



November 13, 2020

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 960165, 958770, 959074 and 959990; Scrip Code 542602 and Scrip Symbol “EMBASSY”**

Dear Sir/Madam,

**Subject: Submission of Half-Yearly Report**

Pursuant to Regulation 23(3) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, we have enclosed the Half-Yearly Report with respect to the activities of Embassy Office Parks REIT for the period ended September 30, 2020.

The Half-Yearly report referred above is also uploaded on our website at [www.ir.embassyofficeparks.com](http://www.ir.embassyofficeparks.com).

Kindly take the same on your record.

Thank you

Yours sincerely,

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

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

**Encl:** As above

Embassy Office Parks Management Services Pvt. Ltd.  
Embassy GolfLinks Business Park, Pebble Beach, Off Intermediate Ring Road, Bangalore – 560 071, India.  
T: +91 80 4903 0000 F: +91 80 4903 0046.  
[www.embassyofficeparks.com](http://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

# WHERE THE WORLD COMES TO WORK





# Contents

## CORPORATE OVERVIEW

### Introduction and performance review

- 2 Embassy REIT at a glance
- 4 Chairman's perspective
- 6 From the CEO's desk
- 10 Our COVID-19 response
- 12 Our strategic priorities
- 14 Key performance indicators
- 16 Occupiers
- 17 Portfolio overview
- 18 Commercial portfolio update
- 19 Development update
- 20 Investor relations updates
- 22 Community

### Governance and leadership

- 25 Governance
- 26 Board of Directors
- 29 Management team

### Our portfolio

- 32 Commercial properties
- 44 Other assets

## 48 CORPORATE GOVERNANCE

## 62 STATUTORY DISCLOSURES

## 81 FINANCIAL STATEMENTS

## 82 Standalone

## 124 Consolidated

## 212 SUMMARY VALUATION REPORT





## Performance highlights: 1H FY2021

**33.3** msf#  
Portfolio

**160+**  
Blue-chip occupiers

**91.7%**  
Occupancy

**28%**  
Mark-to-market upside

**48%**  
Gross rents from  
Fortune 500 occupiers

**6.5 YEARS**  
Weighted Average Lease  
Expiry (WALE)

**₹10,564** Mn  
Revenue from operations

**₹9,383** Mn  
Net operating  
income 5% ↑\*

**₹9,237** Mn  
EBITDA 8% ↑\*

**₹8,743** Mn  
Distributions

**100%**  
Payout ratio

**16%**  
Net debt/Total  
Enterprise Value (TEV)

**99.5%**  
2Q FY2021 office  
rental collections

**99.7%**  
1Q FY2021 office  
rental collections

\*Growth over 1H FY2020  
#Millions Sq. ft.



## Embassy REIT at a glance

We are India's first listed Real Estate Investment Trust (REIT) and the largest in Asia by area. We manage a Grade A commercial office portfolio that serves as essential corporate infrastructure to global occupiers, including many Fortune 500 corporations.

Embassy Office Parks is India's first publicly listed Real Estate Investment Trust (REIT). Listed in April 2019, Embassy REIT owns and operates a 33.3<sup>1</sup> million square feet (msf) portfolio of seven infrastructure-like office parks and four city-centre office buildings in India's best performing office markets of Bengaluru, Mumbai, Pune, and the National Capital Region (NCR). Embassy REIT's portfolio comprises 26.2 msf completed operating area, has an occupancy of 91.7% as of September 30, 2020, and is home to many of the world's leading companies as occupiers. The portfolio also comprises strategic amenities, including two operational business hotels, two under-construction hotels, and a 100 MW solar park supplying renewable energy to park occupiers.

### KEY STATISTICS

**78**

World-class office buildings

**11**

Commercial offices

**160+**

Blue-chip occupiers

**100 MW**

Solar park

**1,096<sup>1</sup>**

Hotel keys

### ICRA AAA (Stable)

Embassy Office Parks REIT  
(Issuer Rating)

### CRISIL AAA (Stable)

Embassy Office Parks REIT  
Series I NCD (Tranche I & II)  
Series II NCD (Tranche A & B)

Embassy REIT is a constituent of Benchmark Global Indices such as FTSE EPRA-NAREIT, FTSE Russell, and S&P Dow Jones Index Series.

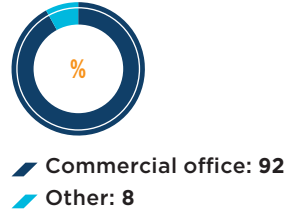
<sup>1</sup> Includes completed, under construction and proposed future development

## Our portfolio

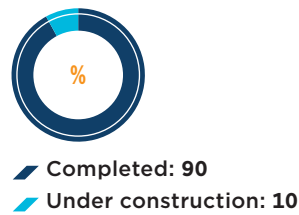
### MARKET VALUE BY GEOGRAPHY



### MARKET VALUE BY ASSET TYPE



### MARKET VALUE BY INCOME PRODUCING ASSETS



## Investment objectives

We invest in high-quality assets with the objective of maximising NAV growth and paying distributions to Unitholders.

**80%**

Minimum investment by value in completed and income-producing assets

**90%**

Minimum Net Distributable Cashflow (NDCF) payout to Unitholders

**49%**

Upper limit on debt by asset value

## Our sponsors



**Embassy**  
The local expert

- Among the leading commercial real estate developers in India, with interests in office, industrial, co-living, and residential sectors
- Owns extensive landbank in India
- Integrated platform of project management, land acquisitions and marketing of real estate assets
- Has adopted local schools and promotes health and fitness in local communities

**25 years+**

Track record of working across land acquisitions, development and marketing of assets

All data as of September 30, 2020

**Blackstone**

**Blackstone**  
The global manager

- A leading global investment business investing capital on behalf of pension funds, large institutions and individuals, with a Total Assets Under Management (AUM) of US\$538.0 Billion
- A global leader in real estate investing

**US\$174 Billion**  
Total AUM

**US\$329 Billion**  
Total enterprise value of portfolio

**575**  
Real estate professionals across 11 offices

**Chairman's perspective**

# Well Positioned for the Long Term





**In these challenging times, Embassy REIT remains a reassuring benchmark for global occupiers: a world-class commercial office portfolio that delivers the highest standards of safety and security comparable to any office market globally.**

**In the long term, Embassy REIT is well positioned to meet the demands of global and Fortune 500 corporations which will continue to rely on India's technology-skilled talent and the scale and infrastructure-like qualities of our portfolio.**

**As a result, we remain committed to delivering distributions that capture the long-term structural appeal of Grade-A Indian office to our Unitholders.**



**Jitendra Virwani**





From the CEO's desk

# A Resilient Performance in Challenging Times



**Embassy REIT continues to deliver amidst challenging conditions caused by the global pandemic. As our performance in the first half of FY2021 shows, we have successfully collected our rents, kept expenses low, and maintained a healthy balance sheet. Most notably, we continue to distribute cash flows to our Unitholders that compares to the payouts of the top yield-paying Indian corporates.**

#### Dear Unitholders,

As the challenging times brought by the pandemic continue across the world and here in India, we sincerely hope that you, your family and colleagues are healthy and keeping safe.

Despite challenging market conditions, COVID-19 related uncertainties and amidst one of the world's most stringent lockdowns, we are pleased to report a resilient performance for the first half of FY2020-21. We maintained a healthy occupancy of 91.7%, collected a robust 99.6% of rentals for 1H FY2021 and distributed a total of ₹8,743 Million to our Unitholders.

Our performance clearly demonstrates the strong fundamentals of our business, the strength of our management and on-ground teams and underpins our ongoing commitment to continue to deliver value to our Unitholders. Additionally, we continue to maintain our conservative balance sheet, which was further strengthened by our recent bond raises of ₹150 Billion at competitive rates. Coupled with our strong liquidity position, we are well placed to finance accretive acquisitions that benefit our unitholders.

#### NAVIGATING COVID-19

This financial year began during the early stages of the COVID-19 pandemic for our markets in India. Our top focus remained, and continues to remain, ensuring our workplaces provide the highest standards of health and safety for our employees and occupiers and, enabling business continuity for their critical functions. All our properties across India were open and operational throughout the 1H FY2021. We continue to see a gradual ramp-up in the number of occupiers who are re-populating our buildings. Over 95% of occupiers and a weekday average of over 16,600 employees operated from our properties in October 2020, compared to 8,500 employees in Q1.



We continue to keep our buildings safe and secure with international-standard health and sanitisation procedures and technology-driven solutions. We also launched a pan-India online and media campaign called #OfficeAgain to engage and update occupiers and their employees on various health and safety initiatives and build confidence as they re-populate their workspaces.

We recently received health, safety and ESG assurance certifications from globally renowned institutions, such as the British Safety Council and British Standards Institution, endorsing the quality and effectiveness of the wellness practices adopted by us and our efforts in controlling the spread of COVID-19 across our pan-India office portfolio.

### **RESILIENT OCCUPIER BASE**

An area where clarity shines through in this time of uncertainty is our occupier base and their industries. Feedback from our occupiers indicates that they remain very positive about the future of their businesses in India and that they will continue to grow. Technology companies and Global Captive Centres (GCCs) applying technology-based solutions for their overseas businesses form the backbone of Embassy REIT's tenant base. Our occupiers comprise 50% pure technology and 43% Global Captives. Multiple indicators including public results, hiring statistics in India, industry analysis, business leader commentaries and conversations, underscore the conclusion that these types of business have a very bright future and continue to invest in India. This is confirmed by NASSCOM research, which projects that the Indian technology industry will grow at a CAGR of 13% to US\$350 Billion by 2025.

For many of those businesses, India and the availability of talent at scale will continue to grow in significance for global delivery strategies in our increasingly digitised and technology-dependent world.

### **NEXT-GENERATION WORKPLACES**

After seven months of witnessing most of corporate India working from home, we are seeing an emerging positive consensus, which reinforces

our initial view: that the Indian working population demographics, and the environments at home are very different from the West. A higher proportion of young Indians in the early phases of their careers desire collaborative spaces at the office to maximise their career mobility, learning and networking opportunities.

It is indeed likely that there will be more flexibility in terms of workplace with a hybrid of traditional office and home locations. We believe that this will ultimately play out with more flexibility in terms of working hours and location but with the office as the core business hub providing better quality, lower density spaces with high standards of safety and wellness for the best international companies. Offices will continue to serve as core amenities for the Indian STEM talent, which these companies seek - the young demographic workforce who want to come together for the benefit of their career, for product innovation, for business productivity, company culture and the desire to learn, which gets satisfied and enriched through colleagues and mentors in the best corporate workplaces.

This shift will work to the advantage of a portfolio such as Embassy REIT and our total business ecosystem product, with our high-quality, large-scale integrated campus environments and a broad range of amenities for our occupiers and their staff.

### **MARKET OUTLOOK**

While we have secured leases totaling 411k sf in H1, we believe that the 'pause, assess, accelerate' in decision-making for corporate leasing will move past the assessment stage once occupiers have substantively moved back to the offices. Our view is that demand will return strongly in a couple of quarters given robust performances posted recently by technology and tech-dependent sectors, which is the core occupier base for India office.

On the supply front, the market supply forecast for the next 2 years has continued to decline since the beginning of this year - from 122 msf in January 2020 to 87 msf in September 2020, implying a decline of 29%. Due to the continued pressures

related to availability of labour, funding and liquidity, we may see further shrinkage in this number by the end of the year. Our assessment of the actual comparable and competing supply for Embassy REIT is even lower.

With limited upcoming supply, already low vacancy rates in our key markets and further de-densification plans by corporates, we expect rentals to hold firm in our core markets.

The recent result announcements from many technology companies have outlined the strong pipeline of deals, significant pull forward in expenditure on digital transformation and cloud migration and an uptick in hiring by these corporates. Some corporates have indicated that COVID-19 has essentially halved the timeline for digital transformation, bringing it forward by at least five years. We also expect increased offshoring to Global Captives as well as third-party service providers, in a recessionary and geographically agnostic world – the aftershock bounce back driving office demand as India experienced post the global financial crisis.

Longer term, we noted the detailed global research report from Cushman & Wakefield which projects 700 msf of office demand to 2030 in Asia-Pacific region (APAC) excluding China, with 60% being driven by India, and the methodology and conclusions of that report underscore the continuation of the growth of the India office sector over the next decade as often articulated to us by many of our occupiers. The significant skills and cost advantage that India offers, both in terms of workforce as well as real estate costs, will continue to drive global occupiers to India office.

### LOOKING AHEAD

Our priorities & business strategy are clear. We continue to focus on active asset management and operational excellence to navigate and support the real estate needs of our occupiers through the pandemic. We recognise the increasing importance of wellness features and flexibility options in future leasing decisions of our occupiers and continue to

work with them to structure mutually beneficial solutions. We are confident that once the pandemic subsides, and it will subside eventually, and once decision-making and leasing activity are back on track, high-quality Grade A office portfolios like ours will see greater demand and will result in significant market share gains for our properties.

We will also continue to pursue acquisition targets and opportunities, which are value-accretive and complementary to our existing portfolio in terms of scale, quality and location.

I am confident that our strong occupier connect, robust balance sheet and prudent capital management will help us deliver on these focus areas.

Your continued encouragement and support will inspire us to add value and deliver attractive returns to our Unitholders.

Yours Sincerely,



**Michael Holland**



# Our COVID-19 response

With businesses opening up in a phased manner across the country, Embassy REIT continued to remain committed to protect the safety and wellbeing of our tenants. Our focus remains on ensuring business continuity for all our occupiers, while providing employees a safer work ecosystem.

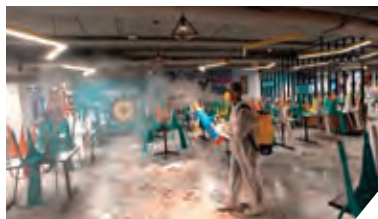
We formulated comprehensive strategies and complied with the regulatory directives. We put in place stringent sanitisation protocols, digitally-powered monitoring systems and well-defined standard operating procedures to further enhance the safety quotient at our offices.



## COVID-19 Management Initiatives



**Deep Cleaning of Common Areas**



**Building Fumigation**



**Thermal Screening**



**Enhanced AHU Cleaning**



**Touchless Visitor Management**



**Social Distancing Markings**

## Our back-to-business plan

### Focus area

#### EDUCATION AND AWARENESS

- ✓ Awareness posters, digital displays, standees related to personal hygiene, social distancing, precautionary measures installed across all prominent locations
- ✓ Our ancillary staff are given regular training at the beginning of every shift
- ✓ Training related to thermal check and self-declarations are provided to security staff
- ✓ Training on cleaning of air-conditioner equipment and the check points like filters, coils, turn on and turn off, fresh air volume are provided to technicians
- ✓ Usage of Personal Protective Equipment (PPE) with face masks, disposable masks, gowns and boots as required during sanitisation process
- ✓ Face masks are provided to all Embassy REIT employees

#### Key actions taken

#### MEDICAL

- ✓ On-site isolation suites created within each location for emergency handling
- ✓ Hospital tie-ups in place for patient evacuation and treatment
- ✓ Expert medical advice being disseminated across employee base through multiple channels
- ✓ Providing support to our occupiers through the ambulance facilities from all locations
- ✓ Ambulance crews are trained and prepared for all emergency handling
- ✓ Occupiers ensure they don't bring any employees who feel sick or show any symptoms of COVID-19
- ✓ Maintain an isolation room within the premises of occupant

#### PEOPLE

- ✓ Ensuring all the visitors, vendors and ancillary staff provide a self-declaration on their health, wellbeing, if they have visited any of the hotspots, or coming from any containment zones
- ✓ Occupiers' employees while at work, at food courts, vending machines, or during break are to ensure social distancing and Embassy Office Parks security will enforce if it is not practised
- ✓ Demarcated social distancing in the lift lobbies, food courts
- ✓ Occupiers identify which employees must come to work or use a rotation system

We received the global benchmark certification from the British Safety Council for health and safety practices implemented in controlling the spread of COVID-19 across our pan-India operating office portfolio of 26.2 msf, making it one of the largest portfolios by size to qualify for the British Safety Council's COVID-19 Assurance Assessment.

95% of our tenants and 16,600 people are working safely from our office parks (as on October 19, 2020).



## Navigating COVID-19 impact

In the post-COVID-19 'new normal', a significant reduction in the densities of the workplace is happening in India and other parts of the world. As the Indian economy reboots amidst a calibrated exit from lockdowns, we see commercial real estate demand shifting to a Grade-A institutional landlords like Embassy REIT

### STRONG OCCUPIER PORTFOLIO

- Landlord of choice with a high-quality, difficult-to-replicate office portfolio in gateway cities providing total business ecosystem
- Diversified and high-credit quality occupier base with 50% technology and 48% Fortune 500 companies
- 92% value in rent-yielding office assets, hotels contribute less than 1% of pre-COVID-19 net operating income (FY2020)
- Stable cash flows expected due to long-term lease structure (Weighted Average Lease Expiry of 6.5 years) and contracted rental increases, with only 6% of rents due for expiry in remainder of FY2021

### SOUND FINANCIAL POSITION

- Since listing in April 2019, Embassy REIT has set a high benchmark for the listed commercial real estate sector in India. Embassy REIT achieved total returns of approximately 30%; and has distributed over ₹2,750 Crore (-\$370<sup>1</sup> Million) to Unitholders
- Strong liquidity position with existing cash and undrawn commitments of ₹12.2 Billion as on September 30, 2020
- Rental collections for 2Q FY2021 from office occupiers remained robust at 99.5% in line with robust office rental collections of 99.7% for 1Q FY2021
- Successfully raised listed debentures of ₹15 Billion at an average 6.98% quarterly coupon; utilised towards financing recent acquisition of Embassy Manyata and Embassy TechZone property maintenance operations, refinancing existing debt, construction development and for general corporate purposes
- Conservative balance sheet with low leverage of 16%, with less than 1% of total debt maturing prior to FY2022

### PROACTIVE ASSET MANAGEMENT

- Proactive management of leases with focus on occupier retention and rent collections; 5% occupiers are from sectors significantly impacted by COVID-19 such as hospitality, aviation, retail and so on
- Hands-on approach, ensuring occupier business continuity, employee wellness and safety
- Industry leadership will help us leverage rising consolidation and considerable supply shrinkage in commercial office space
- Disciplined approach in reducing cost and discretionary capital expenditure

### SAFETY AND GOVERNANCE

- Received the British Safety Council's global benchmark certification for health and safety practices implemented in controlling the spread of COVID-19 across our pan-India office portfolio
- Received the British Standards Institution's assurance certificate on our ESG processes for FY2019-20 per Global Reporting Initiative (GRI) framework

## Our strategic priorities

We remain committed to our key business strategy of delivering total returns through regular quarterly distributions, supplemented by our organic and inorganic growth initiatives. The key focus areas of our strategy comprise: maintaining high occupancy levels; maximising net operating income; growing our existing campuses; and prudently managing our capital.

### LEASING

- /// Leverage record absorption and market momentum for India's commercial office space
- /// Manage lease expiries to achieve Mark to Market (MTM) momentum
- /// Deepen dialogue, focus on occupier retention
- /// Proactive lease renewals and rent collection
- /// Deliver 3.4 msf rental escalation, and build leasing pipeline

### ON-CAMPUS DEVELOPMENT

- /// Deliver ongoing campus development ahead of schedule
- /// Accelerate new development after careful evaluation of anticipated demand
- /// Continue with ongoing 2.7 msf at early stage of the development projects, monitor capex financing
- /// Analyse market dynamics prior to committing any additional development

### ACQUISITIONS

- /// Pursue inorganic opportunities (3<sup>rd</sup> Party Right of First Offer (ROFO))
- /// Undertake value-accretive acquisitions
- /// Continue to seek opportunities, which are strategic and value accretive
- /// Monitor volatile financing closely

### CAPITAL MANAGEMENT

- /// Build leverage selectively
- /// Quarterly distribution with minimum 90% of Net Distributable Cashflow (NDCF) to be distributed
- /// Maintain prudent leverage levels
- /// Focus on cash optimisation
- /// Continue to pay distributions

/// Pre COVID-19    /// Post COVID-19



## Key performance indicators

### Financial Highlights

₹8,743 Mn

Distributions

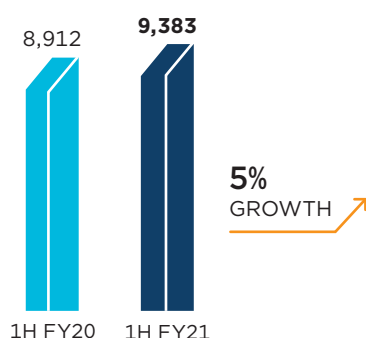
100%

Payout ratio

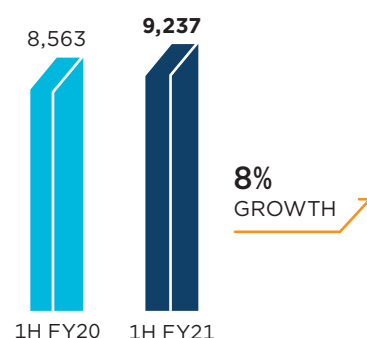
#### Revenue from operations (₹ in Million)



#### Net Operating Income (₹ in Million)



#### EBITDA (₹ in Million)



### Revenue contribution by Segment & Geography

#### Revenue from operations<sup>(1)</sup>

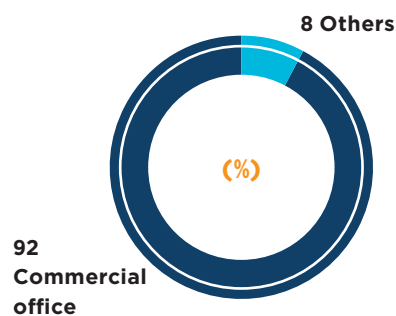
| Asset                                     | Segment           | City      | 1H FY2021<br>(₹ Million) | % of Total |
|---|-------------------|-----------|--------------------------|------------|
| Embassy Manyata                           | Commercial Office | Bengaluru | 5,153                    | 49         |
| Express Towers                            | Commercial Office | Mumbai    | 716                      | 7          |
| Embassy Oxygen                            | Commercial Office | Noida     | 716                      | 7          |
| Embassy TechZone                          | Commercial Office | Pune      | 652                      | 6          |
| Embassy Quadron                           | Commercial Office | Pune      | 548                      | 5          |
| FIFC                                      | Commercial Office | Mumbai    | 521                      | 5          |
| Embassy 247                               | Commercial Office | Mumbai    | 591                      | 6          |
| Embassy Qubix                             | Commercial Office | Pune      | 440                      | 4          |
| Embassy Galaxy                            | Commercial Office | Noida     | 403                      | 4          |
| Embassy One                               | Commercial Office | Bengaluru | 15                       | 0          |
| Hilton at Embassy GolfLinks               | Others            | Bengaluru | 32                       | 0          |
| Four Seasons at Embassy One               | Others            | Bengaluru | 16                       | 0          |
| Embassy Energy                            | Others            | Bengaluru | 760                      | 7          |
| <b>Revenue from operations</b>            |                   |           | <b>10,564</b>            | <b>100</b> |
| <b>Portfolio Investment<sup>(2)</sup></b> |                   |           |                          |            |
| Embassy GolfLinks                         | Commercial Office | Bengaluru | 1,966                    |            |

#### Notes:

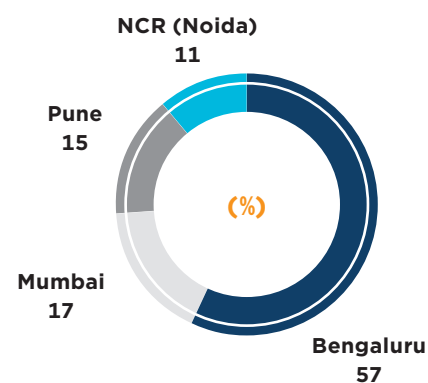
(1) Revenue from operations does not include contribution from GLSP

(2) Amount represents 100% of GLSP. Embassy REIT owns a 50% stake in GLSP

#### Contribution by segment



#### Contribution by geography

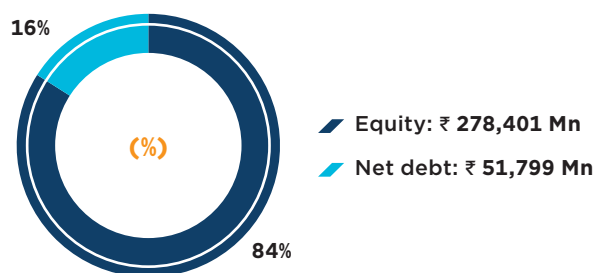




## Balance Sheet

### Net debt to TEV

(₹ in Million)



### Net asset value

| Particulars (₹ Million)      | September 30, 2020 |
|------------------------------|--------------------|
| Gross Asset Value (GAV)      | 337,366            |
| Add: Other assets            | 67,060             |
| Less: Other liabilities      | (54,199)           |
| Less: Gross debt             | (60,838)           |
| <b>Net Asset Value (NAV)</b> | <b>289,388</b>     |
| Number of units              | 771,665,343        |
| NAV per unit (₹)             | 375.02             |

### Leverage metrics

| Particulars                      | September 30, 2020 |
|----------------------------------|--------------------|
| Net debt to EBITDA               | 2.8x               |
| Interest coverage ratio          |                    |
| - excluding capitalised interest | 3.5x               |
| - including capitalised interest | 3.3x               |

## Prudent capital management

**₹9,039 Mn**

Existing cash balance

**₹3,216 Mn**

Undrawn committed facilities

**0.7%**

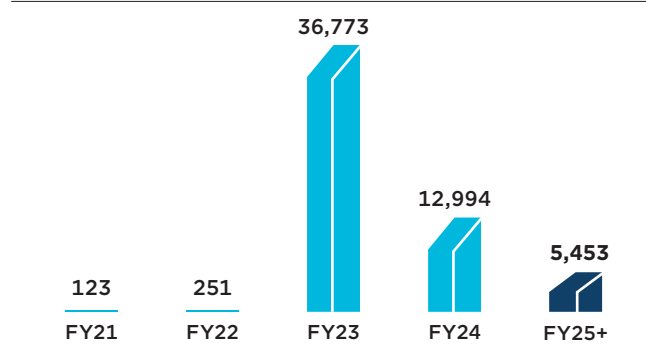
Debt maturities until FY2022

**₹113 Bn**

Available debt headroom

### Principal maturity schedule

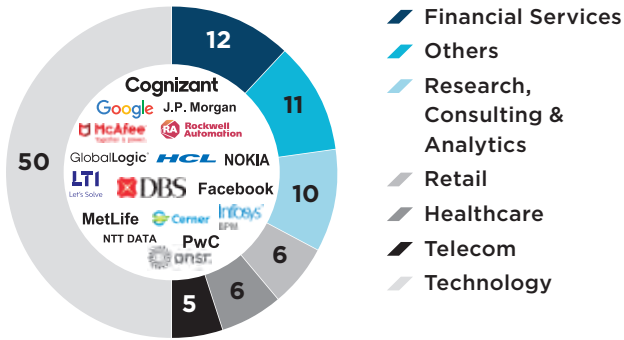
(₹ in Million)



# Occupiers

Our occupiers are predominantly multinational corporations and many of them are household names globally. These companies hire Indian talent for their skills and ability to deliver sophisticated solutions for global businesses. We receive 50% of our gross rents from technology occupiers, and 48% from Fortune 500 corporations.

## Industry Diversification



Notes: Represents industry diversification percentages based on Embassy REIT's share of gross rents

## Rentals from top 10 occupiers

| Occupier name                        | Sector               | % of rentals |
|--------------------------------------|----------------------|--------------|
| Global Technology & Consulting Major | Technology           | 12           |
| Cognizant                            | Technology           | 9            |
| NTT Data                             | Technology           | 4            |
| ANSR                                 | Research & Analytics | 3            |
| Cerner                               | Healthcare           | 3            |
| PwC                                  | Research & Analytics | 3            |
| Google India                         | Technology           | 2            |
| NOKIA                                | Telecom              | 2            |
| JP Morgan                            | Financial Services   | 2            |
| Lowe's                               | Retail               | 2            |
| <b>Total</b>                         |                      | <b>42</b>    |

Note: Actual legal entity names of occupiers may differ

Over 95% of our 160+ corporate occupiers continue to operate their core business functions from our properties across India.



## Portfolio overview

### Portfolio summary

| Property                                 | Leasable area (msf)/Keys/MW    |                         |                                 | WALE <sup>(2)</sup> occupancy |             | Rent (₹ psf/mth) |            |           | GAV <sup>(3)</sup> |            |
|--|--------------------------------|-------------------------|---------------------------------|-------------------------------|-------------|------------------|------------|-----------|--------------------|------------|
|  | Completed                      | Development             | Total                           | (yrs)                         | (%)         | In-place         | Market     | MTM (%)   | ₹ mn               | % of total |
| Embassy Manyata                          | 11.8                           | 3.1                     | 14.8                            | 7.3                           | 97.0        | 61               | 91         | 49        | 156,439            | 46         |
| Embassy GolfLinks <sup>(1)</sup>         | 2.7                            | -                       | 2.7                             | 8.3                           | 98.6        | 116              | 148        | 27        | 27,428             | 8          |
| Embassy One                              | 0.3                            | -                       | 0.3                             | 8.4                           | 5.5         | 156              | 147        | (6)       | 4,532              | 1          |
| <b>Bengaluru Sub-total</b>               | <b>14.7</b>                    | <b>3.1</b>              | <b>17.8</b>                     | <b>7.6</b>                    | <b>95.7</b> | <b>72</b>        | <b>102</b> | <b>42</b> | <b>188,399</b>     | <b>56</b>  |
| Express Towers                           | 0.5                            | -                       | 0.5                             | 3.4                           | 90.2        | 266              | 270        | 1         | 17,722             | 5          |
| Embassy 247                              | 1.2                            | -                       | 1.2                             | 4.0                           | 85.6        | 99               | 110        | 11        | 16,404             | 5          |
| FIFC                                     | 0.4                            | -                       | 0.4                             | 3.5                           | 77.5        | 297              | 285        | (4)       | 13,908             | 4          |
| <b>Mumbai Sub-total</b>                  | <b>2.0</b>                     | <b>-</b>                | <b>2.0</b>                      | <b>3.6</b>                    | <b>85.2</b> | <b>173</b>       | <b>178</b> | <b>3</b>  | <b>48,034</b>      | <b>14</b>  |
| Embassy TechZone                         | 2.2                            | 3.3                     | 5.5                             | 5.2                           | 90.6        | 49               | 48         | (3)       | 21,607             | 6          |
| Embassy Quadron                          | 1.9                            | -                       | 1.9                             | 2.8                           | 77.0        | 44               | 48         | 8         | 13,104             | 4          |
| Embassy Qubix                            | 1.5                            | -                       | 1.5                             | 4.9                           | 97.6        | 40               | 48         | 21        | 10,153             | 3          |
| <b>Pune Sub-total</b>                    | <b>5.5</b>                     | <b>3.3</b>              | <b>8.8</b>                      | <b>4.4</b>                    | <b>87.8</b> | <b>45</b>        | <b>48</b>  | <b>7</b>  | <b>44,864</b>      | <b>13</b>  |
| Embassy Oxygen                           | 2.5                            | 0.7                     | 3.3                             | 10.7                          | 77.7        | 48               | 54         | 13        | 21,242             | 6          |
| Embassy Galaxy                           | 1.4                            | -                       | 1.4                             | 2.7                           | 98.9        | 35               | 45         | 28        | 8,783              | 3          |
| <b>Noida Sub-total</b>                   | <b>3.9</b>                     | <b>0.7</b>              | <b>4.6</b>                      | <b>8.0</b>                    | <b>85.2</b> | <b>43</b>        | <b>50</b>  | <b>18</b> | <b>30,025</b>      | <b>9</b>   |
| <b>Subtotal (Office)</b>                 | <b>26.2</b>                    | <b>7.1</b>              | <b>33.3</b>                     | <b>6.5</b>                    | <b>91.7</b> | <b>70</b>        | <b>89</b>  | <b>28</b> | <b>311,322</b>     | <b>92</b>  |
| Four Seasons at Embassy One              | 230 Keys                       | -                       | 230 Keys                        | -                             | 1.4         | -                | -          | -         | 7,545              | 2          |
| Hilton at Embassy GolfLinks              | 247 Keys                       | -                       | 247 Keys                        | -                             | 9.3         | -                | -          | -         | 4,375              | 1          |
| Hilton at Embassy Manyata (5 & 3 star)   | -                              | 619 Keys                | 619 Keys                        | -                             | -           | -                | -          | -         | 4,122              | 1          |
| Embassy Energy                           | 100MW                          | -                       | 100MW                           | -                             | -           | -                | -          | -         | 10,002             | 3          |
| <b>Sub-total (Infrastructure Assets)</b> | <b>477 Keys/100MW</b>          | <b>619 Keys</b>         | <b>1096 Keys/100MW</b>          |                               |             |                  |            |           | <b>26,044</b>      | <b>8</b>   |
| <b>Total</b>                             | <b>26.2 msf/477 Keys/100MW</b> | <b>7.1 msf/619 Keys</b> | <b>33.3 msf/1096 Keys/100MW</b> |                               |             |                  |            |           | <b>337,366</b>     | <b>100</b> |

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

(2) Weighted against Gross Rentals assuming occupier exercise their renewal options after the end of the initial commitment period.

(3) Gross Asset Value (GAV) per September 2020 valuation by independent valuer. Valuation exercise undertaken semi-annually.



# Commercial portfolio update

During the first half of FY2021, we leased 325k sf completed area to 14 occupiers and renewed 410k sf space with 12 existing occupiers at 17% renewal spreads.

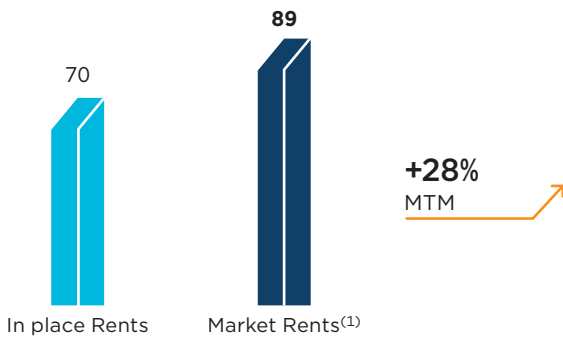
## Notable deals signed during 1H FY2021

| Occupier                | Property         | Sector                      | Area ('000 sf) |
|-------------------------|------------------|-----------------------------|----------------|
| Indian Technology Major | Embassy Manyata  | Technology                  | 44             |
| Mitel                   | Embassy Manyata  | Telecom                     | 44             |
| GlobalLogic             | Embassy Oxygen   | Technology                  | 37             |
| ATC Tires               | Embassy 247      | Engineering & Manufacturing | 36             |
| Rockwell Automation     | Embassy TechZone | Engineering & Manufacturing | 36             |
| Philips                 | Embassy Manyata  | Engineering & Manufacturing | 27             |
| Volkswagen              | Embassy TechZone | Engineering & Manufacturing | 23             |
| Indegene                | Embassy Manyata  | Healthcare                  | 16             |
| Luxoft                  | Embassy Quadron  | Technology                  | 11             |
| Others                  | Various          | Various                     | 50             |
| <b>Total</b>            |                  |                             | <b>324</b>     |

Note: Actual legal entity names of occupiers may differ

## Market rents are 28% above in-place rents

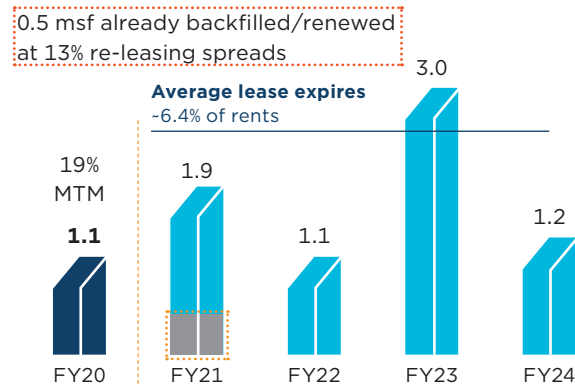
Rent (₹ psf/month)



Source: <sup>(1)</sup> CBRE Research

## 25% of leases expire between FY2021 and FY2024

Area expiring (msf)



|                            | FY21 | FY22 | FY23 | FY24 |
|----------------------------|------|------|------|------|
| Mark-to-market opportunity | 5%   | 58%  | 37%  | 18%  |
| Rents expiring             | 6.6% | 4.5% | 8.6% | 6.2% |

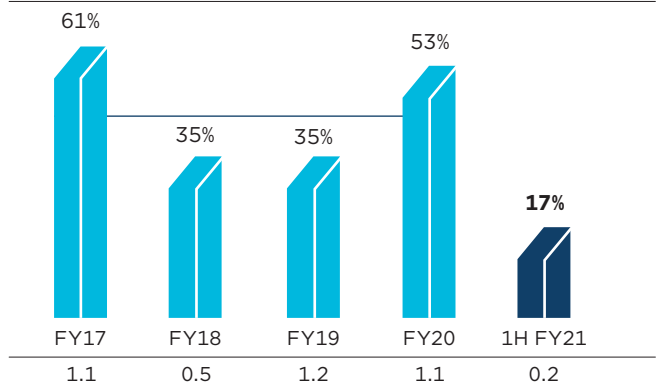
## 1.8 msf average new leases signed between FY2017 and FY2020

Area (msf)



## 47% Average re-leasing spread between FY2017 and FY2020

Re-leased area (msf)



## Development update

### Construction Update

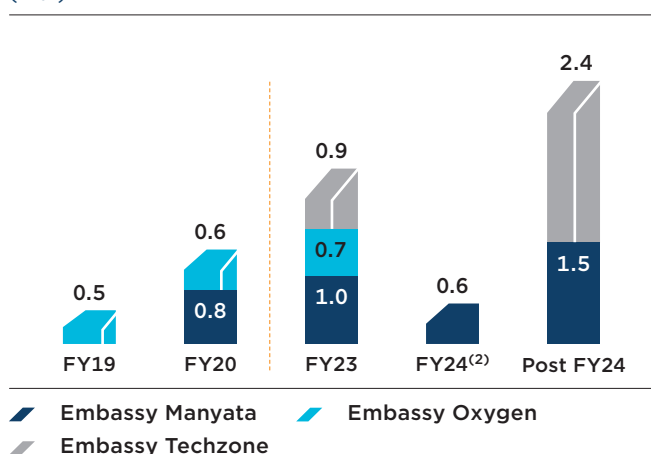
- Construction work continuing at pace
- Labor gradually ramping up at all sites, to date achieved 85% of peak capacity
- Implemented numerous measures for health and safety of workers at site
- Occupiers carrying fit-out works for 820k sf in recently delivered buildings

### Ongoing development

| Asset            | Project                      | Area (msf)/Keys | Completion Date |
|------------------|------------------------------|-----------------|-----------------|
| Embassy Manyata  | NXT Blocks                   | 0.8             | Delivered       |
| Embassy Oxygen   | Tower 2                      | 0.6             | Delivered       |
| Embassy Manyata  | Front Parcel - Hilton Hotels | 619             | June 2022       |
| Embassy Manyata  | M3 Block A                   | 1.0             | December 2022   |
| Embassy Oxygen   | Tower 1                      | 0.7             | March 2023      |
| Embassy TechZone | Hudson Block                 | 0.5             | June 2022       |
| Embassy TechZone | Ganges Block                 | 0.4             | June 2022       |
| <b>Total</b>     |                              | <b>4.1</b>      |                 |

### Development pipeline<sup>(1)</sup>

(msf)



### Proposed development

| Asset            | Project                | Area (msf) | Remarks                                      |
|------------------|------------------------|------------|--|
| Embassy Manyata  | M3 Block B             | 0.6        | Design completed, excavation works initiated |
| Embassy Manyata  | L4 Block               | 0.7        | Design underway                              |
| Embassy Manyata  | F1 Block               | 0.7        | Design to be initiated                       |
| Embassy TechZone | Blocks 1.4, 1.9 & 1.10 | 2.4        | Design to be initiated                       |
| <b>Total</b>     |                        | <b>4.4</b> |  |

#### Notes:

<sup>(1)</sup> Excludes 619 hotel keys across Hilton & Hilton Garden Inn at Embassy Manyata due for delivery in June 2022

<sup>(2)</sup> Includes acquisition of 0.6 msf M3 Block B located within overall Embassy Manyata upon building completion in September 2023



## Investor relations update

India's first listed REIT, Embassy REIT strives to maintain a best-in-class investor relations programme that focuses on the highest levels of disclosure, transparency and communications with all our stakeholders.

### 1H FY2021 HIGHLIGHTS

**30%**

Total returns since listing

**6,563**

Retail Unitholders

**~US\$1.5 Bn**

Free float

**15**

Sell-side analysts cover Embassy REIT

#### Index Inclusion

- FTSE EPRA NAREIT Global Emerging Index
- S&P Global Property Index
- S&P Global REIT Index

### IN PARTICULAR, WE FOCUS ON

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

### PROACTIVE INVESTOR RELATIONS AND MEDIA MANAGEMENT

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

We have also conducted multiple non-deal roadshows, site visits and investor conferences since listing. In these events, we engage with institutional investors, such as global institutional fund managers, domestic mutual fund managers, life insurance companies, alternative investment funds, and high-net-worth individuals.

### EVENT HIGHLIGHTS

For retail Unitholders, we hosted our Second Annual Meeting virtually (video-conference) on August 27, 2020.

### COMMITTED TO HIGHEST STANDARDS OF DISCLOSURE AND TRANSPARENCY

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

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

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

- Audited financial statements
- Earnings presentation
- Supplementary data book
- Valuation report (semi-annually)
- Unitholders report (semi-annually)

### BROADER STAKEHOLDER MANAGEMENT AND REVIEW

We also interact extensively with our regulators and exchanges to inform them of developments in the market. The reduction of trading lot sizes in September 2019, for instance, was an important collaborative exercise to ensure that liquidity remains of paramount importance to Unitholders and to create a healthy trading environment for REITs

### Investor and analyst engagement calendar 1H FY2021

| Date              | Event                                   |
|-------------------|---|
| May 27-28         | Kotak Virtual NDR 2020                  |
| June 4-5          | BAML India Corporate Day 2020           |
| June 9-10         | MS Virtual India BEST Conference 2020   |
| June 23           | Prabhudas Lilladher Webinar             |
| August 27         | Second Annual Meeting 2020              |
| August 31 - Sep 1 | Daiwa Pan-Asia REIT Conference 2020     |
| September 8-9     | CITIC CLSA Investor Forum 2020          |
| September 15-16   | BoFA Global Real Estate Conference 2020 |
| Sep 22            | JPM India Investor Summit 2020          |



## Analyst coverage

Embassy REIT is covered by following brokerage houses:

- Ambit Capital
- Axis Capital
- Axis Securities
- Bank of America
- Credit Suisse
- CLSA
- Goldman Sachs
- IIFL Securities
- ICICI Securities
- J.P. Morgan
- Kotak Institutional Equities
- Macquarie Research
- Morgan Stanley
- Nirmal Bang
- UBS Securities

## Trading snapshot

| Key Statistics Unit Price (₹)                            | NSE     | BSE     |
|--|---------|---------|
| <b>Unit Price</b>  |         |         |
| Opening: April 1, 2020                                   | 351.00  | 350.20  |
| Closing: September 30, 2020                              | 360.78  | 361.00  |
| 52 Week High   | 512.00  | 518.00  |
| 52 Week Low  | 301.35  | 301.00  |
| <b>Market capitalisation (₹ Billion)</b>                 |         |         |
| As on September 30, 2020                                 | 278.40  | 278.57  |
| <b>Average Daily Trading Volume (ADTV) for 1H FY2021</b> |         |         |
| Units  | 492,082 | 751,051 |
| ₹ million  | 176     | 255     |

Source: National Stock exchange (Designated) and Bombay Stock exchange

## Financial and distributions calendar FY2021

| Date          | Event  |
|---------------|--|
| August 2020   | 1Q FY2021 Results and Earnings Call<br>Payment of 1Q FY2021 Distribution |
| November 2020 | 2Q FY2021 Result and Earnings Call<br>Payment of 2Q FY2021 Distribution  |
| February 2021 | 3Q FY2021 Results and Earnings Call<br>Payment of 3Q FY2021 Distribution |
| April 2021    | 4Q FY2021 Result and Earnings Call<br>Payment of 4Q FY2021 Distribution  |

Note: Above timelines and distribution are tentative and subject to revision

## Unitholding pattern

| Particulars                        | % Holding     | Units              |
|------------------------------------|---------------|--------------------|
| <b>Sponsor &amp; Sponsor Group</b> |               |                    |
| Blackstone                         | 46.61         | 359,649,988        |
| Embassy                            | 14.97         | 115,484,802        |
| <b>Sub-total sponsors</b>          | <b>61.57</b>  | <b>475,134,790</b> |
| <b>Institutions</b>                |               |                    |
| Foreign Portfolio Investors        | 25.90         | 199,844,600        |
| Mutual Funds                       | 1.73          | 13,313,200         |
| Bodies Corporates                  | 0.63          | 4,844,813          |
| Insurance Companies                | 0.30          | 2,323,000          |
| NBFCs                              | 0.08          | 584,400            |
| Alternative Investment Funds       | 0.18          | 1,369,400          |
| Clearing Members                   | 0.03          | 215,354            |
| Trusts                             | 0.03          | 256,400            |
| <b>Sub-total Institutions</b>      | <b>28.87</b>  | <b>222,751,167</b> |
| <b>Non-Institutions</b>            |               |                    |
| Residents                          | 9.40          | 72,559,186         |
| Non-Resident Indians (NRI)         | 0.04          | 290,400            |
| NRI - Non Repatriable              | 0.09          | 688,000            |
| Hindu Undivided Family             | 0.03          | 241,800            |
| <b>Sub-total non-institutions</b>  | <b>9.56</b>   | <b>73,779,386</b>  |
| <b>Total units outstanding</b>     | <b>100.00</b> | <b>771,665,343</b> |

Note: As on September 30, 2020

## Rewarding Unitholders

### Distribution since listing (₹/Unit)



## Community

We continued to support the first responders of the pandemic by undertaking various initiatives in the best way we could across Bengaluru, Mumbai, Pune and Noida. We have set up 'hydration stations' at our Business Parks, so that police personnel can have access to refreshments, toilets, sanitisers and even first aid. In addition, we have also donated Personal Protective Equipment (PPE) to security forces, so that there is no shortage of safety equipment for COVID-19 fighters.

|                                  | Bengaluru  | Mumbai  | Pune  | Noida  |
|----------------------------------|--|---|---|--|
| <b>Hydration stations set up</b> | <b>5</b>   | <b>2</b>  | <b>2</b>  | <b>1</b>   |
| <b>Protective equipment</b>      | <b>30,650</b> hand sanitisers<br><b>30,800</b> protective masks<br><b>900</b> protective glasses | <b>6,500</b> hand sanitisers<br><b>25,000</b> protective masks<br><b>700</b> PPE kits   | <b>6,500</b> hand sanitisers<br><b>25,000</b> protective masks                  | <b>6,500</b> hand sanitisers<br><b>25,000</b> protective masks                         |
| <b>Others</b>                    | <b>150,400</b> energy bars   | <b>25,000</b> protective masks<br><br>Fortnightly sanitisation and fumigation of nearby police stations<br><br>Donated disinfectant spraying machine to the fire department of Mumbai | <b>25,000</b> energy bars<br><br>Multivitamins to <b>3,000</b> police personnel | <b>25,000</b> energy bars<br><br>Sanitisation and fumigation of nearby police stations |

### Supporting frontline health workers

On September 14, 2020 Embassy REIT and IndusInd Bank joined hands to contribute 5,000 and 1,000 PPE kits and N-95 masks, respectively to doctors and healthcare workers at the COVID-19 Relief Centre NSCI in Worli, Mumbai. The doctors and healthcare workers at the

COVID-19 Centre NSCI were previously using 90 gsm laminated PPE, which was difficult to wear for more than three to four hours. To help deal with the long working hours and the threat of infection, Embassy REIT and IndusInd Bank collaborated to donate 60 gsm PPE with an advanced SSMMS fabric, which are light-weight, and can be worn for longer hours and are also certified by the NSCI doctors.

### PROVISION OF DRY RATIONS

- During 1H, we supported 2,500 families across our adopted government schools to provide them with 5.68 Lakh meals in total
- We collaborated with our corporate occupiers - Cognizant and Silicon Valley Bank for this purpose



## Education

We collaborated with several NGOs, namely Colours of Life, Careworks Foundations, among others to undertake several initiatives.

### Key initiatives included:

- Continuation of Sputnik, an online learning and digital engagement for students from grades 1-9
- Early Childhood programme in which 113 students out of the 145 were reached through technology-based methods with 32 receiving non-technological support
- Alumni programme where students participated in four webinars on the importance of their education and coaching for those taking their SSLC exams
- 25 students received special SSLC coaching and passed their exams
- 45 students were bestowed college scholarships and 10 students received scholarships for higher studies
- 2 students received admission to Srishti School of Art, Design & Technology with scholarships provided by Embassy
- Distribution of health kits to our government-school students



## EDUCATION INFRA: SPEARHEADING PROGRESS

Despite the COVID-19 pandemic, limited labour and the lockdown, work has progressed at our school sites, with proper health and safety precautions well in place.

|                         | <b>Government Urdu School, Hegdenagar</b>   | <b>Karnataka Public School, Banaswadi</b>                             | <b>Stonehill Government Higher Primary School, Tarahunise</b>  |
|-------------------------|---|---|--|
| <b>Scope</b>            | 17 classrooms, staff room, principal's room, library, computer lab, multipurpose hall, toilet blocks, hand wash | 12 classrooms, staff room, principal's room, toilet blocks, hand wash | Repair of desks and benches                                    |
|                         | Rainwater harvesting, clean drinking water, solar power   | Rainwater harvesting, RO unit, solar power                            | Fixing of plumbing and electrical works                        |
|                         | A common play area  |   | External and internal painting of classrooms and corridor      |
| <b>Total budget</b>     | <b>₹3.98</b> Crore<br><b>15,050</b> Sq.Ft.  | <b>₹2.9</b> Crore<br><b>11,365</b> Sq.Ft.                             | <b>₹6</b> Lakh<br><b>46,000</b> Sq.Ft.                         |
| <b>Project duration</b> | FY2020 and FY2021   | FY2020 and FY2021   | <b>2.5</b> months<br>(From August 1, 2020 to October 20, 2020) |
| <b>Funding partners</b> | Manyata Promoters Pvt. Ltd.<br>ANZ  | GolfLinks Software Park<br>Embassy                                    | Manyata Promoters Pvt. Ltd.<br>Embassy                         |
| <b>Work status</b>      | <b>75%</b> completed  | <b>80%</b> completed  | <b>80%</b> completed   |

## SUSTAINABLE INFRASTRUCTURE:

### Community health

We partnered Sarvagna Healthcare Institute to conduct several health programmes across Bengaluru, during the year.

#### Highlights

- Over 1,200 dialysis conducted in 1H FY2020
- 600 patients diagnosed with diabetes and hypertension received free medication, consultations and lab services every month

## SUSTAINABLE INFRASTRUCTURE: ECOGRAM

We conducted this programme together with The Anonymous Indian Charitable Trust (TAICT), during the year.

#### Highlights

- 1,583 households (including four residential bulk waste generators) and eight institutional bulk waste generators (with a total footfall of 2,055) serviced

- 32,256 kg of wet waste was collected and segregated, of which 26,987 kgs of dry waste collected and segregated
- MoU signed with the Bettahalasuru and Meenukunte Panchayats at Yellahanka in Bengaluru, where Embassy will manage an Integrated Solid Waste Processing Centre in a dedicated 2-acre land, benefiting 18 villages
- 19,176 meal packets were distributed to residents from the April 2, 2020 to May 4, 2020 (funded by TAICT)
- 4 women as a part of the EcoGram Shakthi Program made 1,686 masks that are sold on an e-commerce website
- Gadenahalli, a village we have adopted recently, received holistic waste management services
- Awareness sessions on the disposal of sanitary waste was conducted



## Governance

We act in a fair, ethical and transparent manner. For us, governance is more than just compliance. We have always scored high on corporate governance and regulatory compliance to protect the interest of our Unitholders and other key stakeholders.

