costs, depreciation, amortisation and income tax**

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

Non-current assets

3 Non-current investments

Particulars	As at 30 June 2019	As at 31 March 2019
<b>Trade, unquoted, Investments in subsidiaries (at cost)</b> (refer note i below)		
- 8,703,248 (31 March 2019 : 8,703,248) equity shares of Embassy Office Parks Private Limited of Rs.10 each, fully paid up	62,768.25	62,768.25
- 727,538 (31 March 2019: 727,538) equity shares of Manyata Promoters Private Limited of Rs.10 each, fully paid up	48,790.52	48,790.52
- 271,611 (31 March 2019: 271,611) equity shares of Qubix Business Park Private Limited of Rs.10 each, fully paid up	5,595.08	5,595.08
- 1,884,747 (31 March 2019: 1,884,747) equity shares of Oxygen Business Park Private Limited of Rs.10 each, fully paid up	12,308.89	12,308.89
- 185,604,589 (31 March 2019: 185,604,589) equity shares of Earnest Towers Private Limited of Rs.10 each, fully paid up	12,138.78	12,138.78
- 6,134,015 (31 March 2019: 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of Rs.10 each, fully paid up	10,710.94	10,710.94
- 124,561 (31 March 2019: 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.10 each, fully paid up	6,463.79	6,463.79
- 130,022 (31 March 2019: 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.10 each, fully paid up	6,747.18	6,747.17
- 2,129,635 (31 March 2019: 2,129,635) equity shares of Quadron Business Park Private Limited of Rs.10 each, fully paid up	13,689.26	13,689.26
- 107,958 (31 March 2019: 107,958) equity shares of Galaxy Square Private Limited of Rs.100 each, fully paid up	4,662.50	4,662.50
- 405,940,204 (31 March 2019: 405,940,204) equity shares of Umbel Properties Private Limited of Rs.10 each, fully paid up	2,841.67	2,841.67
- 1,999 (31 March 2019: 1,999) equity shares of Embassy Energy Private Limited of Rs.10 each, fully paid up	732.79	732.79
<b>Investment in Debentures (at amortised cost) (refer note ii below)</b>		
- of a joint venture entity - refer Note 25	256.47	-
2,500 (31 March 2019: Nil) 8.5% debentures of Rs 1 million each (non-current portion).		
	<b>187,706.12</b>	<b>187,449.64</b>

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

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

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

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

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

**Non-current assets**

**3 Non-current investments (contd.)**

- ii 1. 2500 (31 March 2019 : Nil) unlisted, unrated, secured redeemable, non-convertible debentures of Golfinks Software Parks Private Limited with face value of Rs 10,00,000.00 each. Outstanding as on 30 June 2019 Rs.2,070.09 million ( 31 March 2019:Nil).
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.

**4 Loans**

Particulars	As at	
	30 June 2019	31 March 2019
<i>Unsecured, considered good</i>		
Loan to subsidiaries- refer Note 23	65,377.53	4,681.93
Security deposits		
- others	31.00	31.00
	<b>65,408.53</b>	<b>4,712.93</b>

Note: Embassy Office Parks REIT has given loan to SPV's amounting to Rs. 62,675.60 million during the period ended 30 June 2019 (31 March 2019 Rs. 4,681.93 million) to SPV's and the outstanding balance as at end of 30 June 2019 is Rs.65,377.53 million (31 March 2019 Rs.4,681.93).

**Security:** Unsecured

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

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

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



**5 Non-current tax assets (net)**

Particulars	As at	
	30 June 2019	31 March 2019
Advance tax, net of provision for tax	0.85	-
	<b>0.85</b>	<b>-</b>