### STRONG REGULATORY FRAMEWORK THAT PROTECTS UNITHOLDER INTEREST

#### Asset

- Minimum 80% of value in completed and income producing
- Minimum 90% of distributable cash flows to be distributed
- Restrictions on speculative land acquisition

#### Manager

- 50% Independent Directors, with 50% representation on all committees
- Manager can be removed with 60% approval of unrelated Unitholders
- Alignment with Unitholder interests due to a distribution-linked management fees structure

#### Debt

- Majority Unitholder approval required if debt exceeds 25% of asset value
- Debt cannot exceed 49% of asset value

#### Related Party

##### Safeguards

- Sponsors are prohibited from voting on their related party transactions
- Majority Unitholder approval required for acquisition or disposal of asset which exceeds 10% of REIT value
- Acquisition or sale price of new asset cannot deviate from average valuation of two independent valuers by + / - 10%
- Fairness opinion from independent valuer required if related party leases exceed 20% of the underlying asset's rentals

## Board of Directors



**DR. RANJAN PAI**  
Independent Director



Dr. Ranjan Pai holds MBBS Degree from MAHE, Manipal. He is the Chairman of Manipal Education and Medical Group, the holding company of the Group. He is currently on the Board of several Manipal Group companies like Manipal Hospitals, Manipal Cigna Health Insurance Company and Manipal Global Education. He is also the Chairman of the Manipal Academy of Higher Education Trust.



**MR. VIVEK MEHRA**  
Independent Director



Mr. Vivek Mehra is a well-respected senior Chartered Accountant with an illustrious professional career spanning over 40 years and experience spanning across sectors in Tax and Regulatory domains of Merger & Acquisition specialising in Cross-border Investment and Transaction Structuring.

He has held various leadership roles till April 2017 in PriceWaterhouseCoopers Private Ltd. (PWC) as Partner/ Executive Director. He was the founder and national leader for PwC Regulatory and M&A Practices and has been elected on PwC Governance Oversight Board for two consecutive terms.

Mr. Mehra is extending his expertise as an Independent Director and esteemed Board member for some prominent Indian companies such as:

- Jubilant Life Sciences Ltd.
- HT Media Pvt. Ltd.
- DLF Ltd.
- Chambal Fertilizers and Chemicals Ltd.
- Havells India Ltd.
- Hero Future Energies Pvt. Ltd.
- Embassy Office Parks
- Management Services Pvt. Ltd.
- (Manager of Embassy Office Park REIT (listed))

He is also on the Board of Governors of Grassroot Trading Network for Women – a SEWA venture and The Asthma, Bronchitis and Cancer Lung Foundation of India. After serving on Board of The Lawrence School, Sanawar, he is currently the Chairman of its Fund-Raising Committee.

Mr. Mehra graduated in 1975 with a Bachelor of Commerce (Hons) Degree from Sri Ram College of Commerce, Delhi University. He has been a fellow member of the Institute of Chartered Accountants of India since 1979 and has also given his valuable contribution as a member of the Federation of Indian Chambers of Commerce and Industry (FICCI) Steering Committee and National Executive Committee.



**MR. ANUJ PURI**  
Independent Director



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



**DR. PUNITA KUMAR SINHA**  
Independent Director



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



**MR. JITENDRA VIRWANI**  
Non-executive Director Chairman



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

## COMMITTEE DETAILS

■ Audit
 ■ Nomination and Remuneration
 ■ Stakeholders' Relationship
 ■ Corporate Social Responsibility
 ■ Risk Management
 ■ Investment

## Board of Directors



**MR. ADITYA VIRWANI**  
Non-executive Director



Mr. Aditya Virwani is Chief Operating Officer of Embassy Group and is on the Board of several Embassy Group companies. He joined the Embassy Group after completing a Bachelors in Business Administration at the University of San Francisco (USF). He oversees all of Embassy Group's day-to-day operations, and also liaises with key stakeholders of Embassy Group's partners across all business verticals.



**MR. TUHIN PARIKH**  
Non-executive Director



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




**MR. Robert Christopher Heady**  
Non-executive Director





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

## COMMITTEE DETAILS

 Audit

 Nomination and Remuneration

 Stakeholders' Relationship

 Corporate Social Responsibility

 Risk Management

 Investment



## Management team



1

**MR. MICHAEL HOLLAND**  
Chief Executive Officer



2

**MR. VIKASH KHDLOYA**  
Deputy Chief Executive Officer  
and Chief Operating Officer



3

**MR. ARAVIND MAIYA**  
Chief Financial Officer



4

**MR. SACHIN SHAH**  
Chief Investment Officer



5

**MR. BHHAVESH KAMDAR**  
President, Leasing



6

**MR. RITWIK BHATTACHARJEE**  
Head, Investor Relations



7

**MR. RAJAN M. G.**  
Head, Operations



8

**MR. RAJENDRAN  
SUBRAMANIAM**  
Head, Projects



9

**MR. RAGHU SAPRA**  
Assistant Vice President,  
Hospitality



10

**MR. DONNIE DOMINIC GEORGE**  
General Counsel



11

**MS. DEEPIKA SRIVASTAVA**  
Company Secretary and  
Compliance Officer



12

**MRS. MANSI BAHL**  
Human Resources Manager

## Management team

1

**Mr. Michael Holland** holds a master's degree in Property Development (Project Management) from South Bank University and is a Fellow of the Royal Institution of Chartered Surveyors. He has over 30 years of experience in the commercial real estate sector in Asia and Europe.

Prior to joining the Embassy Group, he was the Chief Executive Officer of Assetz Property Group. He is a Founder of the Jones Lang LaSalle India business and served as its Country Manager and Managing Director from 1998 to 2002.

2

**Mr. Vikaash Khdloya** holds a bachelor's degree in Commerce from Osmania University. He is a fellow member of the Institute of Chartered Accountants of India (Gold Medalist). He is also a certified fraud examiner, a certified internal auditor and a CFA charter holder. He has over 13 years of experience in the real estate sector and over 17 years of experience in all. Prior to joining the Manager, he was a Managing Director in the Real Estate Group at Blackstone Advisors India Private Limited and was responsible for asset management of the commercial office portfolio. Earlier, he worked as Vice President at Piramal Fund Management (erstwhile IndiaREIT) and as the Chief Financial Officer at Gameshastra Solutions Private Limited. He also co-founded Earnest People's Initiative for a Caring Society Trust.

3

**Mr. Aravind Maiya** has been appointed as the Chief Financial Officer for Manager to Embassy REIT with effect from close of business on May 19, 2020. He joined the Manager to Embassy REIT in May 2019 as a Deputy Chief Financial Officer. He holds a bachelor's degree in Commerce from Bangalore University and is an associate member of the Institute of Chartered Accountants of India. He has over 18 years of experience in the field of finance, audit, consulting, risk management and compliance. Prior to joining Embassy REIT, he was associated with BSR & Associates LLP between 2001 to 2019 wherein his last held position was Partner - Assurance and Audit Services. He specialised in real estate sector with specific focus on commercial real estate related work during his long stint with BSR. He was also involved in various assignments for the firm, including several capital market transactions, assurance services for multiple listed companies, leading large audit and assurance assignments as well as strategic initiatives for BSR during his tenure.

4

**Mr. Sachin Shah** holds a Bachelor of Science degree from the School of Business, Babson College, Massachusetts and a master's degree in Business Administration from the Faculty of Business Administration, Harvard University. He has over 18 years of experience in the real estate sector. He worked at the Starwood Capital Group from 2001 to 2006, where his last held position was Vice President of Acquisitions and was associated with Blackstone as an analyst from 1998 to 1999.

5

**Mr. Bhhavesh Kamdar** holds an executive master's degree in Business Administration from S.P. Jain Institute of Management & Research, Mumbai. He has over 29 years of experience covering real estate, technology and engineering industry. He worked at Larsen & Toubro Limited from 1993 to 2014, where his last held position was Deputy General Manager - Leasing and Marketing (Commercial). He has been associated with the Manager since 2014.

6

**Mr. Ritwik Bhattacharjee** holds a bachelor's degree in Economics from Middlebury College a master's degree in Business Administration from the Amos Tuck School of Business Administration, Dartmouth College, and a master's degree in Law and Diplomacy from the Fletcher School of Law and Diplomacy, Tufts University. He has over 12 years of experience as an investment banker. He was previously associated with Nomura Singapore Limited as an Executive Director and UBS AG Singapore branch as a Director in the investment banking division.

Prior to joining the Manager in 2018, he was responsible for overseeing an internal family office portfolio of real estate as well as public and private investments.

7

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

8

**Mr. Rajendran Subramaniam** is the Head-Projects & Capex of the Manager. He holds a bachelor's degree and a master's degree in Commerce from Madurai Kamaraj University. He is an associate of the Institute of Chartered Accountants of India. He has worked as a Manager in Sandur Laminates Limited and as Regional Head-Commercial with Electrosteel Castings Limited. Prior to joining Embassy REIT, he was the Senior Director-Commercial with Tishman Speyer India Private Limited for a period of 11 years. He has vast experience of -25 years in various fields of Infrastructure and Commercial real estate projects development, including that of mixed use real estate developments.

9

**Mr. Raghu Sapra** holds a diploma in Hotel Management and Catering Technology from Institute of Hotel Management, Mumbai.

He has over 22 years of experience in the hospitality sector. He has previously worked at the Radisson Hotel, Delhi, The Imperial, New Delhi, at Hyatt Regency Mumbai, Hyatt Regency Delhi and Renaissance Hotel & Convention Centre Mumbai. From 2011 to 2017 he was employed as the General Manager and Director of Operations at various hotels managed by the 'Hilton' brand.

10

**Mr. Donnie Dominic George** is a Law Graduate (B.A. LL.B-Hons.) from Gujarat National Law University and has 10+ years of experience and in his prior assignment, he was working as Vice President at Lodha Group, Mumbai, where he was heading the Non-litigation cell. He has also worked with Bharucha & Partners as Senior Associate handling Mergers & Acquisitions, Foreign Direct Investment and General Corporate, Regulatory, and Banking & Finance for their clients. In his current role at Embassy Office Parks Management Services Pvt. Ltd., he is supporting the senior management on legal, compliance and regulatory framework and acts as a business legal partner.

11

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

Her previous stint was with Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited) and prior to this she was Company Secretary of Mount Everest Mineral Water Limited and Paramount Cosmetics (I) Ltd. In addition to that she was also part of compliance team at Escorts Limited.

She specialises in Companies Act and other Securities Laws. Her expertise also extends to mergers, post-merger compliances and related areas.

12

**Mrs. Mansi Bahl** holds a postgraduate diploma in Human Resource Management from Amity Business School. She has over 12 years of experience in HR Operations, Learning and Development, Talent Acquisition and Performance Management System. Prior to joining Embassy Office Parks, she has worked with KCT Bros (Coal Sales) Ltd. and DLF in the real estate industry.

## Commercial properties

# Embassy Manyata, Bengaluru

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

### KEY STATISTICS

**2006**

Year of commencement

**121.76 acres**

Site area

**14.8 msf**

Leasable area

**11.8 msf**

Completed area

**97%**

Occupancy

**₹156,439 Mn**

Market value

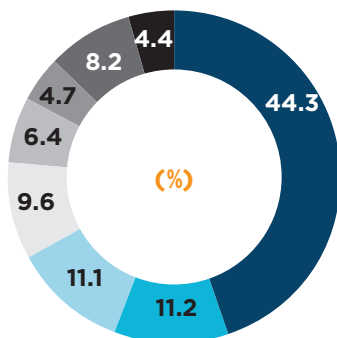
**3.1 Mn**

Development area

**41**

Occupiers

### OCCUPIER MIX



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

All data as of September 30, 2020







# Embassy GolfLinks, Bengaluru

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



## KEY STATISTICS

**2004**

Year of commencement

**37.11 acres**

Site area

**2.7 msf**

Leasable area

**₹27,428 Mn**

Market value

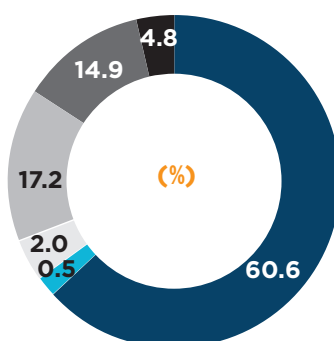
**98.6%**

Occupancy

**18**

Occupiers

## OCCUPIER MIX



- Technology
- Retail
- Healthcare
- Financial services
- Research, Consulting & Analytics
- Others

All data as of September 30, 2020



# Embassy One, Bengaluru



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

## KEY STATISTICS

**2017**

Year of commencement

**0.3 msf**

Leasable area

**5.5%**

Occupancy

**55K sf**

Retail area

**3.19 acres**

Site area

**₹4,532 Mn**

Market value

**2**

Occupiers

# Express Towers, Mumbai

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



## KEY STATISTICS

**1970**

Year of commencement

**1.46 acres**

Site area

**0.5 msf**

Leasable area

**₹17,722 Mn**

Market value

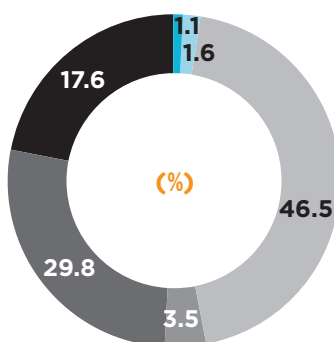
**90.2%**






Occupancy

**27**

Occupiers

## OCCUPIER MIX



-  Retail
-  Telecom
-  Financial services
-  Engineering & Manufacturing
-  Research, Consulting & Analytics
-  Others

All data as of September 30, 2020



# First International Finance Centre (FIFC), Mumbai



FIFC is one of our premium office buildings and is located in the Bandra-Kurla Complex (BKC), arguably the financial centre of India’s commercial capital.

## KEY STATISTICS

**2012**

Year of commencement

**1.99 acres**

Site area

**0.4 msf**

Leasable area

**₹13,908 Mn**

Market value

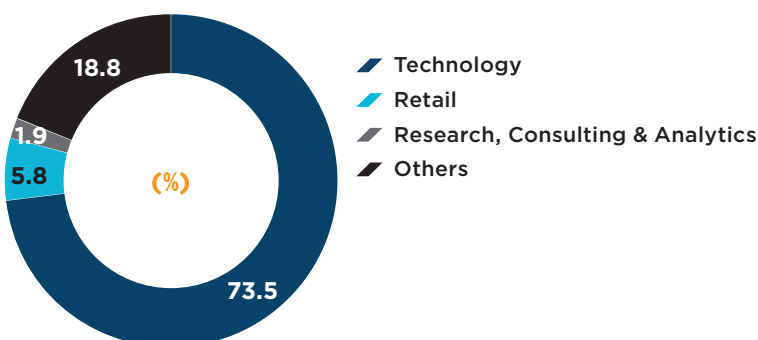
**77.5%**

Occupancy

**6**

Occupiers

## OCCUPIER MIX



All data as of September 30, 2020

# Embassy 247, Mumbai

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



## KEY STATISTICS

**2009**

Year of commencement

**7.27 acres**

Site area

**1.2 msf**

Leasable area

**₹16,404 Mn**

Market value

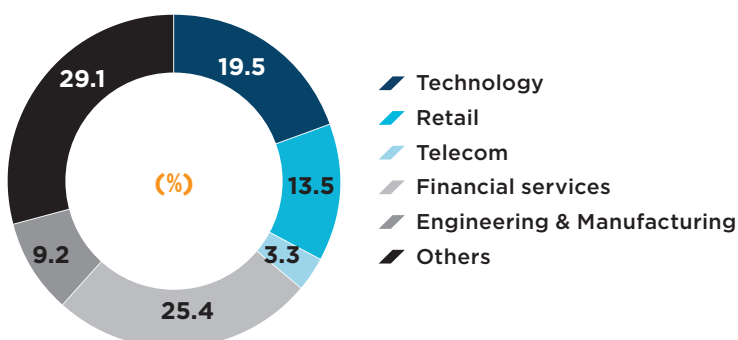
**85.6%**

Occupancy

**21**

Occupiers

## OCCUPIER MIX



All data as of September 30, 2020

# Embassy Qubix, Pune



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

### KEY STATISTICS

**2011**

Year of commencement

**25.16 acres**

Site area

**1.5 msf**

Leasable area

**₹10,153 Mn**

Market value

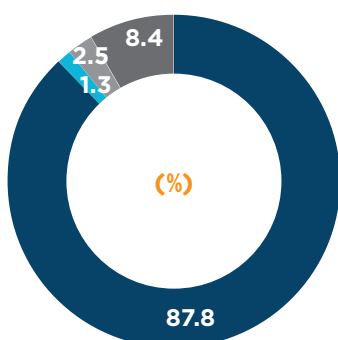
**97.6%**

Occupancy

**26**

Occupiers

### OCCUPIER MIX



- ▬ Technology
- ▬ Retail
- ▬ Engineering & Manufacturing
- ▬ Research, Consulting & Analytics

All data as of September 30, 2020



# Embassy Quadron, Pune

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

## KEY STATISTICS

**2008**

Year of commencement

**25.52 acres**

Site area

**1.9 msf**

Leasable area

**₹13,104 Mn**

Market value

**77.0%**

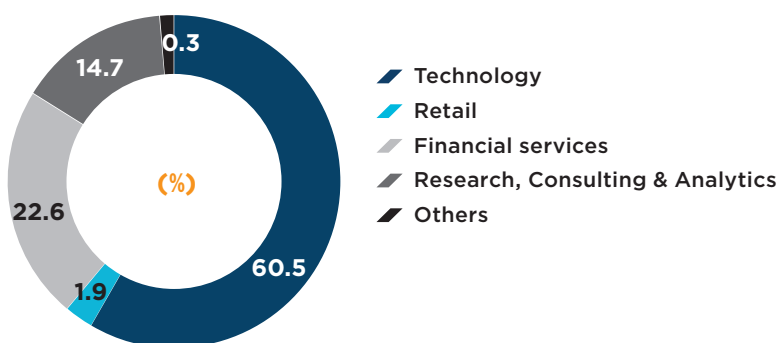
Occupancy

**6**

Occupiers



## OCCUPIER MIX



All data as of September 30, 2020



# Embassy Techzone, Pune



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

### KEY STATISTICS

**2008**

Year of commencement

**67.45 acres**

Site area

**5.5 msf**

Leasable area

**₹21,607 Mn**

Market value

**2.2 msf**

Completed area

**3.3 msf**

Development area

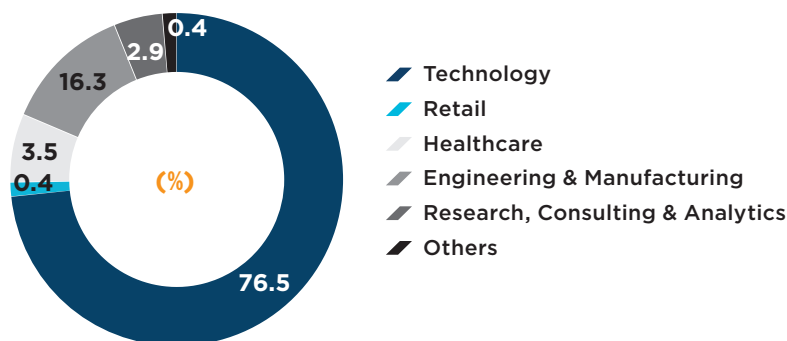
**90.6%**

Occupancy

**17**

Occupiers

### OCCUPIER MIX



All data as of September 30, 2020

## Commercial properties

# Embassy Galaxy, Noida

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



### KEY STATISTICS

**2007**

Year of commencement

**9.88 acres**

Site area

**1.4 msf**

Leasable area

**₹8,783 Mn**

Market value

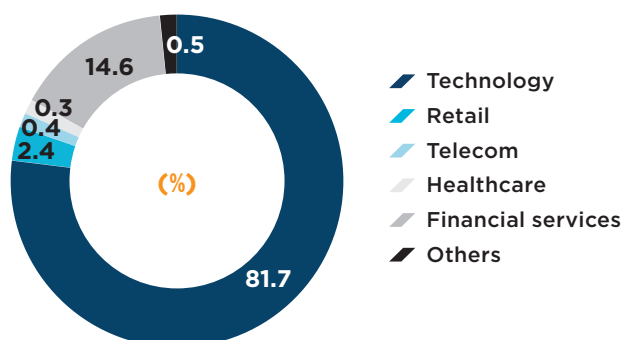
**98.9%**

Occupancy

**7**

Occupiers

### OCCUPIER MIX



All data as of September 30, 2020



# Embassy Oxygen, Noida



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

### KEY STATISTICS

**2011**

Year of commencement

**24.83 acres**

Site area

**3.3 msf**

Leasable area

**₹21,242 Mn**

Market value

**2.5 msf**

Completed area

**0.7 msf**

Development area

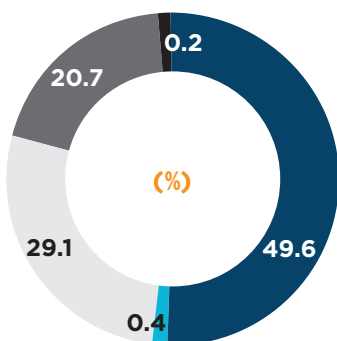
**77.7%**

Occupancy

**7**

Occupiers

### OCCUPIER MIX



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

All data as of September 30, 2020

## Other assets

# Hilton Embassy GolfLinks, Bengaluru

Overlooking the expansive Karnataka Golf Course, Hilton Bengaluru Embassy GolfLinks is a 247-key hotel set within the premises of Embassy GolfLinks.

### KEY STATISTICS

**2014**

Year of commencement

**3.59 acres**

Site area

**5-Star**

Hotel category

**247**

Number of hotel keys

**9.3%**

Occupancy

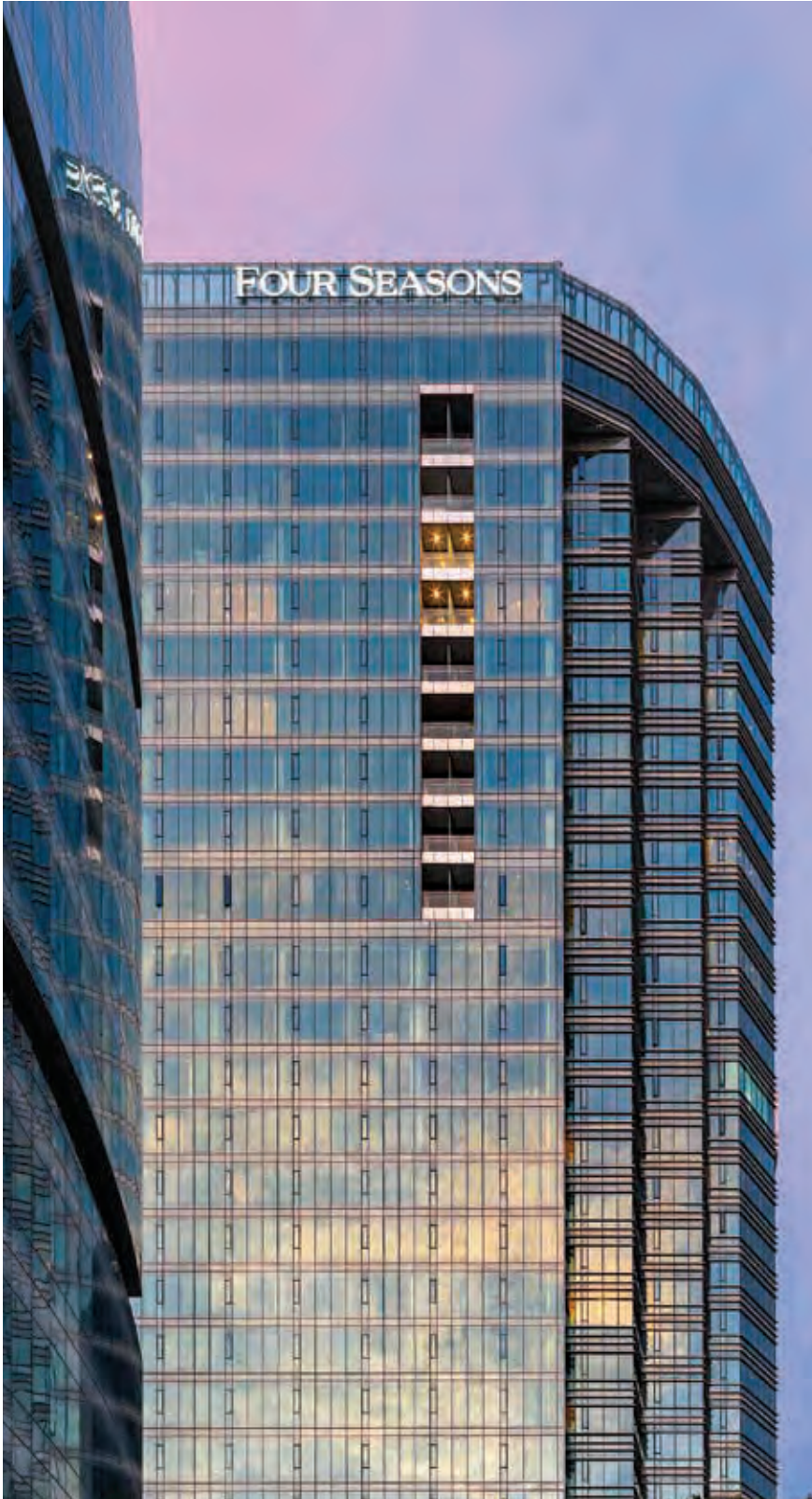
**₹4,375 Mn**

Market value





# Four Seasons Bengaluru at Embassy One



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

## KEY STATISTICS

**2019**

Year of commencement

**5-Star LUXURY**

Hotel category

**₹7,545 Mn**

Market value

**1.4%**

Occupancy

**230**

Number of hotel keys

## Other assets

# Hilton Hotels Embassy Manyata, Bengaluru

The Hilton & Hilton Garden Inn at Embassy Manyata will be a 619-key dual hotel set within the overall campus of Embassy Manyata. The complex will include over 100k sf of retail and Convention Centre, including flexible meeting space, a pillarless ballroom of 14,000 sf and outdoor event space of 6,600 sf.

### KEY STATISTICS

#### Hilton

**5-Star**

Hotel category

**266**

Number of hotel keys

**₹4,122 Mn**

Market value

#### Hilton Garden Inn

**3-Star**

Hotel category

**353**

Number of hotel keys

**₹4,122 Mn**

Market value

**Under construction**

Status

**June 2022**

Expected completion

**Over 100k sf**

Retail and Convention Centre





# Embassy Energy



Embassy Energy is our solar park (capacity of 100 MW), a source of green energy to our properties in Bengaluru. The plant has a capacity of 215 Million units per annum and offsets up to 200 Million kg of CO<sub>2</sub> annually.

## KEY STATISTICS

**2018**

Year of commencement

**460 acres**

Site area

**100 MW**

Capacity

**₹10,002 Mn**

Market value

**215 Mn**

Annual capacity



# Report on corporate governance

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

## **AUTHORISATION STRUCTURE**

Embassy REIT was settled on March 30, 2017 at Bengaluru, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882, pursuant to a trust deed dated March 30, 2017 as amended on September 11, 2018. Embassy REIT was registered with SEBI on August 3, 2017 as a real estate investment trust under Regulation 3(1) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 ("**REIT Regulations**") having registration number IN/REIT/17-18/0001. Embassy Sponsor and Blackstone Sponsor are the sponsors of Embassy REIT. Units of Embassy REIT were listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**") on April 1, 2019.

## **MANAGER**

Embassy Office Parks Management Services Private Limited ("**EOPMSPL**") is the Manager of Embassy REIT. The Manager is a private limited company incorporated in India under the Companies Act, 1956 on January 31, 2014 at Bengaluru, Karnataka. EOPMSPL is held by Embassy Sponsor and certain entities forming part of the Blackstone Sponsor Group with the shareholding of 51% and 49%, respectively. The Manager's role is to manage Embassy REIT and its assets in accordance with the Trust Deed, the Investment Management Agreement and the REIT Regulations in the interests of Unitholders.

## **TRUSTEE**

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

The Trustee is not an Associate of either of the Sponsors or the Manager. The Trustee is responsible for safe custody of the assets of the Embassy REIT and holds the assets in trust for the benefit of the Unitholders.

## **Governance statement**

For the six-months ended September 30, 2020, the Manager and Embassy REIT have complied with the provisions of the Trust Deed, the REIT Regulations and the Corporate Governance policies.

## **BOARD OF DIRECTORS AND MANAGEMENT CONSTITUTION OF THE BOARD**

- i. The Manager has 8 (eight) Directors. All the Directors of the Manager are Non-Executive Directors, one half of which are Independent Directors. The profiles of the Directors are set forth on pages 26-28 of this report.
- ii. The Board is responsible for the overall management and governance of the Manager.
- iii. Mr. Michael D Holland (as the Chief Executive Officer of the Manager) is responsible for the day-to-day business, operations and the management of the Manager and Embassy REIT, subject to the superintendence, control and direction of the Board of Directors of the Manager.

## **Meetings of the board of directors**

- i. Three Board Meetings were held during the six months ended September 30, 2020 i.e. on May 19, 2020, August 06, 2020 and August 14, 2020 respectively. The necessary quorum was present through Audio-Visual Electronic Communication Means for all the meetings.
- ii. The Board passed two circular resolutions during the six months ended September 30, 2020 i.e. on July 15, 2020 and July 31, 2020 covering matters which were subsequently noted by the Board in their meeting held on August 06, 2020 and approved at the second annual meeting of the Unitholders of Embassy REIT held on August 27, 2020.

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

| Name of the Director         | Category                                    | Number of Board Meetings attended during the six months ended September 30, 2020 | Whether attended the meeting of the Unitholders held on August 27, 2020 |
|------------------------------|---|--|---|
| Mr. Jitendra Virwani         | Non-Independent Non-Executive               | 3  | Yes   |
| Mr. Anuj Puri                | Independent Director Non-Executive Director | 3  | Yes   |
| Mr. Vivek Mehra              | Independent Director Non-Executive Director | 3  | Yes   |
| Mr. Aditya Virwani           | Non-Independent Non-Executive               | 3  | Yes   |
| Mr. Tuhin Parikh             | Non-Independent Non-Executive               | 2  | Yes   |
| Dr. Ranjan Pai               | Independent Director Non-Executive Director | 3  | Yes   |
| Dr. Punita Kumar Sinha       | Independent Director Non-Executive Director | 3  | Yes   |
| Mr. Robert Christopher Heady | Non-Independent Non-Executive               | 2  | Yes   |
| Mr. Asheesh Mohta*           | Non-Independent Non-Executive               | -  | No  |

\*Alternate director to Mr. Robert Christopher Heady

- i. Due to the Covid-19 pandemic and the subsequent lockdown in the entire country, Embassy REIT held all its Board, Committee and Unitholder meetings through Audio-Visual Electronic Communication Means.
- ii. On June 09, 2020, a meeting of the Independent Directors of the Manager was held to review and evaluate the performance of the directors and the Board as a whole.
- iii. As on September 30, 2020, the following members of the Board, Key Personnel and senior management held units in the Embassy REIT:

| Name  | Category                | Number of Embassy REIT Units held |
|---|-------------------------|-----------------------------------|
| Mr. Vivek Mehra                                       | Independent Director    | 6,400                             |
| Mr. Aditya Virwani                                    | Non-Executive Director  | 5,200                             |
| Mr. Michael D Holland                                 | Chief Executive Officer | 265,200                           |
| Mr. Bhavesh Kamdar, along with his immediate relative | President Leasing       | 41,000                            |

\* Mr. Karan Virwani holds 2,000 Units. He is related to Mr. Aditya Virwani and Mr. Jitendra Virwani, both of whom are Non-Executive Directors.

**Committees constituted by the board**

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

| Committee  | Composition                   |
|--|-------------------------------|
| Audit Committee  | Name                          |
|  | Mr. Vivek Mehra – Chair       |
|  | Mr. Anuj Puri                 |
|  | Dr. Punita Kumar Sinha        |
|  | Dr. Ranjan Pai                |
|  | Mr. Jitendra Virwani          |
|  | Mr. Robert Christopher Heady* |
| * Mr. Asheesh Mohta, Alternate to Mr. Robert Christopher Heady |                               |

## GOVERNANCE (CONTD.)

### Embassy REIT's Philosophy on Corporate Governance

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

| Committee  | Composition  | Category                               |
|--|--|--|
| Nomination and Remuneration Committee                          | Name   | Category                               |
|  | Dr. Ranjan Pai – Chair   | Independent Non-Executive Director     |
|  | Mr. Jitendra Virwani   | Non-Independent Non-Executive Director |
|  | Mr. Tuhin Parikh   | Non-Independent Non-Executive Director |
|  | Mr. Vivek Mehra  | Independent Non-Executive Director     |
| Stakeholders' Relationship Committee                           | Name   | Category                               |
|  | Dr. Punita Kumar Sinha – Chair                                 | Independent Non-Executive Director     |
|  | Mr. Aditya Virwani   | Non-Independent Non-Executive Director |
|  | Mr. Robert Christopher Heady*                                  | Non-Independent Non-Executive Director |
|  | Mr. Vivek Mehra  | Independent Non-Executive Director     |
| * Mr. Asheesh Mohta, Alternate to Mr. Robert Christopher Heady |  |  |
| Corporate Social Responsibility Committee                      | Name   | Category                               |
|  | Mr. Tuhin Parikh   | Non-Independent Non-Executive Director |
|  | Mr. Aditya Virwani   | Non-Independent Non-Executive Director |
|  | Dr. Ranjan Pai   | Independent Non-Executive Director     |
| Risk Management Committee                                      | Name   | Category                               |
|  | Mr. Vivek Mehra - Chair  | Independent Non-Executive Director     |
|  | Dr. Ranjan Pai   | Independent Non-Executive Director     |
|  | Dr. Punita Kumar Sinha   | Independent Non-Executive Director     |
|  | Mr. Anuj Puri  | Independent Non-Executive Director     |
|  | Mr. Jitendra Virwani   | Non-Independent Non-Executive Director |
|  | Mr. Robert Christopher Heady*                                  | Non-Independent Non-Executive Director |
|  | * Mr. Asheesh Mohta, Alternate to Mr. Robert Christopher Heady |  |
| Investment Committee   | Name   | Category                               |
|  | Mr. Anuj Puri – Chair  | Independent Non-Executive Director     |
|  | Dr. Ranjan Pai   | Independent Non-Executive Director     |
|  | Mr. Jitendra Virwani   | Non-Independent Non-Executive Director |
|  | Mr. Tuhin Parikh   | Non-Independent Non-Executive Director |
| Management Committee   | Name   | Category                               |
|  | Mr. Michael D Holland  | Chief Executive Officer                |
|  | Mr. Vikaash Khdloya  | Deputy Chief Executive Officer and COO |
|  | Mr. Aravind Maiya<br>w.e.f August 06,2020                      | Chief Financial officer                |
|  | Mr. Rajesh Kaimal<br>till August 06, 2020                      |  |
| Debenture Committee  | Name   | Category                               |
|  | Mr. Tuhin Parikh   | Non-Independent Non-Executive Director |
|  | Mr. Aditya Virwani   | Non-Independent Non-Executive Director |
|  | Mr. Vikaash Khdloya  | Deputy Chief Executive Officer and COO |
|  | Mr. Rajesh Kaimal<br>till August 06, 2020.                     | Chief Financial Officer                |
|  | Mr. Aravind Maiya<br>w.e.f. August 06 2020                     |  |
|  |  |  |



### Audit Committee - Terms of Reference

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

- |  |  |
|--|--|
| <p>(i) Providing recommendations to the Board of Directors regarding any proposed distributions;</p> <p>(ii) Overseeing the Embassy REIT's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;</p> <p>(iii) Giving recommendations to the Board of Directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Embassy REIT and the audit fee, subject to the approval of the Unitholders;</p> <p>(iv) Reviewing and monitoring the independence and performance of the statutory auditor of the Embassy REIT, and effectiveness of audit process;</p> <p>(v) Approving payments to statutory auditors of the Embassy REIT for any other services rendered by such statutory auditors;</p> <p>(vi) Reviewing the annual financial statements and auditor's report thereon of the Embassy REIT, before submission to the Board of Directors for approval, with particular reference to:</p> <ul style="list-style-type: none"> <li>• changes, if any, in accounting policies and practices and reasons for such change;</li> <li>• major accounting entries involving estimates based on the exercise of judgment by management;</li> <li>• significant adjustments made in the financial statements arising out of audit findings;</li> <li>• compliance with listing and other legal requirements relating to financial statements;</li> <li>• disclosure of any related party transactions; and</li> <li>• qualifications in the draft audit report;</li> </ul> <p>(vii) Reviewing, with the management, all periodic financial statements, including but not limited to quarterly, half-yearly and annual financial statements of the Embassy REIT before submission to the Board of Directors for approval;</p> <p>(viii) Reviewing, with the management, the statement of uses/application of funds raised through an issue of units by Embassy REIT (public issue, rights issue, preferential issue, etc.) and the statement of funds utilised for purposes other than those stated in the offer documents/ notice,</p> | <p>and making appropriate recommendations to the Board of Directors for follow-up action;</p> <p>(ix) Approving or any subsequent modifications of transactions of the Embassy REIT with related parties;</p> <p>(x) Reviewing loans and investments of the Embassy REIT;</p> <p>(xi) Reviewing valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law;</p> <p>(xii) Evaluating financial controls and risk management systems of the Embassy REIT;</p> <p>(xiii) Reviewing, with the management, the performance of statutory auditors of the Embassy REIT, and adequacy of the internal control systems, as necessary;</p> <p>(xiv) Reviewing the adequacy of internal audit function if any of the Embassy REIT including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;</p> <p>(xv) Reviewing the findings of any internal investigations in relation to Embassy REIT into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;</p> <p>(xvi) Reviewing the procedures put in place by the Manager for managing any conflict that may arise between the interests of the Unitholders, the parties to the Embassy REIT and the interests of the Manager, including related party transactions, the indemnification of expenses or liabilities incurred by the Manager, and the setting of fees or charges payable out of the Embassy REIT's assets;</p> <p>(xvii) Discussing with statutory auditors and valuers prior to commencement of the audit or valuation, respectively, about the nature and scope, as well as post-audit/ valuation discussion to ascertain any area of concern;</p> <p>(xviii) Reviewing and monitoring the independence and performance of the valuer of the Embassy REIT;</p> <p>(xix) Monitoring the end use of net proceeds;</p> <p>(xx) Giving recommendations to the Board of Directors regarding appointment, re-appointment and</p> |
|--|--|

## GOVERNANCE (CONTD.)

### Embassy REIT's Philosophy on Corporate Governance

- replacement, remuneration and terms of appointment of the valuer of the Embassy REIT;
- (xxi) Evaluating any defaults or delay in payment of distributions to the Unitholders or dividends by the Asset SPVs to the Embassy REIT and payments to any creditors of the Embassy REIT or the Asset SPVs, and recommending remedial measures;
- (xxii) Reviewing the management's discussion and analysis of financial condition and results of operations;
- (xxiii) Reviewing the statement of all related party transactions, submitted by the management;
- (xxiv) Reviewing the Management letters/ letters of internal control weaknesses issued by the statutory auditors of the Embassy REIT;
- (xxv) Formulating any policy for the Manager, as necessary, in relation to its functions, as specified above; and
- (xxvi) Performing such other activities as may be delegated by the Board of Directors of the Manager and/or are statutorily prescribed under any law to be attended to by the Audit Committee.
7. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Manager successfully;
8. Endeavour to appoint key employees to replace any key employee within six months and recommend to the board of directors of the Manager;
9. Carrying out any other function as prescribed under applicable law or as determined by the Nomination and Remuneration Committee in the interest of the employees;
10. Overseeing the administration and execution of any employee incentive scheme adopted in relation to the employees of the Company including the Employee Incentive Plan 2020 ("**Plan 2020**"), including matters relating to the settlement and administration of any employee welfare trusts. The role of the committee shall, inter alia, include determining the following:

- a. the eligibility criteria for employees eligible for incentives under the Plan 2020;
- b. the terms and conditions of the awards granted under the Plan 2020, including the Deferred Unit awards and Performance Unit awards, including the criteria and performance parameters for the granting and vesting of such awards to eligible employees;
- c. the number of tranches in which the awards are to be granted and the number of awards to be granted in each such tranche;
- d. the quantum of awards to be granted to each employee under the Plan 2020;
- e. the timing of issuance of the letters of grant, vesting letters, or amendments or modifications thereto, determining the pool of units available for grant and the timing of contributions to such pool;
- f. the number of awards if any, reserved for granting to new employees who would join the services of the Company;
- g. specify the method, as applicable, which the Company shall use to value the awards;
- h. lay down the procedure for cashless exercise of awards, if any;
- i. provide for the grant, vesting and exercise of awards in case of eligible employees or awards holders who are on long leave or who

#### Nomination and Remuneration Committee - Terms of Reference

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Manager a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior EOP
5. their appointment and removal and evaluation of director's performance;
6. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

- have been seconded to any other company by the Company;
- j. the vesting and exercise period for the awards;
- k. terms on which the awards would lapse on failure to Exercise within the relevant exercise period;
- l. specifying the time period within which an employee shall exercise the vested awards in the event of termination or resignation of such employee;
- m. the conditions under which the vested awards may lapse, in case of termination of employment for fraud or misconduct;
- n. the treatment of unvested awards upon events including but not limited to, termination of employment or upon a director ceasing to hold office;
- o. the procedure for surrender and cancellation of awards, if required;
- p. framing appropriate procedures and rules for granting, vesting and exercise of awards and amending, altering, modifying or rescinding such procedures and rules from time to time;
- q. ensuring submission of information, reports, etc., in connection with the Plan 2020 or the EWT, if required, to the recognised stock exchange(s) at stipulated periodical intervals or otherwise, as the case may be;
- r. obtaining permissions from, and making periodic reports, to regulatory authorities, as may be required, and ensuring compliance with applicable law;
- s. laying down a method for satisfaction of any tax obligation arising in connection with the awards in compliance with applicable law;
- t. provide for any statutory, contractual, regulatory or such other matters as may be necessary for the administration and implementation of the Plan 2020 in accordance with applicable law;
- u. finalise, approve and authorise executives of the Company to execute various agreements, deeds, writings, confirmations, undertakings, indemnities, letters or other documents, as may be necessary, under the common seal of the Company or otherwise, with any party including the Blackstone Sponsor Group and the Embassy Sponsor Group, legal advisors, accountants, registrar and transfer agents, depositories, custodians, trustees, bankers, employees and/or others for the purposes of the Plan 2020 and accept modifications, changes and amendments to any such documents/agreements;
- v. formulation of suitable policies and systems to ensure that there is no violation of any applicable law;
- w. such other matters, not captured above, which may be required in relation to the implementation of the Plan 2020 in accordance with applicable law and the terms set out herein;
- x. formulate various sets of special terms and conditions under the Plan 2020 to apply to an employee (or his nominee or legal heir, as the case may be). Each of such sets of special terms and conditions under the Plan 2020 shall be restricted in their application to such employee (or his respective nominees/ legal heirs). The Nomination and Remuneration Committee may also formulate separate sets of special terms and conditions to apply to each class or category of employees (or their respective nominees/legal heirs) and each of such sets of special terms and conditions shall be restricted in its application to such class or category of employees (or their respective nominees/legal heirs);
- y. the Nomination and Remuneration Committee may appoint a third party to administer the Plan 2020 and support employee communication, on its behalf; and
- z. any and all the above matters in relation to any other employee incentive scheme that may be considered or adopted by the Company in the future.
- aa. delegate activities pertaining to any and all of the above matters to one or more persons as it may deem fit.
11. Performing such other activities as may be delegated by the board of directors of the Manager and/ or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee



## GOVERNANCE (CONTD.)

### Embassy REIT's Philosophy on Corporate Governance

#### Stakeholders' Relationship Committee - Terms of Reference

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

- (i) Considering and resolving grievances of the Unitholders, including complaints related to the transfer of units, non-receipt of annual report and non-receipt of declared distributions;
- (ii) Reviewing of any litigation related to Unitholders' grievances;
- (iii) Updating Unitholders on acquisition/ sale of assets by the Embassy REIT and any change in the capital structure of the Asset SPVs;
- (iv) Reporting specific material litigation related to Unitholders' grievances to the Board of Directors;
- (v) Approving report on investor grievances, if any, to be submitted to the Trustee by the Manager; and
- (vi) Performing such other activities as may be delegated by the Board of Directors of the Manager and/ or are statutorily prescribed under any law to be attended to by the Stakeholders' Relationship Committee.

#### Corporate Social Responsibility Committee - Terms of Reference

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

- (i) Formulating and recommending to the Board, a CSR Policy, which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013 and their budgets as well as recommendation of any subsequent change/ modification to the CSR Policy;
- (ii) Instituting an implementation and monitoring mechanism for CSR Activities and CSR Policy;
- (iii) Periodically updating the Board on the progress being made in the planned CSR Activities; and
- (iv) Providing a responsibility statement in the Board's Report.

#### Risk Management Committee - Terms of Reference

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

- (i) Assessing the Embassy REIT's risk profile and key areas of risk, in particular;
- (ii) Recommending the adoption of risk assessment and rating procedures;

- (iii) Examining and determine the sufficiency of the internal process for reporting on and managing key risk areas;
- (iv) Assessing and recommending to the Board the acceptable levels of risk;
- (v) Assisting the Board in formulating risk strategies, policies, frameworks, models and procedures in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;
- (vi) Reviewing the nature and level of insurance coverage of the assets of the Embassy REIT;
- (vii) Investigating areas of corporate risk and breakdowns in internal controls;
- (viii) Reviewing the trends in the Embassy REIT's risk profile reports on specific risks and the status of the risk management process;
- (ix) Periodically reviewing the enterprise risk management process of the Embassy REIT;
- (x) Reviewing and assessing the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed; and
- (xi) Ensuring effective and timely implementation of corrective actions to address risk management deficiencies.

#### Investment Committee - Terms of Reference

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

- (i) Reviewing of investment decisions with respect to the underlying assets or projects of the Embassy REIT including any further investments or divestments to ensure protection of the interest of Unitholders including, investment decisions which are related party transactions;
- (ii) Undertaking all functions in relation to protection of Unitholders' interests and resolution of any conflicts while making an investment, including reviewing agreements or transactions in this regard;
- (iii) Approving any proposal in relation to acquisition of assets or further issue of Units including in relation to acquisition of assets;
- (iv) Formulating any policy for the Manager as necessary, in relation to its functions, as specified above; and

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

#### Management Committee - Terms of Reference

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

- (i) Adopting, reviewing and monitoring of various policies, systems and procedures with regards to day to day operations such as human resource, information technology, data management etc.;
- (ii) Investing of idle funds of Embassy REIT in areas and up to a limit specifically delegated by the Board of Directors;
- (iii) Monitoring of Accounts Receivables, Accounts Payables and other routine finance related matters;
- (iv) Providing status updates on various statutory matters such as Income Tax, Goods and Service Tax, Labour Laws etc.;
- (v) Providing status updates on pending litigations initiated by or against the Manager (if any);
- (vi) Providing reviews and recommendations on all matters presented to the Board including the following:
- Business and strategy review;
  - Long-term financial projections and cash flows;
  - Capital and revenue budgets and capital expenditure programmes;
  - Acquisitions, divestments and business restructuring proposals; and
  - Senior management succession planning.
- (vii) Opening, operating, modifying and/or closing any and all bank accounts of and/or in the name of the Manager and/or Embassy REIT including authorising any official/s to do any and all actions for or in connection therewith, with or without monetary limit on such authority, from time to time;
- (viii) To avail, renew and enhance the Auto Loan facilities including bank overdraft, from time to time, up to ₹8 Crore and authorise execution of loan and other agreements including hypothecation agreements and to create charges on the Company's assets;

- (ix) To approve any amendments to the primary/secondary approvers under the Delegation of Authority Matrix ("DoA") of Embassy Office Parks REIT, its holding company and special purpose vehicles and the Company from time to time, provided that any modification of the prescribed limits under the DoA shall be approved by the Board of Directors; and

- (x) To consider and approve including authorising such officials of the Company for approval and execution of undertaking(s), declaration(s), guarantee(s), letters of comfort and such other documents to the banks/financial institutions with respect to financial assistance availed for loans availed by the Special Purpose Vehicle's and Holdco of Embassy Office Parks REIT up to ₹ 2,000 Crores."

#### Debenture Committee - Terms of Reference

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

- (i) perform all actions and undertake all responsibilities of the REIT to be undertaken by the Company pursuant to the Investment Management Agreement;
- (ii) approve the debt proposed to be availed by the REIT including by way of issuance and listing of non-convertible debentures;
- (iii) approve the terms and execution of the transaction contemplated by, the Transaction Documents (to which it is a party);
- (iv) comply with the requirements applicable to an investment manager under the REIT Regulations and under applicable law;
- (v) completing all legal, statutory and procedural formalities, including appointment of various intermediaries, filing / registering the Information Memorandum with SEBI, BSE Limited or/and National Stock Exchange of India Limited, as the case may be (the "Stock Exchanges"), authorising affixation of common seal (if applicable), and any other forms or applications required to be filed with any other statutory agencies or relevant authorities in accordance with applicable law and do all acts in relation thereto;
- (vi) approve the terms and execute the Transaction Documents (to which it is a party), and any other document designated in writing as a transaction document by the Trustee (as the case may be) and the REIT;

## GOVERNANCE (CONTD.)

### Embassy REIT's Philosophy on Corporate Governance

- (vii) to appoint a director or other authorised persons to, inter alia, negotiate, finalise and execute the Transaction Documents (to which it is a party);
- (viii) authorising any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/its absolute discretion may deem necessary or desirable in connection with the Issue;
- (ix) giving or authorising any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (x) authorising the appointment of credit rating agencies in order to obtain a credit rating in relation to the Debentures;
- (xi) authorising any director or directors of the Company or other officer or officers of the Company to participate in investor road shows and prepare investor presentations for syndication of the Debentures;
- (xii) approving the information memorandum (including amending, varying or modifying the same, however fundamental they may be, as may be considered desirable or expedient) in relation to the Issue of Debentures;
- (xiii) filing of the information memorandum with BSE Limited or/and National Stock Exchange of India Limited, as the case may be (the "Stock Exchanges") within the prescribed time period and setting up an online bidding mechanism on the electronic book platform of the Stock Exchanges, in accordance with applicable law;
- (xiv) obtaining in-principle approval, seeking the listing of the Debentures on the Stock Exchanges, submitting the listing application to such Stock Exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (xv) dealing with all matters up to allotment of the Debentures to the debenture holders;
- (xvi) authorising the maintenance of a register of debenture holders;
- (xvii) dealing with all matters relating to the issue and listing of the Debentures as specified under REIT Regulations, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Debenture Trustee) Regulations, 1993 and any guidelines as may be issued by SEBI or the Reserve Bank of India ("RBI") in this regard;
- (xviii) dealing with all matters in relation to availing of loan by the REIT as specified under REIT Regulations and under any other applicable law;
- (xix) opening and operating of bank accounts for the Issue;
- (xx) accepting and utilising the proceeds of the non-convertible debentures issued by the REIT in the manner provided under the respective transaction documents and the applicable law;
- (xxi) deciding the pricing and the terms of the non-convertible debentures issued by the REIT (including but not limited to creation of security on all securities held by the REIT in its Secured SPVs), and all other related matters;
- (xxii) appointing the registrar and any other intermediaries and security trustee/debenture trustee in relation to the Debentures, in accordance with the provisions of the REIT Regulations and other applicable law and entering into the required agreements with all intermediaries and security trustee/debenture trustee;
- (xxiii) to do any other act and/or deed, to negotiate and execute any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to issue of non-convertible debentures by the REIT.



**Number of committee meetings held and attendance records:**

The table below sets out the number of committee meetings attended by each member of the committee:

| Name of the Committee | Audit Committee ("AC")                             | Nomination and Remuneration Committee ("NRC")   | Stakeholders' Relationship Committee ("SRC") | Corporate Social Responsibility Committee ("CSR") |
|-----------------------|--|---|--|---|
| No. of meetings held  | 3  | 3   | 2  | 1   |
| Date of meetings      | May 19, 2020<br>August 05, 2020<br>August 14, 2020 | April 24, 2020<br>May 19, 2020<br>July 17, 2020 | May 19, 2020<br>August 06, 2020              | May 19, 2020                                      |

## No. of Meetings Attended

| Name of Member           | Audit Committee ("AC") | Nomination and Remuneration Committee ("NRC") | Stakeholders' Relationship Committee ("SRC") | Corporate Social Responsibility Committee ("CSR") |
|--------------------------|------------------------|---|--|---|
| Vivek Mehra              | 3                      | 3   | 2  | NA  |
| Anuj Puri                | 3                      | NA  | NA   | NA  |
| Dr. Punita Kumar Sinha   | 3                      | NA  | 2  | NA  |
| Jitendra Virwani         | 3                      | 3   | NA   | NA  |
| Dr. Ranjan Pai           | 3                      | 3   | NA   | 1   |
| Asheesh Mohta*           | 1                      | NA  | 1  | NA  |
| Tuhin Parikh             | NA                     | 3   | NA   | 1   |
| Aditya Virwani           | NA                     | NA  | 2  | 1   |
| Robert Christopher Heady | 1                      | NA  | 1  | NA  |

| Name of the Committee | Risk Management Committee ("RMC") | Debenture Committee ("DC")               | Investment Committee ("IC") | Management Committee ("MC")                      |
|-----------------------|-----------------------------------|--|-----------------------------|--|
| No. of meetings held  | 2                                 | 2  | 1                           | 3  |
| Date of meetings      | June 09, 2020<br>August 05, 2020  | September 01, 2020<br>September 09, 2020 | August 14, 2020             | May 18, 2020<br>June 02, 2020<br>August 06, 2020 |

## No of Meetings Attended

| Name of Member           | Risk Management Committee ("RMC") | Debenture Committee ("DC") | Investment Committee ("IC") | Management Committee ("MC") |
|--------------------------|-----------------------------------|----------------------------|-----------------------------|-----------------------------|
| Vivek Mehra              | 2                                 |                            | NA                          |                             |
| Anuj Puri                | 2                                 |                            | 1                           |                             |
| Dr. Punita Kumar Sinha   | 2                                 |                            | NA                          |                             |
| Jitendra Virwani         | 1                                 |                            | 1                           |                             |
| Dr. Ranjan Pai           | 2                                 |                            | 1                           |                             |
| Asheesh Mohta*           | 2                                 |                            | NA                          |                             |
| Tuhin Parikh             | NA                                | 2                          | -                           |                             |
| Aditya Virwani           | NA                                | 2                          | NA                          |                             |
| Robert Christopher Heady | -                                 |                            | NA                          |                             |

\* Alternate director to Mr. Robert Christopher Heady

**Remuneration of directors**

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

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

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

## GOVERNANCE (CONTD.)

Embassy REIT's Philosophy on Corporate Governance

### **Policies of the board of directors of the manager in relation to the Embassy REIT**

The Manager has adopted the following policies in relation to the Embassy REIT:

- Code of Conduct and Ethics for Directors, Senior Management and other employees ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/2019/12/Code-of-Conduct.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Code-of-Conduct.pdf));
- Code on unpublished price sensitive information and dealing in the securities of the Embassy REIT ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/2019/12/Insider-Trading-Code\\_Embassy-REIT.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Insider-Trading-Code_Embassy-REIT.pdf));
- Distribution Policy ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/2019/12/Distribution-Policy.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Distribution-Policy.pdf));
- Policy on Determination of Materiality of Information for Periodic Disclosures ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/2019/12/Policy-for-Determining-Materiality-of-Information-for-Periodic-Disclosures.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Policy-for-Determining-Materiality-of-Information-for-Periodic-Disclosures.pdf));
- Whistle Blower Policy ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/2019/12/Whistle-Blower-Policy.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Whistle-Blower-Policy.pdf));
- Policy on Related Party Transactions ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/2019/12/Policy-on-Related-Party-Transactions.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Policy-on-Related-Party-Transactions.pdf));
- Stakeholders Grievances and Redressal Policy ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/2019/12/Stakeholder-Grievance-and-Redressal-Policy.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Stakeholder-Grievance-and-Redressal-Policy.pdf));
- Borrowing Policy; ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/2019/12/Borrowing-Policy.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Borrowing-Policy.pdf))
- Corporate Social Responsibility Policy; ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/2019/12/Corporate-Social-Responsibility-Policy.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Corporate-Social-Responsibility-Policy.pdf))
- Policy on Appointment of auditor and valuer; ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/2019/12/Policy-on-Appointment-of-Auditor-and-Valuer.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Policy-on-Appointment-of-Auditor-and-Valuer.pdf))
- Risk Management Policy; ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/reit\\_basics/05/Risk-Management-Policy.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/reit_basics/05/Risk-Management-Policy.pdf))
- Document Archival Policy;
- Board Evaluation Policy;
- Business Continuity Policy;
- Anti-Money Laundering Policy and Anti-Corruption Compliance Policy; ([http://s2.q4cdn.com/482484005/files/doc\\_downloads/2019/12/Anti-Money-Laundering-Policy-and-Anti-Corruption-Compliance-Policy.pdf](http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Anti-Money-Laundering-Policy-and-Anti-Corruption-Compliance-Policy.pdf))
- Prevention of Sexual Harassment Policy;
- Nomination and Remuneration Policy; and
- Short-term Investment Policy

## UNITHOLDERS

The number of Unitholders of the Embassy REIT as on September 30, 2020 was 6,987. The detailed category wise break-down of the composition of the Unitholders as on September 30, 2020 is given below:

| Category   | Category of Unit holder   | No. of Units Held  | As a % of Total Outstanding Units | No. of units mandatorily held  |                            | Number of units pledged or otherwise encumbered |                            |
|------------|---|--------------------|-----------------------------------|--------------------------------|----------------------------|---|----------------------------|
|            |   |                    |                                   | No. of units                   | As a % of total units held | No. of units                                    | As a % of total units held |
| <b>(A)</b> | <b>SPONSOR(S) / MANAGER AND THEIR ASSOCIATES/ RELATED PARTIES AND SPONSOR GROUP</b> |                    |                                   |                                |                            |   |                            |
| (1)        | <b>Indian</b>   | 0                  | 0.00                              |                                |                            |   |                            |
| (a)        | Individuals / HUF   | 0                  | 0.00                              |                                |                            |   |                            |
| (b)        | Central/State Govt.   | 0                  | 0.00                              |                                |                            |   |                            |
| (c)        | Financial Institutions/ Banks   | 0                  | 0.00                              |                                |                            |   |                            |
| (d)        | Any Other Embassy Property Developments Private Limited - (Body Corporate) Sponsor  | 115,484,802        | 14.97                             | 115,484,802                    | 100.00                     | 115,484,802                                     | 100.00                     |
|            | <b>Sub- Total (A) (1)</b>   | <b>115,484,802</b> | <b>14.97</b>                      | <b>115,484,802</b>             | <b>100.00</b>              | <b>115,484,802</b>                              | <b>100.00</b>              |
| <b>(2)</b> | <b>FOREIGN</b>  |                    |                                   |                                |                            |   |                            |
| (a)        | Individuals (Non-Resident Indians / Foreign Individuals)                            | 0                  | 0.00                              |                                |                            |   |                            |
| (b)        | Foreign government  | 0                  | 0.00                              |                                |                            |   |                            |
| (c)        | Institutions  | 0                  | 0.00                              |                                |                            |   |                            |
| (d)        | Foreign Portfolio Investors   | 0                  | 0.00                              |                                |                            |   |                            |
| (e)        | Any Other   |                    |                                   |                                |                            |   |                            |
|            | a. BRE/ Mauritius Investments - Sponsor (Body Corporate)                            | 84,621,955         | 10.97                             | 77,431,534 <sup>#</sup>        | 91.50                      | 273,866,980                                     | 99.58                      |
|            | b. Sponsor Group (Bodies Corporate)   | 275,028,033        | 35.64                             |                                |                            |   |                            |
|            | <b>Sub- Total (A) (2)</b>   | <b>359,649,988</b> |                                   | <b>77,431,534<sup>#</sup></b>  | <b>91.50</b>               | <b>273,866,980</b>                              | <b>99.58</b>               |
|            | <b>Total unit holding of Sponsor &amp; Sponsor Group (A) = (A)(1) + (A)(2)</b>      | <b>475,134,790</b> |                                   | <b>192,916,336<sup>#</sup></b> |                            |   |                            |

<sup>#</sup> Pursuant to Regulation 11(3)(a) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, the sponsors and sponsor group are required to collectively hold a minimum of 25% of the total units of the REIT after initial offer on a post-issue basis for a period of three years. Embassy Property Developments Private Limited (Sponsor) holds 14.97% and BRE/ Mauritius Investments ("Blackstone Sponsor") (Sponsor) holds 10.03% of total outstanding units (together constituting the minimum holding of 25%).



## GOVERNANCE (CONTD.)

### Embassy REIT's Philosophy on Corporate Governance

| Category   | Category of Unit holder                                    | No. of Units Held  | As a % of Total + Out-standing Units |
|------------|--|--------------------|--------------------------------------|
| <b>(1)</b> | <b>Institutions</b>  |                    |                                      |
| (a)        | Mutual Funds   | 13,313,200         | 1.73                                 |
| (b)        | Financial Institutions/Banks                               |                    |                                      |
| (c)        | Central/State Govt.  |                    |                                      |
| (d)        | Venture Capital Funds                                      |                    |                                      |
| (e)        | Insurance Companies  | 2,323,000          | 0.30                                 |
| (f)        | Provident/pension funds                                    | 238,800            | 0.03                                 |
| (g)        | Foreign Portfolio Investors                                | 199,844,600        | 25.90                                |
| (h)        | Foreign Venture Capital Investors                          |                    |                                      |
| (i)        | Any Other:-<br>Alternative Investment Fund                 | 1,369,400          | 0.18                                 |
|            | <b>Sub- Total (B) (1)</b>                                  | <b>217,089,000</b> | <b>28.13</b>                         |
| <b>(2)</b> | <b>Non-Institutions</b>                                    |                    |                                      |
| (a)        | Central Government/State Governments(s)/President of India |                    |                                      |
| (b)        | Individuals  | 72,800,986         | 9.43                                 |
| (c)        | NBFCs registered with RBI                                  | 584,400            | 0.08                                 |
| (d)        | Any Other (specify)  |                    |                                      |
|            | i. Trusts  | 17,600             | 0.00                                 |
|            | ii. Non-Resident Indians                                   | 978,400            | 0.13                                 |
|            | iii. Clearing Members                                      | 215,354            | 0.03                                 |
|            | iv. Body Corporates  | 4,844,813          | 0.63                                 |
|            | <b>Sub- Total (B) (2)</b>                                  | <b>79,441,553</b>  | <b>10.29</b>                         |
|            | <b>Total Public Unit holding (B) = (B)(1)+(B)(2)</b>       | <b>296,530,553</b> | <b>38.43</b>                         |
|            | <b>Total Units Outstanding (C) = (A) + (B)</b>             | <b>771,665,343</b> | <b>100.00</b>                        |

### Meetings of the unitholders

- i. During the six months ended September 30, 2020, the second annual meeting of the Unitholders of the Embassy REIT was held on Thursday August 27, 2020 at 11.10 AM IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"). The necessary quorum was present for the meeting through VC and OAVM.
- ii. The following items were inter alia considered at the said annual meeting of the Unitholders:
  - Consideration, approval and adoption of the audited condensed standalone financial statements and audited condensed consolidated financial statements of Embassy REIT as at, and for the financial year ended March 31, 2020 together with the report of the auditors thereon for the financial year ended March 31, 2020 and the report on performance of Embassy REIT.
  - Consideration, approval and adoption of the valuation report issued by Mr. Manish Gupta, Partner, iVAS Partners, the valuer, for the valuation of the portfolio as at March 31, 2020.
  - Consideration and approval of the appointment of the valuer and value assessment service provider for the financial years 2020-21 to 2022-23.
  - Approval through special resolution of the Unit-Based Employee Incentive Plan 2020 wherein units are proposed to be contributed as corpus to the Employee Welfare Trust ('EWT') by Blackstone Sponsor Group and Embassy Sponsor without any fresh issuance by Embassy REIT or any dilution to public Unitholders at this time.
  - To authorise the EWT for secondary market acquisition of Units of Embassy REIT.

### Investor complaints

Details of investor complaints received and redressed during the year ended September 30, 2020 are as follows:

| Opening Balance | Received during the year ended September 30, 2020 | Resolved during the year ended September 30, 2020 | Closing Balance |
|-----------------|---|---|-----------------|
| Nil             | Nil   | Nil   | Nil             |

During the quarter ended September 30, 2020, Embassy REIT had received a letter through the SEBI SCORES portal. The letter was not in respect of the Embassy REIT and an appropriate response was provided by Embassy REIT. Thereafter, the letter was withdrawn.

**Company secretary and compliance officer****Mr. Ramesh Periasamy till August 06, 2020****Ms. Deepika Srivastava w.e.f. August 07, 2020**Royal Oaks, Embassy Golf Links Business Park,  
Off Intermediate Ring Road,  
Bengaluru, Karnataka - 560071.**Statutory auditors**

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

**Debenture Trustees for NCDs issued by the Embassy REIT**

- Catalyst Trusteeship Limited, as Debenture Trustee to the issue of ₹ 3,650 Crores raised by way of Private Placement.
- SBICAP Trustee Company Limited, as Debenture Trustee to the issue of ₹ 750 Crores raised by way of Private Placement

**Registrar and transfer agent**Name and Address: Kfin Technologies Private Limited (formerly Karvy Fintech Private Limited) Karvy Selenium  
Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032,  
Telangana, India

Telephone : +91 40 6716 2222

Fax : +91 40 2343 1551

E-mail : hariprasad.an@karvy.com

Website : <http://www.kfintech.com>**Publications**

The information required to be disclosed to the stock exchanges (including financial results, press releases and presentations made to the investors) have been duly submitted to the National Stock Exchange of India Limited and BSE Limited as well as uploaded on Embassy REIT's website, Further Embassy REIT has opted voluntarily to publish newspaper advertisements in relation to its the financial results.

**Market Price Data:**

High, Low (based on daily closing prices) and the number of REIT Units traded during each month for the year ended September 30, 2020 on the BSE and NSE:

| Month           | BSE      |         |                                   | NSE      |         |                                   |
|-----------------|----------|---------|-----------------------------------|----------|---------|-----------------------------------|
|                 | High (₹) | Low (₹) | Total Number of REIT Units Traded | High (₹) | Low (₹) | Total Number of REIT Units Traded |
| April, 2020     | 385.00   | 319.00  | 16,218,800                        | 381.00   | 319.29  | 7,066,000                         |
| May, 2020       | 365.77   | 322.56  | 644,200                           | 370.00   | 322.42  | 6,609,800                         |
| June, 2020      | 397.70   | 335.10  | 71,386,400                        | 397.40   | 334.61  | 13,378,000                        |
| July, 2020      | 369.00   | 332.00  | 559,400                           | 369.79   | 333.55  | 14,155,600                        |
| August, 2020    | 387.00   | 345.10  | 1,236,000                         | 387.00   | 355.00  | 6,929,000                         |
| September, 2020 | 371.99   | 353.05  | 3,836,600                         | 373.85   | 352.85  | 13,371,800                        |

**Transfer of Units:**

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

## STATUTORY DISCLOSURES

as stipulated under Schedule IV read with Regulation 23(4) of SEBI REIT Regulations, 2014

### 1 BUSINESS & FINANCIAL SUMMARY

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

Embassy REIT was settled on March 30, 2017 at Bengaluru, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a trust deed dated March 30, 2017 as amended on September 11, 2018. The Sponsors of Embassy REIT are Embassy Property Developments Private Limited ("Embassy Sponsor") and BRE/Mauritius Investments ("Blackstone Sponsor"). For further details please refer to page 3 of this report.

Embassy REIT owns a high-quality office portfolio comprising of seven best-in-class office parks and four prime city center office buildings totalling 33.3 msf as of September 30, 2020. For further details on the properties please refer to pages 32-47 of this report.

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

With respect to the half year ended September 30, 2020 our updates on Commercial offices and Development are set forth on pages 18-19 respectively.

The NAV of Embassy REIT as on September 30, 2020 was Rs 375.02 per unit.

With respect to trading price, kindly refer to page 61 of this report.

#### b. Summary of the unaudited standalone and consolidated financial statements

Please refer to pages 81-211 of this report.

### 2 BRIEF DETAILS OF ALL THE ASSETS OF THE REIT INCLUDING A BREAK-UP OF REAL ESTATE ASSETS AND OTHER ASSETS, LOCATION OF THE PROPERTIES, AREA OF THE PROPERTIES, CURRENT TENANTS (NOT LESS THAN TOP 10 TENANTS AS PER VALUE OF LEASE), LEASE MATURITY PROFILE, DETAILS OF UNDER-CONSTRUCTION PROPERTIES, IF ANY, ETC.

#### a. Real estate assets and other assets

Please refer to pages 32-47 of this report

#### b. Location of the properties

Please refer to pages 32-47 of this report

#### c. Area of the properties

Please refer to pages 32-47 of this report

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

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

| Name of the Asset SPV                                 | Name of the Tenant   |
|---|--|
| Vikhroli Corporate Park Private Limited-247 Tech park | • Accelya Kale Solutions Limited   |
|   | • ATC Tires Pvt. Ltd.  |
|   | • DHL Global Forwarding Freight Shared Services (India) LLP                  |
|   | • Future Retail Limited  |
|   | • Gravitas Technology Private Limited  |
|   | • ICICI Lombard General Insurance Company Limited                            |
|   | • Link Intime India Private Limited  |
|   | • Oppo Mobiles India Private Limited   |
|   | • Vistra International Expansion (India) Private Limited                     |
|   | • WeWork India Management Private Limited                                    |
| Embassy One-Four Seasons                              | • Korean Trade-Investment Promotion Agency                                   |
|   | • The State of The Netherlands   |
|   |  |
| Indian Express Newspapers (Mumbai) Pvt Ltd            | • Blackstone Advisors India Private Limited                                  |
|   | • DBS Bank India Limited.  |
|   | • Enam Holdings Pvt. Ltd.  |
|   | • Export Credit Guarantee Corporation of India ENAM Holdings Private Limited |
|   | • JBF Industries Limited   |
|   | • McKinsey & Company, Inc  |
|   | • NVP Venture Capital India Private Limited                                  |
|   | • Shardul Amarchand Mangaldas & Co   |
|   | • The Indian Hotels Company Limited  |
|   | • Warburg Pincus India Private Limited                                       |
|   |  |

| Name of the Asset SPV                        | Name of the Tenant   |
|--|--|
| <b>Earnest Towers Private Limited</b>        | <ul style="list-style-type: none"> <li>Executive Centre India Private Limited</li> <li>FIFC Condominium</li> <li>Google India Private Limited</li> <li>Impresario Entertainment and Hospitality Private Limited</li> <li>Kasa Foodworks</li> <li>Massive Restaurants Private Limited</li> <li>McKinsey &amp; Company India LLP</li> <li>Mirah Hospitality and Gourmet Solutions Private Limited</li> <li>Oracle India Private Limited</li> <li>Pernod Ricard India Private Limited</li> </ul>                                |
| <b>Galaxy Square Private Limited</b>         | <ul style="list-style-type: none"> <li>DXC Technology India Private Limited</li> <li>Elixir Softech Private Limited</li> <li>Esaoite Asia Pacific Diagnostic Private Limited</li> <li>Fiserv India Private Limited</li> <li>HDFC Bank Limited</li> <li>Jubilant Foodworks Limited</li> <li>Mitel Communications Private Limited</li> <li>Next Gen Services</li> <li>Tata Consultancy Services Limited</li> <li>Xylem Water Solutions Private Limited</li> </ul>  |
| <b>Oxygen Business Park Private Limited</b>  | <ul style="list-style-type: none"> <li>Bharti Airtel Limited</li> <li>ExlService.com (India) Private Limited</li> <li>Global Logic India Private Limited</li> <li>Jubilant Foodworks Limited</li> <li>MetLife Global Operations Support Center Private Limited</li> <li>Newgen Software Technologies Limited</li> <li>NTT Data Information Processing Services Private Limited</li> <li>Optum Global Solutions (India) Private Limited</li> <li>Sapient Consulting Private Limited</li> <li>Vodafone Idea Limited</li> </ul> |
| <b>Quadron Business Park Private Limited</b> | <ul style="list-style-type: none"> <li>Barclays Global Service Centre Private Limited</li> <li>Cognizant Technology Solutions India Private Limited</li> <li>E-CLERX Services Limited</li> <li>EIT Services India Limited</li> <li>Glow Energy</li> <li>Humane Business Intelligence Technology Solutions Private Limited</li> </ul>   |

| Name of the Asset SPV                       | Name of the Tenant   |
|---|--|
|   | <ul style="list-style-type: none"> <li>Jubilant Foodworks Ltd</li> <li>Luxoft India LLP</li> <li>Storybook Ventures Pvt Ltd</li> <li>Vodafone Idea Limited</li> </ul>  |
| <b>Qubix Business Park Private Limited</b>  | <ul style="list-style-type: none"> <li>Accenture Services Private Limited</li> <li>Aker Powergas Subsea Private Limited</li> <li>Cisco Systems (India) Private Limited</li> <li>Crisil Limited</li> <li>HCL Technologies Limited</li> <li>KPIT Technologies Limited</li> <li>Larson &amp; Toubro Infotech Limited</li> <li>Persistent Systems Limited</li> <li>Sciformix Technologies Private Limited</li> <li>Tata Technologies Limited</li> </ul>  |
| <b>Manyata Promoters Private Limited</b>    | <ul style="list-style-type: none"> <li>Alcatel-Lucent India Limited</li> <li>ANSR Global Corporation Private Limited</li> <li>Cerner HealthCare Solutions India Private Limited</li> <li>Cognizant Technology Solutions India Private Limited</li> <li>IBM India Private Limited</li> <li>Lowe's Services India Private Limited</li> <li>Nokia Solutions &amp; Networks India Private Limited</li> <li>Nvidia Graphics Private Limited</li> <li>Target Corporation India Private Limited</li> <li>Wework India Management Private Limited</li> </ul> |
| <b>Embassy Office Parks Private Limited</b> | <ul style="list-style-type: none"> <li>Flextronics Technologies (India) Private Limited</li> <li>IBM India Private Limited</li> <li>Infosys BPM Limited</li> <li>Larsen &amp; Toubro Infotech Limited</li> <li>Nitor Infotech Private Limited</li> <li>Nice Interactive Solutions India Private Limited</li> <li>Rockwell Automation India Private Limited</li> <li>State Street HCL Services (India) Private Limited</li> <li>Tech Mahindra Limited</li> <li>Volkswagen India Private limited</li> </ul>  |



**STATUTORY DISCLOSURES (CONTD.)**

as stipulated under Schedule IV read with Regulation 23(4) of SEBI REIT Regulations, 2014

Additionally, for the top 10 tenants of Embassy REIT, please refer to page 16 of this report.

For the lease maturity profile of each Asset SPV, please refer to pages 17-18 of this report.

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

Please refer pages 109-112 of this report

**3 BRIEF SUMMARY OF THE FULL VALUATION REPORT AS AT THE END OF THE YEAR**

Please refer to pages 212-252 of this report

**4 DETAILS OF CHANGES DURING THE YEAR PERTAINING TO:**

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

There has been no addition or divestment of assets in the half year ended September 30, 2020.

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

Please refer to pages 212-252 of this report for Gross Asset Valuation and pages 128-129 for NAV respectively.

**5 DETAILS OF CHANGES DURING THE YEAR PERTAINING TO:**

**a. Letting of assets, occupancy, lease maturity, key tenants, etc.**

Please refer to pages 17-18 of this report with respect to the new leases for the year ended

September 30, 2020. The occupancy of Embassy REIT as of September 30, 2020 was 91.7% as against the occupancy of 92.8% as of the start of this year. The WALE of Embassy REIT is set forth on page 17. The current list of key tenants is set forth on page 16.

**b. Borrowings/repayment of borrowings(standalone and consolidated)**

Please refer to pages 109-112 of this report with respect to borrowings on a standalone basis as on September 30, 2020 and page 178-181 of this report with respect to borrowings on a consolidated basis, as on September 30, 2020.

Please refer to pages 178-181 of this report with respect to repayment of borrowings on a consolidated basis, as on September 30, 2020. On the standalone basis, as on September 30, 2020, the repayment of borrowings was NIL.

**c. Sponsors, manager, trustee, valuer, directors of the Trustee/manager/sponsor, etc.**

There was no change in the Sponsors, Manager and Trustee during the six months ended September 30, 2020. iVAS Partners, represented by Mr. Manish Gupta, partner, has been appointed as the valuer of Embassy REIT for the financial years 2020-21, 2021-22, 2022-23 pursuant to a resolution approved by the Unitholders at their annual meeting held on August 27, 2020. CBRE South Asia Private Limited has been appointed to provide value assessment services to Embassy REIT for the financial years 2020-21, 2021-22, 2022-23.

**The below table indicates the change of directors of the trustee/manager/sponsor for the half-year ended september 30, 2020**

| Entity  | Nature of Change  |
|---|---|
| Axis Trustee Services Limited (“ <b>TRUSTEE</b> ”)                            | No change in the composition of the board of directors  |
| Embassy Office Parks Management Services Private Limited (“ <b>Manager</b> ”) | No change in the composition of the board of directors  |
| Embassy Property Developments Private Limited (“ <b>Embassy Sponsor</b> ”)    | No change in the composition of the board of directors  |
| BRE/Mauritius Investments (“ <b>Blackstone Sponsor</b> ”)                     | No change in the composition of Directors except below: <ol style="list-style-type: none"> <li>1. Resignation of Mr. Kimmo Tammela as a Director and appointment of Mr. Eugene Min wef April 29, 2020 and</li> <li>2. Resignation of Mr. Richard Arlove as a director and appointment of Mr. Keni Lufor w.e.f September 24, 2020</li> </ol> |

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

Not Applicable

**e. Any other material change during the year**

Nil

## 6 UPDATE ON DEVELOPMENT OF UNDER-CONSTRUCTION PROPERTIES, IF ANY

Please refer to page 19 of this report

## 7 DETAILS OF OUTSTANDING BORROWINGS AND DEFERRED PAYMENTS OF REIT INCLUDING ANY CREDIT RATING(S), DEBT MATURITY PROFILE, GEARING RATIOS OF THE REIT ON A CONSOLIDATED AND STANDALONE BASIS AS AT THE END OF THE YEAR

Please refer to pages 109-112 and 178-181 of this report

## 10 PAST PERFORMANCE OF THE REIT WITH RESPECT TO UNIT PRICE, DISTRIBUTIONS AND YIELD FOR THE LAST 5 YEARS, AS APPLICABLE AND UNIT PRICE QUOTED ON THE DESIGNATED STOCK EXCHANGES AT THE BEGINNING AND END OF THE FINANCIAL YEAR, THE HIGHEST AND LOWEST UNIT PRICE AND THE AVERAGE DAILY VOLUME TRADED DURING THE FINANCIAL YEAR

| Particulars  | NSE     | BSE     |
|--|---------|---------|
| <b>Unit Price (Rs.)</b>                            |         |         |
| Opening: April 1, 2020                             | 351.00  | 350.20  |
| Closing: September 30, 2020                        | 360.78  | 361.00  |
| 52 Week High                                       | 512.00  | 518.00  |
| 52 Week Low  | 301.35  | 301.00  |
| <b>Market Capitalisation (Rs. Bn)</b>              |         |         |
| September 30, 2020                                 | 278.40  | 278.57  |
| <b>Volume - Half year ended September 30, 2020</b> |         |         |
| Units Million                                      | 61.51   | 93.88   |
| Rs. Billion  | 21.96   | 31.91   |
| <b>ADTV - Half year ended September 30, 2020</b>   |         |         |
| Units  | 492,082 | 751,051 |
| Rs. Million  | 176     | 255     |

Source: National Stock exchange (Designated) and Bombay Stock exchange

## 11 RELATED PARTY TRANSACTIONS

- Refer to pages 205-207 of this report which contains details of all related party transactions entered into by the Embassy REIT and its Asset SPVs during the year ended September 30, 2020 (excluding transactions between Embassy REIT and its Asset SPVs which are eliminated on consolidation).
- Refer to pages 116-119 of this report which contains details of all related party transactions entered into by Embassy REIT including monies lent by Embassy REIT to its holding company and its SPVs.

## 12 DETAILS OF FUND-RAISING DURING THE PERIOD ENDED SIX MONTHS

The Debenture Committee of the Board of Directors of the Manager of Embassy REIT ("Debenture Committee") in their meeting held on September 01, 2020 had approved the issue

## 8 DEBT MATURITY PROFILE OVER EACH OF THE NEXT 5 YEARS AND DEBT COVENANTS, IF ANY

Please refer to the table in S.no 6 above for the debt maturity profile. With respect to debt covenants please refer to pages 178-181 of this report.

## 9 THE TOTAL OPERATING EXPENSES OF THE REIT, INCLUDING ALL FEES AND CHARGES PAID TO THE MANAGER AND ANY OTHER PARTIES, IF ANY DURING THE YEAR

Please refer to pages 188 and 198-202 of this report

of rupee denominated, listed, rated, secured, redeemable, transferable, non-convertible debentures by Embassy REIT on a private placement basis for an aggregate amount of ₹15,000,000,000/- (Rupees One Thousand Five Hundred Crores only) split into One or more Tranches. Further Debenture Committee, at its meeting held on September 09, 2020, had approved the allotment of 7,500 rupee denominated, listed, rated, secured, redeemable, transferrable, non-convertible debentures of ₹10,00,000 only/- (Indian Rupees ten lakh) per debenture, aggregating to ₹750,00,00,000/- (Indian Rupees seven hundred and fifty crores only) on a private placement basis under Tranche A as per the terms and conditions as mentioned in the Information Memorandum for the said issue.

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

## STATUTORY DISCLOSURES (CONTD.)

as stipulated under Schedule IV read with Regulation 23(4) of SEBI REIT Regulations, 2014

### 13 BRIEF DETAILS OF MATERIAL AND PRICE SENSITIVE INFORMATION

Not applicable

### 14 BRIEF DETAILS OF MATERIAL LITIGATIONS AND REGULATORY ACTIONS WHICH ARE PENDING AGAINST THE REIT, SPONSOR(S), MANAGER OR ANY OF THEIR ASSOCIATES AND SPONSOR GROUP(S) AND THE TRUSTEE IF ANY, AS AT THE END OF THE YEAR

#### Legal and other information

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

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

#### I. Material title litigation pertaining to the Portfolio

For the purpose of this section, details of all pending material title litigation pertaining to the Portfolio have been disclosed. Other than as disclosed below, there are no pending material title litigations pertaining to the Portfolio as of September 30, 2020:

##### A. Embassy Manyata

- a. MPPL has filed a writ petition against the BBMP and others seeking to inter-alia, quash (i) a circular from 2014 re-fixing the improvement charges under the Karnataka

Municipal Corporations Act, 1976, and the Karnataka Municipal Corporations (Recovery of Improvement Expenses) Rules, 2009, and (ii) a notice from 2015 demanding payment of betterment charges of ₹127.9 Million. In 2016, the High Court of Karnataka has granted an interim stay on the impugned circular and notice.

- b. A third party suit was filed against MPPL and other defendants (who are co-owners in joint possession with the plaintiff) in 2020 before the City Civil Court, Bengaluru seeking (i) 1/8th share of property by way of partition; (ii) a declaration that the panchayth parikath alias partition deed dated February 20, 1997, sale deeds executed in favour of MPPL are void ab-initio and (iii) award of mesne profit to the plaintiff. The matter was heard on January 28, 2020 and was ordered for issuance of summons and interlocutory application to the defendants.
- c. An regular first appeal has been filed by a third party against MPPL and other defendants before the High Court of Karnataka seeking quashing of an order dated October 16, 2019 passed by the Additional City Civil and Sessions Judge, Bengaluru (“**Order**”) in respect of inter alia a land parcel admeasuring approximately 3 acres located in Embassy Manyata. The order inter alia decreed that the appellant could not claim for possession of the relevant land parcel but could only seek compensation. The plaintiff were provided relief in respect of other land parcels (not connected to Embassy Manyata) as the Order also decreed that the plaintiff is entitled to possession of the other land parcels. The land parcel in question was initially acquired by the State Government of Karnataka which handed it over to KIADB. The last hearing in the matter was on January 31, 2020 and the next date of hearing is awaited.
- d. A third-party suit has been filed against MPPL and other defendants on September 23, 2020 before the Principal City and Sessions Judge, Bengaluru seeking possession of a land parcel admeasuring 1 acre and 12 guntas forming

A co-defendant in the original suit filed before Additional Judge, City Civil Court, Bengaluru has filed a miscellaneous petition dated September 8, 2020 before the City Civil Court, Bengaluru to set aside the order dated October 16, 2019 and the matter is pending for hearing.

part of Embassy Manyata. The plaintiff claims that the land parcel was mortgaged by his ancestors in 1905 and they were unable to discharge the entirety of the mortgage debt. The plaintiff now wishes to redeem the mortgaged premises and repossess the lands by making payment of the mortgage debt. The matter is currently pending for hearing.

- e. A third party has filed a writ petition dated September 19, 2019 against State of Karnataka (Department of Industries and Commerce), Special Land Acquisition Officer, KIADB, MPPL and others before the High Court of Karnataka in connection with acquisition proceedings initiated by the state government with respect to inter alia land admeasuring 1 acre at Nagavara Village which currently forms part of Embassy Manyata. The third party has sought: (i) quashing of the orders in the acquisition proceedings on the ground that the compensation was determined arbitrarily; (ii) an award from the state government paying compensation in accordance with the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation And Resettlement Act, 2013; and (iii) quashing the acquisition of the land parcel admeasuring approximately 1 acre. The matter is currently pending.

The third party had earlier filed a writ petition in 2003 and a writ appeal in 2004, against the State of Karnataka (Department of Industries and Commerce), Special Land Acquisition Officer, KIADB, MPPL and others, both of which were rejected. Subsequently, a special leave petition and a review petition were also filed before the Supreme Court which were dismissed in September 2004 and September 2009.

#### **B. Hilton at Embassy Golflinks**

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

that no encumbrance will be created on the suit property of 94,000 sft.

#### **C. Express Towers**

- a. IENMPL has filed a writ petition against the Government of Maharashtra and the Collector, Mumbai in 2003 before the Bombay High Court, challenging the demand against IENMPL for payment of increased transfer charges in relation to a sub-lease. While transfer charges amounting to ₹0.12 Million annually for 61 years as per Gol's letter were levied in 2001, the transfer charges were revised to ₹2.34 Million in the same year by the Collector, Bombay. In 2004, the Bombay High Court passed an order staying the operation of demand for increased transfer charges, subject to IENMPL continuing to pay the original transfer charges. IENMPL has also undertaken that in the event of dismissal of petition they shall pay the demanded increased transfer charges.
- b. IENMPL had initiated legal proceedings against a occupier before the Court of Small Causes, Mumbai in 2007 for eviction and recovery of possession of 2,150 square feet in Express Towers and for mesne profits. On November 15, 2011, the court directed the occupier to pay ₹0.26 Million per month towards mesne profits for the period between March 1, 2007 and February 2010, and ₹0.29 Million per month March 1, 2010 onward. An appeal by the occupier against this order before the Court of Small Causes was dismissed on May 6, 2015. Aggrieved, the occupier filed a petition before the Bombay High Court. On August 28, 2017, the High Court passed an order directing the occupier to pay ₹225 per square foot per month from May 1, 2015 to continue the possession of the premises. The occupier continues to occupy the premises and pay rentals.
- c. A criminal public interest litigation has been instituted by a third party against the state of Maharashtra and others in 2017 which has alleged irregularities in the manner in which Express Towers was being used, and the manner in which the shareholders of IENMPL have acquired the asset. IENMPL impleaded itself as party to this public interest litigation. The Bombay High Court had directed the third party to file an amended petition to, inter alia, include IENMPL as a party, which has been filed by the third party on February



## STATUTORY DISCLOSURES (CONTD.)

as stipulated under Schedule IV read with Regulation 23(4) of SEBI REIT Regulations, 2014

27, 2019. The last date of hearing in the said matter was August 5, 2019 when the matter was adjourned.

### D. Embassy Golflinks

- a. Certain third parties have filed a suit for partition in 2005 against their family members and GLSP before the City Civil Court, Bengaluru, in respect of a land parcel admeasuring 4 acres and 1 guntas, where GLSP is entitled to two acres and 21 guntas, forming part of Embassy Golflinks wherein the court passed a preliminary decree for partition. GLSP has filed an appeal in 2013 before the High Court of Karnataka challenging the decree. The High Court has passed interim orders in 2015 and stayed the decree. The matter came up for hearing on September 23, 2019 wherein it was adjourned and the matter is yet to be listed for final hearing.
- b. A third party individual has filed a suit before Court of the City Civil Judge, Bengaluru in 2005, against GLSP and others for declaring a sale deed allegedly executed in 2004 by him in favour of GLSP and another pertaining to a portion of land situated at Embassy Golflinks, as null and void on account of fraud and misrepresentation. The plaintiff died at the evidence stage and his alleged heir was not permitted to come on record as the court rejected his application by passing an order in 2015. Aggrieved by the order, the alleged heir filed a civil revision petition before the High Court of Karnataka in 2015 which was subsequently converted into a writ petition and the next date of hearing is yet to be fixed.
- c. Certain third parties have filed a suit in 2008 before the City Civil Court, Bengaluru in respect of a land parcel admeasuring 1 acre and 21 guntas, forming part of Embassy Golflinks. The suit was dismissed in 2013 due to no representation on behalf of the plaintiffs. The plaintiffs filed a petition before the City Civil Judge, Bengaluru in 2013 to set aside the dismissal order and restore the suit, along with an application for condonation of delay. GLSP has filed objections to the petition.
- d. A third party has filed a suit against GLSP and others before the City Civil Court, Bengaluru in 2004, directing (i) certain defendants apart from GLSP to execute sale deeds in respect of a land parcel admeasuring 1 acre and 36 guntas, forming part of Embassy Golflinks in favour of the plaintiff by virtue of an agreement to sell executed in 1995 and, (ii) grant of permanent injunction to restrain all the defendants from interfering with the land parcel or in the alternative, refund ₹3.96 Million to the plaintiffs. Pursuant to a writ petition filed by one of the defendants, the High Court of Karnataka stayed the suit in 2014. The City Civil Court, Bengaluru on January 7, 2020 has ordered defendants excluding GLSP, to refund ₹1.43 Million with interest from the date of the agreement until its realisation to the plaintiffs within three months.
- e. Certain third parties have filed an application in 2007, before the Court of City Civil Judge, Bengaluru against GLSP and another third party seeking an injunction restraining them from alienating or creating any third party interest in a land parcel admeasuring 2 acres and 14 guntas, forming part of Embassy Golflinks. The court passed an interim order in 2007 which has been subsequently vacated by the court and the matter is currently pending. The third party claimants have also filed a claim in 2009 against GLSP and others, before the High Court of Karnataka seeking appointment of an arbitrator and an arbitrator was appointed by an order in 2015. The claimants sought (i) performance of joint development agreements executed in 2004 and 2005, against GLSP and another individual, pertaining to the land parcel before the arbitrator, and (ii) an injunction to restrain the respondents from alienating or creating any third-party interests in the building constructed on the land parcel, before the arbitrator. The matter is currently pending.
- f. GLSP has filed a petition in 2014 before the High Court of Karnataka inter-alia, against a show cause notice issued under the Public Premises (Eviction of Unauthorised Occupation) Act, 1971, in relation to eviction of GLSP from certain parcels of land admeasuring 92 square meters, 274.86 square meters and 2,079.79 square meters in Domlur Village, Bengaluru, which as per the show cause notice allegedly belongs to the Department of Defence and seeking a direction against the BBMP and others to complete the construction of the road on the aforementioned lands. The High Court in 2014 directed BBMP to continue with the construction of the road in terms of certain agreements signed between the Department of Defence and BBMP and also restrained the respondents from acting upon the impugned notice or taking coercive steps against GLSP. The respondents have obtained a stay on such order in 2016 by way of an

appeal filed in 2015 before the High Court of Karnataka. The stay order also stated that GLSP cannot be evicted without the leave of court. The High Court of Karnataka in 2019 has disposed the appeal.

- g. A third party has filed a suit before the City Civil Court, Senior Division, Rural District against GLSP and others alleging that the defendants and GLSP have colluded with each other to sell certain parcels of land belonging to the petitioner, admeasuring 12 guntas, 1 acre 9 guntas and 15 guntas respectively and forming part of Embassy Golflinks to GLSP. The petitioner has alleged that the sale deed executed in 2003 is not binding on the petitioner. The suit was dismissed in 2016 for default by the petitioner. The petitioner has thereafter filed an application seeking to restore the case and the summons are yet to be served on some of the respondents..
- h. GLSP received a notice from a third party individual alleging that certain third parties were the absolute owners of land in possession of GLSP admeasuring 2 acres and 8 guntas in Bengaluru. The IX Additional City Civil and Sessions Judge, pursuant to a preliminary decree in 2017, granted the petitioner half a share in the land. GLSP was not made a party to the above suit filed by the third party. GLSP has filed an appeal in the High Court of Karnataka to set aside the decree of the IX Additional City Civil and Sessions Judge and to remand the suit to the trial court by impleading GLSP as a defendant. Currently, the matter is in the admission stage and the High Court of Karnataka has requested that the lower court records to be produced before it.

#### E. Embassy Qubix

A third party had filed an application before the Tahsildar, Mulshi, Pune for recording his name on an extract of land underlying Embassy Qubix as per a particular mutation entry. Pursuant to an order dated June 26, 2020, the Tahsildar held that the applicant should seek relief before the competent court in relation to the subject matter and dismissed the application. The applicant has filed an appeal dated September 7, 2020 against such order before the Sub-Divisional Officer, Pune. Please note that the land parcels under litigation does not form part of the Embassy Qubix.

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

With respect to the Asset SPVs and the Investment Entity, details of all pending regulatory actions

and criminal matters against the Asset SPVs and the Investment Entity have been disclosed.

For the purpose of pending civil/ commercial matters against Embassy REIT (Asset SPVs and Investment Entity), and Associates of Embassy REIT (excluding the Manager, the Sponsors, their respective Associates and the Blackstone Sponsor Group) matters exceeding ₹214.70 Million (being 1% of the consolidated income as of March 31, 2020) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of Embassy REIT has been disclosed.

Other than as disclosed below, there are no pending criminal litigation, regulatory actions or material civil/ commercial matters against any of the Asset SPVs or the Investment Entity or the Associates of Embassy REIT (excluding the Manager, the Sponsors, their respective Associates and the Blackstone Sponsor Group) as of September 30, 2020. Further, there is no litigation against Embassy REIT as of September 30, 2020.

#### A. MPPL

##### (a) Regulatory Proceedings

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

## STATUTORY DISCLOSURES (CONTD.)

as stipulated under Schedule IV read with Regulation 23(4) of SEBI REIT Regulations, 2014

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

- ii. MPPL has also received a demand order dated October 9, 2017 to pay a sum of ₹760.07 Million (including penalty) towards the differential property tax based on the total survey report for certain blocks for the period 2008-09 to 2017-18. An appeal has been filed before the Joint Commissioner, BBMP, Bytarayanapura, Bengaluru ("Joint Commissioner") objecting the total survey report and property tax assessment notice arising therefrom. New demand notices dated January 17, 2019 were issued to pay a sum of ₹ 860.39 Million (including penalty) towards the differential property tax for the period 2008-09 to 2017-18 and interest up to the date of payment as per the demand notices. MPPL has submitted a letter to the Joint Commissioner dated March 29, 2019 referring to the appeals preferred by MPPL and had paid a sum of ₹286.80 Million towards property tax demanded under protest. An order was passed by the Joint Commissioner dismissing the appeal preferred by the MPPL. Against the order passed by the Joint Commissioner, MPPL has challenged the order dated January 3, 2018 passed by the Appellate Authority before the Hon'ble High Court of Karnataka.

### (b) Other Material Litigation

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

interest on delayed payment of ₹40 Million calculated for specified periods mentioned therein. An order was passed on September 7, 2018 allowing part of the claim. Additionally, an execution petition was filed before the City Civil Court in 2019 by the award holder. However, this execution petition has been stayed pursuant to an appeal filed against the order in 2019 before the City Civil Court, Bengaluru. This matter has been shifted to Commercial Courts, Bengaluru as per notification dated August 17, 2020 issued by the City Civil Court, Bengaluru.

## B. EEPL

### Regulatory Proceedings

- a. The Karnataka Electricity Regulatory Commission has issued orders in 2005, 2008 and 2014 granting exemption to all solar power generators in Karnataka that achieved commercial operation date between April 1, 2013 and March 31, 2018 from paying certain charges such as, inter alia, payment of wheeling and banking charges, cross subsidy surcharges, transmission losses and wheeling losses for a period of ten years from the date of commissioning. The Commission issued an order in 2018 withdrawing the aforementioned exemption available to Karnataka's power generators, including EEPL. Subsequently, EEPL and others have filed writ petitions in 2018 in the High Court of Karnataka against the State of Karnataka, the Karnataka Electricity Regulatory Commission, Bangalore Electricity Supply Company Limited, Gulbarga Electricity Supply Company Limited and Karnataka Power Transmission Corporation Limited. In the event of cancellation of the aforesaid exemption, EEPL would incur an estimated loss of approximately ₹1,053.50 Million over a ten year period. The High Court of Karnataka by way of an order dated May 24, 2018 has directed interim stay on the Commission's order withdrawing the aforesaid exemptions. The Bangalore Electricity Supply Company Limited filed an interlocutory application on June 18, 2018, seeking vacating of the interim order dated May 24, 2018 passed by the High Court of Karnataka, and Karnataka Electricity Regulatory Commission has filed common preliminary objections on September 27, 2018 and requested the High Court of Karnataka to dismiss the writ petition filed by EEPL and others. The High Court of Karnataka, by way of an order dated March 13, 2019, allowed the writ petitions filed by EEPL and others, and quashed the order dated May 14, 2018 issued by the Karnataka Electricity Regulatory Commission. EEPL has filed a caveat petition for receiving notifications in case any intra

court writ appeal filed by any of the parties to the said petition, before the Division Bench of the High Court of Karnataka. Karnataka Electricity Regulatory Commission has filed a common writ appeal against the said order, against EEPL & Others. Electricity Supply Companies have also filed writ appeals against some of the petitioners, but no appeal has been filed against EEPL.

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

#### Other Material Litigation

- a. EEPL has received a demand notice under the Insolvency and Bankruptcy Code, 2016 on February 28, 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent company of ISPL, which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorised as operational debts) aggregating up to ₹1,008.1 Million are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the subcontractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated March 1, 2019, refuted all such claims inter alia on the basis that the payments are due from ISPL (and/or its parent entity) to the sub-contractor and not from EEPL, and therefore the sub-contractor has no claim against EEPL. By its letters dated March 18, 2019, the subcontractor has responded to the letter from EEPL, denying all statements made by EEPL and reiterating that the unpaid amounts are due from EEPL, without prejudice to any action, including criminal, that may be taken under law including the Insolvency and Bankruptcy Code, 2016 against EEPL, IEDCL, ISPL and certain representatives of these entities, including Jitendra Virwani. EEPL has also written to ISPL in relation to deficiencies in services required to be contractually provided by ISPL. ISPL has responded to EEPL denying the allegations in such letters. The lenders of ISPL have also written to EEPL in relation to certain payments made by EEPL to ISPL under the deferred payment agreement dated March 3, 2017. EEPL has responded to the lenders stating that they are not party to the arrangements between EEPL and ISPL and should approach ISPL directly. The subcontractor has thereafter filed an application under Section 9 of the Code before the Bengaluru bench of National Company Law Tribunal claiming debt of ₹997.59 Million and interest thereon against EEPL. The third party sub-contractor vide a letter dated January 2, 2020 served the notice of hearing in the captioned matter for initiation of insolvency proceedings under Section 9 of the Insolvency and Bankruptcy Code, 2016 before the NCLT, Bengaluru pursuant to its order dated December 16, 2019. The petitioner has filed a claim as an operational creditor of IEDCL for an amount of ₹1,008.10 Million dues to the sub-contractor. The matter is in the preliminary hearing stage before the NCLT, Bengaluru and is pending.
- b. In relation to Embassy Energy, ISPL has identified 465.77 acres of land for Embassy Energy. The approval obtained by EEPL from the Government of Karnataka for the establishment of Embassy Energy requires that the land is purchased and the solar project is established only after obtaining conversion of the use of the land for non-agricultural purposes. EEPL is required to obtain approval from the local authorities to purchase the land for the solar project under Section 109 of the Karnataka Land Reforms Act, 1961 which is deemed conversion of agricultural land and no further approvals are necessary. EEPL directly or through land aggregators has executed agreements for sale and powers of attorney with various land owners for 465.77 acres of land. Applications for approval under Section 109 have been made for 464.51 acres



## STATUTORY DISCLOSURES (CONTD.)

as stipulated under Schedule IV read with Regulation 23(4) of SEBI REIT Regulations, 2014

of land and such approvals have been received for 442.20 acres. EEPL has executed sale deeds in respect of 254.47 acres of land. Of the 254.47 acres of land for which sale deeds have been executed, payment of conversion fee is pending.

### C. GLSP

#### Regulatory proceedings

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

GLSP has informed the KSPCB of completion of upgradation works pursuant to a letter dated September 10, 2020 and requested officials to conduct an inspection, if required.

### D. IENMPL

#### Certain other matters

a. IENMPL has received a notice from the Collector, Mumbai in 2008 alleging violations of the terms of the lease deed such as use of premises for purposes other than the permitted use; carrying out construction/repair work without the approval of the state architect; and granting licenses to use to third parties without payment of transfer charges. IENMPL has responded to this notice in 2008 confirming compliance with the terms of the lease deed. There has been no further correspondence in this regard since 2008. For details of the writ petition filed by IENMPL in relation to payment of increased transfer charges, see "Material litigation and regulatory action pertaining to the Portfolio" above. An order bearing

number CSLR/REV-1/LND2540(236)/BBR-III order/5th floor 2019/3563 has been received on March 6, 2019 by IENMPL requiring payment, within 21 days, of ₹16.27 Million towards regularisation of a prior sub-lease of an erstwhile tenant; and submission by IENMPL, within one month, of details of other transfers and leave and licenses for regularisation. The order also states that due to alleged breaches of terms and conditions, further investigation and necessary action may be taken under section 53 of Maharashtra Land Revenue Act 1966 (which authorises the Collector to pass an order for eviction, provided that the company is found to be in breach of the terms of the lease); and that IENMPL has the right to prefer an appeal before the Maharashtra Revenue Tribunal. IENMPL has paid the aforesaid amount.

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

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

provision dealing with plaza floors and has since written to the local authorities in 2004 to formulate guiding principles for treatment of plaza floors, such amendments are yet to be notified.

#### E. EOPPL

##### Other material litigation

The Embassy Sponsor has received a notice dated September 18, 2020 from the National Green Tribunal, Western Zone Bench, Pune stating that a third party has filed an original application against the Embassy Sponsor, the State Environmental Impact Assessment Authority, the Maharashtra Pollution Control Board and others, alleging, inter-alia, that construction of certain buildings at Embassy TechZone, Pune was carried out illegally from September 2006 to July 2011 since the Embassy Sponsor did not obtain the relevant environmental clearances from the Environment Department, Ministry of Environmental and Forest and Climate Change, Government of India prior to such period. EOPPL intends to file an application for impleading itself in the matter. The next hearing in the matter is scheduled on December 12, 2020.

#### III. Material litigation and regulatory action pending against Embassy Sponsor

With respect to Embassy Sponsor, details of all pending regulatory actions and criminal matters against Embassy Sponsor have been disclosed. For the purpose of pending civil/ commercial matters against Embassy Sponsor matters exceeding ₹724.6 Million (being 5% of the total consolidated revenue for the Financial Year 2020) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of Embassy REIT has been disclosed. Other than as disclosed below, there is no pending criminal litigation, regulatory actions or material civil/ commercial matters against Embassy Sponsor as of September 30, 2020.