**6 Current investments**

Particulars	As at	
	30 June 2019	31 March 2019
<b>Unquoted, Investment in mutual funds</b>		
Aditya Birla Sunlife Liquid Fund - Growth Option	590.03	-
Franklin India Liquid Fund - Super Institutional Plan-Growth Option	1,771.17	-
HDFC Liquid Fund-Direct Plan-Growth Option	1,284.42	-
ICICI Prudential Liquid Fund-Direct Plan-Growth Option	1,731.43	-
<b>Trade, unquoted investments measured at amortised cost</b>		
Investment in Debentures - refer note:3(ii)		
- of a joint venture entity - refer Note 25	1,813.62	-
2,500 (31 March 2019: Nil) 8.5% debentures of Rs 1 million each (current portion).		
	<b>7,190.67</b>	<b>-</b>
<b>Investment measured at amortised cost</b>	<b>1,813.62</b>	<b>-</b>
<b>Investment measured at fair value through profit or loss</b>	<b>5,377.05</b>	<b>-</b>
<b>Investments measured at fair value through other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Aggregate amount of impairment recognised</b>	<b>-</b>	<b>-</b>

**7 Cash and cash equivalents**

Particulars	As at	
	30 June 2019	31 March 2019
Cash on hand	-	-
Balances with banks		
- in current accounts	315.99	0.50
- in escrow accounts*	49.30	42,818.03
	<b>365.29</b>	<b>42,818.53</b>

\* Represents the balance Rs.49.30 million (31 March 2019 Rs.42,818.03 million) from proceeds of initial public offer of REIT Units (Total proceeds Rs. 47,499.96 million). These amounts held in the Escrow account can be withdrawn for certain specific purposes.

**8 Other financial assets**

Particulars	As at	
	30 June 2019	31 March 2019
Other receivables	65.43	-
	<b>65.43</b>	<b>-</b>

**9 Other current assets**

Particulars	As at	
	30 June 2019	31 March 2019
<b>Unsecured, considered good</b>		
Advance for supply of goods and rendering of services	1.93	-
Balances with government authorities	24.50	-
	<b>26.43</b>	<b>-</b>

#### 10 Unit Capital

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

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 as at 31 March 2019. Further, during the quarter ended 30 June 2019, excess provision no longer payable, has been reversed amounting to Rs.81.70 million.

#### (a) Terms/rights attached to Units

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

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

- (ii) Initial Public Offering of 158,333,200 Units for cash at price of Rs. 300 per Unit aggregating to Rs. 47,499.96 million.  
(iii) Embassy Office Parks REIT has acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of Rs. 300 each as per the table below.

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

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

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

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

#### 11 Other Equity

Particulars	As at	
	30 June 2019	31 March 2019
Retained earnings	1,217.72	(94.47)
	<b>1,217.72</b>	<b>(94.47)</b>

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

#### Retained earnings

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

#### 12 Borrowings

Particulars	As at	
	30 June 2019	31 March 2019
<b>Secured</b>		
30,000 (31 March 2019 : Nil) EMBASSY REIT Series I NCD 2019 , face value of Rs. 1,000,000 each (net of issue expenses, at amortised cost)	30,174.04	-
	<b>30,174.04</b>	<b>-</b>

#### Note:

- (i) During the quarter, the Trust issued 30,000 (31 March 2019- Nil) listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019, 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.  
The NCD described above are listed on the Bombay Stock Exchange on 3 May 2019.

#### Security terms

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

1. A sole and exclusive first ranking charge created by MPPL on the (a) land measuring 112.475 acres at Bangalore together with blocks and various commercial buildings; (b) 1.022 acres and 1.631 acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park".
2. A sole and exclusive first ranking pledge created by the REIT and EOPPL over their total shareholding in the SPV's namely Qubix, ETPL, VCPPL, Galaxy and MPPL together known as "secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables
4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.
5. A negative pledge on all assets of each secured SPV except MPPL.

#### Redemption terms:

1. These debentures are redeemable by way of bullet payment at the end of 37 months from the date of allotment, i.e. 02 June 2022.
2. These debentures have a redemption premium of 9.4% IRR compounded annually.
3. In case of downgrading of credit rating , the IRR shall be increased by 0.25% - 1.25% over and above the applicable IRR calculated from the date of change of rating. In case of any subsequent upgrading of credit rating , the IRR shall be restored/decreased by 0.25% - 1.00% over and above the applicable IRR calculated from the date of change of rating.
4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between May 2021 to May 2022) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures is being redeemed.