##### Criminal Litigation

A charge sheet has been filed by the Central Bureau of Investigation against various individuals and the companies including Embassy Realtors Private Limited (which subsequently merged with Embassy Sponsor) and its founder, Jitendra (Jitu) Virwani in 2014, who have been named as accused number 12 and 11 respectively. As part of allegations made against the various others accused, there have also been allegations of corruption and irregularities in 2004 with relation to certain land development and housing projects awarded by the Government of Andhra Pradesh and the Andhra Pradesh Housing Board to a consortium in which, Embassy Realtors Private Limited, was holding a minority stake. The

offences alleged against Embassy Sponsor and Jitendra Virwani are under the Indian Penal Code, 1860, including, inter-alia, Sections 120 (b) & 420. Jitendra Virwani filed a criminal petition in the High Court of Telangana and Andhra Pradesh seeking an interim order of stay against the proceedings in the trial court; the High Court has exempted the personal appearance of Jitendra Virwani instead of staying the further proceedings. Subsequently, Embassy Sponsor has filed a criminal petition in the High Court of Telangana and Andhra Pradesh in 2016 seeking to inter-alia quash the proceedings pending before the Special Court for CBI cases at Hyderabad. An interim order of stay has been granted by the High Court in favour of Embassy Sponsor in this regard until the date of the next hearing. Embassy Sponsor and Jitendra Virwani were also named as respondents in proceedings initiated by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002 in relation to the same subject matter and an order for the provisional attachment of certain movable assets of Embassy Sponsor and Jitendra Virwani was passed in January 2018. The Adjudicating Authority has in June 2018 passed an order to the effect that such alleged assets were not involved in the money laundering and has revoked the attachment of such assets. The Directorate of Enforcement has filed an appeal before the Appellate Tribunal at New Delhi and the Appellate Tribunal has dismissed the Appeal filed by the Enforcement Directorate and confirmed the orders passed by the Adjudicating Authority. Aggrieved by the Orders passed by the Appellate Tribunal at New Delhi, the Enforcement Directorate has filed an appeal before the High Court of Telangana at Hyderabad and the said Appeal is pending before the High Court at Hyderabad.

##### Regulatory Proceedings

- a. The Deputy Commissioner (Registration) and District Registrar, Bengaluru has by an order passed in 2017 directed Embassy Sponsor to make payment of stamp duty of ₹93.22 Million and registration fee of ₹16.50 Million pertaining to a sale agreement for residential properties in Bengaluru. Embassy Sponsor filed an appeal before the Karnataka Appellate Tribunal, Bengaluru ("KAT") in 2018 challenging the order which was dismissed in 2019. The KAT directed Embassy Sponsor to pay an amount of ₹100.97 Million. Embassy Sponsor has filed a writ petition before the High Court of Karnataka challenging the orders passed by the KAT and High Court has granted an interim order of stay against the order of the KAT.
- b. A third party individual has filed an application before the National Green Tribunal, Chennai

## STATUTORY DISCLOSURES (CONTD.)

as stipulated under Schedule IV read with Regulation 23(4) of SEBI REIT Regulations, 2014

in 2015 against the State of Karnataka, and several other builders including Embassy Sponsor, alleging that builders are polluting the Bellandur lake and surrounding environment by discharging effluents in the lake, around which they are developing residential and commercial projects. The matter is currently pending for hearing.

- c. Embassy Sponsor has received a notice from the Competition Commission of India in 2018 inquiring into its acquisition of over 70% of the shareholding of Mac Charles (India) Limited as a combination. Embassy Sponsor has replied to the notice inter alia submitting that the transaction does not constitute a combination within the meaning of Section 5 of the Competition Act, 2002 since Mac Charles (India) Limited was eligible to avail the de minimus exemption for combinations under the provisions of the Competition Act, 2002. Embassy Sponsor has replied to the above notice and has not received any response thereafter.
- d. The Maharashtra Pollution Control Board pursuant to a notice in 2011 has filed a criminal case in 2012 before the Chief Judicial Magistrate Court, Pune against Embassy Sponsor and another accused for violating environmental laws by carrying out construction at plot no. 3, Rajiv Gandhi Infotech Park, Pune without obtaining prior clearance. The court issued summons in 2012, against which Embassy Sponsor has filed a criminal writ petition in the Bombay High Court.

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

With respect to the Associates of Embassy Sponsor, details of all pending regulatory actions and criminal matters against the Associates of Embassy Sponsor have been disclosed. For the purpose of pending civil/commercial matters against Associates of Embassy Sponsor, (excluding the Asset SPVs and the Investment Entity) matters exceeding 5% of the total consolidated revenue of Embassy Sponsor as of March 31, 2020 have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of Embassy REIT has been disclosed. Other than as disclosed below, there is no pending criminal litigation, regulatory actions or material civil/commercial matters against the Associates of Embassy Sponsor as of September 30, 2020.

### Regulatory Proceedings

- (a) Concord India Private Limited received a notice in 2008 from the Range Forest Officer, Bengaluru regarding initiation of proceedings in the High Court of Karnataka for the alleged unauthorised occupation of 78 acres forest land in a plantation reserved forest in Bengaluru. The company has filed a writ petition in 2008 to quash the notice pursuant to which the court ordered in 2012 that the occupied area was not forest land. The Range Forest Officer has filed a writ appeal in the High Court of Karnataka in 2012 against the order and the company has also filed a writ petition in the High Court of Karnataka in 2012 against the State of Karnataka challenging old notifications of the Karnataka State Government declaring the occupied area as an industrial area instead of as a de-reserved reserve forest area for non-forest activity. The said case has been disposed vide judgment dated July 23, 2019.
- (b) Le Meridien Hotel, Bengaluru (owned by Mac Charles (India) Limited) has received a notice in 2013 from the Employees' Provident Fund Organisation to show cause why damages on belated remittance should not be levied. The hotel agreed to the delay in payment except for certain periods. The Assistant Provident Fund Commissioner in 2016 ordered the hotel to pay belated remittance of ₹0.11 Million within stipulated time along with interest payable. The hotel has filed an appeal in 2016 before the Employees Provident Fund Appellate Tribunal, Bengaluru challenging the order and the tribunal granted interim stay. Further, the provident fund along with the payment of back wages was remitted.
- (c) J.V. Holdings Private Limited has received a notice in 2014 from the RBI to show cause why action should not be initiated against it for doing business as an NBFC in violation of the Reserve Bank of India Act, 1934. The company filed its reply to the RBI and the RBI in 2016 directed it to either merge with another NBFC, wind up its business or register as an NBFC. The RBI also directed the Company in 2017 to exit partnerships it is invested in to qualify as a core investment company. In 2018, the RBI has asked J.V. Holdings Private Limited to submit its response on the status of complying with the notice. The company has replied to the RBI stating that it has commenced provision of marketing services and that the proposed income from such business activity will be such that the company will not be an NBFC by March 31, 2019. The company has ceased undertaking

non-banking financial business as on March 31, 2019 and has not received any further communication in this regard from RBI.

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

#### Other Material Litigation

- a. A suit was filed by third party individuals in 2016 against Nam Estates Private Limited, Udhyaman Investments Private Limited and others before the Civil Judge, Devanahalli, Bengaluru seeking partition and separate possession with respect to 1/9th share of a land parcel admeasuring 120 acres in Bengaluru.
- b. A suit was filed by third party individuals in 2016 against Nam Estates Private Limited, and others before the Civil Judge, Devanahalli, Bengaluru seeking partition and separate possession of a land parcel admeasuring 120 acres in Bengaluru.
- c. A suit was filed by third parties in 2018 against Nam Estates Private Limited and another before the Principal Civil Judge (Senior Division), Devanahalli, Bengaluru, claiming possession of a land parcel admeasuring 120 acres in Bengaluru.

- d. A suit was filed by a third party against several parties including DSRK for specific performance of alleged oral agreement (for 46.91 acres of land at Sholinganallur). The plaintiff has sought for execution and registration of the sale deeds in its favor.
- e. A suit was filed by a third party in 2007 against GV Properties Private Limited and others before the City Civil Court, alleging that land owned by him admeasuring 5 acres and 11 guntas were alienated to GV Properties Private Limited without his knowledge.
- f. A suit was filed by a third party against certain third parties before the City Civil Court, Bengaluru seeking a permanent injunction against utilisation of 155,000 square feet of land situated at Bengaluru. Swire Properties Private Limited was impleaded by the plaintiffs in the suit at a later stage alleging that Swire Properties Private Limited was also infringing upon the said land parcels.
- g. A third party filed a petition before the Indian Council for Arbitration against Concord India Private Limited for resolution of a dispute in respect of a memorandum of understanding between the third party and Concord India Private Limited entered into in 1999 in respect of joint development of 78 acres of land situated at Kadugodi plantation. The petitioner has claimed that they are entitled to develop the land, whereas Concord India Private Limited has stated that the petitioner is not entitled to any relief since the memorandum of understanding was terminated. The arbitral tribunal passed an award in favour of Concord India Private Limited dismissing the petition filed by the petitioner. Aggrieved by the award passed by the arbitral tribunal, the petitioner filed a suit before the City Civil Court at Bengaluru in 2019 challenging the said award and the said suit is pending for consideration.

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

As of September 30, 2020, Blackstone Sponsor, its Associates and Blackstone Sponsor Group do not have any regulatory actions, criminal matters, or material civil/commercial litigation, i.e., in excess of USD 6.9 Million (being 5% of the income of the Blackstone Sponsor for the calendar year ended December 31, 2019) pending against them.



**STATUTORY DISCLOSURES (CONTD.)**

as stipulated under Schedule IV read with Regulation 23(4) of SEBI REIT Regulations, 2014

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

As of September 30, 2020, the Manager and its Associates (to the extent that such Associates are not Associates of the Sponsors) do not have any regulatory actions, criminal matters, or other material civil/ commercial litigation pending against them. For the purposes of civil/commercial matters against the Manager and its Associates (to the extent that such Associates are not Associates of the Sponsors), matters involving amounts exceeding 5% of the revenue of the Manager for the Financial Year 2020 have been considered material.

**Vii. Material litigation and regulatory action pending against the trustee**

As of September 30 2020, the Trustee does not have any regulatory actions, criminal matters, or material civil/commercial litigation, i.e., in excess of ₹9.20 Million (being 5% of the income of the profit after tax of the Trustee for the Financial Year 2020) pending against it.

**VIII. Taxation Proceedings**

Details of all direct tax, indirect tax and property tax matters against the Relevant Parties as of September 30, 2020 are as follows:

| Nature of case  | Number of cases | Amount involved (in ₹ Million) |
|---|-----------------|--------------------------------|
| <b>Embassy REIT (Asset SPVs and Investment Entity)</b>            |                 |                                |
| Direct Tax  | 41              | 425.25                         |
| Indirect Tax  | 15              | 932.45                         |
| Property Tax  | 2               | 3,313.08                       |
| <b>Embassy Sponsor - EPDPL</b>                                    |                 |                                |
| Direct Tax  | 5               | 172.97                         |
| Indirect Tax  | 3               | 309.63                         |
| Property Tax  | Nil             | Nil                            |
| <b>Key Persons (Board of Directors) of the Embassy Sponsor</b>    |                 |                                |
| Direct Tax  | 1               | Nil                            |
| Indirect Tax  | Nil             | Nil                            |
| Property Tax  | Nil             | Nil                            |
| <b>Blackstone Sponsor</b>   |                 |                                |
| Direct Tax  | Nil             | Nil                            |
| Indirect Tax  | Nil             | Nil                            |
| Property Tax  | Nil             | Nil                            |
| <b>Key Persons (Board of Directors) of the Blackstone Sponsor</b> |                 |                                |
| Direct Tax  | Nil             | Nil                            |
| Indirect Tax  | Nil             | Nil                            |
| Property Tax  | Nil             | Nil                            |
| <b>Manager - EOPMSPL</b>  |                 |                                |
| Direct Tax  | Nil             | Nil                            |
| Indirect Tax  | Nil             | Nil                            |
| Property Tax  | Nil             | Nil                            |
| <b>Blackstone Sponsor Group</b>                                   |                 |                                |
| Direct Tax  | Nil             | Nil                            |
| Indirect Tax  | Nil             | Nil                            |
| Property Tax  | Nil             | Nil                            |
| <b>Associates of the Manager*</b>                                 |                 |                                |
| Direct Tax  | Nil             | Nil                            |
| Indirect Tax  | Nil             | Nil                            |
| Property Tax  | Nil             | Nil                            |
| <b>Associates of the Embassy Sponsor</b>                          |                 |                                |
| Direct Tax  | 56              | 212.17                         |
| Indirect Tax  | 29              | 971.71                         |
| Property Tax  | Nil             | Nil                            |
| <b>Associates of the Blackstone Sponsor#</b>                      |                 |                                |
| Direct Tax  | Nil             | Nil                            |
| Indirect Tax  | Nil             | Nil                            |
| Property Tax  | Nil             | Nil                            |

\* Excludes Associates of the Sponsors

# Excludes the Blackstone Sponsor Group

**15 RISK FACTORS**

## Risk Factors-Embassy Office Parks REIT

**Risk related to our organisation and structure**

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

**Risks Related to our business and industry**

1. Our business is dependent on the Indian economy and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have a material adverse effect on our business.
2. Our business, financial condition, cash flows and results of operations and the trading price of our units have been and may continue to be adversely impacted by the outbreak of and the resulting disruptions caused by the coronavirus disease 2019 (COVID-19) pandemic and any government action (lockdown etc.). In the half-year ended September 30, 2020, it has adversely impacted our tenants and our rental income during the month of September 2020 and may continue to do so for the next few months. It may adversely impact the ability of our SPVs to pay dividends or service debt payments (including to the REIT) and the ability of the REIT to service debt at its level and may adversely impact our NAV, NDCF and distributions to unitholders. The spread of COVID-19 has led to

disruption, uncertainty and volatility in the Indian and global markets, which may adversely affect our ability to access the equity and debt markets, cost of capital and liquidity.

3. We have a limited operating history and may not be able to operate our business successfully or generate sufficient cash flows to make or sustain distributions.
4. A significant portion of our revenues are derived from a limited number of large tenants, tenants in the technology sector and from a few integrated office parks. Any conditions that impact these tenants, the technology sector or parks may adversely affect our business, revenue from operations and financial condition.
5. Tenant leases across our Portfolio are subject to the risk of non-renewal, non-replacement or early termination. Further, vacant properties could be difficult to lease, which could adversely affect our revenues.
6. Our business and profitability are dependent on the performance of the commercial real estate market in India generally and any fluctuations in market conditions may have an adverse impact on our financial condition.
7. The Independent Auditor's Report on projections of revenue from operations, net operating income, earnings before interest, tax, depreciation and amortisation, cash flow from operating activities and net distributable cash flows (if any) and the underlying assumptions contain restrictions with respect to the purpose of the report and, use of the report by investors in the United States.
8. As GLSP does not qualify as an Asset SPV under the REIT Regulations, it is not required to comply with the mandatory distribution requirements under the REIT Regulations.
9. The valuation reports obtained for our Portfolio are based on various assumptions and may not be indicative of the true value of our assets.
10. We may be required to record significant changes to the earning in the future when we review our Portfolio for potential impairment.
11. Our contingent liability could adversely affect our financial condition, results of operations and cash flows.
12. We rely on third party operators to successfully operate and manage certain Portfolio Assets. Our results of operations may be adversely affected

## STATUTORY DISCLOSURES (CONTD.)

as stipulated under Schedule IV read with Regulation 23(4) of SEBI REIT Regulations, 2014

- if we fail to effectively oversee the functioning of third-party operators
13. Compliance with, and changes in, applicable laws (including without limitation environmental laws and regulations) could adversely affect the development of our properties and our financial condition.
  14. If we are unable to maintain relationships with other stakeholders in our Portfolio, our financial conditions and results of operation may be adversely affected.
  15. We may incur losses as a result of unforeseen or catastrophic events, including the emergence of pandemics, terrorist attacks, extreme weather events, natural disasters or other widespread health emergencies that could create economic and financial disruptions, and could lead to operational difficulties (including travel limitations) that could impair/impact our ability to manage our businesses.
  16. We are exposed to a variety of risks associated with safety, security and crisis management.
  17. We may be unable to successfully grow our business in new markets in India, which may adversely affect our growth, business prospects, results of operations and financial condition.
  18. We may be adversely affected if the Asset SPVs and Investment Entity are unable to obtain, maintain or renew all regulatory approvals that are required for their respective business.
  19. Some of our Portfolio Assets are located / has been historically located on land leased from the Government of Maharashtra, MMRDA, MIDC and NOIDA. The relevant Asset SPVs are required to comply with the terms and conditions provided in the respective lease agreements with such government bodies, failing which MMRDA, MIDC or NOIDA, as the case may be, may, impose penalties, terminate the lease or take over the premises.
  20. We have entered into material related party transactions, the terms of which may be unfavorable to us or could involve conflicts of interest. The Manager may face conflicts of interests in choosing our service providers, and certain service providers may provide services to the Manager, Embassy Sponsor or the Blackstone Sponsor Group on more favourable terms than those payable by us.
  21. Our solar operations are dependent on the regulatory and policy environment affecting the renewable energy sector in India.
  22. Our Asset SPVs and the Investment Entity are subject to ongoing compliance requirements under various laws, and there have been certain past instances of non-compliance.
  23. Some of our Portfolio Assets are located on land notified as SEZs and the Asset SPVs are required to comply with the SEZ Act and the rules made thereunder.
  24. The title and development rights or other interests over land where the Portfolio are located may be subject to legal uncertainties and defects, which may interfere with our ownership of the Portfolio and result in us incurring costs to remedy and cure such defects.
  25. There can be no assurance that we will be able to successfully complete future acquisitions or efficiently manage the assets we have acquired or may acquire in the future. Further, any of our acquisitions in the future may be subject to acquisition related risks.
  26. There may be conflicts of interests between the Manager, Embassy Sponsor, the Blackstone Sponsor Group, the Blackstone Sponsor, the Trustee and/or their respective associates/affiliates.
  27. We may not be able to successfully meet working capital or capital expenditure requirements of our Portfolio Assets due to the unavailability of funding on acceptable terms
  28. We may invest in under construction real estate projects which may be adversely affected by delay in completion and cost overruns.
  29. The audit report of our Statutory Auditors on the Consolidated Financial Statements may contain certain qualifications and matters of emphasis.
  30. Our Portfolio Assets and the Investment Entity may be subject to increases in direct expenses and other operating expenses. Renovation work, repair and maintenance or physical damage to the Portfolio Assets and / or the assets of the Investment Entity may disrupt our operations and collection of rental income or otherwise result in an adverse impact on our financial condition and results of operation.

31. We may be subject to certain restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets. The terms of such financing may limit our ability to make distributions to the Unitholders.
32. The Blackstone Sponsor has not entered into a deed of right of first offer in respect of any assets operated by the Blackstone Sponsor Group or other entities of the Blackstone Sponsor Group which could lead to potential conflicts of interest.
33. The ROFO Deed entered into with Embassy Sponsor is subject to various terms and conditions.
34. The brand “Embassy” is owned by Embassy Shelters Private Limited and licensed to us. Our license to use the “Embassy” trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired. Further, for certain other Asset SPVs, we do not have registered trademarks in the name of the relevant SPVs.
35. We operate in a highly competitive environment and increased competitive pressure could adversely affect our business and the ability of the Manager to execute our growth strategy.
36. We may not be able to maintain adequate insurance to cover all losses we may incur in our business operations.
37. There is outstanding litigation and regulatory actions involving Embassy Sponsor and its Associate that may adversely affect our business.
38. Our business may be adversely affected by the illiquidity of real estate investments
39. Lease deeds with some of our tenants are not adequately stamped or registered, and consequently, we may be unable to successfully litigate over the said agreements in the future and penalties may be imposed on us.
40. Security and IT risks may disrupt our business, result in losses or limit our growth.
41. Foreign Account Tax Compliance withholding may affect payments on the Units for investors
42. We expect to be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in materially adverse U.S. federal income tax consequences to U.S. investors in our Units.

#### **Risks related to our relationships with the sponsors and the manager**

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

#### **Risks related to india**

1. Due to the REIT Regulations, it may be difficult for public Unitholders to remove the Trustee as Embassy Sponsor and the Blackstone Sponsor Group collectively hold a majority of the Units.
2. Our performance is linked to the stability of policies and the political situation in India.
3. Any downgrading of India’s sovereign debt rating by a domestic or international rating agency could materially and adversely affect our ability to obtain financing and, in turn, our business and financial performance.



## STATUTORY DISCLOSURES (CONTD.)

as stipulated under Schedule IV read with Regulation 23(4) of SEBI REIT Regulations, 2014

4. Significant differences exist between Ind AS and other accounting principles, such as IFRS, Indian GAAP and U.S. GAAP which may be material to your assessment of our financial condition, results of operations and cash flows.
  5. It may not be possible for Unitholders to enforce foreign judgments.
  6. Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations and growth prospects.
  7. Investors may be subject to Indian taxes arising out of capital gains on the sale of Units.
  8. Land is subject to compulsory acquisition by the government and compensation in lieu of such acquisition may be inadequate.
  9. We may be subject to the Competition Act, which may require us to receive approvals from the Competition Commission of India (CCI) prior to undertaking certain transactions.
  10. Our ability to raise funding is dependent on our ability to raise capital through a fresh issue of Units and or our ability to raise debt on acceptable terms. Further, debt securities issued by us may not qualify as eligible securities that can be held by certain types of investors, and certain lenders may be unable to extend loans to us due to regulatory and other restrictions, which may make it more difficult for us to raise funds and may increase the cost of borrowings.
- the foreign currency equivalent of the value of the Units and any distributions.
  4. Unitholders are unable to request for the redemption of their Units.
  5. The Units may experience price and volume fluctuations and there may not be an active or liquid market for the Units.
  6. There can be no assurance on the trading price of the Units and the price of the Units may decline.
  7. Any future issuance of Units by us or sale of Units by Embassy Sponsor, Blackstone Sponsor Group or any of other significant Unitholders may materially and adversely affect the trading price of the Units. The Embassy Sponsor and certain members of the Blackstone Sponsor Group have pledged a portion of their Units. We cannot assure you that we will not issue further Units or that the Unitholders, including the Embassy Sponsor, the Blackstone Sponsor Group, and other significant Unitholders, will not dispose of, pledge or otherwise encumber their Units.
  8. Our rights and the rights of the Unitholders to recover claims against the Manager or the Trustee are limited.
  9. NAV per Unit may be diluted if further issues are priced below the current NAV per Unit.
  10. Compliance with the European Union Directive on Alternative Investment Fund Managers may increase administrative and regulatory burdens on the Manager and us.

### Risks related to the ownership of the units

1. Trusts such as us may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.
2. We are subject to ongoing reporting requirements as a listed entity. These reporting requirements and other obligations of real estate investment trusts post-listing are still evolving. Accordingly, the level of ongoing disclosures made to and the protections granted to Unitholders may be more limited than those made to or available to the shareholders of a company that has listed its equity shares upon a recognised stock exchange in India.
3. Fluctuations in the exchange rate of the Indian Rupee with respect to other currencies will affect

## 16 INFORMATION OF THE CONTACT PERSON OF THE REIT

### Ms. Deepika Srivastava

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

### Auditor's report

Please refer to pages 81 and 123-124 of this report.

## Review report

### The Board of Directors

#### Embassy Office Parks Management Services Private Limited (“the Manager”)

(Acting in its capacity as the Manager of Embassy Office Parks REIT)

1st Floor, Embassy Point

150, Infantry Road

Bengaluru -560001

### INTRODUCTION

1. We have reviewed the accompanying unaudited condensed standalone interim Ind AS financial statements of Embassy Office Parks REIT (the “REIT”) which comprise the unaudited condensed standalone balance sheet as at September 30, 2020, the unaudited condensed statement of profit and loss, including other comprehensive income and unaudited condensed statement of cash flows for the quarter and half year ended September 30, 2020, the unaudited condensed statement of changes in Unitholders equity for the half year ended September 30, 2020 and the Statement of Net Assets at fair value as at September 30, 2020 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows of the REIT for the half year ended September 30, 2020 and a summary of the significant accounting policies and select explanatory information (together hereinafter referred to as the “Condensed Standalone Interim Ind AS Financial Statements”) being submitted by the REIT pursuant to the requirements of Regulation 23 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder (“REIT Regulations”).
2. The Condensed Standalone Interim Ind AS Financial Statements are the responsibility of the Manager and has been approved by the Board of Directors of the Manager. The Condensed Standalone Interim Ind AS Financial Statements are prepared in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 “Interim Financial Reporting”, as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the REIT Regulations. Our responsibility is to issue a conclusion on the Condensed Standalone Interim Ind AS Financial Statements based on our review.

### SCOPE OF REVIEW

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information

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

### CONCLUSION

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

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Sd/-

per **Adarsh Ranka**

Partner

Membership No.: 209567

UDIN: 20209567AAAAGL3242

Place: Bengaluru, India

Date: November 2, 2020

## Condensed standalone balance sheet

(all amounts in ₹ million unless otherwise stated)

| Particulars  | Note | As at                             | As at                       |
|--|------|-----------------------------------|-----------------------------|
|  |      | September 30, 2020<br>(Unaudited) | March 31, 2020<br>(Audited) |
| <b>ASSETS</b>  |      |                                   |                             |
| <b>Non-current assets</b>  |      |                                   |                             |
| Financial assets   |      |                                   |                             |
| - Investments  | 3    | 1,86,377.08                       | 1,86,862.18                 |
| - Loans  | 4    | 68,765.66                         | 65,143.57                   |
| <b>Total non-current assets</b>  |      | <b>2,55,142.74</b>                | <b>2,52,005.75</b>          |
| <b>Current assets</b>  |      |                                   |                             |
| Financial assets   |      |                                   |                             |
| - Investments  | 5    | -                                 | 3,933.45                    |
| - Cash and cash equivalents  | 6    | 4,224.94                          | 2,845.45                    |
| - Loans  | 7    | 1,625.00                          | 620.00                      |
| - Other financial assets   | 8    | 0.57                              | 3.15                        |
| Other current assets   | 9    | 33.23                             | 47.42                       |
| <b>Total current assets</b>  |      | <b>5,883.74</b>                   | <b>7,449.47</b>             |
| <b>Total assets</b>  |      | <b>2,61,026.48</b>                | <b>2,59,455.22</b>          |
| <b>EQUITY AND LIABILITIES</b>  |      |                                   |                             |
| <b>Equity</b>  |      |                                   |                             |
| Unit capital   | 10   | 2,29,120.96                       | 2,29,120.96                 |
| Other equity   | 11   | (16,477.06)                       | (8,784.65)                  |
| <b>Total equity</b>  |      | <b>2,12,643.90</b>                | <b>2,20,336.31</b>          |
| <b>LIABILITIES</b>   |      |                                   |                             |
| <b>Non-current liabilities</b>   |      |                                   |                             |
| Financial liabilities  |      |                                   |                             |
| - Borrowings   | 12   | 48,227.50                         | 39,018.84                   |
| <b>Total non-current liabilities</b>   |      | <b>48,227.50</b>                  | <b>39,018.84</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 |      | 10.74                             | 6.68                        |
| - Other financial liabilities  | 14   | 132.96                            | 88.48                       |
| Other current liabilities  | 15   | 3.88                              | 4.37                        |
| Current tax liabilities (net)  | 16   | 7.50                              | 0.54                        |
| <b>Total current liabilities</b>   |      | <b>155.08</b>                     | <b>100.07</b>               |
| <b>Total equity and liabilities</b>  |      | <b>2,61,026.48</b>                | <b>2,59,455.22</b>          |
| <b>Significant accounting policies</b>                                       | 2    |                                   |                             |

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

As per our report of even date attached

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

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

Sd/-  
**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Bengaluru  
Date: November 2, 2020

Sd/-  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Bengaluru  
Date: November 2, 2020

Sd/-  
**Tuhin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: November 2, 2020

## Condensed standalone statement of profit and loss

(all amounts in ₹ million unless otherwise stated)

| Particulars   | Note | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|---|------|--|-------------------------------------|--|--|--|--|-----------------------------------|
|   |      | (Unaudited)                              | (Unaudited)                         | (Unaudited)                              | (Unaudited)                                | (Audited*)                             | (Unaudited)                                | (Audited)                         |
| <b>INCOME AND GAINS</b>   |      |  |                                     |  |  |  |  |                                   |
| Dividend  |      | 335.00                                   | 288.00                              | 112.12                                   | 623.00                                     | 177.85                                 | 112.12                                     | 289.97                            |
| Interest  | 17   | 2,078.55                                 | 2,082.63                            | 2,121.99                                 | 4,161.18                                   | 4,274.90                               | 3,954.11                                   | 8,229.01                          |
| Other income  | 18   | 1.34                                     | 4.89                                | 51.88                                    | 6.23                                       | 93.28                                  | 62.06                                      | 155.34                            |
| <b>Total Income</b>   |      | <b>2,414.89</b>                          | <b>2,375.52</b>                     | <b>2,285.99</b>                          | <b>4,790.41</b>                            | <b>4,546.03</b>                        | <b>4,128.29</b>                            | <b>8,674.32</b>                   |
| <b>EXPENSES</b>   |      |  |                                     |  |  |  |  |                                   |
| Valuation expenses  |      | 2.22                                     | 2.21                                | 2.36                                     | 4.43                                       | 5.02                                   | 4.72                                       | 9.74                              |
| Audit fees  |      | 2.48                                     | 2.48                                | 3.30                                     | 4.96                                       | 4.04                                   | 3.60                                       | 7.64                              |
| Investment management fees  | 27   | 54.85                                    | 58.61                               | 61.45                                    | 113.46                                     | 111.36                                 | 103.45                                     | 214.81                            |
| Trustee fees  |      | 0.83                                     | 0.80                                | 0.74                                     | 1.63                                       | 1.48                                   | 1.48                                       | 2.96                              |
| Legal and professional fees   |      | 14.10                                    | 104.29                              | 3.59                                     | 118.39                                     | 83.36                                  | 14.73                                      | 98.09                             |
| Other expenses  | 19   | 11.18                                    | 16.95                               | 3.17                                     | 28.13                                      | 14.98                                  | 3.17                                       | 18.15                             |
| <b>Total Expenses</b>   |      | <b>85.66</b>                             | <b>185.34</b>                       | <b>74.61</b>                             | <b>271.00</b>                              | <b>220.24</b>                          | <b>131.15</b>                              | <b>351.39</b>                     |
| <b>Earnings before finance costs, depreciation, amortisation, impairment loss and tax</b> |      | <b>2,329.23</b>                          | <b>2,190.18</b>                     | <b>2,211.38</b>                          | <b>4,519.41</b>                            | <b>4,325.79</b>                        | <b>3,997.14</b>                            | <b>8,322.93</b>                   |
| Finance costs   | 20   | 975.22                                   | 909.70                              | 696.35                                   | 1,884.92                                   | 1,685.32                               | 1,165.01                                   | 2,850.33                          |
| Impairment loss   | 3    | 485.10                                   | -                                   | -  | 485.10                                     | 587.46                                 | -  | 587.46                            |
| <b>Profit before tax</b>  |      | <b>868.91</b>                            | <b>1,280.48</b>                     | <b>1,515.03</b>                          | <b>2,149.39</b>                            | <b>2,053.01</b>                        | <b>2,832.13</b>                            | <b>4,885.14</b>                   |
| <b>Tax expense:</b>   | 21   |  |                                     |  |  |  |  |                                   |
| Current tax   |      | 12.39                                    | 13.83                               | 38.96                                    | 26.22                                      | 27.30                                  | 43.87                                      | 71.17                             |
|   |      | <b>12.39</b>                             | <b>13.83</b>                        | <b>38.96</b>                             | <b>26.22</b>                               | <b>27.30</b>                           | <b>43.87</b>                               | <b>71.17</b>                      |
| <b>Profit for the period/year</b>   |      | <b>856.52</b>                            | <b>1,266.65</b>                     | <b>1,476.07</b>                          | <b>2,123.17</b>                            | <b>2,025.71</b>                        | <b>2,788.26</b>                            | <b>4,813.97</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>856.52</b>                            | <b>1,266.65</b>                     | <b>1,476.07</b>                          | <b>2,123.17</b>                            | <b>2,025.71</b>                        | <b>2,788.26</b>                            | <b>4,813.97</b>                   |
| <b>Earning per unit - refer note 22</b>   |      |  |                                     |  |  |  |  |                                   |
| Basic   |      | 1.11                                     | 1.64                                | 1.91                                     | 2.75                                       | 2.63                                   | 3.61                                       | 6.24                              |
| Diluted   |      | 1.11                                     | 1.64                                | 1.91                                     | 2.75                                       | 2.63                                   | 3.61                                       | 6.24                              |
| <b>Significant accounting policies</b>  | 2    |  |                                     |  |  |  |  |                                   |

**\* Refer note 31**

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI firm's registration number: 101049W/E300004

for and on behalf of the Board of Directors of

**Embassy Office Parks Management Services Private Limited**

(as Manager to the Embassy Office Parks REIT)

Sd/-

**Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Jitendra Virwani**

Director

DIN: 00027674

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Tuhin Parikh**

Director

DIN: 00544890

Place: Mumbai

Date: November 2, 2020



## Condensed standalone statement of cash flows

(all amounts in ₹ million unless otherwise stated)

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

## Condensed standalone statement of cash flows

(all amounts in ₹ million unless otherwise stated)

| Particulars  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the quarter and half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
|  | (Unaudited)                              | (Unaudited)                         | (Unaudited)                              | (Unaudited)                                | (Audited*)                             | (Unaudited)  | (Audited)                         |
| <b>Cash flow from financing activities</b>                                     |  |                                     |  |  |  |  |                                   |
| Expenses incurred towards Initial Public Offering                              | -  | -                                   | (63.68)                                  | -  | (51.55)                                | (2,327.09)   | (2,378.64)                        |
| Proceeds from Issue of Non-convertible debentures (net of issue expenses)      | 7,414.79                                 | -                                   | 74.94                                    | 7,414.79                                   | 6,453.62                               | 29,714.89  | 36,168.51                         |
| Distribution to unitholders  | (4,498.44)                               | (5,316.59)                          | (4,166.99)                               | (9,815.03)                                 | (9,336.89)                             | (4,166.99)   | (13,503.88)                       |
| Security deposits repaid   | -  | 1.00                                | -  | 1.00                                       | 30.00                                  | -  | 30.00                             |
| Interest paid  | (31.30)                                  | -                                   | -  | (31.30)                                    | -                                      | -  | -                                 |
| <b>Net cash (used in)/generated from financing activities</b>                  | <b>2,885.05</b>                          | <b>(5,315.59)</b>                   | <b>(4,155.73)</b>                        | <b>(2,430.54)</b>                          | <b>(2,904.82)</b>                      | <b>23,220.81</b>                                       | <b>20,315.99</b>                  |
| <b>Net increase/ (decrease) in cash and cash equivalents</b>                   | <b>(307.21)</b>                          | <b>1,686.70</b>                     | <b>(317.96)</b>                          | <b>1,379.49</b>                            | <b>2,798.12</b>                        | <b>(42,771.20)</b>                                     | <b>(39,973.08)</b>                |
| Cash and cash equivalents at the beginning of the period/ year                 | 4,532.15                                 | 2,845.45                            | 365.29                                   | 2,845.45                                   | 47.33                                  | 42,818.53  | 42,818.53                         |
| <b>Cash and cash equivalents at the end of the period/ year</b>                | <b>4,224.94</b>                          | <b>4,532.15</b>                     | <b>47.33</b>                             | <b>4,224.94</b>                            | <b>2,845.45</b>                        | <b>47.33</b>   | <b>2,845.45</b>                   |
| <b>Cash and cash equivalents comprise:</b>                                     |  |                                     |  |  |  |  |                                   |
| Balances with banks  |  |                                     |  |  |  |  |                                   |
| - in current accounts  | 4,224.13                                 | 4,531.71                            | 47.33                                    | 4,224.13                                   | 2,845.19                               | 47.33  | 2,845.19                          |
| - in escrow accounts   | 0.81                                     | 0.44                                | -  | 0.81                                       | 0.26                                   | -  | 0.26                              |
| <b>Cash and cash equivalents at the end of the period/ year (refer note 6)</b> | <b>4,224.94</b>                          | <b>4,532.15</b>                     | <b>47.33</b>                             | <b>4,224.94</b>                            | <b>2,845.45</b>                        | <b>47.33</b>   | <b>2,845.45</b>                   |

### Significant accounting policies (refer note 2)

#### \* Refer note 31

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

As per our report of even date attached

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

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

Sd/-

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

Sd/-

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

Sd/-

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

# Condensed standalone statement of changes in unitholders' equity

(all amounts in ₹ million unless otherwise stated)

## A. UNIT CAPITAL

| Particulars                                       | Amount             |
|---|--------------------|
| <b>Balance as at April 1, 2019</b>                | 2,29,039.26        |
| Add: Reversal of issue expenses no longer payable | 81.70              |
| <b>Balance as at March 31, 2020</b>               | <b>2,29,120.96</b> |
| <b>Balance as at April 1, 2020</b>                | 2,29,120.96        |
| Units issued during the period                    | -                  |
| <b>Balance as at September 30, 2020</b>           | <b>2,29,120.96</b> |

## B. OTHER EQUITY

| Particulars   | Retained Earnings  |
|---|--------------------|
| Balance as at April 1, 2019   | <b>(94.47)</b>     |
| Add : Profit for the year ended March 31, 2020                              | 4,813.97           |
| Less: Distribution to Unitholders for the quarter ended June 30, 2019*      | (4,166.99)         |
| Less: Distribution to Unitholders for the quarter ended September 30, 2019* | (4,630.00)         |
| Less: Distribution to Unitholders for the quarter ended December 31, 2019*  | (4,707.16)         |
| <b>Balance as at March 31, 2020</b>   | <b>(8,784.65)</b>  |
| Balance as at April 1, 2020   | <b>(8,784.65)</b>  |
| Add : Profit for the half year ended September 30, 2020                     | 2,123.17           |
| Less: Distribution to Unitholders for the quarter ended March 31, 2020*     | (5,316.77)         |
| Less: Distribution to Unitholders for the quarter ended June 30, 2020*      | (4,498.81)         |
| <b>Balance as at September 30, 2020</b>                                     | <b>(16,477.06)</b> |

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

As per our report of even date attached

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

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

Sd/-  
**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Bengaluru  
Date: November 2, 2020

Sd/-  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Bengaluru  
Date: November 2, 2020

Sd/-  
**Tuhin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: November 2, 2020

## Condensed standalone financial statements disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

### A) STATEMENT OF NET ASSETS AT FAIR VALUE

| S.No | Particulars      | Unit of measurement | As at September 30, 2020 |                    | As at March 31, 2020 |                    |
|------|------------------|---------------------|--------------------------|--------------------|----------------------|--------------------|
|      |                  |                     | Book value               | Fair value         | Book value           | Fair value         |
|      |                  |                     | A                        | Assets             | ₹ in millions        | 2,61,026.48        |
| B    | Liabilities      | ₹ in millions       | 48,382.58                | 48,382.58          | 39,118.91            | 39,118.91          |
| C    | Net Assets (A-B) | ₹ in millions       | <b>2,12,643.90</b>       | <b>2,76,779.73</b> | <b>2,20,336.31</b>   | <b>2,77,820.41</b> |
| D    | No. of units     | Numbers             | 77,16,65,343             | 77,16,65,343       | 77,16,65,343         | 77,16,65,343       |
| E    | NAV (C/D)        | ₹                   | <b>275.56</b>            | <b>358.68</b>      | <b>285.53</b>        | <b>360.03</b>      |

#### Notes

##### 1) Measurement of fair values:

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

##### Valuation technique

The fair value measurement for all of the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

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

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

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

| Particulars                       | As at September 30, 2020 | As at March 31, 2020 |
|-----------------------------------|--------------------------|----------------------|
| Fair value of investments in SPVs | 3,20,903.57              | 3,10,109.83          |
| Add : Other assets                | 4,258.74                 | 6,829.49             |
| Less : Liabilities                | (48,382.58)              | (39,118.91)          |
| Net Assets                        | <b>2,76,779.73</b>       | <b>2,77,820.41</b>   |

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



## Condensed standalone financial statements disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

### B) Statement of Total Returns at fair value

| S.No           | Particulars   | For the half<br>year ended<br>September<br>30, 2020 | For the half<br>year ended<br>March 31, 2020 | For the half<br>year ended<br>September<br>30, 2019 |
|----------------|---|---|--|---|
| A              | Total comprehensive income  | 2,123.17  | 2,025.71                                     | 2,788.26  |
| B              | Add : Income of SPV's and changes in fair value<br>not recognised in total comprehensive income of<br>Condensed Standalone financial statements | 6,248.59  | 2,794.34                                     | 4,008.99  |
| <b>C (A+B)</b> | <b>Total Return</b>   | <b>8,371.76</b>                                     | <b>4,820.05</b>                              | <b>6,797.25</b>                                     |

As per our report of even date attached

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

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

Sd/-

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

Sd/-

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

Sd/-

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

## Net distributable cash flows (NDCF) pursuant to guidance under paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

| Sl No | Particulars  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the quarter and half year ended September 30, 2019 | For the year ended March 31, 2020 |
|-------|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
|       |  | (Unaudited)                              | (Unaudited)                         | (Unaudited)                              | (Unaudited)                                | (Audited*)                             | (Unaudited)  | (Audited)                         |
| 1     | Cash flows received from SPVs and investment entity in the form of :   |  |                                     |  |  |  |  |                                   |
|       | • Interest   | 1,499.05                                 | 1,709.81                            | 2,121.29                                 | 3,208.86                                   | 3,883.35                               | 3,940.58   | 7,823.93                          |
|       | • Dividends (net of applicable taxes)  | 335.00                                   | 288.00                              | 112.12                                   | 623.00                                     | 177.85                                 | 112.12   | 289.97                            |
|       | • Repayment of Shareholder Debt  | 2,512.12                                 | 2,662.12                            | 2,495.40                                 | 5,174.24                                   | 6,106.92                               | 4,905.31   | 11,012.23                         |
|       | • Proceeds from buy-backs/ capital reduction (net of applicable taxes)   | -  | -                                   | -  | -  | -                                      | -  | -                                 |
| 2     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:   |  |                                     | -  |  |  | -  |                                   |
|       | • Applicable capital gains and other taxes   | -  | -                                   | -  | -  | -                                      | -  | -                                 |
|       | • Related debts settled or due to be settled from sale proceeds  | -  | -                                   | -  | -  | -                                      | -  | -                                 |
|       | • Directly attributable transaction costs  | -  | -                                   | -  | -  | -                                      | -  | -                                 |
|       | • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations  | -  | -                                   | -  | -  | -                                      | -  | -                                 |
| 3     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently | -  | -                                   | -  | -  | -                                      | -  | -                                 |
| 4     | Add: Any other income accruing to the Trust and not captured herein  | 15.56                                    | 34.58                               | 54.26                                    | 50.14                                      | 99.19                                  | 67.86  | 167.05                            |
| 5     | Less: Any other expense accruing at the Trust level, and not captured herein   | (15.22)                                  | (20.83)                             | (3.17)                                   | (36.05)                                    | (20.23)                                | (3.17)   | (23.40)                           |
| 6     | Less: Any fees, including but not limited to:  |  |                                     |  |  |  |  |                                   |
|       | • Trustee fees   | (0.83)                                   | (0.80)                              | (0.74)                                   | (1.63)                                     | (1.48)                                 | (1.48)   | (2.96)                            |
|       | • REIT Management Fees   | (54.85)                                  | (58.61)                             | (61.45)                                  | (113.46)                                   | (111.36)                               | (103.45)   | (214.81)                          |
|       | • Valuer fees  | (2.22)                                   | (2.21)                              | (2.36)                                   | (4.43)                                     | (5.02)                                 | (4.72)   | (9.74)                            |
|       | • Legal and professional fees  | (15.86)                                  | (106.07)                            | (5.47)                                   | (121.93)                                   | (85.98)                                | (16.91)  | (102.89)                          |
|       | • Trademark license fees   | (0.36)                                   | (0.35)                              | (0.71)                                   | (0.71)                                     | (0.71)                                 | (0.71)   | (1.42)                            |
|       | • Secondment fees  | (0.36)                                   | (0.35)                              | (0.71)                                   | (0.71)                                     | (0.71)                                 | (0.71)   | (1.42)                            |

## Net distributable cash flows (NDCF) pursuant to guidance under paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

| SI No | Particulars   | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the quarter and half year ended September 30, 2019 | For the year ended March 31, 2020 |
|-------|---|--|-------------------------------------|--|--|--|--|-----------------------------------|
|       |   | (Unaudited)                              | (Unaudited)                         | (Unaudited)                              | (Unaudited)                                | (Audited*)                             | (Unaudited)  | (Audited)                         |
| 7     | Less: Debt servicing  |  |                                     |  |  |  |  |                                   |
|       | • Interest on external debt   | (33.99)                                  | -                                   | -  | (33.99)                                    | -                                      | -  | -                                 |
|       | • Repayment of external debt  | -  | -                                   | -  | -  | -                                      | -  | -                                 |
| 8     | Less: Income tax (net of refund) and other taxes paid (as applicable) | (8.95)                                   | (10.31)                             | (47.75)                                  | (19.26)                                    | (17.11)                                | (53.51)  | (70.62)                           |
|       | <b>Net Distributable Cash Flows</b>                                   | <b>4,229.09</b>                          | <b>4,494.98</b>                     | <b>4,660.71</b>                          | <b>8,724.07</b>                            | <b>10,024.71</b>                       | <b>8,841.21</b>  | <b>18,865.92</b>                  |

\* Refer note 31

### Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on November 2, 2020, have declared distribution to Unitholders of ₹ 5.50 per unit which aggregates to ₹ 4,244.16 million for the quarter ended September 30, 2020. The distributions of ₹ 5.50 per unit comprises ₹ 1.90 per unit in the form of interest payment, ₹ 0.42 per unit in the form of dividend and the balance ₹ 3.18 per unit in the form of amortization of SPV debt. Along with distribution of ₹ 5.83 per unit for the quarter ended June 30, 2020, the cumulative distribution for the half year ended September 30, 2020 aggregates to ₹ 11.33 per unit.
- Repayment of short-term construction debt given to SPV's and interest accrued but not due on borrowings as at the period/year end are not considered for the purpose of distributions.
- Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

As per our report of even date attached

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

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

Sd/-

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

Sd/-

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

Sd/-

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

## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

#### 1 TRUST INFORMATION

Embassy Property Developments Private Limited ('EPDPL') and BRE/Mauritius Investments ('BMI') collectively known as (the 'Sponsors' or the 'Co-Sponsors') have set up the Embassy Office Parks REIT (or the "Embassy REIT" or the "Trust") on March 30, 2017 at Bengaluru, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a Trust Deed dated March 30, 2017 as amended on September 11, 2018. The Embassy REIT was registered with SEBI on 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 August 21, 2018, SEBI took on record the addition of the Blackstone Sponsor to the sponsors of the Embassy REIT. The Trustee to Embassy Office Parks REIT is Axis Trustee Services Limited (the 'Trustee') and the Manager for Embassy Office Parks REIT is Embassy Office Parks Management Services Private Limited (the 'Manager' or 'EOPMSPL').

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

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

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

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

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



## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

Details of SPV's are provided below.

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

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

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

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

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

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

#### Statement of compliance to Ind-AS

These Condensed Standalone Financial Statements for the period ended September 30, 2020 are the financial statements of the Embassy Office Parks REIT and have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards)

Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

The Trust has followed the same accounting policies in preparation of the Condensed Standalone Financial Statements as those followed in preparation of the Annual Standalone Financial Statements as at and for the year ended March 31, 2020. These Condensed Standalone Financial Statements should be read in conjunction with the Audited Standalone Financial Statements and the related notes for the year ended March 31, 2020.

#### 2.2 Summary of significant accounting policies

##### a) Functional and presentation currency

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

##### b) Basis of measurement

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

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

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

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

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

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

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

## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

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

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

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

#### 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

## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

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. |

## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

|                             |   |
|-----------------------------|---|
| Debt instruments at FVOCI   | These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity instruments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.  |

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

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

#### iii) Derecognition

##### **Financial assets**

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

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

#### **Financial liabilities**

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

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

#### 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

## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

#### k) Embedded derivatives

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

#### l) Financial guarantee contracts

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

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

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

#### m) Leases

##### Embassy Office Parks REIT as a lessee

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

The Embassy Office Parks REIT recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the

amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

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

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

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

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

## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

#### Embassy Office Parks REIT as a lessor

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

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

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

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

##### iii. *Initial direct costs*

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

#### n) **Revenue recognition**

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

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

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

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

Interest income is recognised using the effective interest method. The 'effective interest rate' is the

rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

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

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

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

#### p) **Borrowing costs**

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

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

#### q) **Taxation**

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

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

Current tax comprises the expected tax payable or receivable on the taxable income or

## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

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

#### (ii) Deferred tax:

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

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

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

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

Deferred tax is measured at the tax rates that are expected to apply to the period when

the asset is realised or the liability is settled, based on the tax rate (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

#### r) Provisions and contingencies

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

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

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

#### s) Operating segments

The objectives of Embassy REIT are to undertake activities in accordance with the provisions of the

## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

SEBI REIT Regulations and the Trust Deed. The principal activity of Embassy REIT is to own and invest in rent or income generating real estate and related assets in India.

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

#### t) Errors and estimates

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

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

#### u) Cash and cash equivalents

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

#### v) Cash distributions to Unitholders

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

#### w) Standalone Statement of Cash flows

Standalone Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-

cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Embassy Office Parks REIT are segregated.

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

#### x) Earnings per unit

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

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

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

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

#### z) Distribution Policy

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



## Notes

### to the Condensed Standalone Financial Statements

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

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

(all amounts in ₹ million unless otherwise stated)

in the form of (i) interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the SPV's/Holding Company, (ii) Principal repayment of Shareholder Debt, (iii) dividend declared by the SPVs/Holding Company and received by Embassy Office Parks REIT and (iv) Proceeds from sale of any Embassy REIT assets.