**Current liabilities**

**13 Trade payables**

Particulars	As at	
	30 June 2019	31 March 2019
Trade payable		
- Total outstanding dues to micro and small enterprises	-	-
- Total outstanding dues other than micro and small enterprises	0.30	-
	<b>0.30</b>	-

**14 Other financial liabilities**

Particulars	As at	
	30 June 2019	31 March 2019
Other liabilities		
- to related party*	78.97	462.98
- to trustee	0.74	-
- to others**	128.57	5,573.33
	<b>208.28</b>	<b>6,036.31</b>

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

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

**15 Other current liabilities**

Particulars	As at	
	30 June 2019	31 March 2019
Statutory dues	42.02	-
	<b>42.02</b>	-

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**16 Interest Income**

Particulars	Quarter-ended		For the year ended	
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
Interest income				
- on fixed deposits	12.84	-	-	-
- on debentures (refer note 23)	50.09	-	-	-
- on inter corporate deposit (refer note 23)	1,769.19	-	-	-
	<b>1,832.12</b>	-	-	-

**17 Other income**

Particulars	Quarter-ended		For the year ended	
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
Net changes in fair value of financial assets	9.42	-	-	-
Miscellaneous	0.76	-	-	-
	<b>10.18</b>	-	-	-

**18 Other expenses**

Particulars	Quarter-ended		For the year ended	
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
Selling and marketing expenses	-	93.28	-	93.28
	-	<b>93.28</b>	-	<b>93.28</b>

**19 Finance costs**

Particulars	Quarter-ended		For the year ended	
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
Interest expense				
- Accrual of premium on redemption of debentures	468.66	-	-	-
	<b>468.66</b>	-	-	-

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

**20 Tax expense**

Particulars	Quarter-ended		For the year ended	
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
Current tax	4.91	-	-	-
	<b>4.91</b>	-	-	-

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## 21 Earnings Per Unit (EPU)

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

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

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

## 22 Commitments and contingencies

### a. Contingent liabilities

Particulars	As at	As at	As at
	30 June 2019	30 June 2018	31 March 2019
Bank guarantees given by Embassy Office Parks REIT	20.00	-	20.00

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

### b. Statement of capital and other commitments

Particulars	As at	As at	As at
	30 June 2019	30 June 2018	31 March 2019
Capital and other commitments	-	-	-

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23 **Related party disclosures**

I. **List of related parties as at 30 June 2019 (refer notes below)**

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

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

The co-sponsor groups consist of the below entities

**Embassy Property Developments Private Limited - Co-Sponsor**

Embassy Property Developments Private Limited  
Embassy One Developers Private Limited  
D M Estates Private Limited  
Embassy Services Private Limited  
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 Investment Manager (Embassy Office Parks Management Services Private Limited )**

**Directors**

Jitendra Virwani  
Tuhin Parikh  
Vivek Mehra  
Ranjan Ramdas Pai  
Anuj Puri (w.e.f 6 August 2018)  
Punita Kumar Sinha (w.e.f 6 August 2018)  
Robert Christopher Heady (w.e.f 6 August 2018)  
Aditya Virwani (w.e.f 6 August 2018)

**Key management personnel's**

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

(i) **Name of Subsidiary (SPV)**

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

B **Names of other related parties with whom transaction have taken place**

Embassy One Developers Private Limited  
Embassy Shelters Private Limited

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23 Related party disclosures