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

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 3. NON-CURRENT INVESTMENTS

| Particulars  | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| <b>Trade, unquoted investments in subsidiaries (at cost)<br/>(refer note below and note 24)</b>  |                                |                         |
| - 405,940,204 (March 31, 2020: 405,940,204) equity shares of Umbel Properties Private Limited of ₹ 10 each, fully paid up                    | 2,841.67                       | 2,841.67                |
| Less: Provision for impairment *   | (764.91)                       | (587.46)                |
| - 2,129,635 (March 31, 2020 : 2,129,635) equity shares of Quadron Business Park Private Limited of ₹ 10 each, fully paid up                  | 13,689.26                      | 13,689.26               |
| Less: Provision for impairment *   | (307.65)                       | -                       |
|  | <b>15,458.37</b>               | <b>15,943.47</b>        |
| - 8,703,248 (March 31, 2020 : 8,703,248) equity shares of Embassy Office Parks Private Limited of ₹ 10 each, fully paid up                   | 62,768.25                      | 62,768.25               |
| - 727,538 (March 31, 2020 : 727,538) equity shares of Manyata Promoters Private Limited of ₹ 10 each, fully paid up                          | 48,790.52                      | 48,790.52               |
| - 271,611 (March 31, 2020 : 271,611) equity shares of Qubix Business Park Private Limited of ₹ 10 each, fully paid up                        | 5,595.08                       | 5,595.08                |
| - 1,884,747 (March 31, 2020 : 1,884,747) equity shares of Oxygen Business Park Private Limited of ₹ 10 each, fully paid up                   | 12,308.89                      | 12,308.89               |
| - 185,604,589 (March 31, 2020 : 185,604,589) equity shares of Earnest Towers Private Limited of ₹ 10 each, fully paid up                     | 12,138.78                      | 12,138.78               |
| - 6,134,015 (March 31, 2020 : 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of ₹ 10 each, fully paid up                | 10,710.94                      | 10,710.94               |
| - 124,561 (March 31, 2020 : 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of ₹ 10 each, fully paid up         | 6,463.79                       | 6,463.79                |
| - 130,022 (March 31, 2020 : 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of ₹ 10 each, fully paid up | 6,747.17                       | 6,747.17                |
| - 107,958 (March 31, 2020 : 107,958) equity shares of Galaxy Square Private Limited of ₹ 100 each, fully paid up                             | 4,662.50                       | 4,662.50                |
| - 1,999 (March 31, 2020 : 1,999) equity shares of Embassy Energy Private Limited of ₹ 10 each, fully paid up                                 | 732.79                         | 732.79                  |
|  | <b>1,70,918.71</b>             | 1,70,918.71             |
|  | <b>1,86,377.08</b>             | <b>1,86,862.18</b>      |
| <b>Aggregate amount of impairment recognised</b>   | <b>1,072.56</b>                | <b>587.46</b>           |

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

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

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

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

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

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

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

#### 4 NON-CURRENT LOANS

| Particulars                          | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--------------------------------------|--------------------------------|-------------------------|
| <i>Unsecured, considered good</i>    |                                |                         |
| Loan to subsidiaries (refer note 24) | 68,765.66                      | 65,142.57               |
| Security deposits                    |                                |                         |
| - others                             | -                              | 1.00                    |
|                                      | <b>68,765.66</b>               | <b>65,143.57</b>        |

#### Terms attached to loan to subsidiaries

**Security:** Unsecured

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

#### Repayment:

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

#### 5 CURRENT INVESTMENTS

| Particulars  | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| <b>Non-trade, unquoted, investment in mutual funds</b>               |                                |                         |
| HDFC Liquid Fund-Growth  | -                              | 1,010.72                |
| HDFC Overnight Fund-Growth   | -                              | 255.01                  |
| ICICI Prudential Liquid Fund-Growth                                  | -                              | 1,350.77                |
| IDFC Cash Fund - Growth  | -                              | 390.15                  |
| Axis Liquid Fund - Growth  | -                              | 202.42                  |
| <b>Trade, unquoted investments measured at amortised cost</b>        |                                |                         |
| - Investment in debentures of a joint venture entity - refer note 24 | -                              | 724.38                  |
| 2,500 (March 31, 2020: 2,500) 8.5% debentures                        | -                              |                         |
|  |                                | <b>3,933.45</b>         |

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

| Particulars  | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| <b>Investment measured at amortised cost</b>                                 | -                              | 724.38                  |
| <b>Investment measured at fair value through profit or loss</b>              | -                              | 3,209.07                |
| <b>Investments measured at fair value through other comprehensive income</b> | -                              | -                       |
| <b>Aggregate amount of impairment recognised</b>                             | -                              | -                       |

Terms attached to Investment in debentures of a joint venture entity

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

## 6 CASH AND CASH EQUIVALENTS

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

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

## 7 CURRENT LOANS

| Particulars                          | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--------------------------------------|--------------------------------|-------------------------|
| Unsecured, considered good           |                                |                         |
| Loan to subsidiaries (refer note 24) | 1,625.00                       | 620.00                  |
|                                      | <b>1,625.00</b>                | <b>620.00</b>           |

### Terms attached to Loan to subsidiaries

**Security:** Unsecured

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

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



## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 8 OTHER FINANCIAL ASSETS

| Particulars       | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|-------------------|--------------------------------|-------------------------|
| Other receivables |                                |                         |
| - from others     | 0.57                           | 3.15                    |
|                   | <b>0.57</b>                    | <b>3.15</b>             |

### 9 OTHER CURRENT ASSETS

| Particulars   | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|---|--------------------------------|-------------------------|
| <b><i>Unsecured, considered good</i></b>              |                                |                         |
| Advance for supply of goods and rendering of services | 0.80                           | 0.44                    |
| Balances with government authorities                  | 0.56                           | 8.82                    |
| Prepayments   | 31.87                          | 38.16                   |
|   | <b>33.23</b>                   | <b>47.42</b>            |

### 10 UNIT CAPITAL

| Particulars  | No in Million | Amount             |
|--|---------------|--------------------|
| <b>As at April 1, 2019</b>   | 771.67        | 2,29,039.26        |
| Add: Reversal of issue expenses no longer payable (refer note below) | -             | 81.70              |
| <b>As at March 31, 2020</b>  | <b>771.67</b> | <b>2,29,120.96</b> |
| <b>As at April 1, 2020</b>   | 771.67        | 2,29,120.96        |
| Units issued during the period                                       | -             | -                  |
| <b>Balance as at September 30, 2020</b>                              | <b>771.67</b> | <b>2,29,120.96</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. During the year ended March 31, 2020, provision for issue expenses no longer payable, has been reversed amounting to ₹ 81.70 million.

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

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

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

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

| Name of the share holder                      | As at<br>September 30, 2020 |           | As at<br>March 31, 2020 |           |
|---|-----------------------------|-----------|-------------------------|-----------|
|   | No of Units                 | % holding | No of Units             | % holding |
| Embassy Property Developments Private Limited | 11,54,84,802                | 14.97%    | 11,54,84,802            | 14.97%    |
| SG Indian Holding (NQ) Co I Pte Limited       | 8,83,33,166                 | 11.45%    | 10,40,94,966            | 13.49%    |
| BRE Mauritius Investments                     | 8,46,21,955                 | 10.97%    | 9,36,10,755             | 12.13%    |
| Veeranna Reddy                                | 4,98,47,582                 | 6.46%     | 6,54,72,582             | 8.48%     |
| Bre/Mauritius Investments II                  | 3,97,00,450                 | 5.14%     | 4,56,30,850             | 5.91%     |
| India Alternate Property Limited              | 3,11,93,186                 | 4.04%     | 3,94,46,986             | 5.11%     |

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

### 11 OTHER EQUITY

| Particulars         | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|---------------------|--------------------------------|-------------------------|
| Retained earnings * | (16,477.06)                    | (8,784.65)              |
|                     | <b>(16,477.06)</b>             | <b>(8,784.65)</b>       |

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

#### Retained earnings

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

### 12 BORROWINGS

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

#### Note:

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

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

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

### **Security terms:**

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

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

### **Redemption terms:**

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

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

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

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

### **Security terms:**

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

1. A sole and exclusive first ranking charge by way of mortgage created by EOPPL on the constructed buildings and related parcels identified as Block 2, Block 3, Food court, Block 6, Block I, Block 11 and Block 5, having an aggregate leasable area of 2,00,674 square meters and forming part of the development

## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

known as Embassy Tech Zone together with portion of land admeasuring 96,630 square meters on which the aforesaid buildings are constructed out of the aggregate area of land measuring 67.45 acres equivalent to 2,72,979 sq. mtrs.

2. A sole and exclusive first ranking pledge created by the REIT over the shareholding in the SPV's namely IENMPL and EOPPL together known as "secured SPVs" along with shareholder loans given to these SPVs
3. A sole and exclusive first ranking charge by way of hypothecation created by REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by EOPPL over identified bank accounts and receivables.
5. A Corporate Guarantee issued by each of EOPPL and IENMPL;

#### **Redemption terms:**

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



## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

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

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

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

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

| Particulars                                     | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|---|--------------------------------|-------------------------|
| Asset cover ratio (refer a below)               | 14.30%                         | 11.76%                  |
| Debt -equity ratio (refer b below)              | 0.23                           | 0.18                    |
| Debt-service coverage ratio (refer c below)     | 2.40                           | 2.92                    |
| Interest-service coverage ratio (refer d below) | 2.40                           | 2.92                    |
| Net worth (refer e below)                       | 2,12,643.90                    | 2,20,336.31             |

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

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

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

## 13 TRADE PAYABLES

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

## 14 OTHER FINANCIAL LIABILITIES

| Particulars                        | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|------------------------------------|--------------------------------|-------------------------|
| Unclaimed distribution             | 0.81                           | 0.26                    |
| Other liabilities                  |                                |                         |
| - to related party (refer note 24) | 55.61                          | 55.46                   |
| - to others                        | 76.54                          | 32.76                   |
|                                    | <b>132.96</b>                  | <b>88.48</b>            |

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 15 OTHER CURRENT LIABILITIES

| Particulars    | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|----------------|--------------------------------|-------------------------|
| Statutory dues | 3.88                           | 4.37                    |
|                | <b>3.88</b>                    | <b>4.37</b>             |

### 16 CURRENT TAX LIABILITIES (NET)

| Particulars                                  | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| Provision for income-tax, net of advance tax | 7.50                           | 0.54                    |
|  | <b>7.50</b>                    | <b>0.54</b>             |

### 17 INTEREST INCOME

| Particulars                               | For the<br>quarter<br>ended<br>September<br>30, 2020 | For the<br>quarter<br>ended June<br>30, 2020 | For the<br>quarter<br>ended<br>September<br>30, 2019 | For the half<br>year ended<br>September<br>30, 2020 | For the half<br>year ended<br>March<br>31, 2020 | For the half<br>year ended<br>September<br>30, 2019 | For the year<br>ended<br>March<br>31, 2020 |
|---|--|--|--|---|---|---|--|
| Interest income                           |  |  |  |   |   |   |  |
| - on fixed deposits                       | 14.22  | 27.97  | -  | 42.19   | 0.59  | 12.84   | 13.43                                      |
| - on debentures (refer note 24)           | 2.52   | 12.09  | 40.90  | 14.61   | 53.39   | 90.99   | 144.38                                     |
| - on loan to subsidiaries (refer note 24) | 2,061.81   | 2,042.57                                     | 2,081.09   | 4,104.38  | 4,220.92  | 3,850.28  | 8,071.20                                   |
|   | <b>2,078.55</b>                                      | <b>2,082.63</b>                              | <b>2,121.99</b>                                      | <b>4,161.18</b>                                     | <b>4,274.90</b>                                 | <b>3,954.11</b>                                     | <b>8,229.01</b>                            |

### 18 OTHER INCOME

| Particulars                     | For the<br>quarter<br>ended<br>September<br>30, 2020 | For the<br>quarter<br>ended June<br>30, 2020 | For the<br>quarter<br>ended<br>September<br>30, 2019 | For the half<br>year ended<br>September<br>30, 2020 | For the half<br>year ended<br>March<br>31, 2020 | For the half<br>year ended<br>September<br>30, 2019 | For the year<br>ended<br>March<br>31, 2020 |
|---------------------------------|--|--|--|---|---|---|--|
| Gain / (loss) on mutual funds * | 1.34   | 4.89   | 51.38  | 6.23  | 93.28   | 60.80   | 154.08                                     |
| Miscellaneous                   | -  | -  | 0.50   | -   | -   | 1.26  | 1.26                                       |
|                                 | <b>1.34</b>  | <b>4.89</b>                                  | <b>51.88</b>   | <b>6.23</b>   | <b>93.28</b>                                    | <b>62.06</b>  | <b>155.34</b>                              |

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

### 19 OTHER EXPENSES

| Particulars                            | For the<br>quarter<br>ended<br>September<br>30, 2020 | For the<br>quarter<br>ended June<br>30, 2020 | For the<br>quarter<br>ended<br>September<br>30, 2019 | For the half<br>year ended<br>September<br>30, 2020 | For the half<br>year ended<br>March<br>31, 2020 | For the half<br>year ended<br>September<br>30, 2019 | For the year<br>ended<br>March<br>31, 2020 |
|--|--|--|--|---|---|---|--|
| Bank charges                           | 0.01   | 0.01   | 0.02   | 0.02  | 0.24  | 0.02  | 0.26                                       |
| Rates and taxes                        | 4.61   | 5.77   | 0.14   | 10.38   | 1.34  | 0.14  | 1.48                                       |
| Travelling and conveyance              | -  | -  | 0.17   | -   | -   | 0.17  | 0.17                                       |
| Marketing and advertisement expenses * | 6.35   | 10.65  | 2.30   | 17.00   | 13.26   | 2.30  | 15.56                                      |
| Miscellaneous expenses                 | 0.21   | 0.52   | 0.54   | 0.73  | 0.14  | 0.54  | 0.68                                       |
|  | <b>11.18</b>   | <b>16.95</b>                                 | <b>3.17</b>  | <b>28.13</b>  | <b>14.98</b>                                    | <b>3.17</b>   | <b>18.15</b>                               |

\* Also refer note 24

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 20 FINANCE COSTS

| Particulars  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Interest expense   |  |                                     |  |  |  |  |                                   |
| - on accrual of premium on redemption of Embassy REIT Series I NCD 2019 (Tranche I and II) | 941.23                                   | 909.70                              | 696.35                                   | 1,850.93                                   | 1,685.32                               | 1,165.01                                   | 2,850.33                          |
| - on Embassy REIT Series II NCD 2020 (Tranche A)   | 33.99                                    | -                                   | -  | 33.99                                      | -                                      | -  | -                                 |
|  | <b>975.22</b>                            | <b>909.70</b>                       | <b>696.35</b>                            | <b>1,884.92</b>                            | <b>1,685.32</b>                        | <b>1,165.01</b>                            | <b>2,850.33</b>                   |

### 21 TAX EXPENSE

| Particulars | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|-------------|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Current tax | 12.39                                    | 13.83                               | 38.96                                    | 26.22                                      | 27.30                                  | 43.87                                      | 71.17                             |
|             | <b>12.39</b>                             | <b>13.83</b>                        | <b>38.96</b>                             | <b>26.22</b>                               | <b>27.30</b>                           | <b>43.87</b>                               | <b>71.17</b>                      |

### 22 EARNINGS PER UNIT (EPU)

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

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

| Particulars  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Profit after tax for calculating basic and diluted EPU | 856.52                                   | 1,266.65                            | 1,476.07                                 | 2,123.17                                   | 2,025.71                               | 2,788.26                                   | 4,813.97                          |
| Weighted average number of Units (No. in million)      | 771.67                                   | 771.67                              | 771.67                                   | 771.67                                     | 771.67                                 | 771.67                                     | 771.67                            |
| Earnings Per Unit                                      |  |                                     |  |  |  |  |                                   |
| - Basic (Rupees/unit)                                  | 1.11                                     | 1.64                                | 1.91                                     | 2.75                                       | 2.63                                   | 3.61                                       | 6.24                              |
| - Diluted (Rupees/unit) *                              | 1.11                                     | 1.64                                | 1.91                                     | 2.75                                       | 2.63                                   | 3.61                                       | 6.24                              |

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

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 23 COMMITMENTS AND CONTINGENCIES

#### a. Contingent liabilities

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

#### Note

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

#### b. Statement of capital and other commitments

- i) There are no capital commitments as at September 30, 2020 and March 31, 2020.
- ii) The Trust is committed to provide financial support to some of its subsidiaries to ensure that these entities operate on going concern basis and are able to meet their debts and liabilities as they fall due.

### 24 RELATED PARTY DISCLOSURES

#### I. List of related parties as at September 30, 2020

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

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

##### The co-sponsor groups consist of the below entities

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

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

##### *BRE/ Mauritius Investments - Co-Sponsor*

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

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

| Directors         | Key management personnel                                    |
|-------------------|---|
| Jitendra Virwani  | Michael David Holland - CEO                                 |
| Tuhin Parikh      | Rajesh Kaimal - CFO (upto May 19, 2020)                     |
| Vivek Mehra       | Aravind Maiya - CFO (from May 19, 2020)                     |
| Ranjan Ramdas Pai | Ramesh Periasamy - Compliance Officer and Company Secretary |
| Anuj Puri         | (upto 6 August 2020)  |



## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

| Directors  | Key management personnel                                    |
|--|---|
| Punita Kumar Sinha   | Deepika Srivastava-Compliance Officer and Company Secretary |
| Robert Christopher Heady   | (from 7 August 2020)  |
| Aditya Virwani   |   |
| Asheesh Mohta - Director (from June 28, 2019, alternate to Robert Christopher Heady) |   |

### (i) Subsidiaries (SPV)

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

### (ii) Joint Venture

Golfinks Software Park Private Limited

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

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

### C Transactions during the period/year

| Particulars  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| <b>Unsecured loans given to</b>                    |  |                                     |  |  |  |  |                                   |
| Quadron Business Park Private Limited              | 50.00                                    | -                                   | 180.00                                   | 50.00                                      | -                                      | 7,509.00                                   | 7,509.00                          |
| Embassy Office Parks Private Limited               | -  | -                                   | -  | -  | -                                      | 5,858.30                                   | 5,858.30                          |
| Manyata Promoters Private Limited                  | 3,355.38                                 | -                                   | -  | 3,355.38                                   | -                                      | 28,423.10                                  | 28,423.10                         |
| Qubix Business Park Private Limited                | -  | -                                   | -  | -  | -                                      | 3,179.90                                   | 3,179.90                          |
| Oxygen Business Park Private Limited               | 3,396.43                                 | -                                   | -  | 3,396.43                                   | -                                      | 4,030.30                                   | 4,030.30                          |
| Earnest Towers Private Limited                     | -  | 200.00                              | -  | 200.00                                     | 250.00                                 | 779.30                                     | 1,029.30                          |
| Vikhroli Corporate Park Private Limited            | 100.00                                   | 61.00                               | -  | 161.00                                     | 40.00                                  | 4,726.70                                   | 4,766.70                          |
| Galaxy Square Private Limited                      | -  | -                                   | -  | -  | -                                      | 2,549.80                                   | 2,549.80                          |
| Umbel Properties Private Limited                   | -  | -                                   | -  | -  | -                                      | 1,795.20                                   | 1,795.20                          |
| Indian Express Newspapers (Mumbai) Private Limited | -  | -                                   | 810.00                                   | -  | -                                      | 3,764.00                                   | 3,764.00                          |
| Embassy Energy Private Limited                     | -  | -                                   | 400.00                                   | -  | 6,000.00                               | 400.00                                     | 6,400.00                          |

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

| Particulars  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| <b>Short term construction loan given</b>                |  |                                     |  |  |  |  |                                   |
| Manyata Promoters Private Limited                        | 455.00                                   | 300.00                              | -  | 755.00                                     | -                                      | 3,050.00                                   | 3,050.00                          |
| Oxygen Business Park Private Limited                     | -  | -                                   | 500.00                                   | -  | 2,810.00                               | 500.00                                     | 3,310.00                          |
| Embassy Office Parks Private Limited                     | 100.00                                   | 150.00                              | -  | 250.00                                     | 620.00                                 | -  | 620.00                            |
| <b>Investment in debentures</b>                          |  |                                     |  |  |  |  |                                   |
| Golflinks Software Park Private Limited                  | -  | -                                   | -  | -  | -                                      | 2,500.00                                   | 2,500.00                          |
| <b>Redemption of investment in debentures</b>            |  |                                     |  |  |  |  |                                   |
| Golflinks Software Park Private Limited                  | 256.48                                   | 467.90                              | 439.10                                   | 724.38                                     | 906.61                                 | 869.01                                     | 1,775.62                          |
| <b>Unsecured loans repaid by</b>                         |  |                                     |  |  |  |  |                                   |
| Embassy Office Parks Private Limited                     | 242.01                                   | 195.33                              | 450.00                                   | 437.34                                     | 1,114.34                               | 560.00                                     | 1,674.34                          |
| Manyata Promoters Private Limited                        | 1,517.58                                 | 1,553.39                            | 1,120.00                                 | 3,070.97                                   | 2,473.37                               | 2,370.00                                   | 4,843.37                          |
| Qubix Business Park Private Limited                      | 100.01                                   | 68.61                               | 65.00                                    | 168.62                                     | 154.91                                 | 145.00                                     | 299.91                            |
| Oxygen Business Park Private Limited                     | -  | -                                   | 17.00                                    | -  | 170.68                                 | 77.00                                      | 247.68                            |
| Earnest Towers Private Limited                           | 187.43                                   | 178.99                              | 129.30                                   | 366.42                                     | 420.32                                 | 319.30                                     | 739.62                            |
| Vikhroli Corporate Park Private Limited                  | 130.21                                   | 60.55                               | 130.00                                   | 190.76                                     | 138.88                                 | 130.00                                     | 268.88                            |
| Galaxy Square Private Limited                            | 78.40                                    | 84.53                               | 70.00                                    | 162.93                                     | 124.91                                 | 160.00                                     | 284.91                            |
| Umbel Properties Private Limited                         | -  | -                                   | 50.00                                    | -  | 19.40                                  | 50.00                                      | 69.40                             |
| Indian Express Newspapers (Mumbai) Private Limited       | -  | 26.96                               | 25.00                                    | 26.96                                      | 204.97                                 | 225.00                                     | 429.97                            |
| Embassy Energy Private Limited                           | -  | 25.86                               | -  | 25.86                                      | 378.53                                 | -  | 378.53                            |
| <b>Short term construction loan repaid by</b>            |  |                                     |  |  |  |  |                                   |
| Manyata Promoters Private Limited                        | -  | -                                   | 750.00                                   | -  | 300.00                                 | 2,750.00                                   | 3,050.00                          |
| Oxygen Business Park Private Limited                     | -  | -                                   | 100.00                                   | -  | 3,210.00                               | 100.00                                     | 3,310.00                          |
| <b>Secondment fees</b>                                   |  |                                     |  |  |  |  |                                   |
| Embassy Office Parks Management Services Private Limited | 0.36                                     | 0.35                                | 0.35                                     | 0.71                                       | 0.71                                   | 0.71                                       | 1.42                              |
| <b>Investment management fees</b>                        |  |                                     |  |  |  |  |                                   |
| Embassy Office Parks Management Services Private Limited | 54.85                                    | 58.61                               | 61.45                                    | 113.46                                     | 111.36                                 | 103.45                                     | 214.81                            |

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

| Particulars  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| <b>Trademark license fees</b>                                    |  |                                     |  |  |  |  |                                   |
| Embassy Shelters Private Limited                                 | 0.36                                     | 0.35                                | 0.35                                     | 0.71                                       | 0.71                                   | 0.71                                       | 1.42                              |
| <b>Trustee fee expenses</b>                                      |  |                                     |  |  |  |  |                                   |
| Axis Trustee Services Limited                                    | 0.74                                     | 0.74                                | 0.74                                     | 1.48                                       | 1.49                                   | 1.48                                       | 2.96                              |
| <b>Marketing and advertisement expenses</b>                      |  |                                     |  |  |  |  |                                   |
| Lounge Hospitality LLP   | -  | -                                   | -  | -  | 0.06                                   | -  | 0.06                              |
| Mac Charles (India) Limited                                      | -  | -                                   | 0.48                                     | -  | -                                      | 0.48                                       | 0.48                              |
| <b>Travelling and conveyance</b>                                 |  |                                     |  |  |  |  |                                   |
| Quadron Business Park Private Limited                            | -  | -                                   | 0.02                                     | -  | -                                      | 0.02                                       | 0.02                              |
| <b>Interest income</b>   |  |                                     |  |  |  |  |                                   |
| Quadron Business Park Private Limited                            | 384.12                                   | 379.93                              | 378.43                                   | 764.05                                     | 764.87                                 | 742.04                                     | 1,506.91                          |
| Embassy Office Parks Private Limited                             | 150.00                                   | 154.08                              | 179.84                                   | 304.08                                     | 338.15                                 | 360.41                                     | 698.56                            |
| Manyata Promoters Private Limited                                | 727.83                                   | 735.40                              | 885.74                                   | 1,463.23                                   | 1,600.41                               | 1,498.31                                   | 3,098.72                          |
| Qubix Business Park Private Limited                              | 88.56                                    | 89.75                               | 97.53                                    | 178.31                                     | 187.91                                 | 195.54                                     | 383.45                            |
| Oxygen Business Park Private Limited                             | 143.61                                   | 117.88                              | 130.74                                   | 261.49                                     | 260.33                                 | 250.49                                     | 510.82                            |
| Earnest Towers Private Limited                                   | 9.73                                     | 9.44                                | 18.31                                    | 19.17                                      | 23.80                                  | 42.33                                      | 66.13                             |
| Vikhroli Corporate Park Private Limited                          | 141.80                                   | 140.17                              | 148.92                                   | 281.97                                     | 287.57                                 | 294.61                                     | 582.18                            |
| Galaxy Square Private Limited                                    | 68.68                                    | 70.58                               | 77.35                                    | 139.26                                     | 149.27                                 | 155.94                                     | 305.21                            |
| Umbel Properties Private Limited                                 | 54.38                                    | 53.78                               | 56.56                                    | 108.16                                     | 108.88                                 | 111.89                                     | 220.77                            |
| Indian Express Newspapers (Mumbai) Private Limited               | 104.20                                   | 103.90                              | 106.99                                   | 208.10                                     | 216.32                                 | 198.03                                     | 414.35                            |
| Embassy Energy Private Limited                                   | 188.90                                   | 187.66                              | 0.68                                     | 376.56                                     | 283.42                                 | 0.68                                       | 284.10                            |
| <b>Interest received on debentures</b>                           |  |                                     |  |  |  |  |                                   |
| Golflinks Software Park Private Limited                          | 2.52                                     | 12.09                               | 40.90                                    | 14.61                                      | 53.39                                  | 90.99                                      | 144.38                            |
| <b>Dividend received</b>   |  |                                     |  |  |  |  |                                   |
| Embassy Energy Private Limited                                   | -  | -                                   | 6.00                                     | -  | -                                      | 6.00                                       | 6.00                              |
| Indian Express Newspapers (Mumbai) Private Limited               | 185.00                                   | 147.00                              | 7.87                                     | 332.00                                     | 87.85                                  | 7.87                                       | 95.72                             |
| Oxygen Business Park Private Limited                             | 150.00                                   | 141.00                              | 98.25                                    | 291.00                                     | 90.00                                  | 98.25                                      | 188.25                            |
| <b>Expenses incurred by related party on behalf of the Trust</b> |  |                                     |  |  |  |  |                                   |
| Embassy Office Parks Management Services Private Limited         | 0.21                                     | 0.83                                | 47.70                                    | 1.04                                       | 8.56                                   | 47.70                                      | 56.26                             |

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

| Particulars   | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|---|--|-------------------------------------|--|--|--|--|-----------------------------------|
| <b>Expenses incurred by the Trust on behalf of related party</b>                            |  |                                     |  |  |  |  |                                   |
| Manyata Promoters Private Limited   | -  | 0.82                                | -  | 0.82                                       | -                                      | -  | -                                 |
| Others  | -  | 2.11                                | -  | 2.11                                       | -                                      | -  | -                                 |
| <b>Guarantee given to bank for loan obtained by SPV</b>                                     |  |                                     |  |  |  |  |                                   |
| Manyata Promoters Private Limited   | -  | -                                   | -  | -  | 8,400.00                               | -  | 8,400.00                          |
| <b>Guarantee given by SPV on behalf of REIT</b>   |  |                                     |  |  |  |  |                                   |
| Indian Express Newspapers (Mumbai) Private Limited and Embassy Office Parks Private Limited | 7,500.00                                 | -                                   | -  | 7,500.00                                   | -                                      | -  | -                                 |



## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

### D Closing balances

| Particulars  | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| <b>Unsecured loan receivable (non-current)</b>   |                                |                         |
| Quadron Business Park Private Limited  | 13,236.87                      | 12,582.58               |
| Embassy Office Parks Private Limited   | 3,746.62                       | 4,183.96                |
| Manyata Promoters Private Limited  | 23,864.16                      | 23,579.73               |
| Qubix Business Park Private Limited  | 2,711.36                       | 2,879.99                |
| Oxygen Business Park Private Limited   | 7,285.73                       | 3,782.62                |
| Earnest Towers Private Limited   | 123.27                         | 289.68                  |
| Vikhroli Corporate Park Private Limited  | 4,468.05                       | 4,497.82                |
| Galaxy Square Private Limited  | 2,101.96                       | 2,264.89                |
| Umbel Properties Private Limited   | 1,833.96                       | 1,725.80                |
| Indian Express Newspapers (Mumbai) Private Limited   | 3,364.16                       | 3,334.03                |
| Embassy Energy Private Limited   | 6,029.52                       | 6,021.47                |
| <b>Short term construction loan</b>  |                                |                         |
| Manyata Promoters Private Limited  | 755.00                         | -                       |
| Embassy Office Parks Private Limited   | 870.00                         | 620.00                  |
| <b>Other financial liabilities</b>   |                                |                         |
| Embassy Office Parks Management Services Private Limited                                       | 54.14                          | 55.46                   |
| Axis Trustee Services Limited  | 1.47                           | -                       |
| <b>Trade payables</b>  |                                |                         |
| Embassy Office Parks Management Services Private Limited                                       | -                              | 4.66                    |
| <b>Investment in Debentures (current)</b>  |                                |                         |
| Golflinks Software Park Private Limited  | -                              | 724.38                  |
| <b>Investment in equity shares of subsidiaries</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*   | 13,381.61                      | 13,689.26               |
| Oxygen Business Park Private Limited   | 12,308.89                      | 12,308.89               |
| Earnest Towers Private Limited   | 12,138.78                      | 12,138.78               |
| Vikhroli Corporate Park Private Limited  | 10,710.94                      | 10,710.94               |
| Qubix Business Park Private Limited  | 5,595.08                       | 5,595.08                |
| Galaxy Square Private Limited  | 4,662.50                       | 4,662.50                |
| Umbel Properties Private Limited *   | 2,076.76                       | 2,254.21                |
| Indian Express Newspapers (Mumbai) Private Limited   | 13,210.96                      | 13,210.96               |
| Embassy Energy Private Limited   | 732.79                         | 732.79                  |
| <b>Guarantee given to bank for loan obtained by SPV</b>  |                                |                         |
| Manyata Promoters Private Limited  | 8,400.00                       | 8,400.00                |
| <b>Guarantee given by SPV on behalf of REIT</b>  |                                |                         |
| Indian Express Newspapers (Mumbai) Private Limited and<br>Embassy Office Parks Private Limited | 7,500.00                       | -                       |

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

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 25 FINANCIAL INSTRUMENTS:

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

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

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

#### Fair value hierarchy

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

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

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

#### b) Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

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

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

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

#### d) Determination of fair values

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

- The fair value of mutual funds are based on price quotations at reporting date.
- The fair values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.
- The fair values of borrowings at fixed rates are considered to be equivalent to present value of the future contracted cashflows discounted at the current market rate.

## Notes

to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 26 DETAILS OF UTILISATION OF PROCEEDS OF ISSUE OF EMBASSY REIT SERIES II NCD 2020, TRANCHE A ARE AS FOLLOWS:

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

### 27 INVESTMENT MANAGEMENT FEES

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

### 28 SECONDMENT FEES

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

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

### 30 DISTRIBUTIONS

The Board of Directors of the Manager to the Trust, in their meeting held on November 2, 2020, have declared distribution to Unitholders of ₹ 5.50 per unit which aggregates to ₹ 4,244.16 million for the quarter ended September 30, 2020. The distributions of ₹ 5.50 per unit comprises ₹ 1.90 per unit in the form of interest payment, ₹ 0.42 per unit in the form of dividend and the balance ₹ 3.18 per unit in the form of amortization of SPV debt.

Along with distribution of ₹ 4,498.81 million/ ₹ 5.83 per unit for the quarter ended June 30, 2020, the cumulative distribution for the half year ended September 30, 2020 aggregates to ₹ 8,742.97 million/ ₹ 11.33 per unit.

## Notes

### to the Condensed Standalone Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI firm's registration number: 101049W/E300004

for and on behalf of the Board of Directors of

**Embassy Office Parks Management Services Private Limited**

(as Manager to the Embassy Office Parks REIT)

Sd/-

**Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Jitendra Virwani**

Director

DIN: 00027674

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Tuhin Parikh**

Director

DIN: 00544890

Place: Mumbai

Date: November 2, 2020



# Review report

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

## INTRODUCTION

1. We have reviewed the accompanying unaudited condensed consolidated interim Ind AS financial statements of Embassy Office Parks REIT (the “REIT”), its subsidiaries and a Joint venture (together referred as “the Group”), which comprise the unaudited condensed consolidated balance sheet as at September 30, 2020, the unaudited condensed consolidated statement of profit and loss, including other comprehensive income and unaudited condensed consolidated statement of Cash Flows for the quarter and half year ended September 30, 2020, the unaudited condensed consolidated statement of changes in Unitholder’s equity for the half year ended September 30, 2020 and the consolidated Statement of Net Assets at fair value as at September 30, 2020 and the consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows of the REIT and each of its subsidiaries for the half year ended September 30, 2020 and a summary of the significant accounting policies and select explanatory information (together hereinafter referred to as the “Condensed Consolidated Interim Ind AS Financial Statements”) being submitted by the REIT pursuant to the requirements of Regulation 23 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder (“REIT Regulations”).
2. The Condensed Consolidated Interim Ind AS Financial Statements are the responsibility of the Manager and has been approved by the Board of Directors of the Manager. The Condensed Consolidated Interim Ind AS Financial Statements are prepared in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 “Interim Financial Reporting”, as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the REIT Regulations. Our responsibility is to issue a conclusion on the Condensed Consolidated Interim Ind AS Financial Statements based on our review.

## SCOPE OF REVIEW

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

---

| Sl. No | Name of the entities |
|--------|----------------------|
|--------|----------------------|

---

| <b>A Parent Entity</b> |  |
|------------------------|--|
|------------------------|--|

---

|   |                           |
|---|---------------------------|
| 1 | Embassy Office Parks REIT |
|---|---------------------------|

---

| <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 |
| 12 | Embassy Pune Techzone Private Limited              |

---

| <b>C Jointly Controlled entity</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, as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India.

## EMPHASIS OF MATTER

6. We draw attention to note 46(iv) to the Condensed Consolidated Interim Ind AS Financial Statements which refers to the uncertainty in relation to two pending cases, as regards Property tax dues aggregating to ₹3,313.08 million as at September 30, 2020 payable by MPPL, before judicial forums basis, previously raised demand notices by the local regulatory authority. Based on legal

opinions obtained and pending outcome of such legal matter no provision has been made in these Condensed Consolidated Interim Ind AS Financial Statements.

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

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Sd/-

per **Adarsh Ranka**

Partner

Membership No.: 209567

UDIN: 20209567AAAAGM5740

Place: Bengaluru, India

Date: November 2, 2020

# Consolidated balance sheet

(all amounts in ₹ million unless otherwise stated)

|  | Note | As at<br>September<br>30, 2020<br>(Unaudited) | As at<br>March 31, 2020<br>(Audited) |
|--|------|---|--------------------------------------|
| <b>ASSETS</b>  |      |   |                                      |
| <b>Non-current assets</b>  |      |   |                                      |
| Property, plant and equipment  | 3    | 20,364.54                                     | 20,698.93                            |
| Capital work-in-progress   | 4    | 2,912.74                                      | 2,334.07                             |
| Investment property  | 5    | 192,501.12                                    | 194,076.48                           |
| Investment property under development  | 8    | 2,504.04                                      | 1,773.39                             |
| Goodwill   | 6    | 50,289.37                                     | 50,289.37                            |
| Intangible assets  | 7    | 4,923.13                                      | 5,001.36                             |
| Equity accounted investee  | 9    | 24,287.47                                     | 24,091.36                            |
| Financial assets   |      |   |                                      |
| - Loans  | 11   | 668.75  | 668.71                               |
| - Other financial assets   | 12   | 1,407.16                                      | 1,188.54                             |
| Non-current tax assets (net)   | 13   | 1,252.13                                      | 1,554.70                             |
| Other non-current assets   | 14   | 16,814.33                                     | 16,475.64                            |
| <b>Total non-current assets</b>  |      | <b>318,924.78</b>                             | <b>318,152.55</b>                    |
| <b>Current assets</b>  |      |   |                                      |
| Inventories  | 15   | 11.17   | 12.82                                |
| Financial assets   |      |   |                                      |
| - Investments  | 10   | -   | 12,273.59                            |
| - Trade receivables  | 16   | 237.12  | 242.25                               |
| - Loans  | 17   | 51.30   | 51.49                                |
| - Cash and cash equivalents  | 18A  | 13,174.15                                     | 3,249.16                             |
| - Other bank balances  | 18B  | 108.79  | 169.79                               |
| - Other financial assets   | 19   | 467.52  | 399.46                               |
| Other current assets   | 20   | 329.93  | 351.22                               |
| <b>Total current assets</b>  |      | <b>14,379.98</b>                              | <b>16,749.78</b>                     |
| <b>Total assets</b>  |      | <b>332,304.76</b>                             | <b>334,902.33</b>                    |
| <b>EQUITY AND LIABILITIES</b>  |      |   |                                      |
| <b>EQUITY</b>  |      |   |                                      |
| Unit capital   | 21   | 229,120.96                                    | 229,120.96                           |
| Other equity   | 22   | (11,390.66)                                   | (5,943.12)                           |
| <b>Total equity</b>  |      | <b>217,730.30</b>                             | <b>223,177.84</b>                    |
| <b>LIABILITIES</b>   |      |   |                                      |
| <b>Non-current liabilities</b>   |      |   |                                      |
| Financial liabilities  |      |   |                                      |
| - Borrowings   | 23   | 59,399.35                                     | 56,170.51                            |
| - Other financial liabilities  | 24   | 2,845.34                                      | 3,118.65                             |
| Provisions   | 25   | 6.23  | 5.25                                 |
| Deferred tax liabilities (net)   | 26   | 39,842.16                                     | 40,407.38                            |
| Other non-current liabilities  | 27   | 425.52  | 386.70                               |
| <b>Total non-current liabilities</b>   |      | <b>102,518.60</b>                             | <b>100,088.49</b>                    |
| <b>Current liabilities</b>   |      |   |                                      |
| Financial liabilities  |      |   |                                      |
| - Trade payables   | 28   |   |                                      |
| - total outstanding dues of micro and small enterprises                      |      | 4.15  | 2.48                                 |
| - total outstanding dues of creditors other than micro and small enterprises |      | 184.47  | 252.27                               |
| - Other financial liabilities  | 29   | 10,912.48                                     | 10,562.79                            |
| Provisions   | 30   | -   | 2.37                                 |
| Other current liabilities  | 31   | 864.98  | 781.58                               |
| Current tax liabilities (net)  | 32   | 89.78   | 34.51                                |
| <b>Total current liabilities</b>   |      | <b>12,055.86</b>                              | <b>11,636.00</b>                     |
| <b>Total equity and liabilities</b>  |      | <b>332,304.76</b>                             | <b>334,902.33</b>                    |
| Significant accounting policies  | 2    |   |                                      |

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI firm's registration number: 101049W/E300004

for and on behalf of the Board of Directors of

**Embassy Office Parks Management Services Private Limited**

(as Manager to the Embassy Office Parks REIT)

Sd/-

**Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Jitendra Virwani**

Director

DIN: 00027674

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Tuhin Parikh**

Director

DIN: 00544890

Place: Mumbai

Date: November 2, 2020

## Consolidated statement of profit and loss

(all amounts in ₹ million unless otherwise stated)

|   | Note | For the quarter ended September 30, 2020<br>(Unaudited) | For the quarter ended June 30, 2020<br>(Unaudited) | For the quarter ended September 30, 2019<br>(Unaudited) | For the half year ended September 30, 2020<br>(Unaudited) | For the half year ended March 31, 2020<br>(Audited)** | For the half year ended September 30, 2019<br>(Unaudited) | For the year ended March 31, 2020<br>(Audited) |
|---|------|---|--|---|---|---|---|--|
| <b>INCOME AND GAINS</b>   |      |   |  |   |   |   |   |  |
| Revenue from operations   | 33   | 5,401.50  | 5,162.26   | 5,206.04  | 10,563.76   | 10,892.14   | 10,557.08   | 21,449.22                                      |
| Interest  | 34   | 211.41  | 284.59   | 87.00   | 496.00  | 246.04  | 231.31  | 477.35   |
| Other income  | 35   | 20.89   | 45.47  | 87.96   | 66.36   | 379.04  | 133.96  | 513.00   |
| <b>Total Income</b>   |      | <b>5,633.80</b>   | <b>5,492.32</b>                                    | <b>5,381.00</b>   | <b>11,126.12</b>  | <b>11,517.22</b>                                      | <b>10,922.35</b>  | <b>22,439.57</b>                               |
| <b>EXPENSES</b>   |      |   |  |   |   |   |   |  |
| Cost of materials consumed  | 36   | 4.86  | 1.09   | 29.67   | 5.95  | 68.88   | 50.06   | 118.94   |
| Employee benefits expense   | 37   | 51.35   | 59.71  | 83.96   | 111.06  | 199.07  | 178.10  | 377.17   |
| Operating and maintenance expenses  | 38   | 83.06   | 54.11  | 168.36  | 137.17  | 272.30  | 355.16  | 627.46   |
| Repairs and maintenance   | 40   | 248.79  | 285.74   | 314.39  | 534.53  | 596.15  | 619.23  | 1,215.38                                       |
| Valuation expenses  |      | 2.21  | 2.21   | 2.36  | 4.42  | 5.02  | 4.72  | 9.74   |
| Audit fees  |      | 11.84   | 10.39  | 14.69   | 22.23   | 18.61   | 24.59   | 43.20  |
| Insurance expenses  |      | 18.99   | 14.29  | 18.11   | 33.28   | 32.21   | 34.53   | 66.74  |
| Investment management fees  | 45   | 173.51  | 175.12   | 176.05  | 348.63  | 352.88  | 348.06  | 700.94   |
| Trustee fees  |      | 0.84  | 0.79   | 0.74  | 1.63  | 1.48  | 1.48  | 2.96   |
| Legal and professional fees   |      | 55.76   | 137.03   | 78.41   | 192.79  | 208.93  | 175.01  | 383.94   |
| Other expenses  | 39   | 252.93  | 244.48   | 300.35  | 497.41  | 677.95  | 568.38  | 1,246.33                                       |
| <b>Total Expenses</b>   |      | <b>904.14</b>   | <b>984.96</b>                                      | <b>1,187.09</b>   | <b>1,889.10</b>   | <b>2,433.48</b>                                       | <b>2,359.32</b>   | <b>4,792.80</b>                                |
| <b>Earnings before finance costs, depreciation, amortisation, impairment loss and tax</b> |      | <b>4,729.66</b>   | <b>4,507.36</b>                                    | <b>4,193.91</b>   | <b>9,237.02</b>   | <b>9,083.74</b>                                       | <b>8,563.03</b>   | <b>17,646.77</b>                               |
| Finance costs   | 41   | 1,437.33  | 1,372.54   | 822.64  | 2,809.87  | 2,148.51  | 1,655.03  | 3,803.54                                       |
| Depreciation expense  | 42   | 1,153.44  | 1,139.10   | 1,417.53  | 2,292.54  | 2,364.45  | 2,755.55  | 5,120.00                                       |
| Amortisation expense  | 42   | 39.74   | 39.50  | 26.79   | 79.24   | 81.17   | 80.07   | 161.24   |
| Impairment loss   | 3, 6 | -   | -  | -   | -   | 1,775.98  | -   | 1,775.98                                       |
| <b>Profit before share of profit of equity accounted investee and tax</b>                 |      | <b>2,099.15</b>   | <b>1,956.22</b>                                    | <b>1,926.95</b>   | <b>4,055.37</b>   | <b>2,713.63</b>                                       | <b>4,072.38</b>   | <b>6,786.01</b>                                |
| Share of profit after tax of equity accounted investee                                    |      | 245.51  | 245.38   | 247.61  | 490.89  | 527.03  | 642.30  | 1,169.33                                       |
| <b>Profit before tax</b>  |      | <b>2,344.66</b>   | <b>2,201.60</b>                                    | <b>2,174.56</b>   | <b>4,546.26</b>   | <b>3,240.66</b>                                       | <b>4,714.68</b>   | <b>7,955.34</b>                                |
| <b>Tax expense:</b>   |      |   |  |   |   |   |   |  |
| Current tax   | 43   | 392.75  | 387.17   | 227.01  | 779.92  | 765.01  | 596.38  | 1,361.39                                       |
| Deferred tax charge/ (credit)   | 43   | (224.20)  | (77.71)  | (440.69)  | (301.91)  | 271.35  | (282.62)  | (11.27)  |
| Minimum alternate tax credit entitlement (MAT)  | 43   | (149.54)  | (150.25)   | (84.90)   | (299.79)  | (757.53)  | (292.59)  | (1,050.12)                                     |
| MAT written off/ (written back)   | 43   | -   | -  | 150.75  | -   | (150.75)  | 150.75  | -  |
|   |      | <b>19.01</b>  | <b>159.21</b>                                      | <b>(147.83)</b>   | <b>178.22</b>   | <b>128.08</b>   | <b>171.92</b>   | <b>300.00</b>                                  |
| <b>Profit for the period/ year</b>  |      | <b>2,325.65</b>   | <b>2,042.39</b>                                    | <b>2,322.39</b>   | <b>4,368.04</b>   | <b>3,112.58</b>                                       | <b>4,542.76</b>   | <b>7,655.34</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                                 |      | -   | -  | -   | -   | 0.16  | -   | 0.16   |
| <b>Total comprehensive income attributable to Unitholders for the period/ year</b>        |      | <b>2,325.65</b>   | <b>2,042.39</b>                                    | <b>2,322.39</b>   | <b>4,368.04</b>   | <b>3,112.74</b>                                       | <b>4,542.76</b>   | <b>7,655.50</b>                                |
| <b>Earnings per Unit</b>  |      |   |  |   |   |   |   |  |
| Basic   | 44   | 3.01  | 2.65   | 3.01  | 5.66  | 4.03  | 5.89  | 9.92   |
| Diluted   |      | 3.01  | 2.65   | 3.01  | 5.66  | 4.03  | 5.89  | 9.92   |
| Significant accounting policies   | 2    |   |  |   |   |   |   |  |

\*\* Refer note 55.

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

As per our report of even date attached

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

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

Sd/-  
**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Bengaluru  
Date: November 2, 2020

Sd/-  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Bengaluru  
Date: November 2, 2020

Sd/-  
**Tuhin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: November 2, 2020

## Consolidated statement of changes in unitholders' equity

(all amounts in ₹ million unless otherwise stated)

| <b>A. UNIT CAPITAL</b>                            | No in Million | Amount            |
|---|---------------|-------------------|
| <b>Balance as on April 1, 2019</b>                | 771.67        | 229,039.26        |
| Add: Reversal of issue expenses no longer payable | -             | 81.70             |
| <b>Balance as at March 31, 2020</b>               | <b>771.67</b> | <b>229,120.96</b> |
| <b>Balance as on April 1, 2020</b>                | 771.67        | 229,120.96        |
| <b>Balance as at September 30, 2020</b>           | <b>771.67</b> | <b>229,120.96</b> |

| <b>B. OTHER EQUITY</b>  | Retained Earnings  |
|---|--------------------|
| <b>Particulars</b>  |                    |
| <b>Balance as on April 1, 2019</b>  | (94.47)            |
| Add: Profit for the year ended March 31, 2020                               | 7,655.34           |
| Add: Other Comprehensive Income for the year ended March 31, 2020           | 0.16               |
| Less: Distribution to Unitholders for the quarter ended June 30, 2019*      | (4,166.99)         |
| Less: Distribution to Unitholders for the quarter ended September 30, 2019* | (4,630.00)         |
| Less: Distribution to Unitholders for the quarter ended December 31, 2019*  | (4,707.16)         |
| <b>Balance as at March 31, 2020</b>   | (5,943.12)         |
| <b>Balance as on April 1, 2020</b>  | (5,943.12)         |
| Add: Profit for the half year ended September 30, 2020                      | 4,368.04           |
| Less: Distribution to Unitholders for the quarter ended March 31, 2020*     | (5,316.77)         |
| Less: Distribution to Unitholders for the quarter ended June 30, 2020*      | (4,498.81)         |
| <b>Balance as at September 30, 2020</b>                                     | <b>(11,390.66)</b> |

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

As per our report of even date attached

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

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

Sd/-  
**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Bengaluru  
Date: November 2, 2020

Sd/-  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Bengaluru  
Date: November 2, 2020

Sd/-  
**Tuhin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: November 2, 2020



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

(all amounts in ₹ million unless otherwise stated)

### A) STATEMENT OF NET ASSETS AT FAIR VALUE

| S.No | Particulars      | Unit of measurement | As at September 30, 2020 |             | As at March 31, 2020 |             |
|------|------------------|---------------------|--------------------------|-------------|----------------------|-------------|
|      |                  |                     | Book Value               | Fair value  | Book Value           | Fair value  |
| A    | Assets           | ₹ in millions       | 332,304.76               | 404,426.05  | 334,902.33           | 401,354.66  |
| B    | Liabilities      | ₹ in millions       | 114,574.46               | 115,037.56  | 111,724.49           | 112,254.26  |
| C    | Net Assets (A-B) | ₹ in millions       | 217,730.30               | 289,388.49  | 223,177.84           | 289,100.40  |
| D    | No. of units     | Numbers             | 771,665,343              | 771,665,343 | 771,665,343          | 771,665,343 |
| E    | NAV (C/D)        | ₹                   | 282.16                   | 375.02      | 289.22               | 374.64      |

#### Notes:

#### 1) Measurement of fair values:

The fair value of investment property, investment property under development (including capital advances), property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL) and the investment in GLSP as at September 30, 2020 and March 31, 2020 has been determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

#### Valuation technique

The fair value measurement for all of the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

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

Given the COVID-19 related uncertainties, the independent valuers have, as a precautionary measure, referenced material valuation uncertainty in arriving at their valuation as at September 30, 2020 and March 31, 2020.

#### 2) Property wise break up of Fair value of Assets as at September 30, 2020 is as follows:

| Particulars              | Fair value of investment property, investment property under development, property, plant and equipment and capital work-in-progress * | Other assets at book value (***) (Note i) | Total assets      | Total liabilities to be considered (Note ii) | Asset wise NAV    | Book value of assets |
|--------------------------|--|---|-------------------|--|-------------------|----------------------|
| <b>100% owned assets</b> |  |   |                   |  |                   |                      |
| MPPL                     | 160,561.00   | 1,428.61                                  | 161,989.61        | 14,816.97                                    | 147,172.64        | 121,128.47           |
| EOPPL                    | 21,607.00  | 836.14                                    | 22,443.14         | 1,369.99                                     | 21,073.15         | 19,808.50            |
| UPPL                     | 4,375.00   | 135.13                                    | 4,510.13          | 599.41                                       | 3,910.72          | 4,774.07             |
| EEPL                     | 10,002.00  | 7,850.50                                  | 17,852.50         | 7,738.35                                     | 10,114.15         | 16,958.58            |
| GSPL                     | 8,783.00   | 161.68                                    | 8,944.68          | 425.86                                       | 8,518.82          | 6,073.25             |
| ETPL                     | 13,908.00  | 476.95                                    | 14,384.95         | 435.66                                       | 13,949.29         | 10,526.23            |
| OBPL                     | 21,242.00  | 780.54                                    | 22,022.54         | 1,389.43                                     | 20,633.11         | 15,261.56            |
| QBPL                     | 10,153.00  | 256.87                                    | 10,409.87         | 297.16                                       | 10,112.71         | 9,043.27             |
| QBPL                     | 25,181.00  | 2,115.31                                  | 27,296.31         | 677.83                                       | 26,618.48         | 22,684.48            |
| EPTPL                    | -  | -   | -                 | 0.29   | (0.29)            | -                    |
| VCPPL                    | 16,404.00  | 290.72                                    | 16,694.72         | 728.69                                       | 15,966.03         | 13,168.65            |
| IENMPL                   | 17,722.00  | 218.41                                    | 17,940.41         | 974.24                                       | 16,966.17         | 14,521.63            |
| Trust                    | -  | 54,068.60                                 | 54,068.60         | 85,583.68                                    | (31,515.08)       | 54,068.60            |
| <b>Total</b>             | <b>309,938.00</b>  | <b>68,619.46</b>                          | <b>378,557.46</b> | <b>115,037.56</b>                            | <b>263,519.90</b> | <b>308,017.29</b>    |
| Investment in GLSP **    | 25,868.59  | -   | 25,868.59         | -  | 25,868.59         | 24,287.47            |
|                          | <b>335,806.59</b>  | <b>68,619.46</b>                          | <b>404,426.05</b> | <b>115,037.56</b>                            | <b>289,388.49</b> | <b>332,304.76</b>    |

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

(all amounts in ₹ million unless otherwise stated)

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

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

\* Fair values of investment property, investment property under development, property, plant and equipment, capital work in progress and investment in GLSP as at September 30, 2020 and March 31, 2020 as disclosed above are solely based on the fair valuation report of iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

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

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

\*\*\* Assets at fair value include Goodwill of ₹ 50,289.37 million on book value basis (net off impairment loss, refer note 6). The Goodwill of ₹50,289.37 million mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values as well as the requirement to recognise deferred tax liability of ₹38,783.20 million (on the date of acquisition), calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases.