(ii) Transactions during the year

Particulars	Quarter-ended		For the year ended	
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
<b>Unsecured loans given to</b>				
Quadron Business Park Private Limited	7,329.00	4,681.93	-	4,681.93
Embassy Office Parks Private Limited	5,858.30	-	-	-
Manyata Promoters Private Limited	29,473.10	-	-	-
Qubix Business Park Private Limited	3,179.90	-	-	-
Oxygen Business Park Private Limited	4,030.30	-	-	-
Earnest Towers Private Limited	779.30	-	-	-
Vikhroli Corporate Park Private Limited	4,726.70	-	-	-
Galaxy Square Private Limited	2,549.80	-	-	-
Umbel Properties Private Limited	1,795.20	-	-	-
Indian Express Newspapers (Mumbai) Private Limited	2,954.00	-	-	-
<b>Investment in debentures</b>				
Golfinks Software Parks Private Limited	2,500.00	-	-	-
<b>Redemption of investment in debentures</b>				
Golfinks Software Parks Private Limited	429.91	-	-	-
<b>Unsecured loans repaid by</b>				
Embassy Office Parks Private Limited	110.00	-	-	-
Manyata Promoters Private Limited	1,250.00	-	-	-
Qubix Business Park Private Limited	80.00	-	-	-
Oxygen Business Park Private Limited	60.00	-	-	-
Earnest Towers Private Limited	190.00	-	-	-
Galaxy Square Private Limited	90.00	-	-	-
Indian Express Newspapers (Mumbai) Private Limited	200.00	-	-	-
<b>Investment in equity shares of SPVs</b>				
Embassy Office Parks Private Limited	-	62,768.25	-	62,768.25
Manyata Promoters Private Limited	-	48,790.52	-	48,790.52
Quadron Business Park Private Limited	-	13,689.26	-	13,689.26
Oxygen Business Park Private Limited	-	12,308.89	-	12,308.89
Earnest Towers Private Limited	-	12,138.78	-	12,138.78
Vikhroli Corporate Park Private Limited	-	10,710.94	-	10,710.94
Qubix Business Park Private Limited	-	5,595.08	-	5,595.08
Galaxy Square Private Limited	-	4,662.50	-	4,662.50
Umbel Properties Private Limited	-	2,841.67	-	2,841.67
Indian Express Newspapers (Mumbai) Private Limited	-	13,210.97	-	13,210.97
Embassy Energy Private Limited	-	732.79	-	732.79
<b>Margin money kept on behalf of Trust</b>				
Embassy Office Parks Management Services Private Limited	-	20.00	-	20.00
<b>Secondment fees</b>				
Embassy Office Parks Management Services Private Limited	0.35	-	-	-
<b>Management fees</b>				
Embassy Office Parks Management Services Private Limited	42.00	-	-	-
<b>Trademark license fees</b>				
Embassy Shelters Private Limited	0.35	-	-	-
<b>Trustee fee expenses</b>				
Axis Trustee Services Limited	0.74	-	-	-
<b>Initial receipt from Co-sponsor - received / (repaid)</b>				
Embassy Property Development Private Limited	-	0.50	-	0.50
<b>Interest received</b>				
Quadron Business Park Private Limited	363.62	-	-	-
Embassy Office Parks Private Limited	180.56	-	-	-
Manyata Promoters Private Limited	612.58	-	-	-
Qubix Business Park Private Limited	98.01	-	-	-
Oxygen Business Park Private Limited	119.75	-	-	-
Earnest Towers Private Limited	24.02	-	-	-
Vikhroli Corporate Park Private Limited	145.69	-	-	-
Galaxy Square Private Limited	78.59	-	-	-
Umbel Properties Private Limited	55.33	-	-	-
Indian Express Newspapers (Mumbai) Private Limited	91.05	-	-	-
<b>Interest received on debentures</b>				
Golfinks Software Parks Private Limited	50.09	-	-	-