Notes:

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

As per our report of even date attached

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

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

Sd/-  
**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Bengaluru  
Date: November 2, 2020

Sd/-  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Bengaluru  
Date: November 2, 2020

Sd/-  
**Tuhin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: November 2, 2020

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

(all amounts in ₹ million unless otherwise stated)

### B) STATEMENT OF TOTAL RETURNS AT FAIR VALUE

| S.No           | Particulars   | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 |
|----------------|---|--|--|--|
| A              | Total comprehensive income  | 4,368.04                                   | 3,112.74                               | 4,542.76                                   |
| B              | Add : Changes in fair value not recognised in total comprehensive income (Refer note 1 below) | 4,003.72                                   | 1,707.31                               | 2,254.49                                   |
| <b>C (A+B)</b> | <b>Total Return</b>   | <b>8,371.76</b>                            | <b>4,820.05</b>                        | <b>6,797.25</b>                            |

#### Note:

- In the above statement, changes in fair value for the half year ended September 30, 2020 has been computed based on the difference in fair values of Investment Property, Investment Property under development, Property, Plant and Equipment (relating to the hotel property in UPPL and QBPL, and the Solar power plant in EEPL); Capital Work-in-progress (relating to the proposed hotel to be developed in MPPL and investment in GLSP) as at September 30, 2020 (reviewed) as compared with the values as at March 31, 2020 (audited) net of cash spent on construction during the period. The fair values of the aforementioned assets as at September 30, 2020 (reviewed) and March 31, 2020 (audited) are solely based on the valuation report of iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI firm's registration number: 101049W/E300004

for and on behalf of the Board of Directors of

**Embassy Office Parks Management Services Private Limited**

(as Manager to the Embassy Office Parks REIT)

Sd/-

**Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Jitendra Virwani**

Director

DIN: 00027674

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Tuhin Parikh**

Director

DIN: 00544890

Place: Mumbai

Date: November 2, 2020

# Consolidated statement of cashflow

(all amounts in ₹ million unless otherwise stated)

|  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
|  | (Unaudited)                              | (Unaudited)                         | (Unaudited)                              | (Unaudited)                                | (Audited)**                            | (Unaudited)                                | (Audited)                         |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |  |                                     |  |  |  |  |                                   |
| Profit before share of profit of equity accounted investees and tax  | 2,099.15                                 | 1,956.22                            | 1,926.95                                 | 4,055.37                                   | 2,713.63                               | 4,072.38                                   | 6,786.01                          |
| Adjustments for :  |  |                                     |  |  |  |  |                                   |
| Non-cash and other adjustments   |  |                                     |  |  |  |  |                                   |
| Depreciation expense   | 1,153.44                                 | 1,139.10                            | 1,417.53                                 | 2,292.54                                   | 2,364.45                               | 2,755.55                                   | 5,120.00                          |
| Amortisation expense   | 39.74                                    | 39.50                               | 26.79                                    | 79.24                                      | 81.17                                  | 80.07                                      | 161.24                            |
| Assets no longer required, written off   | 9.30                                     | 4.19                                | 0.27                                     | 13.49                                      | 6.20                                   | 4.96                                       | 11.16                             |
| Allowance for credit loss  | -  | -                                   | -  | -  | 0.59                                   | 0.26                                       | 0.85                              |
| Liabilities no longer required written back  | -  | (4.59)                              | -  | (4.59)                                     | (13.29)                                | -  | (13.29)                           |
| Leasing commission paid  | -  | -                                   | (36.53)                                  | -  | -                                      | (41.86)                                    | (41.86)                           |
| Profit on sale of mutual funds   | (16.84)                                  | (24.18)                             | (75.76)                                  | (41.02)                                    | (273.44)                               | (86.52)                                    | (359.96)                          |
| Finance costs  | 1,437.33                                 | 1,372.54                            | 822.65                                   | 2,809.87                                   | 2,148.50                               | 1,655.04                                   | 3,803.54                          |
| Interest income  | (190.79)                                 | (272.97)                            | (82.19)                                  | (463.76)                                   | (238.04)                               | (213.00)                                   | (451.04)                          |
| Fair value loss/(gain) on investment measured at FVTPL   | -  | 3.00                                | 5.20                                     | 3.00                                       | 19.96                                  | (13.25)                                    | 6.71                              |
| Impairment loss recognised   | -  | -                                   | -  | -  | 1,775.98                               | -  | 1,775.98                          |
| <b>Operating profits before working capital changes</b>  | <b>4,531.33</b>                          | <b>4,212.81</b>                     | <b>4,004.91</b>                          | <b>8,744.14</b>                            | <b>8,585.71</b>                        | <b>8,213.63</b>                            | <b>16,799.34</b>                  |
| <b>Working capital adjustments</b>   |  |                                     |  |  |  |  |                                   |
| - Inventories  | 1.15                                     | 0.50                                | 5.76                                     | 1.65                                       | (1.69)                                 | (5.71)                                     | (7.40)                            |
| - Trade receivables  | 15.01                                    | (0.87)                              | 73.73                                    | 14.14                                      | 162.20                                 | (35.60)                                    | 126.60                            |
| - Loans and other financial assets (current and non-current)   | (314.17)                                 | (111.13)                            | (71.28)                                  | (425.30)                                   | 195.38                                 | 536.32                                     | 731.70                            |
| - Other assets (current and non-current)   | 73.96                                    | (49.64)                             | 55.42                                    | 24.32                                      | 282.39                                 | (229.45)                                   | 52.94                             |
| - Trade payables   | 12.48                                    | (74.02)                             | 17.46                                    | (61.54)                                    | 1.98                                   | (155.81)                                   | (153.83)                          |
| - Other financial liabilities (current and non-current)  | (165.66)                                 | 171.81                              | 27.11                                    | 6.15                                       | 362.42                                 | 615.28                                     | 977.70                            |
| - Other liabilities and provisions (current and non-current)   | 33.08                                    | 87.74                               | (42.78)                                  | 120.82                                     | (259.57)                               | 76.56                                      | (183.01)                          |
| <b>Cash generated from operating activities before taxes</b>   | <b>4,187.18</b>                          | <b>4,237.20</b>                     | <b>4,070.33</b>                          | <b>8,424.38</b>                            | <b>9,328.82</b>                        | <b>9,015.22</b>                            | <b>18,344.04</b>                  |
| Taxes (paid)/ refunds received (net)   | (133.21)                                 | (252.46)                            | (403.04)                                 | (385.67)                                   | (694.73)                               | (734.55)                                   | (1,429.28)                        |
| <b>Cash generated from operating activities</b>  | <b>4,053.97</b>                          | <b>3,984.74</b>                     | <b>3,667.29</b>                          | <b>8,038.71</b>                            | <b>8,634.09</b>                        | <b>8,280.67</b>                            | <b>16,914.76</b>                  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |  |                                     |  |  |  |  |                                   |
| (Investments)/ redemption of deposits with banks (net)   | 82.14                                    | 119.94                              | (407.95)                                 | 202.08                                     | 923.49                                 | 1,836.71                                   | 2,760.20                          |
| (Investments)/ redemption in mutual funds (net)  | 16.84                                    | 11,570.39                           | 701.95                                   | 11,587.23                                  | (5,717.55)                             | (3,533.54)                                 | (9,251.09)                        |
| Investment in debentures   | -  | -                                   | -  | -  | -                                      | (2,500.00)                                 | (2,500.00)                        |
| Repayment of investment in debentures  | 256.48                                   | 467.90                              | 182.63                                   | 724.38                                     | 906.61                                 | 869.01                                     | 1,775.62                          |
| Payment for purchase of Investment Property and Property, Plant and Equipment and intangibles including Capital Work-in-progress and Investment Property under Development | (1,230.56)                               | (887.54)                            | (2,372.31)                               | (2,118.10)                                 | (7,241.60)                             | (4,555.95)                                 | (11,797.55)                       |
| Payment for business acquisition   | -  | -                                   | -  | -  | -                                      | (3,450.00)                                 | (3,450.00)                        |
| Dividend received  | 175.00                                   | 90.00                               | 170.00                                   | 265.00                                     | 365.00                                 | 170.00                                     | 535.00                            |
| Interest received  | 191.45                                   | 276.30                              | 65.18                                    | 467.75                                     | 323.50                                 | 162.16                                     | 485.66                            |
| <b>Net cash flow generated from / (used in) investing activities</b>   | <b>(508.65)</b>                          | <b>11,636.99</b>                    | <b>(1,660.50)</b>                        | <b>11,128.34</b>                           | <b>(10,440.55)</b>                     | <b>(11,001.61)</b>                         | <b>(21,442.16)</b>                |

## Consolidated statement of cashflow

(all amounts in ₹ million unless otherwise stated)

|  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
|  | (Unaudited)                              | (Unaudited)                         | (Unaudited)                              | (Unaudited)                                | (Audited)**                            | (Unaudited)                                | (Audited)                         |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   |  |                                     |  |  |  |  |                                   |
| Interest paid  | (316.01)                                 | (284.35)                            | (334.44)                                 | (600.36)                                   | (863.39)                               | (699.09)                                   | (1,562.48)                        |
| Repayments of borrowings   | (6,809.82)                               | (48.29)                             | (20.46)                                  | (6,858.11)                                 | (3,475.60)                             | (69,987.06)                                | (73,462.66)                       |
| Proceeds from borrowings (net of issue expenses)   | 7,855.53                                 | 340.15                              | 2,255.88                                 | 8,195.68                                   | 17,051.43                              | 31,895.83                                  | 48,947.26                         |
| Transaction costs related to issue of units  | -  | -                                   | (63.68)                                  | -  | (51.54)                                | (2,327.09)                                 | (2,378.63)                        |
| Cash used in distribution to Unitholders (including taxes on account of distribution by SPV's) | (4,498.44)                               | (5,316.59)                          | (4,189.83)                               | (9,815.03)                                 | (9,336.89)                             | (4,189.83)                                 | (13,526.72)                       |
| Finance Lease payments   | (27.83)                                  | -                                   | -  | (27.83)                                    | (20.37)                                | -  | (20.37)                           |
| Security deposits received   | -  | 1.00                                | -  | 1.00                                       | 30.00                                  | -  | 30.00                             |
| <b>Net cash (used in) / generated from financing activities</b>                                | <b>(3,796.57)</b>                        | <b>(5,308.08)</b>                   | <b>(2,352.53)</b>                        | <b>(9,104.65)</b>                          | <b>3,333.64</b>                        | <b>(45,307.24)</b>                         | <b>(41,973.60)</b>                |
| <b>Net increase/ (decrease) in cash and cash equivalents</b>                                   | <b>(251.25)</b>                          | <b>10,313.65</b>                    | <b>(345.74)</b>                          | <b>10,062.40</b>                           | <b>1,527.18</b>                        | <b>(48,028.18)</b>                         | <b>(46,501.00)</b>                |
| <b>Cash and cash equivalents at the beginning of the period / year</b>                         | 13,425.40                                | 3,111.75                            | 1,930.31                                 | 3,111.75                                   | 1,584.57                               | 49,612.75                                  | 49,612.75                         |
| <b>Cash and cash equivalents at the end of the period / year</b>                               | <b>13,174.15</b>                         | <b>13,425.40</b>                    | <b>1,584.57</b>                          | <b>13,174.15</b>                           | <b>3,111.75</b>                        | <b>1,584.57</b>                            | <b>3,111.75</b>                   |
| Components of cash and cash equivalents (refer note 18A)                                       |  |                                     |  |  |  |  |                                   |
| Cash in hand   | 0.69                                     | 1.01                                | 0.92                                     | 0.69                                       | 1.12                                   | 0.92                                       | 1.12                              |
| Balances with banks  |  |                                     |  |  |  |  |                                   |
| - in current accounts  | 13,172.64                                | 5,992.02                            | 1,036.19                                 | 13,172.64                                  | 3,225.16                               | 1,036.19                                   | 3,225.16                          |
| - in escrow accounts   | 0.82                                     | 17.37                               | 81.33                                    | 0.82                                       | 2.88                                   | 81.33                                      | 2.88                              |
| - in fixed deposits  | -  | 7,415.00                            | 466.13                                   | -  | 20.00                                  | 466.13                                     | 20.00                             |
| Book overdraft   | -  | -                                   | -  | -  | (137.41)                               | -  | (137.41)                          |
|  | <b>13,174.15</b>                         | <b>13,425.40</b>                    | <b>1,584.57</b>                          | <b>13,174.15</b>                           | <b>3,111.75</b>                        | <b>1,584.57</b>                            | <b>3,111.75</b>                   |

\*\* Refer note 55.

Significant accounting policies (Refer Note 2)

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI firm's registration number: 101049W/E300004

for and on behalf of the Board of Directors of

**Embassy Office Parks Management Services Private Limited**

(as Manager to the Embassy Office Parks REIT)

Sd/-

**Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Jitendra Virwani**

Director

DIN: 00027674

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Tuhin Parikh**

Director

DIN: 00544890

Place: Mumbai

Date: November 2, 2020



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

(all amounts in ₹ million 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

| SI No | Particulars  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|-------|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| 1.    | Cash flows received from SPVs and investment entity in the form of:  |  |                                     |  |  |  |  |                                   |
|       | • Interest   | 1,499.05                                 | 1,709.81                            | 2,121.29                                 | 3,208.86                                   | 3,883.35                               | 3,940.58                                   | 7,823.93                          |
|       | • Dividends (net of applicable taxes)  | 335.00                                   | 288.00                              | 112.12                                   | 623.00                                     | 177.85                                 | 112.12                                     | 289.97                            |
|       | • Repayment of Shareholder Debt  | 2,512.12                                 | 2,662.12                            | 2,495.40                                 | 5,174.24                                   | 6,106.92                               | 4,905.31                                   | 11,012.23                         |
|       | • Proceeds from buy-backs/ capital reduction (net of applicable taxes)   | -  | -                                   | -  | -  | -                                      | -  | -                                 |
| 2.    | Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:   | -  | -                                   | -  | -  | -                                      | -  | -                                 |
|       | • Applicable capital gains and other taxes   | -  | -                                   | -  | -  | -                                      | -  | -                                 |
|       | • Related debts settled or due to be settled from sale proceeds  | -  | -                                   | -  | -  | -                                      | -  | -                                 |
|       | • Directly attributable transaction costs  | -  | -                                   | -  | -  | -                                      | -  | -                                 |
|       | • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations  | -  | -                                   | -  | -  | -                                      | -  | -                                 |
| 3.    | Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently | -  | -                                   | -  | -  | -                                      | -  | -                                 |
| 4.    | Add: Any other income of the Trust and not captured herein   | 15.56                                    | 34.58                               | 54.26                                    | 50.14                                      | 99.19                                  | 67.86                                      | 167.05                            |
| 5.    | Less: Any other expense accruing at the Trust level and not captured herein  | (15.22)                                  | (20.83)                             | (3.17)                                   | (36.05)                                    | (20.23)                                | (3.17)                                     | (23.40)                           |
| 6.    | Less: Any fees, including but not limited to:  | -  | -                                   | -  | -  | -                                      | -  | -                                 |
|       | • Trustee fees   | (0.83)                                   | (0.80)                              | (0.74)                                   | (1.63)                                     | (1.48)                                 | (1.48)                                     | (2.96)                            |
|       | • REIT Management Fees   | (54.85)                                  | (58.61)                             | (61.45)                                  | (113.46)                                   | (111.36)                               | (103.45)                                   | (214.81)                          |
|       | • Valuer fees  | (2.22)                                   | (2.21)                              | (2.36)                                   | (4.43)                                     | (5.02)                                 | (4.72)                                     | (9.74)                            |
|       | • Legal and professional fees  | (15.86)                                  | (106.07)                            | (5.47)                                   | (121.93)                                   | (85.98)                                | (16.91)                                    | (102.89)                          |
|       | • Trademark license fees   | (0.36)                                   | (0.35)                              | (0.71)                                   | (0.71)                                     | (0.71)                                 | (0.71)                                     | (1.42)                            |
|       | • Secondment fees  | (0.36)                                   | (0.35)                              | (0.71)                                   | (0.71)                                     | (0.71)                                 | (0.71)                                     | (1.42)                            |
|       | • Interest on external debt  | (33.99)                                  | -                                   | -  | (33.99)                                    | -                                      | -  | -                                 |

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

(all amounts in ₹ million unless otherwise stated)

| Sl No | Particulars   | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|-------|---|--|-------------------------------------|--|--|--|--|-----------------------------------|
|       | • Repayment of external debt  | -  | -                                   | -  | -  | -                                      | -  | -                                 |
| 7.    | Less: Income tax (net of refund) and other taxes paid (as applicable) | (8.95)                                   | (10.31)                             | (47.75)                                  | (19.26)                                    | (17.11)                                | (53.51)                                    | (70.62)                           |
|       | <b>Net Distributable Cash Flows</b>                                   | <b>4,229.09</b>                          | <b>4,494.98</b>                     | <b>4,660.71</b>                          | <b>8,724.07</b>                            | <b>10,024.71</b>                       | <b>8,841.21</b>                            | <b>18,865.92</b>                  |

### Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on November 2, 2020, have declared distribution to Unitholders of ₹5.50 per unit which aggregates to ₹4,244.16 million for the quarter ended September 30, 2020. The distributions of ₹5.50 per unit comprises ₹1.90 per unit in the form of interest payment, ₹0.42 per unit in the form of dividend and the balance ₹3.18 per unit in the form of amortization of SPV debt.

Along with distribution of ₹5.83 per unit for the quarter ended June 30, 2020, the cumulative distribution for the half year ended September 30, 2020 aggregates to ₹11.33 per unit.

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

As per our report of even date attached

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

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

Sd/-

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

Sd/-

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

Sd/-

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

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

(all amounts in ₹ million 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 and Hold Co For the quarter ended September 30, 2020 for distribution

| Sl No | Particulars  | EOPPL   | MPPL     | EEPL    | UPPL     | ETPL   | GSPL  | IENMPL  | OBPPL   | GBPL     | QBPL    | VCPL   | EPTPL  | Total    |
|-------|--|---------|----------|---------|----------|--------|-------|---------|---------|----------|---------|--------|--------|----------|
| 1     | Profit/(loss) after tax as per statement of profit and loss (standalone) (A)<br>Adjustment:                              | 182.43  | 1,031.47 | (78.34) | (108.52) | 105.88 | 37.32 | 100.93  | (12.91) | (264.80) | 82.33   | 65.75  | (1.11) | 1,140.43 |
| 2     | Add/(Less): Non-cash adjustments and taxes, including but not limited to:  |         |          |         |          |        |       |         |         |          |         |        |        |          |
|       | • Depreciation, amortisation and impairment  | 90.89   | 385.76   | 86.31   | 56.92    | 50.40  | 22.28 | 61.83   | 69.69   | 75.17    | 14.35   | 37.35  | -      | 950.95   |
|       | • Assets written off or liabilities written back   | -       | -        | -       | -        | -      | -     | (1.46)  | -       | -        | -       | -      | -      | (1.46)   |
|       | • Current tax charge as per statement of profit and loss   | 56.06   | 215.52   | -       | -        | 43.72  | 28.46 | 11.76   | (4.50)  | -        | 15.32   | 14.00  | -      | 380.34   |
|       | • Deferred tax   | 58.98   | 59.54    | (30.17) | (38.78)  | (1.23) | 0.27  | 15.45   | (0.05)  | (40.88)  | 5.72    | (2.55) | -      | 26.30    |
|       | • MAT adjustments as per statement of profit and loss  | (55.69) | (83.44)  | -       | -        | -      | -     | -       | 4.50    | -        | (14.91) | -      | -      | (149.54) |
|       | • Ind AS adjustments not considered in any other item above  | 0.51    | (117.50) | -       | -        | 11.55  | 3.88  | (57.95) | (24.48) | 0.06     | (4.14)  | 7.93   | -      | (180.14) |
| 3     | Add: Interest on shareholders debt charged to statement of profit and loss   | 132.29  | 727.84   | 188.90  | 54.37    | 9.79   | 68.67 | 104.19  | 140.76  | 384.10   | 88.56   | 141.72 | -      | 2,041.19 |
| 4     | Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity                            | -       | -        | -       | -        | -      | -     | -       | -       | -        | -       | -      | -      | -        |
| 5     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following | -       | -        | -       | -        | -      | -     | -       | -       | -        | -       | -      | -      | -        |
|       | • Related debts settled or due to be settled from sale proceeds  | -       | -        | -       | -        | -      | -     | -       | -       | -        | -       | -      | -      | -        |
|       | • Directly attributable transaction costs  | -       | -        | -       | -        | -      | -     | -       | -       | -        | -       | -      | -      | -        |
|       | • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations                    | -       | -        | -       | -        | -      | -     | -       | -       | -        | -       | -      | -      | -        |

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

(all amounts in ₹ million unless otherwise stated)

| Sl No | Particulars   | EOPPL         | MPPL            | EEPL          | UPPL           | ETPL          | GSPL          | IENMPL        | OBPPL         | GBPL          | GBPPL         | VCPPL         | EPTPL         | Total           |
|-------|---|---------------|-----------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 6     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently | -             | -               | -             | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
| 7     | Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.   | (25.82)       | 51.37           | 12.11         | (2.87)         | 3.76          | 15.60         | 23.01         | 25.71         | (76.25)       | 14.67         | (20.60)       | 0.29          | 20.98           |
| 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 *   | -             | (9.63)          | (26.09)       | -              | -             | -             | -             | (12.64)       | -             | -             | -             | -             | (48.36)         |
| 10    | Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):   | -             | -               | -             | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
|       | • Repayment of the debt in case of investments by way of debt   | -             | -               | -             | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
|       | • Proceeds from buy-backs/ capital reduction  | -             | -               | -             | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
| 11    | Less: Income tax (net of refund) and other taxes paid (as applicable)   | (47.82)       | (15.64)         | (3.97)        | 0.12           | (26.83)       | (24.48)       | (20.90)       | 8.05          | (6.93)        | (13.51)       | 27.72         | -             | (124.19)        |
|       | <b>Total Adjustments (B)</b>  | <b>209.40</b> | <b>1,213.82</b> | <b>227.09</b> | <b>69.76</b>   | <b>91.16</b>  | <b>114.68</b> | <b>135.93</b> | <b>207.04</b> | <b>335.27</b> | <b>106.06</b> | <b>205.57</b> | <b>0.29</b>   | <b>2,916.07</b> |
|       | <b>Net distributable Cash Flows C = (A+B).</b>  | <b>391.83</b> | <b>2,245.29</b> | <b>148.75</b> | <b>(38.76)</b> | <b>197.04</b> | <b>152.00</b> | <b>236.86</b> | <b>194.13</b> | <b>70.47</b>  | <b>188.39</b> | <b>271.32</b> | <b>(0.82)</b> | <b>4,056.50</b> |

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

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

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

(all amounts in ₹ million unless otherwise stated)

### For the quarter ended June 30, 2020 for distribution

| SI No | Particulars  | EOPL    | MPPL    | EEPL    | UPPL     | ETPL   | GSPL  | IENTMPL | OBPPL   | QBPL     | QBPPL   | VCPPPL | EPTPL  | Total    |
|-------|--|---------|---------|---------|----------|--------|-------|---------|---------|----------|---------|--------|--------|----------|
| 1     | Profit/(loss) after tax as per statement of profit and loss (standalone) (A)<br>Adjustment:                              | 122.64  | 966.80  | (40.53) | (106.27) | 110.03 | 43.85 | 107.62  | 12.50   | (254.15) | 65.03   | 5.64   | (0.02) | 1,033.14 |
| 2     | Add/(Less): Non-cash adjustments and taxes, including but not limited to:  |         |         |         |          |        |       |         |         |          |         |        |        |          |
|       | • Depreciation, amortisation and impairment  | 91.59   | 382.92  | 86.30   | 55.45    | 50.35  | 22.25 | 62.91   | 69.67   | 75.06    | 14.34   | 35.77  | -      | 946.61   |
|       | • Assets written off or liabilities written back   | -       | 2.73    | -       | -        | -      | -     | (3.13)  | -       | -        | -       | -      | -      | (0.40)   |
|       | • Current tax charge as per statement of profit and loss   | 43.38   | 201.63  | -       | 0.33     | 44.80  | 22.83 | 40.41   | 6.62    | -        | 12.77   | 0.56   | -      | 373.33   |
|       | • Deferred tax   | 51.08   | 62.64   | (15.32) | (37.66)  | (3.36) | 0.15  | (2.39)  | 8.74    | (50.56)  | 5.91    | (3.91) | -      | 15.32    |
|       | • MAT adjustments as per statement of profit and loss  | (43.75) | (88.91) | -       | -        | -      | -     | -       | (6.62)  | -        | (10.97) | -      | -      | (150.25) |
|       | • Ind AS adjustments not considered in any other item above  | 2.76    | (96.55) | 1.28    | -        | 10.77  | 3.16  | 2.42    | (23.82) | 1.19     | (10.38) | 13.42  | -      | (95.75)  |
| 3     | Add: Interest on shareholders debt charged to statement of profit and loss   | 136.93  | 733.48  | 187.65  | 53.78    | 9.43   | 70.58 | 103.90  | 117.88  | 379.91   | 89.74   | 140.17 | -      | 2,023.45 |
| 4     | Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity                            | -       | -       | -       | -        | -      | -     | -       | -       | -        | -       | -      | -      | -        |
| 5     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following | -       | -       | -       | -        | -      | -     | -       | -       | -        | -       | -      | -      | -        |
|       | • Related debts settled or due to be settled from sale proceeds  | -       | -       | -       | -        | -      | -     | -       | -       | -        | -       | -      | -      | -        |
|       | • Directly attributable transaction costs  | -       | -       | -       | -        | -      | -     | -       | -       | -        | -       | -      | -      | -        |
|       | • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations                    | -       | -       | -       | -        | -      | -     | -       | -       | -        | -       | -      | -      | -        |



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

(all amounts in ₹ million unless otherwise stated)

| Sl No | Particulars   | EOPPL         | MPPL            | EEPL          | UPPL           | ETPL          | GSPL          | IENMPL        | OBPPL         | QBPL          | GBPPL         | VCPL          | EPTPL         | Total           |
|-------|---|---------------|-----------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 6     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently | -             | -               | -             | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
| 7     | Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.   | (18.60)       | 240.49          | 10.28         | (28.80)        | (4.01)        | 11.92         | (0.91)        | 65.05         | (34.10)       | 6.15          | 18.97         | 0.01          | 266.45          |
| 8     | Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt   | -             | -               | -             | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
| 9     | Less: External debt principal repayment *   | -             | (14.45)         | (25.28)       | -              | -             | -             | -             | (8.56)        | -             | -             | -             | -             | (48.29)         |
| 10    | Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):   | -             | -               | -             | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
|       | • Repayment of the debt in case of investments by way of debt   | -             | -               | -             | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
|       | • Proceeds from buy-backs/ capital reduction  | -             | -               | -             | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
| 11    | Less: Income tax (net of refund) and other taxes paid (as applicable)   | (36.99)       | (101.28)        | 9.12          | 0.04           | (29.49)       | (19.64)       | (32.19)       | 21.40         | (28.87)       | (14.22)       | (10.04)       | -             | (242.16)        |
|       | <b>Total Adjustments (B)</b>  | <b>226.40</b> | <b>1,322.70</b> | <b>254.03</b> | <b>43.14</b>   | <b>78.49</b>  | <b>111.25</b> | <b>171.02</b> | <b>250.36</b> | <b>342.63</b> | <b>93.34</b>  | <b>194.94</b> | <b>0.01</b>   | <b>3,088.31</b> |
|       | <b>Net distributable Cash Flows C = (A+B)</b>   | <b>349.04</b> | <b>2,289.50</b> | <b>213.50</b> | <b>(63.13)</b> | <b>188.52</b> | <b>155.10</b> | <b>278.64</b> | <b>262.86</b> | <b>88.48</b>  | <b>158.37</b> | <b>200.58</b> | <b>(0.01)</b> | <b>4,121.45</b> |

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

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

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

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

(all amounts in ₹ million unless otherwise stated)

## For the quarter ended September 30, 2019 for distribution

| SI No | Particulars   | EOPPL   | MPPL     | EEPL    | UPPL    | ETPL    | GSPL   | IENMPL   | OBPPL   | QBPL     | QBPL    | VCPPL   | Total    |
|-------|---|---------|----------|---------|---------|---------|--------|----------|---------|----------|---------|---------|----------|
| 1     | Profit/(loss) after tax as per statement of profit and loss (standalone) (A)  | 127.80  | 800.01   | (0.99)  | (12.32) | 77.53   | 27.76  | 53.01    | 28.44   | (281.98) | 69.83   | 108.08  | 997.15   |
|       | Adjustment:   |         |          |         |         |         |        |          |         |          |         |         |          |
| 2     | Add/(Less): Non-cash adjustments and taxes, including but not limited to:   |         |          |         |         |         |        |          |         |          |         |         |          |
|       | • Depreciation, amortisation and impairment   | 87.25   | 344.96   | 86.31   | 58.30   | 50.95   | 25.27  | 119.51   | 32.41   | 67.74    | (0.88)  | 12.27   | 884.11   |
|       | • Assets written off or liabilities written back  | 0.27    | -        | -       | -       | -       | -      | -        | -       | -        | -       | -       | 0.27     |
|       | • Current tax charge as per statement of profit and loss  | (52.03) | 144.94   | (6.28)  | 0.39    | 21.30   | 15.00  | 19.14    | 10.41   | 0.10     | 12.25   | -       | 165.22   |
|       | • Deferred tax  | (91.33) | 73.96    | 1.97    | (5.17)  | 33.64   | (1.30) | (5.42)   | 26.99   | (23.59)  | 10.53   | (0.69)  | 19.59    |
|       | • MAT adjustments as per statement of profit and loss   | 155.02  | (128.76) | 15.24   | -       | -       | -      | -        | (10.41) | 43.98    | (9.22)  | -       | 65.85    |
|       | • Ind AS adjustments not considered in any other item above   | (31.91) | 35.53    | (4.12)  | -       | (25.68) | 4.13   | (6.07)   | 10.08   | (3.02)   | (1.87)  | (54.42) | (77.36)  |
| 3     | Add: Interest on shareholders debt charged to statement of profit and loss  | 179.84  | 634.92   | 0.68    | 56.44   | 18.31   | 77.35  | 106.99   | 130.74  | 379.23   | 97.53   | 148.92  | 1,830.96 |
| 4     | Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity   | -       | -        | -       | -       | -       | -      | -        | -       | -        | -       | -       | -        |
| 5     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following  | -       | -        | -       | -       | -       | -      | -        | -       | -        | -       | -       | -        |
|       | • Related debts settled or due to be settled from sale proceeds   | -       | -        | -       | -       | -       | -      | -        | -       | -        | -       | -       | -        |
|       | • Directly attributable transaction costs   | -       | -        | -       | -       | -       | -      | -        | -       | -        | -       | -       | -        |
|       | • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations   | -       | -        | -       | -       | -       | -      | -        | -       | -        | -       | -       | -        |
| 6     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently | -       | -        | -       | -       | -       | -      | -        | -       | -        | -       | -       | -        |
| 7     | Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.   | 318.83  | 292.74   | (95.80) | 11.61   | 58.84   | 15.52  | (137.16) | (63.10) | 38.83    | (10.62) | (15.75) | 413.93   |

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

(all amounts in ₹ million unless otherwise stated)

| Sl No | Particulars   | EOPPL         | MPPL            | EEPL           | UPPL          | ETPL          | GSPL          | IENMPL        | OBPPL         | QBPL          | QBPPL         | VCPPL         | Total           |
|-------|---|---------------|-----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 8     | Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt                     | -             | -               | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
| 9     | Less: External debt principal repayment *   | -             | -               | (20.46)        | -             | -             | -             | -             | -             | -             | -             | -             | (20.46)         |
| 10    | Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above): | -             | -               | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
|       | • Repayment of the debt in case of investments by way of debt   | -             | -               | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
|       | • Proceeds from buy-backs/ capital reduction  | -             | -               | -              | -             | -             | -             | -             | -             | -             | -             | -             | -               |
| 11    | Less: Income tax (net of refund) and other taxes paid (as applicable)   | (41.57)       | (199.75)        | (7.85)         | (2.03)        | (28.99)       | (22.52)       | (33.76)       | (24.09)       | (34.17)       | (12.53)       | 28.33         | (378.92)        |
|       | <b>Total Adjustments (B)</b>  | <b>524.37</b> | <b>1,198.53</b> | <b>(30.31)</b> | <b>119.55</b> | <b>128.37</b> | <b>113.45</b> | <b>63.23</b>  | <b>113.03</b> | <b>469.10</b> | <b>85.18</b>  | <b>118.66</b> | <b>2,903.17</b> |
|       | <b>Net distributable Cash Flows C = (A+B)</b>   | <b>652.17</b> | <b>1,998.54</b> | <b>(31.30)</b> | <b>107.23</b> | <b>205.90</b> | <b>141.21</b> | <b>116.23</b> | <b>141.47</b> | <b>187.12</b> | <b>155.00</b> | <b>226.74</b> | <b>3,900.32</b> |

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

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

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

(all amounts in ₹ million unless otherwise stated)  
For the half year ended September 30, 2020 pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

| Sl No | Particulars  | EOPPL   | MPPPL    | EEPL     | UPPL     | ETPL   | GSPL   | IENMPL  | OBPPL   | QBPL     | QBPL    | VCPPL  | EPTPL  | Total    |
|-------|--|---------|----------|----------|----------|--------|--------|---------|---------|----------|---------|--------|--------|----------|
| 1     | Profit/(loss) after tax as per statement of profit and loss (standalone) (A)<br>Adjustment:                              | 305.07  | 1,998.27 | (118.87) | (214.79) | 215.91 | 81.17  | 208.55  | (0.41)  | (518.95) | 147.36  | 71.39  | (1.13) | 2,173.57 |
| 2     | Add/(Less): Non-cash adjustments and taxes, including but not limited to:  |         |          |          |          |        |        |         |         |          |         |        |        |          |
|       | • Depreciation, amortisation and impairment  | 182.48  | 768.68   | 172.61   | 112.37   | 100.75 | 44.53  | 124.74  | 139.36  | 150.23   | 28.69   | 73.12  | -      | 1,897.56 |
|       | • Assets written off or liabilities written back   | -       | 2.73     | -        | -        | -      | -      | (4.59)  | -       | -        | -       | -      | -      | (1.86)   |
|       | • Current tax charge as per statement of profit and loss   | 99.44   | 417.15   | -        | 0.33     | 88.52  | 51.29  | 52.17   | 2.12    | -        | 28.09   | 14.56  | -      | 753.67   |
|       | • Deferred tax   | 110.06  | 122.18   | (45.49)  | (76.44)  | (4.59) | 0.42   | 13.06   | 8.69    | (91.44)  | 11.63   | (6.46) | -      | 41.62    |
|       | • MAT adjustments as per statement of profit and loss  | (99.44) | (172.35) | -        | -        | -      | -      | -       | (2.12)  | -        | (25.88) | -      | -      | (299.79) |
|       | • Ind AS adjustments not considered in any other item above  | 3.27    | (214.05) | 1.28     | -        | 22.32  | 7.04   | (55.53) | (48.30) | 1.25     | (14.52) | 21.35  | -      | (275.89) |
| 3     | Add: Interest on shareholders debt charged to statement of profit and loss   | 269.22  | 1,461.32 | 376.55   | 108.15   | 19.22  | 139.25 | 208.09  | 258.64  | 764.01   | 178.30  | 281.89 | -      | 4,064.64 |
| 4     | Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity                            | -       | -        | -        | -        | -      | -      | -       | -       | -        | -       | -      | -      | -        |
| 5     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following | -       | -        | -        | -        | -      | -      | -       | -       | -        | -       | -      | -      | -        |
|       | • Related debts settled or due to be settled from sale proceeds  | -       | -        | -        | -        | -      | -      | -       | -       | -        | -       | -      | -      | -        |
|       | • Directly attributable transaction costs  | -       | -        | -        | -        | -      | -      | -       | -       | -        | -       | -      | -      | -        |
|       | • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations                    | -       | -        | -        | -        | -      | -      | -       | -       | -        | -       | -      | -      | -        |

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

(all amounts in ₹ million unless otherwise stated)

| Sl No | Particulars   | EOPPL         | MPPL            | EEPL          | UPPL            | ETPL          | GSPL          | IENMPL        | OBPPL         | QBPL          | QBPPL         | VCPPPL        | EPTPL         | Total           |
|-------|---|---------------|-----------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 6     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently | -             | -               | -             | -               | -             | -             | -             | -             | -             | -             | -             | -             | -               |
| 7     | Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.   | (44.42)       | 291.86          | 22.39         | (31.67)         | (0.25)        | 27.52         | 22.10         | 90.76         | (110.35)      | 20.82         | (1.63)        | 0.30          | 287.43          |
| 8     | Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt   | -             | -               | -             | -               | -             | -             | -             | -             | -             | -             | -             | -             | -               |
| 9     | Less: External debt principal repayment *   | -             | (24.08)         | (51.37)       | -               | -             | -             | -             | (21.20)       | -             | -             | -             | -             | (96.65)         |
| 10    | Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):   | -             | -               | -             | -               | -             | -             | -             | -             | -             | -             | -             | -             | -               |
|       | • Repayment of the debt in case of investments by way of debt   | -             | -               | -             | -               | -             | -             | -             | -             | -             | -             | -             | -             | -               |
|       | • Proceeds from buy-backs/ capital reduction  | -             | -               | -             | -               | -             | -             | -             | -             | -             | -             | -             | -             | -               |
| 11    | Less: Income tax (net of refund) and other taxes paid (as applicable)   | (84.81)       | (116.92)        | 5.15          | 0.16            | (56.32)       | (44.12)       | (53.09)       | 29.45         | (35.80)       | (27.73)       | 17.68         | -             | (366.35)        |
|       | <b>Total Adjustments (B)</b>  | <b>435.80</b> | <b>2,536.52</b> | <b>481.12</b> | <b>112.90</b>   | <b>169.65</b> | <b>225.93</b> | <b>306.95</b> | <b>457.40</b> | <b>677.90</b> | <b>199.40</b> | <b>400.51</b> | <b>0.30</b>   | <b>6,004.38</b> |
|       | <b>Net distributable Cash Flows C = (A+B).</b>  | <b>740.87</b> | <b>4,534.79</b> | <b>362.25</b> | <b>(101.89)</b> | <b>385.56</b> | <b>307.10</b> | <b>515.50</b> | <b>456.99</b> | <b>158.95</b> | <b>346.76</b> | <b>471.90</b> | <b>(0.83)</b> | <b>8,177.95</b> |

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

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

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



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

(all amounts in ₹ million unless otherwise stated)

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

| Sl No | Particulars   | EOPPL    | MPPPL    | EEPL    | UPPL    | ETPL     | GSPL   | IENMPL  | OBPPL   | QBPL       | QBPPPL  | VCPPPL | EPTPL | Total    |
|-------|---|----------|----------|---------|---------|----------|--------|---------|---------|------------|---------|--------|-------|----------|
| 1     | Profit/(loss) after tax as per statement of profit and loss (standalone) (A)  | 515.10   | 1,895.25 | 23.36   | (90.42) | 334.52   | 63.48  | 134.63  | 105.29  | (1,587.68) | 114.54  | 49.78  | -     | 1,557.85 |
|       | Adjustment:   |          |          |         |         |          |        |         |         |            |         |        |       |          |
| 2     | Add/(Less): Non-cash adjustments and taxes, including but not limited to:   |          |          |         |         |          |        |         |         |            |         |        |       |          |
|       | • Depreciation, amortisation and impairment   | 180.16   | 700.66   | 172.62  | 112.66  | 101.41   | 42.77  | 153.51  | 109.62  | 1,442.52   | 28.59   | 76.23  | -     | 3,120.75 |
|       | • Assets written off or liabilities written back  | 1.39     | (6.43)   | -       | (2.91)  | -        | -      | (0.39)  | (2.72)  | -          | -       | -      | -     | (11.06)  |
|       | • Current tax charge as per statement of profit and loss  | 117.77   | 317.86   | 9.95    | 1.22    | 87.91    | 53.30  | 82.42   | 24.71   | (0.10)     | 22.38   | 20.29  | -     | 737.71   |
|       | • Deferred tax  | 122.11   | 258.72   | 6.05    | (31.57) | 0.34     | (1.39) | 19.24   | 45.72   | (168.24)   | 10.44   | 45.15  | -     | 306.57   |
|       | • MAT adjustments as per statement of profit and loss   | (207.06) | (526.02) | (18.91) | -       | (116.07) | -      | -       | (24.71) | 4.13       | (19.64) | -      | -     | (908.28) |
|       | • Ind AS adjustments not considered in any other item above   | (50.08)  | 12.51    | (0.79)  | -       | (31.09)  | 11.43  | (10.37) | 30.55   | 9.05       | 14.18   | 19.75  | -     | 5.14     |
| 3     | Add: Interest on shareholders debt charged to statement of profit and loss  | 325.32   | 1,341.43 | 283.41  | 108.99  | 23.80    | 149.27 | 216.35  | 232.92  | 764.01     | 187.92  | 287.56 | -     | 3,920.98 |
| 4     | Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity   | -        | -        | -       | -       | -        | -      | -       | -       | -          | -       | -      | -     | -        |
| 5     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following  | -        | -        | -       | -       | -        | -      | -       | -       | -          | -       | -      | -     | -        |
|       | • Related debts settled or due to be settled from sale proceeds   | -        | -        | -       | -       | -        | -      | -       | -       | -          | -       | -      | -     | -        |
|       | • Directly attributable transaction costs   | -        | -        | -       | -       | -        | -      | -       | -       | -          | -       | -      | -     | -        |
|       | • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations   | -        | -        | -       | -       | -        | -      | -       | -       | -          | -       | -      | -     | -        |
| 6     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently | -        | -        | -       | -       | -        | -      | -       | -       | -          | -       | -      | -     | -        |

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

(all amounts in ₹ million unless otherwise stated)

| Sl No | Particulars   | EOPPL           | MPPL            | EEPL          | UPPL          | ETPL          | G SPL         | IE MPL        | OBPPL         | QBPL            | QB PPL        | VC PPL        | EPTPL    | Total           |
|-------|---|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|----------|-----------------|
| 7     | Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.           | 168.91          | 601.20          | 24.74         | 45.83         | 41.40         | (5.53)        | (6.99)        | 59.02         | 10.22           | 25.28         | 5.35          | -        | 969.43          |
| 8     | Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt                     | -               | -               | -             | -             | -             | -             | -             | -             | -               | -             | -             | -        | -               |
| 9     | Less: External debt principal repayment *   | -               | (29.47)         | (50.75)       | -             | -             | -             | -             | (50.90)       | -               | -             | -             | -        | (131.12)        |
| 10    | Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above): | -               | -               | -             | -             | -             | -             | -             | -             | -               | -             | -             | -        | -               |
|       | • Repayment of the debt in case of investments by way of debt   | -               | -               | -             | -             | -             | -             | -             | -             | -               | -             | -             | -        | -               |
|       | • Proceeds from buy-backs/ capital reduction  | -               | -               | -             | -             | -             | -             | -             | -             | -               | -             | -             | -        | -               |
| 11    | Less: Income tax (net of refund) and other taxes paid (as applicable)   | (57.84)         | (295.77)        | (1.20)        | (3.55)        | (51.31)       | (43.16)       | (63.40)       | (35.17)       | (63.71)         | (26.67)       | (34.79)       | -        | (676.57)        |
|       | <b>Total Adjustments (B)</b>  | <b>600.68</b>   | <b>2,374.69</b> | <b>425.12</b> | <b>230.67</b> | <b>56.39</b>  | <b>206.69</b> | <b>390.37</b> | <b>389.04</b> | <b>1,997.88</b> | <b>242.48</b> | <b>419.54</b> | <b>-</b> | <b>7,333.55</b> |
|       | <b>Net distributable Cash Flows C = (A+B)</b>   | <b>1,115.78</b> | <b>4,269.94</b> | <b>448.48</b> | <b>140.25</b> | <b>390.91</b> | <b>270.17</b> | <b>525.00</b> | <b>494.33</b> | <b>410.20</b>   | <b>357.02</b> | <b>469.32</b> | <b>-</b> | <b>8,891.40</b> |

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

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

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

(all amounts in ₹ million unless otherwise stated)

### For the half year ended September 30, 2019 pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

| SI No | Particulars  | EOPPL   | MPPL     | EEPL   | UPPL    | ETPL   | GSPL   | IENMPL  | OBPPL   | QBPL     | GBPPL   | VCPPL    | EPTPL | Total    |
|-------|--|---------|----------|--------|---------|--------|--------|---------|---------|----------|---------|----------|-------|----------|
| 1     | Profit/(loss) after tax as per statement of profit and loss (standalone) (A)   | 243.76  | 1,480.11 | 20.91  | (60.73) | 127.92 | 61.26  | 66.20   | 48.54   | (513.63) | 125.04  | 131.86   | -     | 1,731.24 |
|       | Adjustment:  |         |          |        |         |        |        |         |         |          |         |          |       |          |
| 2     | Add/(Less): Non-cash adjustments and taxes, including but not limited to:  |         |          |        |         |        |        |         |         |          |         |          |       |          |
|       | • Depreciation, amortisation and impairment  | 174.55  | 689.47   | 172.62 | 119.27  | 99.64  | 44.97  | 298.02  | 112.69  | 154.03   | 28.70   | 70.98    | -     | 1,964.94 |
|       | • Assets written off or liabilities written back   | 4.96    |          |        |         |        |        |         |         |          |         |          |       | 4.96     |
|       | • Current tax charge as per statement of profit and loss   | 5.18    | 343.30   | -      | 1.14    | 34.61  | 36.42  | 65.21   | 18.78   | 0.10     | 24.94   | -        | -     | 529.68   |
|       | • Deferred tax   | (18.69) | 226.01   | 9.21   | (12.73) | 33.64  | (2.09) | (12.72) | 37.30   | (49.93)  | 10.10   | 19.88    | -     | 239.98   |
|       | • MAT adjustments as per statement of profit and loss  | 97.81   | (255.66) | 8.96   | -       | -      | -      | -       | (18.78) | 43.98    | (18.15) | -        | -     | (141.84) |
|       | • Ind AS adjustments not considered in any other item above  | (39.37) | 20.31    | (0.49) | -       | (9.21) | 3.82   | (21.58) | (15.73) | (3.00)   | (3.45)  | (154.41) | -     | (223.11) |
| 3     | Add: Interest on shareholders debt charged to statement of profit and loss   | 360.41  | 1,078.89 | 0.68   | 111.77  | 42.33  | 155.94 | 198.03  | 250.49  | 742.85   | 195.54  | 294.61   | -     | 3,431.54 |
| 4     | Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity                            | -       | -        | -      | -       | -      | -      | -       | -       | -        | -       | -        | -     | -        |
| 5     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following | -       | -        | -      | -       | -      | -      | -       | -       | -        | -       | -        | -     | -        |
|       | • Related debts settled or due to be settled from sale proceeds  | -       | -        | -      | -       | -      | -      | -       | -       | -        | -       | -        | -     | -        |
|       | • Directly attributable transaction costs  | -       | -        | -      | -       | -      | -      | -       | -       | -        | -       | -        | -     | -        |
|       | • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations                    | -       | -        | -      | -       | -      | -      | -       | -       | -        | -       | -        | -     | -        |

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

(all amounts in ₹ million unless otherwise stated)

| Sl No | Particulars   | EOPPL           | MPPL            | EEPL          | UPPL          | ETPL          | GSPL          | IENTMPL       | OBPPL         | GBPL          | QBPL          | VCPPL         | EPTPL    | Total           |
|-------|---|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------|-----------------|
| 6     | Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently | -               | -               | -             | -             | -             | -             | -             | -             | -             | -             | -             | -        | -               |
| 7     | Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.   | 496.28          | 644.97          | 95.38         | (5.32)        | 139.96        | 66.79         | (105.38)      | 49.68         | 165.47        | (9.61)        | (34.59)       | -        | 1,503.63        |
| 8     | Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt   | -               | -               | -             | -             | -             | -             | -             | -             | -             | -             | -             | -        | -               |
| 9     | Less: External debt principal repayment *   | -               | (242.04)        | (42.73)       | -             | -             | -             | -             | -             | -             | -             | -             | -        | (284.77)        |
| 10    | Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):   | -               | -               | -             | -             | -             | -             | -             | -             | -             | -             | -             | -        | -               |
|       | • Repayment of the debt in case of investments by way of debt   | -               | -               | -             | -             | -             | -             | -             | -             | -             | -             | -             | -        | -               |
|       | • Proceeds from buy-backs/ capital reduction  | -               | -               | -             | -             | -             | -             | -             | -             | -             | -             | -             | -        | -               |
| 11    | Less: Income tax (net of refund) and other taxes paid (as applicable)   | (69.15)         | (314.78)        | (20.38)       | (3.83)        | (51.20)       | (40.93)       | (72.63)       | (46.99)       | (68.98)       | (26.53)       | 10.70         | -        | (704.70)        |
|       | <b>Total Adjustments (B)</b>  | <b>1,011.98</b> | <b>2,190.47</b> | <b>223.25</b> | <b>210.30</b> | <b>289.77</b> | <b>264.92</b> | <b>348.95</b> | <b>387.44</b> | <b>984.52</b> | <b>201.54</b> | <b>207.17</b> | <b>-</b> | <b>6,320.31</b> |
|       | <b>Net distributable Cash Flows C = (A+B)</b>   | <b>1,255.74</b> | <b>3,670.58</b> | <b>244.16</b> | <b>149.57</b> | <b>417.69</b> | <b>326.18</b> | <b>415.15</b> | <b>435.98</b> | <b>470.88</b> | <b>326.58</b> | <b>339.03</b> | <b>-</b> | <b>8,051.55</b> |

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

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

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





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

(all amounts in ₹ million unless otherwise stated)

| Sl No | Particulars   | EOPPL           | MPPL            | EEPL          | UPPL          | ETPL          | GSPL          | IENMPL        | OBPPL         | QBPL            | GBPPL         | VCPPL         | EPTPL    | Total            |
|-------|---|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|----------|------------------|
| 7     | Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.           | 665.19          | 1,246.17        | 120.12        | 40.51         | 181.36        | 61.26         | (112.37)      | 108.70        | 175.69          | 15.67         | (29.24)       | -        | 2,473.06         |
| 8     | Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt                     | -               | -               | -             | -             | -             | -             | -             | -             | -               | -             | -             | -        | -                |
| 9     | Less: External debt principal repayment*  | -               | (271.51)        | (93.48)       | -             | -             | -             | -             | (50.90)       | -               | -             | -             | -        | (415.89)         |
| 10    | Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above): | -               | -               | -             | -             | -             | -             | -             | -             | -               | -             | -             | -        | -                |
|       | • Repayment of the debt in case of investments by way of debt   | -               | -               | -             | -             | -             | -             | -             | -             | -               | -             | -             | -        | -                |
|       | • Proceeds from buy-backs/ capital reduction  | -               | -               | -             | -             | -             | -             | -             | -             | -               | -             | -             | -        | -                |
| 11    | Less: Income tax (net of refund) and other taxes paid (as applicable)   | (126.99)        | (610.55)        | (21.58)       | (7.38)        | (102.51)      | (84.09)       | (136.03)      | (82.16)       | (132.69)        | (53.20)       | (24.09)       | -        | (1,381.27)       |
|       | <b>Total Adjustments (B)</b>  | <b>1,612.66</b> | <b>4,565.16</b> | <b>648.37</b> | <b>440.97</b> | <b>346.16</b> | <b>471.61</b> | <b>739.32</b> | <b>776.48</b> | <b>2,982.40</b> | <b>444.02</b> | <b>626.71</b> | <b>-</b> | <b>13,653.86</b> |
|       | <b>Net distributable Cash Flows C = (A+B).</b>  | <b>2,371.52</b> | <b>7,940.52</b> | <b>692.64</b> | <b>289.82</b> | <b>808.60</b> | <b>596.35</b> | <b>940.15</b> | <b>930.31</b> | <b>881.09</b>   | <b>683.60</b> | <b>808.35</b> | <b>-</b> | <b>16,942.95</b> |

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

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI firm's registration number: 101049W/E300004

Sd/-

**Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Jitendra Virwani**

Director

DIN: 00027674

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Tuhin Parikh**

Director

DIN: 00544890

Place: Mumbai

Date: November 2, 2020

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

## Notes

to the Condensed Consolidated Financial Statements

### 1. ORGANISATION STRUCTURE

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

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

Embassy Property Developments Private Limited ('EPDPL') and BRE/Mauritius Investments ('BMI') (collectively known as the 'Sponsors' or the 'Co-

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

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

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

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

#### Details of SPVs is provided below:

| Name of the SPV | Activities  | Shareholding (in percentage)                         |
|-----------------|---|--|
| EOPPL           | Development and leasing of office space and related interiors (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks holding company (Hold Co.) for the Embassy Office Parks Group. | Embassy Office Parks REIT : 100%                     |
| MPPL            | Development and leasing of office space and related interiors (Embassy Manyata), located at Bangalore.  | EOPPL : 35.77%<br>Embassy Office Parks REIT : 64.23% |
| UPPL            | Development, rental and maintenance of serviced residences (Hilton hotel).  | Embassy Office Parks REIT : 100%                     |
| EEPL            | Generation and supply of solar power mainly to the office spaces of Embassy Office Parks Group located in Bangalore.  | EOPPL: 80%<br>Embassy Office Parks REIT : 20%        |
| GSPL            | Development and leasing of office space and related interiors and maintenance of such assets (Embassy Galaxy), located in Noida.  | Embassy Office Parks REIT : 100%                     |

## Notes

to the Condensed Consolidated Financial Statements

| Name of the SPV   | Activities   | Shareholding (in percentage)                |
|---|--|---|
| QBPL  | Development and leasing of office space and related interiors and maintenance of such assets (Quadron Business Park), located in Pune and (Embassy one) located in Bangalore | Embassy Office Parks REIT : 100%            |
| QBPPL   | Development, rental and maintenance of serviced residences (Hotel Four Seasons at Embassy One), located in Bangalore   |   |
| QBPL  | Development and leasing of office space and related interiors and maintenance of such assets (Embassy Qubix), located in Pune.   | Embassy Office Parks REIT : 100%            |
| OBPPL   | Development and leasing of office space and related interiors and maintenance of such assets (Embassy Oxygen), located in Noida.   | Embassy Office Parks REIT : 100%            |
| ETPL  | Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.                      | Embassy Office Parks REIT : 100%            |
| VCPPPL  | Development and leasing of office space and related interiors and maintenance of such assets (Embassy 247), located in Mumbai.   | Embassy Office Parks REIT : 100%            |
| IENMPL  | Development and leasing of office space and related interiors and maintenance of such assets (Express Towers), located in Mumbai.  | Embassy Office Parks REIT : 100%            |
| The Trust, further has the following subsidiary incorporated/ acquired post IPO:- |  |   |
| EPTPL   | Development and leasing of office space and related interiors, located in Pune.  | Embassy Office Parks Private Limited (100%) |

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of Condensed Consolidated Financial Statements

The Condensed Consolidated Financial Information (hereinafter referred to as the "Condensed Consolidated Financial Statements") of the Embassy Office Parks Group comprises the Consolidated Balance Sheet and the Statement of Net Assets as at September 30, 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Statement of Cash Flow, the Statement of Net Distributable Cashflows of Embassy REIT and each of the SPVs for the quarter and half year ended September 30, 2020, the Consolidated Statement of Changes in Unitholders' Equity, the Consolidated Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the half year ended September 30, 2020. The Condensed Consolidated Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on November 2, 2020. The Condensed Consolidated Financial Statements have been

prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time read including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("the REIT regulations"); Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. Also, refer Note 21(a) on classification of Unitholders fund.