23 Related party disclosures (contd.)

(ii) Transactions during the year

Particulars	Quarter-ended		For the year ended	
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
<b>Reimbursement of expenses</b>				
Embassy Office Parks Private Limited	-	174.79	-	174.79
Manyata Promoters Private Limited	-	5.96	-	5.96
Qubix Business Park Private Limited	-	9.33	-	9.33
Oxygen Business Park Private Limited	-	9.11	-	9.11
Earnest Towers Private Limited	-	3.96	-	3.96
Vikhroli Corporate Park Private Limited	-	7.65	-	7.65
Quadron Business Park Private Limited	-	7.90	-	7.90
Galaxy Square Private Limited	-	9.10	-	9.10
Umbel Properties Private Limited	-	10.30	-	10.30
Embassy Energy Private Limited	-	6.15	-	6.15
Indian Express Newspapers (Mumbai) Private Limited	-	20.19	-	20.19
Embassy One Developers Private Limited	-	9.54	-	9.54
Embassy Office Parks Management Services Private Limited	-	157.50	-	157.50
<b>Deposits paid on behalf of Trust</b>				
Embassy Office Parks Private Limited	-	31.00	-	31.00
<b>Issue of Unit capital</b>				
Embassy Property Development Private Limited	-	34,645.44	-	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	31,228.49	-	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	20.24	-	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	135.39	-	135.39
BRE/ Mauritius Investments	-	28,083.23	-	28,083.23
India Alternate Property Limited	-	11,834.10	-	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	7,770.49	-	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	1,941.58	-	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	38.24	-	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	10.66	-	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	8,548.39	-	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	2,130.08	-	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	20.36	-	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	12.10	-	12.10
BRE/Mauritius Investments II	-	13,689.26	-	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	4,454.94	-	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	1,112.97	-	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	21.13	-	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	6.04	-	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	9,798.86	-	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	2,448.42	-	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	48.25	-	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	13.36	-	13.36
BREP GML Holding (NQ) Pte. Limited.	-	3,712.50	-	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	927.45	-	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	17.54	-	17.54
BREP VII SBS GML Holding (NQ) Limited	-	5.01	-	5.01

23 Related party disclosures (contd.)  
(iii) Year end balances

Particulars	As at	
	30 June 2019	31 March 2019
<b>Unsecured loan receivable (non-current)</b>		
Quadron Business Park Private Limited	12,010.93	4,681.93
Embassy Office Parks Private Limited	5,748.30	-
Manyata Promoters Private Limited	28,223.10	-
Qubix Business Park Private Limited	3,099.90	-
Oxygen Business Park Private Limited	3,970.30	-
Earnest Towers Private Limited	589.30	-
Vikhroli Corporate Park Private Limited	4,726.70	-
Galaxy Square Private Limited	2,459.80	-
Umbel Properties Private Limited	1,795.20	-
Indian Express Newspapers (Mumbai) Private Limited	2,754.00	-
<b>Investment in Debentures (current and non-current)</b>		
Golflinks Software Parks Private Limited	2,070.09	-
<b>Investment in equity shares of subsidiary</b>		
Embassy Office Parks Private Limited	62,768.25	62,768.25
Manyata Promoters Private Limited	48,790.52	48,790.52
Quadron Business Park Private Limited	13,689.26	13,689.26
Oxygen Business Park Private Limited	12,308.89	12,308.89
Earnest Towers Private Limited	12,138.78	12,138.78
Vikhroli Corporate Park Private Limited	10,710.94	10,710.94
Qubix Business Park Private Limited	5,595.08	5,595.08
Galaxy Square Private Limited	4,662.50	4,662.50
Umbel Properties Private Limited	2,841.67	2,841.67
Indian Express Newspapers (Mumbai) Private Limited	13,210.97	13,210.97
Embassy Energy Private Limited	732.79	732.79
<b>Trustee fee payable</b>		
Axis Trustee Services Limited	0.74	-
<b>Payable for expenses</b>		
Embassy Office Parks Private Limited	36.51	205.79
Manyata Promoters Private Limited	-	5.96
Qubix Business Park Private Limited	-	9.33
Oxygen Business Park Private Limited	-	9.11
Earnest Towers Private Limited	-	3.96
Vikhroli Corporate Park Private Limited	-	7.65
Quadron Business Park Private Limited	-	7.90
Galaxy Square Private Limited	-	9.10
Umbel Properties Private Limited	-	10.30
Embassy Energy Private Limited	-	6.15
Indian Express Newspapers (Mumbai) Private Limited	-	20.19
Embassy One Developers Private Limited	-	9.54
Embassy Office Parks Management Services Private Limited	42.11	157.50
Embassy Shelters Private Limited	0.35	-
<b>Liability towards margin money kept on behalf of Trust</b>		
Embassy Office Parks Management Services Private Limited	20.00	20.00
<b>Initial refundable receipt from Co-sponsor</b>		
Embassy Property Development Private Limited	(0.50)	0.50