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

#### Statement of compliance to Ind-AS

"These Condensed Consolidated Financial Statements for the half year ended September 30, 2020 are the financial statements of the Embassy Office Parks Group and have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" as prescribed in Rule 2(1)(a) of the Companies (Indian

## Notes

### to the Condensed Consolidated Financial Statements

Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations. The Group has followed the same accounting policies in preparation of the condensed consolidated financial statements as those followed in preparation of the annual consolidated financial statements as at and for the year ended March 31, 2020. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes for the year ended March 31, 2020.”

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

#### Basis of Consolidation

##### (i) Subsidiaries

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

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

- a) The Condensed Consolidated Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 – Consolidated Financial Statements, to the extent applicable.
- b) Goodwill is recognised in the Condensed Consolidated Financial Statements at the excess of cost of investment over share of fair value of net assets acquired on the date of acquisition.
- c) The financial statements of the Embassy Office Parks Group are consolidated on a

line-by-line basis and intragroup balances and transactions for assets and liabilities, equity, income, expenses and cash flows between entities of the Embassy Office Parks Group are eliminated in full upon consolidation.

- d) Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the equity attributable to shareholders of the Company. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

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

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

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

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

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

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

## Notes

### to the Condensed Consolidated Financial Statements

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

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

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

#### Basis of Business Combination

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

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

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

Business combinations arising from transfers of interests in entities that are under common

control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in Unitholders' equity.

## 2.2 Summary of significant accounting policies

### a) Functional and presentation currency

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

### b) Basis of measurement

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

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

### c) Use of judgments and estimates

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

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

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



## Notes

### to the Condensed Consolidated Financial Statements

- i) Business combinations
- In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Estimating the acquisition date fair value of the identifiable assets acquired, useful life thereof and liabilities assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the management. Changes in these judgments, estimates and assumptions can materially affect the results of operations.
- ii) Impairment of goodwill and intangible assets with infinite useful life
- For the purpose of impairment testing, goodwill and intangible assets with infinite useful life acquired in a business combination is, from the acquisition date, allocated to each of the Embassy Office Parks Group's cash-generating units that are expected to benefit from the combination. In performing such impairment assessments, management compared the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill and such intangible assets had been allocated with their respective 'value in use' computed based on discounted cash flow method, to determine if any impairment loss should be recognized. The discounted cash flow method involves estimating future cash flows, growth rates and discount rates which require significant management judgement - Note 2.2 (j)
- iii) Classification of lease arrangements as finance lease or operating lease - Note 2.2 (q)
- iv) Classification of assets as investment property or as property, plant and equipment - Notes 2.2 (f) and (g)
- v) Significant judgement involved in the purchase price allocation of the assets acquired and liabilities assumed on account of Business Combination and deferred tax accounting on the resultant fair value accounting- Note on Basis of Business Combination and Note 2.2 (u) (ii)
- vi) Judgements in preparing Condensed Consolidated Financial Statements - Note 2.1
- vii) Classification of Unitholders' funds - Note 21 (a)
- Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment during the half year ended September 30, 2020 is included in the following notes:
- (i) "Fair valuation and disclosures and impairment of non-financial assets being investment properties and property plant and equipment - The fair value of investment properties and property, plant and equipment are reviewed regularly by management with reference to independent property valuations and market conditions existing at half yearly basis. The independent valuers are independent appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Judgment is also applied in determining the extent and frequency of independent appraisals. SEBI Circulars issued under the REIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (Refer Statement of net assets at fair value and Statement of total returns at fair value for details). Refer note 2.2 (j) as regards estimates and assumptions involved in impairment assessment of non-financial assets being investment properties and property plant and equipment."
- (ii) Useful lives of Investment Property and Property, Plant and Equipment-Notes 2.2(f) and (g)
- (iii) Valuation of financial instruments -Note 2.2 (l)
- (iv) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(u)(ii). Further, significant judgements are involved in determining the provision for income taxes, including recognition of minimum alternate tax credit, in SPVs entitled for tax deduction under Section

## Notes

### to the Condensed Consolidated Financial Statements

801AB of the Income Tax Act, 1961, wherein the tax deduction is dependent upon necessary details available for exempt and non-exempt income.

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

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

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

#### e) Measurement of fair values

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

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

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

## Notes

### to the Condensed Consolidated Financial Statements

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

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

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

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

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

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

#### f) Investment property

Property that is held for long-term rental yields or for capital appreciation or both is

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

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

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

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

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

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

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

## Notes

### to the Condensed Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

because it satisfies either of the following two tests:

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

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

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

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

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

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

Property, plant and equipment and Intangibles acquired on Business Combination, except right-to-use trademark, is depreciated over

## Notes

### to the Condensed Consolidated Financial Statements

the remaining useful life from the date of acquisition as certified by the technical valuer.

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

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

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

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

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

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

#### i) **Inventory**

##### **Stores and operating supplies**

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

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

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

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

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

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

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

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



## Notes

### to the Condensed Consolidated Financial Statements

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

## Notes

to the Condensed Consolidated Financial Statements

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

## Notes

### to the Condensed Consolidated Financial Statements

compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### **Financial assets: Subsequent measurement and gains and losses**

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

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

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

measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

#### **iii) Derecognition Financial assets**

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

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

#### **Financial liabilities**

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

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

#### **iv) Offsetting**

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

## Notes

to the Condensed Consolidated Financial Statements

### m) Compound financial instruments

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

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

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

### n) Impairment of financial assets

#### *Financial assets*

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

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

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

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

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or being past due for 180 days or more; or
- the restructuring of a loan or advance by the Embassy Office Parks Group on terms that in the material assessment of

the Embassy Office Parks Group it would not consider otherwise; or

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties

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

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

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

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

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

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

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

## Notes

### to the Condensed Consolidated Financial Statements

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

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

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

**Measurement of expected credit losses:**

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

**Presentation of allowance for expected credit losses in the balance sheet:**

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

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

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

Embassy Office Parks Group does not have any past history of significant impairment of trade and other receivables.

**o) Embedded derivatives**

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

**p) Financial guarantee contracts**

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

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

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

**q) Leases**

Embassy Office Parks Group as a lessee

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

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



## Notes

to the Condensed Consolidated Financial Statements

by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

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

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

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

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

### *Embassy Office Parks Group as a lessor*

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

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

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

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

#### *iii. Initial direct costs*

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

#### **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

## Notes

### to the Condensed Consolidated Financial Statements

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

- ii) **Income from finance lease**  
The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.
- iii) **Revenue from Room Rentals**  
Revenue from room rentals are based on the occupancy charged on the basis of room rates which are contracted (exclusive of applicable taxes).
- iv) **Revenue from contract with customers**
  - a) Revenue from maintenance services is recognised as and when the services are rendered based on the terms of the contracts with the lessees.
  - b) **Revenue from Food, beverages and banquets**  
Revenue from food and beverages are recorded as and when food is served. Revenue generated from the banquet services offered are charged on the basis of cover charges per person which is billed (exclusive of applicable taxes) based on guaranteed covers if actual cover is less than contracted.
  - c) **Other operating income**  
Other operating income, including service charges on rooms and Food & Beverage (F&B) revenues and other hospitality-related operating income is recognised when the services are rendered and the same become chargeable. Revenue from other services is recognised on accrual basis as per the terms of the agreement.

- v) **Recognition of dividend and interest income**

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

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

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

- s) **Employee benefits**

- Defined contribution plan**

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

- Gratuity**

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

The calculation of defined benefit obligation is performed annually by a qualified actuary

## Notes

### to the Condensed Consolidated Financial Statements

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

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

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

## Notes

### to the Condensed Consolidated Financial Statements

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.

## Notes

to the Condensed Consolidated Financial Statements

### w) Operating segments

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

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

#### Commercial Offices segment:

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

#### Hospitality segment:

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

#### Other segment:

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

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

### x) Errors and estimates

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

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

### y) Cash and cash equivalents

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

### z) Distribution Policy:

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

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

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



## Notes

### to the Condensed Consolidated Financial Statements

distributed to the Embassy Office Parks REIT, subject to applicable provisions of the Companies Act, 2013.

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

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

#### aa) Cash distribution to Unitholders

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

#### ab) Consolidated Statement of Cash flows

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

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

#### ac) Earnings per unit

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

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

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

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

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 3 PROPERTY, PLANT AND EQUIPMENT Reconciliation of carrying amounts as at September 30, 2020

| Particulars                              | Land-freehold (refer note ii) | Buildings       | Plant and machinery | Furniture and fixtures | Electrical equipment | Office equipment | Computers    | Operating supplies | Vehicles     | Total            |
|--|-------------------------------|-----------------|---------------------|------------------------|----------------------|------------------|--------------|--------------------|--------------|------------------|
| <b>GROSS BLOCK (COST OR DEEMED COST)</b> |                               |                 |                     |                        |                      |                  |              |                    |              |                  |
| <b>At April 1, 2019</b>                  | <b>6,087.66</b>               | <b>7,057.90</b> | <b>7,137.51</b>     | <b>485.32</b>          | <b>448.83</b>        | <b>17.26</b>     | <b>11.51</b> | <b>11.62</b>       | <b>37.89</b> | <b>21,295.50</b> |
| Additions for the year                   | 452.41                        | 9.98            | 4.77                | 0.72                   | 0.11                 | 1.20             | 6.38         | 0.02               | 2.52         | 478.11           |
| Deletion                                 | -                             | -               | -                   | (0.06)                 | -                    | -                | -            | (0.81)             | -            | (0.87)           |
| <b>At March 31, 2020</b>                 | <b>6,540.07</b>               | <b>7,067.88</b> | <b>7,142.28</b>     | <b>485.98</b>          | <b>448.94</b>        | <b>18.46</b>     | <b>17.89</b> | <b>10.83</b>       | <b>40.41</b> | <b>21,772.74</b> |
| <b>At April 1, 2020</b>                  | <b>6,540.07</b>               | <b>7,067.88</b> | <b>7,142.28</b>     | <b>485.98</b>          | <b>448.94</b>        | <b>18.46</b>     | <b>17.89</b> | <b>10.83</b>       | <b>40.41</b> | <b>21,772.74</b> |
| Additions for the period                 | -                             | -               | 0.19                | -                      | -                    | -                | 0.16         | -                  | -            | 0.35             |
| Deletion                                 | -                             | -               | -                   | -                      | -                    | -                | -            | -                  | -            | -                |
| <b>At September 30, 2020</b>             | <b>6,540.07</b>               | <b>7,067.88</b> | <b>7,142.47</b>     | <b>485.98</b>          | <b>448.94</b>        | <b>18.46</b>     | <b>18.05</b> | <b>10.83</b>       | <b>40.41</b> | <b>21,773.09</b> |
| <b>Accumulated depreciation</b>          |                               |                 |                     |                        |                      |                  |              |                    |              |                  |
| <b>At April 1, 2019</b>                  | -                             | -               | -                   | -                      | -                    | -                | -            | -                  | -            | -                |
| Charge for the year                      | -                             | 129.88          | 403.48              | 79.09                  | 57.38                | 11.08            | 10.96        | 10.83              | 4.98         | 707.68           |
| Impairment loss (refer note iii)         | 84.00                         | 235.36          | 27.34               | 5.38                   | 12.35                | 0.25             | 0.01         | -                  | 1.44         | 366.13           |
| <b>At March 31, 2020</b>                 | <b>84.00</b>                  | <b>365.24</b>   | <b>430.82</b>       | <b>84.47</b>           | <b>69.73</b>         | <b>11.33</b>     | <b>10.97</b> | <b>10.83</b>       | <b>6.42</b>  | <b>1,073.81</b>  |
| <b>At April 1, 2020</b>                  | <b>84.00</b>                  | <b>365.24</b>   | <b>430.82</b>       | <b>84.47</b>           | <b>69.73</b>         | <b>11.33</b>     | <b>10.97</b> | <b>10.83</b>       | <b>6.42</b>  | <b>1,073.81</b>  |
| Charge for the period                    | -                             | 62.80           | 199.90              | 39.25                  | 28.70                | 0.97             | 0.63         | -                  | 2.49         | 334.74           |
| <b>At September 30, 2020</b>             | <b>84.00</b>                  | <b>428.04</b>   | <b>630.72</b>       | <b>123.72</b>          | <b>98.43</b>         | <b>12.30</b>     | <b>11.60</b> | <b>10.83</b>       | <b>8.91</b>  | <b>1,408.55</b>  |
| <b>Carrying amount (net)</b>             |                               |                 |                     |                        |                      |                  |              |                    |              |                  |
| <b>As at March 31, 2020</b>              | <b>6,456.07</b>               | <b>6,702.64</b> | <b>6,711.46</b>     | <b>401.51</b>          | <b>379.21</b>        | <b>7.13</b>      | <b>6.92</b>  | <b>-</b>           | <b>33.99</b> | <b>20,698.93</b> |
| <b>At September 30, 2020</b>             | <b>6,456.07</b>               | <b>6,639.84</b> | <b>6,511.75</b>     | <b>362.26</b>          | <b>350.51</b>        | <b>6.16</b>      | <b>6.45</b>  | <b>-</b>           | <b>31.50</b> | <b>20,364.54</b> |

#### Notes:

- Post acquisition of the SPV's, the Embassy Office Parks Group has revisited the useful life of the property, plant and equipment and aligned the same across the Group. The Group has also aligned its method of depreciation to straight-line method across its SPV's.
- The solar plant has been constructed on 465.77 acres of land, the title for 254.47 acres is registered in name of the group and balance 211.30 acres is in process of registration and is scheduled for completion by March 31, 2021.
- During the year ended March 31, 2020, an impairment loss of ₹366.13 million has been recognised against the property, plant and equipment of the hospitality segment of Embassy Quadron. The impairment loss of ₹ 366.13 million as at March 31, 2020 is after reducing the carrying amount of goodwill of ₹22.71 million for the hotel property which is the lowest cash generating unit (CGU) forming part of hospitality segment and is allocated to all other property, plant and equipment of respective CGU in proportion to their carrying value. The impairment loss has been computed based on the assets' recoverable amount as at reporting date which is its value in use as prescribed under Ind-AS 36.
- Accumulated Depreciation as at September 30, 2020 includes impairment loss of ₹366.13 million (March 31, 2020: ₹366.13 million).

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 4 CAPITAL WORK-IN-PROGRESS

| Particulars                       | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|-----------------------------------|--------------------------------|-------------------------|
| MPPL-Hilton Hotel (Front Parcel)* | 2,912.74                       | 2,334.07                |
|                                   | <b>2,912.74</b>                | <b>2,334.07</b>         |

\* forms part of MPPL CGU.

### Note:

#### Borrowing cost capitalised

The amount of borrowing cost capitalised during the half year ended September 30, 2020 is ₹116.60 million (March 31, 2020: ₹ 183.28 million). The rate used to determine the amount of borrowing costs eligible for capitalisation at a capitalisation rate which is the SPV specific "Weighted Average Borrowing Cost (WABC)".

### 5 INVESTMENT PROPERTY

#### Reconciliation of carrying amounts as at September 30, 2020

| Particulars                              | Land-freehold | Land-leasehold (Refer notes) | Buildings | Plant and machinery | Furniture and fixtures | Electrical equipment | Office equipment | Vehicle | Computer | Total      |
|--|---------------|------------------------------|-----------|---------------------|------------------------|----------------------|------------------|---------|----------|------------|
| <b>GROSS BLOCK (COST OR DEEMED COST)</b> |               |                              |           |                     |                        |                      |                  |         |          |            |
| At April 1, 2019                         | 63,847.70     | 38,361.49                    | 75,824.71 | 8,224.86            | 1,315.90               | 1,922.06             | 44.33            | 5.23    | 2.69     | 189,548.97 |
| Additions for the year                   | 1,050.92      | 312.10                       | 5,858.46  | 1,227.42            | 180.31                 | 348.61               | 2.10             | 0.08    | 8.57     | 8,988.57   |
| Disposals                                | -             | -                            | -         | (39.66)             | (5.65)                 | -                    | (3.01)           | -       | (0.42)   | (48.74)    |
| Adjustments (refer note i and vi)        | 10,284.81     | (10,446.41)                  | -         | 161.60              | -                      | -                    | -                | -       | -        | -          |
| At March 31, 2020                        | 75,183.43     | 28,227.18                    | 81,683.17 | 9,574.22            | 1,490.56               | 2,270.67             | 43.42            | 5.31    | 10.84    | 198,488.80 |
| At April 1, 2020                         | 75,183.43     | 28,227.18                    | 81,683.17 | 9,574.22            | 1,490.56               | 2,270.67             | 43.42            | 5.31    | 10.84    | 198,488.80 |
| Additions for the period                 | 23.10         | -                            | 266.25    | 64.34               | 56.30                  | 8.05                 | 1.03             | -       | 0.77     | 419.84     |
| Disposals                                | -             | -                            | (23.25)   | (4.30)              | (11.08)                | (0.96)               | -                | -       | -        | (39.59)    |
| At September 30, 2020                    | 75,206.53     | 28,227.18                    | 81,926.17 | 9,634.26            | 1,535.78               | 2,277.76             | 44.45            | 5.31    | 11.61    | 198,869.05 |
| <b>Accumulated depreciation</b>          |               |                              |           |                     |                        |                      |                  |         |          |            |
| At April 1, 2019                         | -             | -                            | -         | -                   | -                      | -                    | -                | -       | -        | -          |
| Charge for the year                      | -             | 483.74                       | 2,106.20  | 947.20              | 360.10                 | 487.10               | 22.82            | 3.48    | 1.68     | 4,412.32   |
| At March 31, 2020                        | -             | 483.74                       | 2,106.20  | 947.20              | 360.10                 | 487.10               | 22.82            | 3.48    | 1.68     | 4,412.32   |
| At April 1, 2020                         | -             | 483.74                       | 2,106.20  | 947.20              | 360.10                 | 487.10               | 22.82            | 3.48    | 1.68     | 4,412.32   |
| Charge for the period                    | -             | 180.46                       | 1,015.46  | 504.71              | 111.50                 | 142.73               | 1.78             | 0.13    | 1.03     | 1,957.80   |
| Disposals                                | -             | -                            | -         | (0.41)              | (1.64)                 | (0.14)               | -                | -       | -        | (2.19)     |
| At September 30, 2020                    | -             | 664.20                       | 3,121.66  | 1,451.50            | 469.96                 | 629.69               | 24.60            | 3.61    | 2.71     | 6,367.93   |
| <b>Carrying amount (net)</b>             |               |                              |           |                     |                        |                      |                  |         |          |            |
| As at March 31, 2020                     | 75,183.43     | 27,743.44                    | 79,576.97 | 8,627.02            | 1,130.46               | 1,783.57             | 20.60            | 1.83    | 9.16     | 194,076.48 |
| At September 30, 2020                    | 75,206.53     | 27,562.98                    | 78,804.51 | 8,182.76            | 1,065.82               | 1,648.07             | 19.85            | 1.70    | 8.90     | 192,501.12 |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### Notes:

- i. MPPL:** During the previous year ended 31 March 2020, cost of freehold land of ₹161.60 million has been transferred to Karnataka Power Transmission Corporation Limited (KPTCL) along with the 220 KVA substation constructed at Embassy Manyata. Since these are enabling assets to the overall Park, the cost of land has been transferred to plant and machinery and being depreciated over the useful life of the substation.
- ii. EOPPL:** The leasehold land for Embassy Techzone is taken from Maharashtra Industrial Development Corporation ('MIDC') on a lease for a period of 95 years. The lease expires in July 2100.
- iii. OBPPL:** The leasehold land for Embassy Oxygen is taken from New Okhla Industrial Development Authority ('NOIDA') on lease for a lease period of 90 years. The lease expires in September 2097.
- iv. ETPL:** The leasehold land for First International Financial Centre is taken from Mumbai Mahanagar Regional Development Authority ('MMRDA') on a lease for a period of 80 years. The lease expires in June 2088.
- v. GSPL:** The leasehold land for Embassy Galaxy is taken from NOIDA on a lease for a period of 90 years. The lease expires in June 2095.
- vi. IENMPL:** The leasehold land for Express Towers is taken from the Government of Maharashtra on a lease of 99 years (from 1963-64). The lease expires in August 2063. However, pursuant to recent Maharashtra State notification in March 2019, IENMPL made an application to the office of the Collector, Mumbai City, seeking conversion of the land on which the building known as "Express Towers" stands, from occupancy class II land that is leasehold land into occupancy class I land, that is, freehold land, by a letter dated April 1, 2019. Pursuant to various orders passed by the office of the Collector, IENMPL has made an aggregate payment of ₹909.46 million towards regularization and conversion of the land. Subsequently, the Collector, Mumbai pursuant to its order dated August 23, 2019, after regularising the usage of the said Property, approved the conversion of such land from occupancy class II and leasehold land into occupancy class I land that is freehold land, under the Maharashtra Land Revenue (Conversion of Occupancy Class II and Leasehold Lands into Occupancy Class I Lands) Rules, 2019. Out of the aforementioned ₹909.46 million, a sum of ₹756.41 million has been capitalized as a part of land and the balance has been capitalized towards building. Further, an amount of ₹10,446.41 million, being the carrying cost of such land, has been reclassified from leasehold to freehold land.
- vii. QBPL:** The leasehold land for Embassy Quadron is taken from MIDC for a lease term of 95 years. The lease expires in October 2100. As per the lease agreement the Company can renew the lease for a further period of 95 years.
- viii.** Post acquisition of the SPV's, Group has revisited the useful life of the investment properties and aligned the same across the group. The Group has also aligned its method of depreciation to straight-line method across its SPV's.
- ix.** Investment property comprises of commercial buildings and other assets forming part of the buildings, that is leased to third parties. The license agreement entered into with tenants may or may not contain an initial non-cancellable period. Subsequent renewals of these license agreements are negotiated with the tenants and historically the average renewal period ranges between three and five years.
- x.** The investment property have been leased out to lessees / held for lease on operating lease basis.
- xi.** The plant and machinery and furniture and fixtures are physically attached to the buildings and form an integral part thereof, hence they are considered as investment property.
- xii.** Additions to investment property and investment property under development include borrowing cost amounting to ₹36.39 million (31 March 2020: ₹440.22 million) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).
- xiii.** Investment property includes Right-of-Use (ROU) asset of ₹306.19 million (31 March 2020: ₹308.15 million) which is recorded under Land Leasehold. The corresponding lease liability amounting to ₹313.35 million (31 March 2020: ₹322.93 million) is recorded under other financial liabilities.

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 6 GOODWILL

As at September 30, 2020 and March 31, 2020

| SPV          | Consideration transferred for business combination | Fair value of net assets | Impairment loss | Net carrying value |
|--------------|--|--------------------------|-----------------|--------------------|
| MPPL         | 48,790.52  | 37,774.36                | -               | 11,016.16          |
| EOPPL        | 62,768.25  | 50,854.97                | -               | 11,913.28          |
| EEPL         | 732.79   | 464.95                   | -               | 267.84             |
| UPPL         | 2,841.67   | 2,151.80                 | 487.14          | 202.73             |
| ETPL         | 12,138.78  | 9,239.55                 | -               | 2,899.23           |
| GSPL         | 4,662.50   | 2,700.39                 | -               | 1,962.11           |
| IENMPL       | 13,210.97  | 7,139.40                 | -               | 6,071.57           |
| OBPPL        | 12,308.89  | 5,779.40                 | -               | 6,529.49           |
| QBPL         | 5,595.08   | 3,998.26                 | -               | 1,596.82           |
| QBPL         | 13,689.26  | 9,201.53                 | 922.71          | 3,565.02           |
| VCPPPL       | 10,710.94  | 6,445.82                 | -               | 4,265.12           |
| <b>Total</b> | <b>187,449.65</b>                                  | <b>135,750.43</b>        | <b>1,409.85</b> | <b>50,289.37</b>   |

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

### 7 INTANGIBLE ASSETS

Reconciliation of carrying amounts as at September 30, 2020

| Particulars                     | Power Purchase Agreement | Right to use trade mark | Computer software | Total           |
|---------------------------------|--------------------------|-------------------------|-------------------|-----------------|
| <b>Gross Block</b>              |                          |                         |                   |                 |
| <b>At April 1, 2019</b>         | <b>3,348.00</b>          | <b>1,647.91</b>         | <b>22.87</b>      | <b>5,018.78</b> |
| Addition during the year        | -                        | 133.97                  | 9.85              | <b>143.82</b>   |
| <b>At March 31, 2020</b>        | <b>3,348.00</b>          | <b>1,781.88</b>         | <b>32.72</b>      | <b>5,162.60</b> |
| <b>At April 1, 2020</b>         | <b>3,348.00</b>          | <b>1,781.88</b>         | <b>32.72</b>      | <b>5,162.60</b> |
| Addition during the period      | -                        | -                       | 1.01              | <b>1.01</b>     |
| <b>At September 30, 2020</b>    | <b>3,348.00</b>          | <b>1,781.88</b>         | <b>33.73</b>      | <b>5,163.61</b> |
| <b>Accumulated amortisation</b> |                          |                         |                   |                 |
| <b>At April 1, 2019</b>         | -                        | -                       | -                 | -               |
| Amortisation for the year       | 145.56                   | -                       | 15.68             | <b>161.24</b>   |
| <b>At March 31, 2020</b>        | <b>145.56</b>            | -                       | <b>15.68</b>      | <b>161.24</b>   |
| <b>At April 1, 2020</b>         | <b>145.56</b>            | -                       | <b>15.68</b>      | <b>161.24</b>   |
| Amortisation for the period     | 72.87                    | -                       | 6.37              | <b>79.24</b>    |
| <b>At September 30, 2020</b>    | <b>218.43</b>            | -                       | <b>22.05</b>      | <b>240.48</b>   |
| <b>Carrying amount (net)</b>    |                          |                         |                   |                 |
| <b>As at March 31, 2020</b>     | <b>3,202.44</b>          | <b>1,781.88</b>         | <b>17.04</b>      | <b>5,001.36</b> |
| <b>At September 30, 2020</b>    | <b>3,129.57</b>          | <b>1,781.88</b>         | <b>11.68</b>      | <b>4,923.13</b> |



## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 8 INVESTMENT PROPERTY UNDER DEVELOPMENT (IPUD)

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

| SPV/ Hold Co                        | Particulars         | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|-------------------------------------|---------------------|--------------------------------|-------------------------|
| Base build                          |                     |                                |                         |
| OBPL                                | Tower 1             | 191.20                         | 164.66                  |
| EOPPL                               | Hudson block        | 226.98                         | 183.19                  |
| EOPPL                               | Ganges block        | 199.48                         | 118.13                  |
| Infrastructure and Upgrade Projects |                     |                                |                         |
| MPPL                                | Flyover             | 1,024.57                       | 629.48                  |
| MPPL                                | Master plan upgrade | 465.61                         | 393.68                  |
| EOPPL                               | Master plan upgrade | 257.22                         | 228.13                  |
| QBPL                                | Master plan upgrade | 105.09                         | 37.50                   |
| Multiple                            | Various             | 33.89                          | 18.62                   |
|                                     |                     | <b>2,504.04</b>                | <b>1,773.39</b>         |

### 9 EQUITY ACCOUNTED INVESTEE

| Particulars  | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| Investment in joint venture  |                                |                         |
| Golflinks Software Park Private Limited<br>- 10,000 (March 31, 2019 - 10,000) equity share of ₹ 10 each, fully paid up | 24,287.47                      | 24,091.36               |
|  | <b>24,287.47</b>               | <b>24,091.36</b>        |
| Goodwill on acquisition included as a part of carrying cost  | 10,449.36                      | 10,449.36               |
| Percentage ownership interest  | 50%                            | 50%                     |
| Fair value of net assets on Purchase Price Allocation  | 26,247.74                      | 26,247.74               |
| Embassy Office Parks Group's share of net assets (50%)   | 13,123.87                      | 13,123.87               |
| Carrying amount of interest (including goodwill)   | 24,287.47                      | 24,091.36               |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 10 CURRENT INVESTMENTS

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

Nil (March 31, 2020: 2,500) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of ₹1,000,000 each. Outstanding as on September 30, 2020 is ₹ Nil (March 31, 2020: ₹724.38 million).

#### Terms:

- Interest Rate : 8.50% p.a. on monthly outstanding balance.
- Security : The debentures are secured by first ranking exclusive security interest over Torrey Pines building.
- Redemption : Debentures shall be redeemed in 16 monthly instalments (principal and interest) of ₹160.00 million each and 17th instalment of ₹98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.
- During the quarter ended September 30, 2020, the Investment in debentures has been fully redeemed.

|  |   |                  |
|--|---|------------------|
| <b>Investment measured at amortised cost</b>                     | - | <b>724.38</b>    |
| <b>Investment measured at fair value through profit and loss</b> | - | <b>11,549.21</b> |

### NON-CURRENT FINANCIAL ASSETS

#### 11 NON-CURRENT LOANS

| Particulars                       | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|-----------------------------------|--------------------------------|-------------------------|
| <b>Unsecured, considered good</b> |                                |                         |
| <b>Security deposits</b>          |                                |                         |
| - related party (refer note 49)   | 11.73                          | 11.73                   |
| - others                          | 657.02                         | 656.98                  |
|                                   | <b>668.75</b>                  | <b>668.71</b>           |

### 12 OTHER FINANCIAL ASSETS

| Particulars   | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|---|--------------------------------|-------------------------|
| <b>Unsecured, considered good</b>   |                                |                         |
| Fixed deposits with banks*  | 531.94                         | 673.02                  |
| Unbilled revenue (refer note 49)  | 872.35                         | 506.91                  |
| Receivable under finance lease  | 2.87                           | 8.61                    |
|   | <b>1,407.16</b>                | <b>1,188.54</b>         |
| * Includes fixed deposits held as lien against debt taken and margin money for bank guarantee | 531.94                         | 670.06                  |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 13 NON-CURRENT TAX ASSETS (NET)

| Particulars                           | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|---------------------------------------|--------------------------------|-------------------------|
| Advance tax, net of provision for tax | 1,252.13                       | 1,554.70                |
|                                       | <b>1,252.13</b>                | <b>1,554.70</b>         |

### 14 OTHER NON-CURRENT ASSETS

| Particulars   | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|---|--------------------------------|-------------------------|
| <b>Unsecured, considered good</b>   |                                |                         |
| Advance paid for co-development of property, including development rights on land (refer note 52) * | 14,203.60                      | 13,998.26               |
| Other capital advances  |                                |                         |
| - related party (refer note 49)   | 251.69                         | 222.56                  |
| - others  | 1,440.99                       | 1,333.74                |
| Balances with government authorities  | 178.05                         | 164.03                  |
| Paid under protest to government authorities (refer note 46)  | 676.26                         | 676.26                  |
| Prepayments (refer note 49)   | 63.74                          | 80.79                   |
|   | <b>16,814.33</b>               | <b>16,475.64</b>        |

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

### 15 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

| Particulars          | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|----------------------|--------------------------------|-------------------------|
| Stock of consumables | 11.17                          | 12.82                   |
|                      | <b>11.17</b>                   | <b>12.82</b>            |

### 16 TRADE RECEIVABLES

| Particulars                            | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| <b>Unsecured</b>                       |                                |                         |
| Considered good *                      | 237.12                         | 242.25                  |
| Credit impaired                        | 16.02                          | 16.02                   |
| Less: Allowances for impairment losses | (16.02)                        | (16.02)                 |
|  | <b>237.12</b>                  | <b>242.25</b>           |

\*Includes trade receivables from related parties amounting to ₹34.54 million (March 31, 2020: ₹57.03 million) (refer note 49)

### 17 CURRENT LOANS

| Particulars                       | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|-----------------------------------|--------------------------------|-------------------------|
| <b>Unsecured, considered good</b> |                                |                         |
| Security deposits                 |                                |                         |
| - related party (refer note 49)   | 50.00                          | 50.00                   |
| - others                          | 1.30                           | 1.49                    |
|                                   | <b>51.30</b>                   | <b>51.49</b>            |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 18A CASH AND CASH EQUIVALENTS

| Particulars  | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| Cash on hand   | 0.69                           | 1.12                    |
| Balances with banks  |                                |                         |
| - in current accounts*   | 13,172.64                      | 3,225.16                |
| - in escrow accounts   |                                |                         |
| - Balances with banks for unclaimed distributions                      | 0.81                           | 0.26                    |
| - Others   | 0.01                           | 2.62                    |
| - in deposit accounts with original maturity of less than three months | -                              | 20.00                   |
|  | <b>13,174.15</b>               | <b>3,249.16</b>         |

\* Balance in current accounts includes cheques on hand as at September 30, 2020 amounting to ₹952.16 million (March 31, 2020: ₹2,121.94 million).

### 18B OTHER BANK BALANCES

| Particulars  | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| Balances with banks  |                                |                         |
| - in fixed deposit accounts with original maturity greater than three months and maturity less than twelve months from the reporting date* | 108.79                         | 169.79                  |
|  | <b>108.79</b>                  | <b>169.79</b>           |
| * Deposit for availing letter of credit facilities   | 108.79                         | 169.79                  |

### 19 OTHER FINANCIAL ASSETS

| Particulars                       | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|-----------------------------------|--------------------------------|-------------------------|
| <b>Unsecured, considered good</b> |                                |                         |
| Interest accrued but not due      |                                |                         |
| - on fixed deposits               | 1.24                           | 7.53                    |
| - on statutory deposits           | 48.94                          | 40.39                   |
| - on others                       | 2.51                           | 4.35                    |
| Unbilled revenue (refer note 49)  | 318.56                         | 256.91                  |
| Unbilled maintenance charges      | 66.25                          | 59.45                   |
| Receivable under finance lease    | 11.48                          | 16.88                   |
| Other receivables                 |                                |                         |
| - related parties (refer note 49) | 2.62                           | 7.94                    |
| - others                          | 15.92                          | 6.01                    |
|                                   | <b>467.52</b>                  | <b>399.46</b>           |

### 20 OTHER CURRENT ASSETS

| Particulars   | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|---|--------------------------------|-------------------------|
| <b>Unsecured, considered good</b>                     |                                |                         |
| Advance for supply of goods and rendering of services |                                |                         |
| - to related parties (refer note 49)                  | 2.79                           | 2.78                    |
| - to others   | 28.46                          | 51.32                   |
| Balances with government authorities                  | 109.71                         | 149.93                  |
| Prepayments (refer note 49)                           | 175.18                         | 134.21                  |
| Other advances  | 13.79                          | 12.98                   |
|   | <b>329.93</b>                  | <b>351.22</b>           |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 21 UNIT CAPITAL

| Unit Capital   | No in Million | Amount            |
|--|---------------|-------------------|
| <b>As at April 1, 2019</b>   | <b>771.67</b> | <b>229,039.26</b> |
| Add: Reversal of issue expenses no longer payable (refer note below) | -             | 81.70             |
| <b>Closing balance as at March 31, 2020</b>                          | <b>771.67</b> | <b>229,120.96</b> |
| <b>As at April 1, 2020</b>   | <b>771.67</b> | <b>229,120.96</b> |
| <b>Closing balance as at September 30, 2020</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. During the year ended March 31, 2020, provision for issue expenses no longer payable, has been reversed amounting to ₹81.70 million.

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

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

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

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

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

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



## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 22 OTHER EQUITY\*

| Particulars                 | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|-----------------------------|--------------------------------|-------------------------|
| <b>Reserves and Surplus</b> |                                |                         |
| Retained earnings           | (11,390.66)                    | (5,943.12)              |
|                             | <b>(11,390.66)</b>             | <b>(5,943.12)</b>       |

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

#### Retained earnings

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

### 23 BORROWINGS

| Particulars   | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|---|--------------------------------|-------------------------|
| <b>Secured</b>  |                                |                         |
| Non-convertible debentures                                    |                                |                         |
| - Embassy REIT Series I NCD 2019 - Tranche I (refer note i)   | 33,895.07                      | 32,351.16               |
| - Embassy REIT Series I NCD 2019 - Tranche II (refer note i)  | 6,974.68                       | 6,667.66                |
| - Embassy REIT Series II NCD 2020 - Tranche A (refer note ii) | 7,357.74                       | -                       |
| Terms loans   |                                |                         |
| - from banks (refer note iv)                                  | 5,135.94                       | 10,978.43               |
| - vehicle loans   | 9.81                           | 30.60                   |
| Deferred payment liability (refer note iii)                   | 6,026.11                       | 6,142.66                |
|   | <b>59,399.35</b>               | <b>56,170.51</b>        |

#### Notes:

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

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

#### Security terms

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

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase 1) and 1.631 (Phase IV) acres of undivided right, title and interest in the

commercial complex known as "Mfar Manyata Tech Park". The above charge excludes L1 - Office block, consisting of 4,77,949 sq.ft of super built up area along with the undivided share of the lands and future development / construction on Blocks designated as F1 and L4 that MPPL may undertake in the Project "Embassy Manyata Business Park" along with the remaining undivided share of such land.

2. A sole and exclusive first ranking pledge created by the Embassy REIT and EOPPL over their total shareholding in the SPV's namely QBPPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by the Embassy REIT over identified bank accounts and receivables of the Trust.
4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.
5. A negative pledge on all assets of each secured SPV except MPPL.

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### Redemption terms:

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

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

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

### Security terms

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

1. A sole and exclusive first ranking charge by way of mortgage created by EOPPL on the constructed buildings and related parcels identified as Block 2, Block 3, Block 6, Block I, Block 11 and Block 5, having an aggregate leasable area of 2,00,674 square meters and forming part of the development known as Embassy Tech Zone together with portion of land admeasuring 96,630 square meters on

which the aforesaid buildings are constructed out of the aggregate area of land measuring 67.45 acres equivalent to 2,72,979 sq. mtrs.

2. A sole and exclusive first ranking pledge created by the Embassy REIT over the shareholding in the SPV's namely IENMPL and EOPPL together known as "secured SPVs" along with shareholder loans given to these SPVs
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by EOPPL over identified bank accounts and receivables.
5. A Corporate Guarantee issued by each of EOPPL and IENMPL

### Redemption terms:

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

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

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

| Particulars                                       | Secured/<br>Unsecured | Previous due date |                    | Next due date   |                   |
|---|-----------------------|-------------------|--------------------|-----------------|-------------------|
|   |                       | Principal         | Interest           | Principal       | Interest          |
| Embassy REIT Series I NCD 2019 (Tranche I and II) | Secured               | -                 | -                  | June 2, 2022    | June 2, 2022      |
| Embassy REIT Series II NCD 2020 (Tranche A)       | Secured               | -                 | September 30, 2020 | October 9, 2023 | December 31, 2020 |

6. Rating agency CRISIL has assigned a rating of “CRISIL AAA/Stable” to Embassy REIT Series I NCD 2019 and Embassy REIT Series II NCD 2020
7. Other requirements as per Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs)

| Particulars                                     | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|---|--------------------------------|-------------------------|
| Asset cover ratio (refer a below)               | 18.03%                         | 17.32%                  |
| Debt -equity ratio (refer b below)              | 0.28                           | 0.26                    |
| Debt-service coverage ratio (refer c below)     | 3.38                           | 4.55                    |
| Interest-service coverage ratio (refer d below) | 3.50                           | 5.10                    |
| Net worth (refer e below)                       | 217,730.30                     | 223,177.84              |

Formulae for computation of ratios are as follows basis Condensed Consolidated Financial Statements:-

- a) Asset cover ratio\* = Total borrowing/ Gross asset value as computed by independent valuers
- b) Debt equity ratio\* = Total borrowings/ Unitholders' Equity
- c) Debt Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax / [Finance cost (net of capitalisation and excluding interest on lease deposit and lease liability) + Principal repayments made during the year]
- d) Interest Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax / Finance cost (net of capitalisation and excluding interest on lease deposit and lease liability)
- e) Net worth = Unit capital + Other equity

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

### (iii) Deferred payment liability

EEPL SPV has entered into a deferred payment agreement with IL&FS Solar Power Limited for ₹6,853.90 million (as at September 30, 2020: ₹7,416.13 million, March 31, 2020: ₹7,278.74 million), for the purpose of financing the construction and development of a solar photovoltaic electricity generation facility with a minimum capacity of 100 MW AC. The debt carries interest at an IRR of 12.72% with a fixed EMI.

### Security terms

- Exclusive first charge by way of deposit of title deeds on the project land in accordance with the mortgage documentation.
- Charge over the entire moveable properties (both present and future) of the Embassy Energy SPV, in relation to the project (including without limitation all tangible and intangible assets).
- The above deferred payment liability is also secured by a guarantee given by EOPPL, Holding Co., to Embassy Office Parks REIT.

### Redemption terms:

The liability is repayable in 180 months equal instalments starting from April 2018 and to be settled by February 2033. Pursuant to mutual agreement with IL&FS Solar Power Limited, only

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

50% of EMI are payable to them till the registration of agreed 465.77 acres of land is completed in favor of Embassy Energy SPV. As at end of September 30, 2020, the land registered is 254.47 acres. EEPL has accordingly paid 50% of principal and interest and the balance is withheld.

In accordance with the deferred payment agreement, the Group issued a prepayment offer to IL&FS Solar Power Limited ('lender') in December 2019 in respect of outstanding debt as at that date. While the offer has been in-principle accepted by the lender, the lender is awaiting final approval by National Company Law Tribunal, Mumbai as the lender and its group entities are

under a resolution process, pending which, the deferred payment liability has been classified as non-current liability.