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2019	Unutilised amount as at 31 March 2019	Actual utilisation upto 30 June 2019	Unutilised amount as at 30 June 2019
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of the Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes	3,918.03	-	3,918.03	3,868.73	49.30
<b>Total</b>	<b>45,699.96</b>	<b>4,681.93</b>	<b>41,018.03</b>	<b>45,650.66</b>	<b>49.30</b>

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

25 Financial instruments :

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

Particulars	Carrying value		Fair Value	
	30 June 2019	31 March 2019	30 June 2019	31 March 2019
<b>Financial assets</b>				
<b>Fair value through profit and loss</b>				
Investments in mutual funds	5,377.05	-	5,377.05	-
<b>Amortised cost</b>				
Investments	2,070.08	-	-	-
Loans	65,408.53	4,712.93	-	-
Cash and cash equivalents	365.29	42,818.53	-	-
<b>Total assets</b>	<b>73,220.95</b>	<b>47,531.46</b>	<b>5,377.05</b>	<b>-</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Borrowings	30,174.04	-	-	-
Other financial liabilities	208.28	6,036.31	-	-
Trade payables	0.30	-	-	-
<b>Total liabilities</b>	<b>30,382.62</b>	<b>6,036.31</b>	<b>-</b>	<b>-</b>

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

**Fair value hierarchy**

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

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

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

**Financial instruments**

Quantitative disclosures fair value measurement hierarchy for assets as at 30 June 2019:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value:</b>					
<b>FVTPL financial investments:</b>					
Investment in mutual funds	30 June 2019	5,377.05	5,377.05	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value:</b>					
<b>FVTPL financial investments:</b>					
Investment in mutual funds	31 March 2019	-	-	-	-

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

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

d) **Determination of fair values**

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

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

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

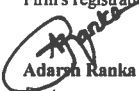
- 26 The Condensed Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards 34 "Interim Financial Reporting" read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'). Accordingly, Embassy Office Parks REIT has prepared condensed standalone financial statements which comply with Ind AS applicable for period ending on 30 June 2019, together with the comparative period data as at and for the year ended 31 March 2019, as described in the summary of significant accounting policies. In preparing these condensed standalone financial statements, Embassy Office Parks REIT's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS. Further, the accompanying Condensed Standalone Financial Statements for the quarter ended 30 June 2019 may require adjustment before constituting the final Ind AS financial statements as of and for the year ending 31 March 2020.
- 27 **Distributions**  
The Board of Directors of the Manager has declared a distribution per unit of Rs 5.4 to the Unitholders of the REIT for the period 1 April 2019 to 30 June 2019 in their Board meeting held on 12 August 2019. The distributions of Rs 5.4 per unit comprises Rs 2.3 per unit in the form of interest payment and the balance Rs 3.1 per unit in the form of amortization of SPV debt.
- 28 The figures for the corresponding quarter ended 30 June 2018 and comparative quarter ended 31 March 2019, as reported in these Condensed Standalone Financial Statements have been compiled by the management and approved by the Board of Directors to give a true and fair view of the results in accordance with Ind AS. This information has not been subject to any limited review or audit.  
The condensed standalone financial statements of the Embassy Office Parks REIT for the year ended 31 March 2019 have been audited by a firm of Chartered Accountants other than S R Batliboi & Associates LLP.

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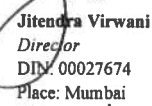
The notes referred to above are an integral part of Condensed Standalone Financial Statements.


As per our report of even date attached

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

  
**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Mumbai  
Date: **August 12, 2019**

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

  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Mumbai  
Date: **12 August 2019**

  
**Tulna Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: **12 August 2019**