**(iv) (a) HSBC Limited [balance as at September 30, 2020: Nil (March 31, 2020: ₹3,361.58 million)]**

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

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

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

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

The loan has been prepaid during the current quarter

**(b) State Bank of India [balance as at September 30, 2020: ₹5,170.66 (March 31, 2020: ₹4,381.10 million)]**

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

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

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

| Repayment and interest terms   | As at September 30, 2020 | As at March 31, 2020 |
|--|--------------------------|----------------------|
| Repayable by way of single bullet repayment in 18 months from date of commercial operations but not later than September 30, 2023. The debt carries interest of MCLR + 1.25% | 5,170.66                 | 4,381.10             |

**(c) HSBC Limited [balance as at September 30, 2020: Nil (March 31, 2020: ₹3,389.99 million)]**

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

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

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

The loan has been prepaid during the current quarter

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 24 OTHER FINANCIAL LIABILITIES

| Particulars                          | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--------------------------------------|--------------------------------|-------------------------|
| Lease deposits (refer note 49)       | 2,404.35                       | 2,360.50                |
| Lease liability                      | 293.00                         | 302.58                  |
| Payable for purchase of fixed assets | 147.99                         | 455.57                  |
|                                      | <b>2,845.34</b>                | <b>3,118.65</b>         |

### 25 PROVISIONS

| Particulars                     | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|---------------------------------|--------------------------------|-------------------------|
| Provision for employee benefits |                                |                         |
| - gratuity                      | 6.23                           | 5.25                    |
|                                 | <b>6.23</b>                    | <b>5.25</b>             |

### 26 DEFERRED TAX LIABILITIES (NET)

| Particulars                              | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| Minimum Alternate Tax credit entitlement | (4,282.29)                     | (4,015.29)              |
| Deferred tax liabilities (net)           | 44,124.45                      | 44,422.67               |
|  | <b>39,842.16</b>               | <b>40,407.38</b>        |

### 27 OTHER NON-CURRENT LIABILITIES

| Particulars             | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|-------------------------|--------------------------------|-------------------------|
| Deferred lease rental   | 419.26                         | 378.21                  |
| Advances from customers | 6.26                           | 8.49                    |
|                         | <b>425.52</b>                  | <b>386.70</b>           |

### 28 TRADE PAYABLES

| Particulars  | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| Trade payable  |                                |                         |
| - total outstanding dues to micro and small enterprises                      | 4.15                           | 2.48                    |
| - total outstanding dues of creditors other than micro and small enterprises |                                |                         |
| - to related parties (refer note 49)   | 99.76                          | 115.94                  |
| - to others  | 84.71                          | 136.33                  |
|  | <b>188.62</b>                  | <b>254.75</b>           |



## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 29 OTHER FINANCIAL LIABILITIES

| Particulars                                    | As at<br>September 30,<br>2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| Current maturities of long-term debt           |                                |                         |
| - from banks                                   | 48.73                          | 154.25                  |
| - deferred payment liability                   | 1,390.02                       | 1,136.08                |
| Security deposits                              |                                |                         |
| - related party (refer note 49)                | 185.00                         | 185.00                  |
| Lease deposits (refer note 49)                 | 7,280.35                       | 7,137.07                |
| Book overdraft                                 | -                              | 137.41                  |
| Capital creditors for purchase of fixed assets |                                |                         |
| - to related party (refer note 49)             | 20.32                          | 14.73                   |
| - to others                                    | 1,194.33                       | 975.66                  |
| - Lease liability                              | 20.35                          | 20.35                   |
| Unclaimed dividend                             | 0.81                           | 0.26                    |
| Other liabilities                              |                                |                         |
| - to related party (refer note 49)             | 150.27                         | 172.62                  |
| - to others                                    | 622.30                         | 629.36                  |
|  | <b>10,912.48</b>               | <b>10,562.79</b>        |

### 30 PROVISIONS

| Particulars                     | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|---------------------------------|--------------------------------|-------------------------|
| Provision for employee benefits |                                |                         |
| - gratuity                      | -                              | 0.03                    |
| - compensated absences          | -                              | 2.34                    |
|                                 | -                              | <b>2.37</b>             |

### 31 OTHER CURRENT LIABILITIES

| Particulars                                      | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| Unearned income                                  | 31.61                          | 44.09                   |
| Advances received from customers (refer note 49) | 357.49                         | 291.43                  |
| Statutory dues                                   | 218.91                         | 193.92                  |
| Deferred lease rentals                           | 256.97                         | 252.14                  |
|  | <b>864.98</b>                  | <b>781.58</b>           |

\*Includes advances received from related parties amounting to ₹Nil (March 31, 2020: ₹1.92) (Refer Note 49)

### 32 CURRENT TAX LIABILITIES (NET)

| Particulars                                  | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| Provision for income-tax, net of advance tax | 89.78                          | 34.51                   |
|  | <b>89.78</b>                   | <b>34.51</b>            |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 33 REVENUE FROM OPERATIONS

| Particulars                                | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Facility rentals                           | 4,487.94                                 | 4,217.87                            | 4,115.86                                 | 8,705.81                                   | 8,286.55                               | 8,403.44                                   | 16,689.99                         |
| Income from finance lease                  | -  | 0.07                                | 0.67                                     | 0.07                                       | 0.76                                   | 1.52                                       | 2.28                              |
| Room rentals                               | 14.88                                    | 12.47                               | 162.31                                   | 27.35                                      | 347.97                                 | 299.43                                     | 647.40                            |
| Revenue from contracts with customers      |  |                                     |  |  |  |  |                                   |
| Maintenance services                       | 337.74                                   | 338.58                              | 441.94                                   | 676.32                                     | 887.53                                 | 889.90                                     | 1,777.43                          |
| Sale of food and beverages                 | 13.65                                    | 4.22                                | 96.01                                    | 17.87                                      | 231.54                                 | 160.35                                     | 391.89                            |
| Income from generation of renewable energy | 355.14                                   | 404.94                              | 332.81                                   | 760.08                                     | 845.07                                 | 721.18                                     | 1,566.25                          |
| Other operating income                     |  |                                     |  |  |  |  |                                   |
| - hospitality                              | 1.34                                     | 1.26                                | 47.50                                    | 2.60                                       | 34.48                                  | 68.92                                      | 103.40                            |
| - others                                   | 190.81                                   | 182.85                              | 8.95                                     | 373.66                                     | 258.24                                 | 12.34                                      | 270.58                            |
|  | <b>5,401.50</b>                          | <b>5,162.26</b>                     | <b>5,206.04</b>                          | <b>10,563.76</b>                           | <b>10,892.14</b>                       | <b>10,557.08</b>                           | <b>21,449.22</b>                  |

### 34 INTEREST INCOME

| Particulars                     | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|---------------------------------|--|-------------------------------------|--|--|--|--|-----------------------------------|
| - on debentures (refer note 49) | 1.25                                     | 6.04                                | 20.45                                    | 7.29                                       | 26.69                                  | 47.03                                      | 73.72                             |
| - on fixed deposits             | 76.33                                    | 94.19                               | 42.09                                    | 170.52                                     | 29.75                                  | 110.05                                     | 139.80                            |
| - on security deposits          | 1.18                                     | 1.71                                | 14.16                                    | 2.89                                       | 2.01                                   | 44.85                                      | 46.86                             |
| - on other statutory deposits   | 3.13                                     | 4.50                                | 5.49                                     | 7.63                                       | 10.91                                  | 10.86                                      | 21.77                             |
| - on income-tax refund          | 20.62                                    | 11.62                               | 4.81                                     | 32.24                                      | 8.00                                   | 18.31                                      | 26.31                             |
| - others                        | 108.90                                   | 166.53                              | 0.01                                     | 275.43                                     | 168.68                                 | 0.21                                       | 168.89                            |
|                                 | <b>211.41</b>                            | <b>284.59</b>                       | <b>87.00</b>                             | <b>496.00</b>                              | <b>246.04</b>                          | <b>231.31</b>                              | <b>477.35</b>                     |

### 35 OTHER INCOME

| Particulars                                   | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|---|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Net changes in fair value of financial assets | -  | -                                   | -  | -  | -                                      | 18.45                                      | 18.45                             |
| Liabilities no longer required written back   | -  | 4.59                                | 1.10                                     | 4.59                                       | 12.19                                  | 1.10                                       | 13.29                             |
| Profit on sale of mutual funds                | 16.84                                    | 24.18                               | 75.76                                    | 41.02                                      | 273.44                                 | 86.52                                      | 359.96                            |
| Miscellaneous                                 | 4.05                                     | 16.70                               | 11.10                                    | 20.75                                      | 93.41                                  | 27.89                                      | 121.30                            |
|   | <b>20.89</b>                             | <b>45.47</b>                        | <b>87.96</b>                             | <b>66.36</b>                               | <b>379.04</b>                          | <b>133.96</b>                              | <b>513.00</b>                     |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 36 COST OF MATERIALS CONSUMED

| Particulars                           | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|---------------------------------------|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Purchases                             | 3.71                                     | 0.59                                | 24.47                                    | 4.30                                       | 70.57                                  | 55.77                                      | 126.34                            |
| Add: Increase/(decrease) in inventory | 1.15                                     | 0.50                                | 5.20                                     | 1.65                                       | (1.69)                                 | (5.71)                                     | (7.40)                            |
|                                       | <b>4.86</b>                              | <b>1.09</b>                         | <b>29.67</b>                             | <b>5.95</b>                                | <b>68.88</b>                           | <b>50.06</b>                               | <b>118.94</b>                     |

### 37 EMPLOYEE BENEFITS EXPENSE \*

| Particulars                               | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|---|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Salaries and wages                        | 42.46                                    | 54.48                               | 63.65                                    | 96.94                                      | 159.25                                 | 136.63                                     | 295.88                            |
| Contribution to provident and other funds | 4.04                                     | 0.19                                | 4.61                                     | 4.23                                       | 7.56                                   | 10.06                                      | 17.62                             |
| Staff welfare                             | 4.85                                     | 5.04                                | 15.70                                    | 9.89                                       | 32.26                                  | 31.41                                      | 63.67                             |
|   | <b>51.35</b>                             | <b>59.71</b>                        | <b>83.96</b>                             | <b>111.06</b>                              | <b>199.07</b>                          | <b>178.10</b>                              | <b>377.17</b>                     |

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

### 38 OPERATING AND MAINTENANCE EXPENSES

| Particulars           | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|-----------------------|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Power and fuel (net)  | 81.95                                    | 54.11                               | 162.78                                   | 136.06                                     | 264.85                                 | 344.31                                     | 609.16                            |
| Operating consumables | 1.11                                     | -                                   | 5.58                                     | 1.11                                       | 7.45                                   | 10.85                                      | 18.30                             |
|                       | <b>83.06</b>                             | <b>54.11</b>                        | <b>168.36</b>                            | <b>137.17</b>                              | <b>272.30</b>                          | <b>355.16</b>                              | <b>627.46</b>                     |

### 39 OTHER EXPENSES

| Particulars  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Property tax (net)                                 | 176.53                                   | 179.13                              | 168.31                                   | 355.66                                     | 365.65                                 | 338.36                                     | 704.01                            |
| Rates and taxes                                    | 12.98                                    | 16.08                               | 7.08                                     | 29.06                                      | 22.87                                  | 15.03                                      | 37.90                             |
| Marketing and advertising expenses                 | 13.72                                    | 19.64                               | 17.29                                    | 33.36                                      | 49.86                                  | 27.45                                      | 77.31                             |
| Assets and other balances written off              | 9.30                                     | 4.19                                | 0.27                                     | 13.49                                      | 6.20                                   | 4.96                                       | 11.16                             |
| Allowances for credit loss                         | -  | -                                   | -  | -  | 0.59                                   | 0.26                                       | 0.85                              |
| Reversal of impairment on investments              | -  | -                                   | -  | -  | (156.98)                               | -  | (156.98)                          |
| Investments written off                            | -  | -                                   | -  | -  | 156.98                                 | -  | 156.98                            |
| Bank charges                                       | 5.09                                     | 0.71                                | 4.96                                     | 5.80                                       | 10.17                                  | 9.25                                       | 19.42                             |
| Brokerage and commission                           | -  | 0.58                                | 6.15                                     | 0.58                                       | 12.17                                  | 11.93                                      | 24.10                             |
| Net changes in fair value of financial assets      | -  | 3.00                                | -  | 3.00                                       | 25.16                                  | -  | 25.16                             |
| Travel and conveyance                              | 2.90                                     | 2.56                                | 6.10                                     | 5.46                                       | 12.75                                  | 13.03                                      | 25.78                             |
| Corporate Social Responsibility (CSR) contribution | 12.42                                    | 0.01                                | 12.18                                    | 12.43                                      | 65.73                                  | 20.18                                      | 85.91                             |
| Miscellaneous expenses                             | 19.99                                    | 18.58                               | 78.01                                    | 38.57                                      | 106.80                                 | 127.93                                     | 234.73                            |
|  | <b>252.93</b>                            | <b>244.48</b>                       | <b>300.35</b>                            | <b>497.41</b>                              | <b>677.95</b>                          | <b>568.38</b>                              | <b>1,246.33</b>                   |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 40 REPAIRS AND MAINTENANCE

| Particulars               | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|---------------------------|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Repairs and maintenance   |  |                                     |  |  |  |  |                                   |
| - common area maintenance | 153.99                                   | 175.05                              | 193.71                                   | 329.04                                     | 369.64                                 | 366.11                                     | 735.75                            |
| - buildings               | 12.76                                    | 15.49                               | 18.55                                    | 28.25                                      | 15.92                                  | 60.27                                      | 76.19                             |
| - machinery               | 54.57                                    | 63.52                               | 67.69                                    | 118.09                                     | 120.94                                 | 132.57                                     | 253.51                            |
| - others                  | 27.47                                    | 31.68                               | 34.44                                    | 59.15                                      | 89.65                                  | 60.28                                      | 149.93                            |
|                           | <b>248.79</b>                            | <b>285.74</b>                       | <b>314.39</b>                            | <b>534.53</b>                              | <b>596.15</b>                          | <b>619.23</b>                              | <b>1,215.38</b>                   |

### 41 FINANCE COSTS (NET OF CAPITALISATION) \*\*

| Particulars  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Interest expense   |  |                                     |  |  |  |  |                                   |
| - on borrowings from banks and financial institutions                          | 185.17                                   | 189.71                              | 6.42                                     | 374.88                                     | 113.70                                 | 196.45                                     | 310.15                            |
| - on deferred payment liability  | 204.26                                   | 205.79                              | 211.02                                   | 410.05                                     | 416.71                                 | 423.48                                     | 840.19                            |
| - on lease deposits  | 75.69                                    | 75.88                               | 81.97                                    | 151.57                                     | 142.97                                 | 169.12                                     | 312.09                            |
| - on Non convertible debentures (Tranche A of Embassy REIT Series II NCD 2020) | 33.99                                    | -                                   | -  | 33.99                                      | -                                      | -  | -                                 |
| - on lease liabilities   | 12.42                                    | 5.83                                | 15.60                                    | 18.25                                      | 15.60                                  | 15.60                                      | 31.20                             |
| - accrual of premium on redemption of debentures *                             | 925.80                                   | 895.33                              | 507.62                                   | 1,821.13                                   | 1,459.53                               | 850.38                                     | 2,309.91                          |
|  | <b>1,437.33</b>                          | <b>1,372.54</b>                     | <b>822.64</b>                            | <b>2,809.87</b>                            | <b>2,148.51</b>                        | <b>1,655.03</b>                            | <b>3,803.54</b>                   |

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

\*\* Gross interest expense is ₹1,515.43 million and ₹2,962.86 million and interest capitalised is ₹78.10 million and ₹152.99 million for the quarter and half year ended September 30, 2020 respectively.

### 42 DEPRECIATION AND AMORTISATION

| Particulars                                   | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|---|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Depreciation of property, plant and equipment | 167.79                                   | 166.95                              | 201.61                                   | 334.74                                     | 350.97                                 | 356.71                                     | 707.68                            |
| Depreciation of investment property           | 985.65                                   | 972.15                              | 1,215.92                                 | 1,957.80                                   | 2,013.48                               | 2,398.84                                   | 4,412.32                          |
| Amortisation of intangible assets             | 39.74                                    | 39.50                               | 26.79                                    | 79.24                                      | 81.17                                  | 80.07                                      | 161.24                            |
|   | <b>1,193.18</b>                          | <b>1,178.60</b>                     | <b>1,444.32</b>                          | <b>2,371.78</b>                            | <b>2,445.62</b>                        | <b>2,835.62</b>                            | <b>5,281.24</b>                   |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 43 TAX EXPENSE#

| Particulars                                      | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Current tax*                                     | 392.75                                   | 387.17                              | 227.01                                   | 779.92                                     | 765.01                                 | 596.38                                     | 1,361.39                          |
| Deferred tax charge                              | (224.20)                                 | (77.71)                             | (440.69)                                 | (301.91)                                   | 271.35                                 | (282.62)                                   | (11.27)                           |
| Minimum Alternate Tax credit entitlement (MAT)** | (149.54)                                 | (150.25)                            | (84.90)                                  | (299.79)                                   | (757.53)                               | (292.59)                                   | (1,050.12)                        |
| MAT written off/ (written back)                  | -  | -                                   | 150.75                                   | -  | (150.75)                               | 150.75                                     | -                                 |
|  | <b>19.01</b>                             | <b>159.21</b>                       | <b>(147.83)</b>                          | <b>178.22</b>                              | <b>128.08</b>                          | <b>171.92</b>                              | <b>300.00</b>                     |

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

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

# The Government of India had introduced the Taxation Laws (Amendment) Ordinance, 2019 ("Ordinance"), announcing changes to corporate tax rates in the Income Tax Act, 1961, with effect from April 1, 2019. Existing Companies had been provided an option to pay income tax at a concessional rate of 22%, subject to conditions prescribed therein in the Ordinance. Further, the Minimum Alternate Tax rate has been reduced from 18.5% to 15% (excluding surcharge and cess). Embassy Office Parks Group based on its internal assessment had provisionally decided to opt for concessional income tax rate for certain of its SPVs. Further, as clarified by Central Board of Direct Taxes, Minimum Alternate Tax credit balance for such SPVs amounting to ₹150.75 million had been written off to the Consolidated Statement of Profit and Loss for the period ended September 30, 2019. Further, based on the amendments to the Finance Bill, 2020 dated March 2020, such SPV's have not opted for such concessional tax rate under Section 115BAA of the IT Act. Accordingly, for the period ended March 31, 2020, the additional current tax expense amounts to ₹151.32 million, MAT write off as stated above of ₹150.75 million had been reinstated and additional deferred tax liability of ₹212.70 million had been recorded during the quarter ended March 31, 2020.

### 44 EARNINGS PER UNIT (EPU)

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

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

|  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| Profit after tax for calculating basic and diluted EPU | 2,325.65                                 | 2,042.39                            | 2,322.39                                 | 4,368.04                                   | 3,112.58                               | 4,542.76                                   | 7,655.34                          |
| Weighted average number of Units (No. in million)      | 771.67                                   | 771.67                              | 771.67                                   | 771.67                                     | 771.67                                 | 771.67                                     | 771.67                            |
| Earnings Per Unit                                      |  |                                     |  |  |  |  |                                   |
| - Basic (Rupees/unit)                                  | 3.01                                     | 2.65                                | 3.01                                     | 5.66                                       | 4.03                                   | 5.89                                       | 9.92                              |
| - Diluted (Rupees/unit)*                               | 3.01                                     | 2.65                                | 3.01                                     | 5.66                                       | 4.03                                   | 5.89                                       | 9.92                              |

\* The Trust does not have any outstanding dilutive units



## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 45 MANAGEMENT FEES

#### Property Management Fee

Pursuant to the Investment Management Agreement dated June 12, 2017 as amended, Manager is entitled to fees @ 3% of the collection of Facility Rentals per annum of the relevant property in respect to operations, maintenance, administration and management of the Holdco or the SPV, as applicable. The fees has been determined to meet the ongoing costs of the Manager to undertake the services provided to the Embassy REIT and its SPVs. Property Management fees for the quarter and half year ended September 30, 2020 amounts to ₹118.66 million and ₹235.17 million respectively. There are no changes during the period in the methodology for computation of fees paid to Manager.

#### REIT Management Fees

Pursuant to the Investment Management Agreement dated June 12, 2017, as amended, Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in

cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the REIT and its investments. REIT Management fees accrued for the quarter and half year ended September 30, 2020 amounts to ₹54.85 million. and ₹113.46 million respectively. There are no changes during the period in the methodology for computation of fees paid to Manager.

#### Secondment fees

Pursuant to the Secondment Agreement dated 11 March 2019, Manager is entitled to fees of Rupees One Lakh (₹1,00,000) per month in respect certain employees of Manager being deployed to the Embassy office Parks REIT in connection with the operation and management of the assets of the Embassy REIT. Secondment Fees for the quarter and half year ended September 30, 2020 amounts to ₹0.35 million and ₹0.70 million respectively. There are no changes during the period in the methodology for computation of secondment fees paid to Manager.

### 46 COMMITMENTS AND CONTINGENCIES

| Particulars   | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|---|--------------------------------|-------------------------|
| <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) | 11,247.07                      | 11,088.92               |
| <b>Contingent liabilities</b>   |                                |                         |
| Claims not acknowledged as debt in respect of Income Tax matters (Refer note ii)  | 444.57                         | 447.56                  |
| Claims not acknowledged as debt in respect of Service Tax matters (Refer note iii)  | 730.10                         | 730.10                  |
| Claims not acknowledged as debt in respect of Property Tax matters (Refer note iv)  | 3,313.08                       | 3,313.08                |
| <b>Others (Refer notes v and vi)</b>  |                                |                         |

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

#### Notes:

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

| SPV    | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--------|--------------------------------|-------------------------|
| MPPL   | 9,488.34                       | 9,519.23                |
| OBPPL  | 149.27                         | 51.78                   |
| EOPPL  | 1,493.64                       | 1,423.43                |
| Others | 115.82                         | 94.48                   |
|        | <b>11,247.07</b>               | <b>11,088.92</b>        |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

| SPV    | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--------|--------------------------------|-------------------------|
| MPPL   | 8.50                           | 8.50                    |
| EOPPL  | 246.44                         | 246.44                  |
| QBPL   | 77.60                          | 77.60                   |
| QBPPL  | 3.76                           | 3.76                    |
| OBPPL  | 69.83                          | 72.82                   |
| IENMPL | 38.44                          | 38.44                   |
|        | <b>444.57</b>                  | <b>447.56</b>           |

#### MPPL:

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

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

#### EOPPL:

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

demand stayed. Accordingly, the SPV has disclosed ₹172.28 million (March 31, 2020: ₹172.28 million) as contingent liability.

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

#### QBPL:

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

(b) The SPV was assessed for AY 2014-15 u/s. 143(3) of the Income Tax Act with disallowance of loan processing fees which was accepted by the SPV. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of ₹5.89 million was received. While the said demand has been paid, the SPV has contested this

## Notes

### to the Condensed Consolidated Financial Statements

demand and filed an appeal with CIT(A) against the said order. Accordingly, the SPV has disclosed the above demand of ₹5.89 million (March 31, 2020: ₹5.89 million) as a contingent liability.

#### **QBPPL:**

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

#### **OBPPL:**

- a) The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2011-12 and received a tax demand notice of ₹69.83 million for Assessment Year 2011-12 wherein the Assessing Officer had disallowed the profit earned by the SPV on transfer of the land at a value which was in excess of its fair value and claimed as deduction under Section 80IAB. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal in favor of the SPV. Income Tax Department filed an appeal with ITAT against the order of CIT(A) which is currently pending for disposal. Accordingly, the SPV has disclosed the above demand of ₹69.83 million (March 31, 2020: ₹69.83 million) as a contingent liability.
- b) The SPV has received an assessment order u/s. 143(3) of the Income Tax Act for AY 2017-18 wherein the Assessing Officer has not given credit of withholding taxes in respect of merged entities. Subsequently, the SPV filed both an application for rectification for apparent error on record with the Assessing Officer and an appeal against the assessment order with CIT(A). During the current period, the Assessing Officer has allowed the TDS credit through rectification order issued an order in favor of the SPV and accordingly, the SPV has disclosed ₹ Nil (March 31, 2020: ₹2.99 million) as contingent liability.

(all amounts in ₹ million unless otherwise stated)

#### **IENMPL:**

- (a) The SPV was reassessed u/s 147 read with section 143(3) of Income-tax Act, 1961 for the AY 2010-11 and addition on account of unexplained cash deposits was made u/s.69A of the Act, resulting in tax demand of ₹2.98 million. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed ₹2.98 million (March 31, 2020: ₹2.98 million) as contingent liability.
- (b) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2011-12 and certain additions were made and accepted by the SPV. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of ₹12.14 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed ₹12.14 million (March 31, 2020: ₹12.14 million) as contingent liability.
- (c) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2012-13 and certain additions were made and accepted by the SPV. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of ₹14.07 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed ₹14.07 million (March 31, 2020: ₹14.07 million) as contingent liability.
- (d) The SPV received a tax demand notice of ₹9.25 million for Assessment Year 2014-15 wherein the Assessing Officer had disallowed municipal tax paid claimed against Income from House property and additions made u/s.14A of the Income tax Act read with Rule 8D of the Income Tax Rules. The SPV contested the said demand and had file and appeal with the CIT(A) against the said order. Accordingly, the SPV has disclosed ₹9.25 million (March 31, 2020: ₹9.25 million) as contingent liability.

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

| SPV  | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|------|--------------------------------|-------------------------|
| MPPL | 573.90                         | 573.90                  |
| ETPL | 64.73                          | 64.73                   |
| GSPL | 23.99                          | 23.99                   |
| VCPL | 40.66                          | 40.66                   |
| UPPL | 26.82                          | 26.82                   |
|      | <b>730.10</b>                  | <b>730.10</b>           |

#### MPPL:

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

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

#### ETPL:

(a) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata for the period 2012-13 in respect of non-registration and non-payment of service tax under the category of 'Builder's Special Services' and not 'Construction of Immovable Property' service with regard to installation of parking equipment which is taxable as a service leading to ineligibility of abatement of ₹10.01 million, irregular availment of credit of ₹6.87 million and non-payment of service tax of ₹0.96 million (along with penalty of equal amount). Against the aforesaid Order,

the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of ₹1.33 million to stay the recovery of the balance amount. The same has been paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the aforementioned demand and penalty amount of ₹35.68 million (March 31, 2020: ₹35.68 million) has been disclosed as a contingent liability.

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

#### GSPL:

The SPV had received an Order-in-Original passed by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Noida for the period FY 2007-08 to 2010-11 demanding ₹11.99 million (along-with penalty of equal amount) in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of ₹0.90 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the previous year FY 17-18, the SPV

## Notes

### to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

had received a favorable order and the said demand was annulled and the pre-deposit has been refunded; however, the Commissioner Excise has filed an appeal against the Order to Hon'ble High Court of Allahabad. Accordingly, the SPV has disclosed the demand and penalty amount of ₹23.99 million (March 31, 2020: ₹23.99 million) as contingent liability.

#### VCPL:

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

#### UPPL:

- a) The SPV had received show cause notices dated 3 July 2015 for demand due to irregular cenvat credit availed for ₹ 23.04 million relating to period from April 1, 2011 to March 31, 2016. Responses have been filed in August 2017 and is pending before the Commissioner of Service Tax. Accordingly, the aforementioned demand of ₹23.04 million (March 31, 2020: ₹23.04 million) is disclosed as contingent liability.
- b) The SPV had received show cause notices dated April 9, 2019 for demand of ₹3.78 million relating to period from April 1, 2014 to June 30, 2017 with respect to payment of salary and bonus to certain employees of the SPV which has not been considered as Management fees. Responses have been filed and is pending before the Commissioner of Service Tax. Accordingly, the aforementioned demand of ₹3.78 million (March 31, 2020: ₹3.78 million) is disclosed as contingent liability.

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

| SPV  | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|------|--------------------------------|-------------------------|
| MPPL | 3,313.08                       | 3,313.08                |
|      | <b>3,313.08</b>                | <b>3,313.08</b>         |

#### MPPL:

- (a) The SPV has received a demand order dated October 5, 2015 to pay a sum of ₹2,739.49 million (including penalty and interest upto June 2016) towards the difference in property tax payable by the SPV, which difference arose on account of classification of the property under different schedules for the purpose of computing property taxes, for the period 2008-09 to 2015-16. The SPV is contesting that the concerned property being an industrial estate that has been developed as special economic zone must be classified as category XIV as per the notification issued under Karnataka Municipal Corporation Act, 1976 ('the Act') and Bruhat Bengaluru Mahanagar Palike Property Tax Rules, 2009 ('Rules'). Whereas, the Assistant Revenue Officer has been considering the concerned property under category VIII as per the notification issued under

the Act and Rules. The SPV filed a writ petition against the demand order which has been dismissed by the Hon'ble High Court of Karnataka. The said court upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of writ petition, MPPL has based on external legal opinion filed an appeal before the aforementioned court and the same has been admitted by the court on 27 June 2016. The Hon'ble High Court restrained BBMP from taking any coercive action against the SPV and also directed BBMP to allow the SPV to make payment of property tax for the assessment year 2016-17. The matter is currently pending and as of the date of these financial statements, no further developments have taken place. Accordingly, this has been disclosed as a contingent liability. The SPV paid ₹646.69 million (March 31, 2020: ₹646.69 million) under protest against the above demand.



## Notes

### to the Condensed Consolidated Financial Statements

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

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

##### (a) GLSP (50% equity accounted investee - joint venture) Income Tax matters:

a) GLSP has received a Tribunal order for AY 2007-08 to 2013-14 upholding the taxability of interest income basis information in the Annual Information Return (for AY 2007-08 only), upholding the disallowance on interest paid towards loans allegedly used for onward lending to certain parties and remanding the issue of disallowance on interest paid towards such loans. There are currently no tax dues outstanding for each of the years under consideration as past year

(all amounts in ₹ million unless otherwise stated)

tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all years put together is ₹907.40 million. GLSP has filed an appeal before the Hon'ble High Court of Karnataka on these matters. GLSP has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability.

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

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

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

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

- a) GLSP has received show cause notice and order-in-original dated August 14, 2011 and December 11, 2011 to pay a sum of ₹111.86 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period April 1, 2009 to March 31, 2011. Appeal has been filed before CESTAT. As at September 30, 2020 the appeal is pending before CESTAT for hearing and accordingly the same is disclosed as a contingent liability by GLSP.
- b) GLSP has received an Order-in-Original dated August 31, 2010 to pay a sum of ₹90.49 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period June 2007 to March 2009. Appeal was filed before CESTAT and a favorable order was received by the entity. Commissioner of Service Tax has filed an appeal before Hon'ble High Court of Karnataka and their application is pending for acceptance and accordingly the same is disclosed as a contingent liability by GLSP.

### vi) Other matters

- (a) **VCPPPL** (Forfeiture of security deposit matters): Orange Business Services India Technology Private Limited, earlier known as Equant Technologies Services (India) Private Limited ("Equant") had filed a summary suit bearing No. 388 of 2012 with the Hon'ble Bombay High Court alleging that the SPV incorrectly terminated the letter of intent dated July 18, 2008 executed between the SPV and Equant for renting premises in Embassy 247 Park pursuant to which Equant paid to the SPV a security deposit of ₹40.32 million, which was withheld by the SPV on account of breach of agreed terms of the said letter of intent. The matter is currently under adjudication.
- (b) **EEPL** : SPV received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on February 28, 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent company of IL&FS Solar Power Limited ('ISPL'), which was itself engaged by ISPL as a contractor for Embassy Energy. The

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

### EEPL :

The Karnataka Electricity Regulatory Commission, Bengaluru (KERC) has issued orders in 2005, 2008 and 2014 granting exemption to all solar power generators in Karnataka that achieved commercial operation date between April 1, 2013 and March 31, 2018 from paying certain charges such as payment of wheeling and banking charges, cross

## Notes

### to the Condensed Consolidated Financial Statements

subsidy surcharges, transmission losses and wheeling losses for a period of ten years from the date of commissioning. KERC has issued an order dated May 14, 2018 withdrawing the aforementioned exemption available to Karnataka's power generators, including EEPL.

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

#### **EEPL :**

The Karnataka Electricity Regulatory Commission has issued an order in 2018 pursuant to which banking facilities available to non-renewable energy certificate based renewable energy

(all amounts in ₹ million unless otherwise stated)

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

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

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 47 FINANCIAL INSTRUMENTS - FAIR VALUES

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

| Particulars  | Carrying value     | Fair Value         | Carrying value   | Fair Value       |
|--|--------------------|--------------------|------------------|------------------|
|  | September 30, 2020 | September 30, 2020 | March 31, 2020   | March 31, 2020   |
| <b>Financial assets</b>  |                    |                    |                  |                  |
| <b>Amortised cost</b>  |                    |                    |                  |                  |
| Loans  | 720.05             | -                  | 720.20           | -                |
| Trade receivables  | 237.12             | -                  | 242.25           | -                |
| Cash and cash equivalents  | 13,174.15          | -                  | 3,249.16         | -                |
| Other bank balances  | 108.79             | -                  | 169.79           | -                |
| Receivable under finance lease   | -                  | -                  | -                | -                |
| Other financial assets   | 1,874.68           | -                  | 1,588.00         | -                |
| Investments in debentures  | -                  | -                  | 724.38           | -                |
| <b>Fair value through profit and loss</b>                                    |                    |                    |                  |                  |
| Investments in mutual funds  | -                  | -                  | 11,549.21        | 11,549.21        |
| <b>Total assets</b>  | <b>16,114.79</b>   | <b>-</b>           | <b>18,242.99</b> | <b>11,549.21</b> |
| <b>Financial liabilities</b>   |                    |                    |                  |                  |
| <b>Amortised cost</b>  |                    |                    |                  |                  |
| Borrowings (including current maturities of long-term debt) - floating rates | 5,194.48           | -                  | 11,163.28        | -                |
| Borrowings (including current maturities of long-term debt) - fixed rates    | 55,643.62          | 56,841.50          | 46,297.56        | 46,243.74        |
| Lease deposits   | 9,998.05           | -                  | 9,497.57         | -                |
| Trade payables   | 188.62             | -                  | 254.75           | -                |
| Other financial liabilities  | 2,321.02           | -                  | 2,893.54         | -                |
| <b>Total liabilities</b>   | <b>73,345.79</b>   | <b>56,841.50</b>   | <b>70,106.70</b> | <b>46,243.74</b> |

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

#### B. Measurement of fair values

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

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

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

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

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

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

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

| 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                      | <b>September 30, 2020</b> | -         | -         | -       | -       |
| Investment in mutual funds                      | <b>March 31, 2020</b>     | 11,549.21 | 11,549.21 | -       | -       |

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

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

### Determination of fair values

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

- The fair value of mutual funds are based on price quotations at reporting date.
- The fair values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.
- The fair values of borrowings at fixed rates are considered to be equivalent to present value of the future contracted cashflows discounted at the current market rate.

## 48 OPERATING SEGMENTS

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

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

Net Operating Income ('NOI') is the key metric reported to the CODM for the purposes of

assessment of the segment results. The same is defined as follows:

#### a) Commercial Offices segment:

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

#### b) Hospitality segment:

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

#### c) Other segment:

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

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

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



## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

| Particulars   | Total                                    |                                     |  |  |  |  |                                   |
|---|--|-------------------------------------|--|--|--|--|-----------------------------------|
|   | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
| <b>Revenue from operations</b>  | 5,401.50                                 | 5,162.26                            | 5,206.04                                 | 10,563.76                                  | 10,892.14                              | 10,557.08                                  | 21,449.22                         |
| Identifiable operating expenses   | (587.02)                                 | (593.72)                            | (822.25)                                 | (1,180.74)                                 | (1,634.77)                             | (1,644.91)                                 | (3,279.68)                        |
| <b>Net Operating Income (segment results for the period/ year)</b>                        | <b>4,814.48</b>                          | <b>4,568.54</b>                     | <b>4,383.79</b>                          | <b>9,383.02</b>                            | <b>9,257.37</b>                        | <b>8,912.17</b>                            | <b>18,169.54</b>                  |
| Other operating expenses  | (317.12)                                 | (391.24)                            | (364.84)                                 | (708.36)                                   | (798.71)                               | (714.41)                                   | (1,513.12)                        |
| Interest, dividend and other income   | 232.30                                   | 330.06                              | 174.96                                   | 562.36                                     | 625.08                                 | 365.27                                     | 990.35                            |
| <b>Earnings before finance costs, depreciation, amortisation, impairment loss and tax</b> | <b>4,729.66</b>                          | <b>4,507.36</b>                     | <b>4,193.91</b>                          | <b>9,237.02</b>                            | <b>9,083.74</b>                        | <b>8,563.03</b>                            | <b>17,646.77</b>                  |
| Share of profit after tax of equity accounted investees                                   | 245.51                                   | 245.38                              | 247.61                                   | 490.89                                     | 527.03                                 | 642.30                                     | 1,169.33                          |
| Depreciation and amortisation expenses  | (1,193.18)                               | (1,178.60)                          | (1,444.32)                               | (2,371.78)                                 | (2,445.62)                             | (2,835.62)                                 | (5,281.24)                        |
| Impairment loss (Refer note )   | -  | -                                   | -  | -  | (1,775.98)                             | -  | (1,775.98)                        |
| Finance costs   | (1,437.33)                               | (1,372.54)                          | (822.64)                                 | (2,809.87)                                 | (2,148.51)                             | (1,655.03)                                 | (3,803.54)                        |
| <b>Profit before tax</b>  | <b>2,344.66</b>                          | <b>2,201.60</b>                     | <b>2,174.56</b>                          | <b>4,546.26</b>                            | <b>3,240.66</b>                        | <b>4,714.68</b>                            | <b>7,955.34</b>                   |
| Tax expense   | (19.01)                                  | (159.21)                            | 147.83                                   | (178.22)                                   | (128.08)                               | (171.92)                                   | (300.00)                          |
| Other Comprehensive Income  | -  | -                                   | -  | -  | 0.16                                   | -  | 0.16                              |
| <b>Total comprehensive income for the period/year</b>                                     | <b>2,325.65</b>                          | <b>2,042.39</b>                     | <b>2,322.39</b>                          | <b>4,368.04</b>                            | <b>3,112.74</b>                        | <b>4,542.76</b>                            | <b>7,655.50</b>                   |

| Particulars  | Commercial Offices                       |                                     |  |  |  |  |                                   |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
|  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
| <b>Revenue from operations</b>                                     | 5,016.49                                 | 4,739.37                            | 4,562.47                                 | 9,755.86                                   | 9,408.89                               | 9,300.69                                   | 18,709.58                         |
| Identifiable operating expenses                                    | (433.39)                                 | (433.47)                            | (534.77)                                 | (866.86)                                   | (993.88)                               | (1,088.09)                                 | (2,081.97)                        |
| <b>Net Operating Income (segment results for the period/ year)</b> | <b>4,583.10</b>                          | <b>4,305.90</b>                     | <b>4,027.70</b>                          | <b>8,889.00</b>                            | <b>8,415.01</b>                        | <b>8,212.60</b>                            | <b>16,627.61</b>                  |

| Particulars  | Hospitality                              |                                     |  |  |  |  |                                   |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
|  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
| <b>Revenue from operations</b>                                     | 29.87                                    | 17.95                               | 310.76                                   | 47.82                                      | 638.18                                 | 535.21                                     | 1,173.39                          |
| Identifiable operating expenses                                    | (124.16)                                 | (129.39)                            | (257.81)                                 | (253.55)                                   | (571.73)                               | (496.26)                                   | (1,067.99)                        |
| <b>Net Operating Income (segment results for the period/ year)</b> | <b>(94.29)</b>                           | <b>(111.44)</b>                     | <b>52.95</b>                             | <b>(205.73)</b>                            | <b>66.45</b>                           | <b>38.95</b>                               | <b>105.40</b>                     |

| Particulars  | Other Segment                            |                                     |  |  |  |  |                                   |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
|  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
| <b>Revenue from operations</b>                                     | 355.14                                   | 404.94                              | 332.81                                   | 760.08                                     | 845.07                                 | 721.18                                     | 1,566.25                          |
| Identifiable operating expenses                                    | (29.47)                                  | (30.86)                             | (29.67)                                  | (60.33)                                    | (69.16)                                | (60.56)                                    | (129.72)                          |
| <b>Net Operating Income (segment results for the period/ year)</b> | <b>325.67</b>                            | <b>374.08</b>                       | <b>303.14</b>                            | <b>699.75</b>                              | <b>775.91</b>                          | <b>660.62</b>                              | <b>1,436.53</b>                   |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

An analysis of SPV wise Segment Revenues and Segment Results is given below  
**For the quarter ended September 30, 2020**

| Particulars                                   | REIT | MPPPL           | EOPPL         | UPPL           | EEPL          | GSPL          | ETPL          | OBPL          | QBPPPL        | QBPL          | VCPPPL        | IENMPL        | Total           |
|---|------|-----------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| <b>Segment Revenue:</b>                       |      |                 |               |                |               |               |               |               |               |               |               |               |                 |
| Commercial Office Segment                     | -    | 2,689.72        | 320.37        | -              | -             | 197.43        | 260.00        | 352.13        | 227.68        | 285.64        | 333.86        | 349.66        | 5,016.49        |
| Hospitality Segment                           | -    | -               | -             | 15.32          | -             | -             | -             | -             | -             | 14.55         | -             | -             | 29.87           |
| Others  | -    | -               | -             | -              | 355.14        | -             | -             | -             | -             | -             | -             | -             | 355.14          |
| <b>Total</b>                                  | -    | <b>2,689.72</b> | <b>320.37</b> | <b>15.32</b>   | <b>355.14</b> | <b>197.43</b> | <b>260.00</b> | <b>352.13</b> | <b>227.68</b> | <b>300.19</b> | <b>333.86</b> | <b>349.66</b> | <b>5,401.50</b> |
| <b>Net Operating Income (segment results)</b> |      |                 |               |                |               |               |               |               |               |               |               |               |                 |
| Commercial Office Segment                     | -    | 2,548.83        | 308.74        | -              | -             | 171.95        | 230.59        | 279.86        | 199.85        | 225.51        | 299.53        | 318.23        | 4,583.10        |
| Hospitality Segment                           | -    | -               | -             | (33.66)        | -             | -             | -             | -             | -             | (60.63)       | -             | -             | (94.29)         |
| Others  | -    | -               | -             | -              | 325.67        | -             | -             | -             | -             | -             | -             | -             | 325.67          |
| <b>Total</b>                                  | -    | <b>2,548.83</b> | <b>308.74</b> | <b>(33.66)</b> | <b>325.67</b> | <b>171.96</b> | <b>230.59</b> | <b>279.86</b> | <b>199.84</b> | <b>164.88</b> | <b>299.53</b> | <b>318.23</b> | <b>4,814.48</b> |

**For the quarter ended June 30, 2020**

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

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### For the quarter ended September 30, 2019

| Particulars                            | REIT     | MPPPL           | EOPPL         | UPPL          | EEPL          | GSPL          | ETPL          | OBPL          | QBPPL         | QBPL          | VCPPL         | IENMPL        | Total           |
|--|----------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| <b>Segment Revenue:</b>                |          |                 |               |               |               |               |               |               |               |               |               |               |                 |
| Commercial Office Segment              | -        | 2,175.79        | 281.51        | -             | -             | 222.23        | 240.30        | 334.11        | 226.30        | 363.45        | 364.96        | 353.82        | 4,562.47        |
| Hospitality Segment                    | -        | -               | -             | 244.60        | -             | -             | -             | -             | -             | 66.16         | -             | -             | 310.76          |
| Others                                 | -        | -               | -             | -             | 332.81        | -             | -             | -             | -             | -             | -             | -             | 332.81          |
| <b>Total</b>                           | <b>-</b> | <b>2,175.79</b> | <b>281.51</b> | <b>244.60</b> | <b>332.81</b> | <b>222.23</b> | <b>240.30</b> | <b>334.11</b> | <b>226.30</b> | <b>429.61</b> | <b>364.96</b> | <b>353.82</b> | <b>5,206.04</b> |
| Net Operating Income (segment results) |          |                 |               |               |               |               |               |               |               |               |               |               |                 |
| Commercial Office Segment              | -        | 2,042.98        | 260.13        | -             | -             | 161.66        | 219.13        | 236.92        | 189.96        | 290.27        | 315.08        | 311.57        | 4,027.70        |
| Hospitality Segment                    | -        | -               | -             | 108.15        | -             | -             | -             | -             | -             | (55.20)       | -             | -             | 52.95           |
| Others                                 | -        | -               | -             | -             | 303.14        | -             | -             | -             | -             | -             | -             | -             | 303.14          |
| <b>Total</b>                           | <b>-</b> | <b>2,042.98</b> | <b>260.13</b> | <b>108.15</b> | <b>303.14</b> | <b>161.66</b> | <b>219.13</b> | <b>236.92</b> | <b>189.96</b> | <b>235.07</b> | <b>315.08</b> | <b>311.57</b> | <b>4,383.79</b> |

### For the half year ended September 30, 2020

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

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### For the half year ended March 31, 2020

| Particulars                               | Trust | MPPL            | EOPPL         | UPPL          | EEPL          | GSPPL         | ETPL          | OBPL          | QBPPPL        | QBPL          | VCPPPL        | IENMPL        | Total            |
|---|-------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| <b>Segment Revenue:</b>                   |       |                 |               |               |               |               |               |               |               |               |               |               |                  |
| Commercial Office Segment                 | -     | 4,487.16        | 709.26        | -             | -             | 422.00        | 514.62        | 689.80        | 449.21        | 733.82        | 654.95        | 748.07        | 9,408.89         |
| Hospitality Segment                       | -     | -               | -             | 375.22        | -             | -             | -             | -             | -             | 262.96        | -             | -             | 638.18           |
| Others                                    | -     | -               | -             | -             | 845.07        | -             | -             | -             | -             | -             | -             | -             | 845.07           |
| <b>Total</b>                              | -     | <b>4,487.16</b> | <b>709.26</b> | <b>375.22</b> | <b>845.07</b> | <b>422.00</b> | <b>514.62</b> | <b>689.80</b> | <b>449.21</b> | <b>996.78</b> | <b>654.95</b> | <b>748.07</b> | <b>10,892.14</b> |
| Net Operating Income<br>(segment results) |       |                 |               |               |               |               |               |               |               |               |               |               |                  |
| Commercial Office Segment                 | -     | 4,207.56        | 684.19        | -             | -             | 329.99        | 473.36        | 545.52        | 369.70        | 590.12        | 553.19        | 661.38        | 8,415.01         |
| Hospitality Segment                       | -     | -               | -             | 145.78        | -             | -             | -             | -             | -             | (79.33)       | -             | -             | 66.45            |
| Others                                    | -     | -               | -             | -             | 775.91        | -             | -             | -             | -             | -             | -             | -             | 775.91           |
| <b>Total</b>                              | -     | <b>4,207.56</b> | <b>684.19</b> | <b>145.78</b> | <b>775.91</b> | <b>329.99</b> | <b>473.36</b> | <b>545.52</b> | <b>369.70</b> | <b>510.79</b> | <b>553.19</b> | <b>661.38</b> | <b>9,257.37</b>  |

### For the half year ended September 30, 2019

| Particulars                               | Trust | MPPL            | EOPPL         | UPPL          | EEPL          | GSPPL         | ETPL          | OBPL          | QBPPPL        | QBPL          | VCPPPL        | IENMPL        | Total            |
|---|-------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| <b>Segment Revenue:</b>                   |       |                 |               |               |               |               |               |               |               |               |               |               |                  |
| Commercial Office Segment                 | -     | 4,307.65        | 788.57        | -             | -             | 448.47        | 411.02        | 689.48        | 454.95        | 738.19        | 720.37        | 741.99        | 9,300.69         |
| Hospitality Segment                       | -     | -               | -             | 450.40        | -             | -             | -             | -             | -             | 84.81         | -             | -             | 535.21           |
| Others                                    | -     | -               | -             | -             | 721.18        | -             | -             | -             | -             | -             | -             | -             | 721.18           |
| <b>Total</b>                              | -     | <b>4,307.65</b> | <b>788.57</b> | <b>450.40</b> | <b>721.18</b> | <b>448.47</b> | <b>411.02</b> | <b>689.48</b> | <b>454.95</b> | <b>823.00</b> | <b>720.37</b> | <b>741.99</b> | <b>10,557.08</b> |
| Net Operating Income<br>(segment results) |       |                 |               |               |               |               |               |               |               |               |               |               |                  |
| Commercial Office Segment                 | -     | 4,017.72        | 727.09        | -             | -             | 331.54        | 368.09        | 508.77        | 382.51        | 587.60        | 623.28        | 666.00        | 8,212.60         |
| Hospitality Segment                       | -     | -               | -             | 178.14        | -             | -             | -             | -             | -             | (139.19)      | -             | -             | 38.95            |
| Others                                    | -     | -               | -             | -             | 660.62        | -             | -             | -             | -             | -             | -             | -             | 660.62           |
| <b>Total</b>                              | -     | <b>4,017.72</b> | <b>727.09</b> | <b>178.14</b> | <b>660.62</b> | <b>331.54</b> | <b>368.09</b> | <b>508.77</b> | <b>382.51</b> | <b>448.41</b> | <b>623.28</b> | <b>666.00</b> | <b>8,912.17</b>  |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### For the year ended March 31, 2020

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



# Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

## 49 RELATED PARTY DISCLOSURES

### I. List of related parties

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

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

#### The co-sponsor groups consist of the below entities

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

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

##### BRE/ Mauritius Investments - Co-Sponsor

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

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

###### Directors

Jitendra Virwani  
Tuhin Parikh  
Vivek Mehra  
Ranjan Ramdas Pai

Anuj Puri

Punita Kumar Sinha

Robert Christopher Heady

Aditya Virwani

Asheesh Mohta (w.e.f: June 28, 2019, alternate to Robert Christopher Heady)

###### KMPs

Michael David Holland - CEO

Rajesh Kaimal - CFO (upto May 19, 2020)

Aravind Maiya - CFO (from May 19, 2020)

Ramesh Periasamy - Compliance Officer and Company Secretary (Upto August 6, 2020)

Deepika Srivastava- Compliance Officer and Company Secretary (From August 7, 2020)

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### B. Joint Venture

Golflink Software Parks Private Limited

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

Vikas Telecom Private Limited

Dynasty Properties Private Limited

Snap Offices Private Limited

(formerly known as Stylus Commercial Services Private Limited)

Synergy Property Development Services Private Limited (upto  
November 5, 2019)

Embassy Industrial Parks Private Limited

Golflinks Embassy Management Services LLP

Golflinks Park Management Services LLP

Wework India Management Private Limited

Embassy Shelters Private Limited

Manyata Builders Private Limited (upto 21 March 2020)

Manyata Projects Private Limited (upto 21 March 2020)

FIFC Condominium

Reddy Veeranna Constructions Private Limited  
(upto 21 March 2020)

Embassy Construction Private Limited

Mac Charles (India) Limited

Lounge Hospitality LLP

EPDPL Coliving Operation LLP

EPDPL Coliving Private Limited

Embassy Projects Private Limited

Technique Control Facility Management Private  
Limited

Anarock Retail Advisors Private Limited

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

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

| Particulars   | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|---|--|-------------------------------------|--|--|--|--|-----------------------------------|
| <b>Property Management fees</b>                                       |  |                                     |  |  |  |  |                                   |
| Embassy Office Park Management Services Private Limited               | 118.66                                   | 116.51                              | 114.60                                   | 235.17                                     | 252.59                                 | 233.54                                     | 486.13                            |
| <b>REIT Management fees</b>   |  |                                     |  |  |  |  |                                   |
| Embassy Office Park Management Services Private Limited               | 54.85                                    | 58.61                               | 61.45                                    | 113.46                                     | 111.36                                 | 103.45                                     | 214.81                            |
| <b>Purchase of Intangible assets</b>                                  |  |                                     |  |  |  |  |                                   |
| Embassy Office Park Management Services Private Limited               | -  | -                                   | -  | -  | 8.84                                   | -  | 8.84                              |
| <b>Purchase of Investment Property</b>                                |  |                                     |  |  |  |  |                                   |
| Reddy Veeranna Constructions Private Limited                          | -  | -                                   | -  | -  | 4.51                                   | -  | 4.51                              |
| Anarock Retail Advisors Private Limited                               | 8.00                                     | -                                   | -  | 8.00                                       | -                                      | -  | -                                 |
| Embassy Services Private Limited                                      | 6.72                                     | -                                   | -  | 6.72                                       | -                                      | -  | -                                 |
| <b>Common area maintenance</b>  |  |                                     |  |  |  |  |                                   |
| Embassy Services Private Limited                                      | 110.95                                   | 130.93                              | 179.27                                   | 241.88                                     | 247.47                                 | 313.96                                     | 591.22                            |
| Golflinks Embassy Business Park Management Services LLP               | 3.09                                     | 6.39                                | 6.03                                     | 9.48                                       | 12.05                                  | 12.06                                      | 24.11                             |
| FIFC Condominium  | 17.15                                    | 17.12                               | 16.85                                    | 34.27                                      | 33.56                                  | 33.45                                      | 67.01                             |
| Technique Control Facility Management Private Limited                 | 1.66                                     | -                                   | -  | 1.66                                       | -                                      | -  | -                                 |
| <b>Repairs and maintenance- building</b>                              |  |                                     |  |  |  |  |                                   |
| FIFC Condominium  | -  | -                                   | -  | -  | 6.13                                   | -  | 6.13                              |
| <b>Business consultancy services (capitalised)</b>                    |  |                                     |  |  |  |  |                                   |
| Embassy Property Developments Private Limited                         | 13.86                                    | 12.69                               | 42.74                                    | 26.55                                      | 51.41                                  | 73.49                                      | 124.90                            |
| <b>Reimbursement of tenant improvements</b>                           |  |                                     |  |  |  |  |                                   |
| Wework India Management Private Limited                               | -  | 65.72                               | -  | 65.72                                      | -                                      | -  | -                                 |
| <b>Income from generation of renewable energy from the tenants of</b> |  |                                     |  |  |  |  |                                   |
| Vikas Telecom Private Limited   | 62.28                                    | 71.06                               | 73.81                                    | 133.34                                     | 196.63                                 | 180.69                                     | 377.32                            |
| Embassy Property Developments Private Limited                         | -  | 6.72                                | 32.60                                    | 6.72                                       | 32.88                                  | 54.67                                      | 87.55                             |
| Dynasty Properties Private Limited                                    | -  | 1.79                                | 12.25                                    | 1.79                                       | 17.28                                  | 22.04                                      | 39.32                             |
| Golflinks Software Park Private Limited                               | 58.03                                    | 50.01                               | 48.73                                    | 108.04                                     | 119.93                                 | 104.94                                     | 224.87                            |
| <b>Security Deposit given/(repaid) to/ (by) related party</b>         |  |                                     |  |  |  |  |                                   |
| Embassy Property Developments Private Limited                         | -  | -                                   | (165.36)                                 | -  | (165.35)                               | (826.15)                                   | (991.50)                          |
| FIFC Condominium  | -  | -                                   | (2.52)                                   | -  | (2.52)                                 | (2.52)                                     | -                                 |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

| Particulars  | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|--|--|-------------------------------------|--|--|--|--|-----------------------------------|
| <b>Security deposits received</b>                        |  |                                     |  |  |  |  |                                   |
| Wework India Management Private Limited                  | -  | 105.44                              | -  | 105.44                                     | -                                      | -  | -                                 |
| <b>Capital advances paid/ (received)</b>                 |  |                                     |  |  |  |  |                                   |
| Embassy Property Developments Private Limited            | 137.00                                   | 68.34                               | 272.36                                   | 205.34                                     | 4,612.61                               | 272.36                                     | 4,884.97                          |
| Reddy Veeranna Constructions Private Limited             | -  | -                                   | 6.50                                     | -  | (2.48)                                 | 6.50                                       | 4.02                              |
| FIFC Condominium   | 2.79                                     | -                                   | -  | 2.79                                       | 9.71                                   | -  | 9.71                              |
| <b>Rental and maintenance income</b>                     |  |                                     |  |  |  |  |                                   |
| Wework India Management Private Limited                  | 33.60                                    | 19.87                               | 27.75                                    | 53.47                                      | 52.09                                  | 56.75                                      | 108.85                            |
| Snap Offices Private Limited                             | 9.16                                     | 9.27                                | 9.20                                     | 18.43                                      | 18.44                                  | 18.41                                      | 36.85                             |
| <b>Interest income</b>                                   |  |                                     |  |  |  |  |                                   |
| Golflinks Software Park Private Limited                  | 1.25                                     | 6.04                                | 20.45                                    | 7.29                                       | 26.70                                  | 45.49                                      | 72.19                             |
| Embassy Property Developments Private Limited            | 108.87                                   | 158.72                              | -  | 267.59                                     | 160.47                                 | -  | 160.47                            |
| Reddy Veeranna Construction Private Limited              | -  | -                                   | -  | -  | -                                      | 1.53                                       | 1.53                              |
| <b>Other operating income</b>                            |  |                                     |  |  |  |  |                                   |
| Embassy Property Developments Private Limited            | 171.60                                   | 171.60                              | -  | 343.20                                     | 215.88                                 | -  | 215.88                            |
| Golflinks Software Park Private Limited                  | 11.25                                    | 11.25                               | -  | 22.50                                      | 45.00                                  | -  | 45.00                             |
| <b>Project management consultancy fees (capitalised)</b> |  |                                     |  |  |  |  |                                   |
| Synergy Property Development Services Private limited    | -  | -                                   | 17.27                                    | -  | 33.44                                  | 58.09                                      | 91.53                             |
| <b>Amount paid for civil works (capitalised)</b>         |  |                                     |  |  |  |  |                                   |
| Synergy Property Development Services Private limited    | -  | -                                   | 89.00                                    | -  | -                                      | 539.28                                     | 539.28                            |
| <b>Power and fuel expenses</b>                           |  |                                     |  |  |  |  |                                   |
| Embassy Services Private Limited                         | 19.94                                    | 10.42                               | 19.79                                    | 30.36                                      | 54.06                                  | 63.45                                      | 117.51                            |
| <b>Reversal of impairment on investments</b>             |  |                                     |  |  |  |  |                                   |
| Manyata Projects Private Limited                         | -  | -                                   | -  | -  | (156.98)                               | -  | (156.98)                          |
| <b>Investments written off</b>                           |  |                                     |  |  |  |  |                                   |
| Manyata Projects Private Limited                         | -  | -                                   | -  | -  | 156.98                                 | -  | 156.98                            |
| <b>Legal and professional charges</b>                    |  |                                     |  |  |  |  |                                   |
| Embassy Services Private Limited                         | 4.67                                     | 5.90                                | 1.19                                     | 10.57                                      | 44.25                                  | 4.19                                       | 18.65                             |
| <b>Security charges</b>                                  |  |                                     |  |  |  |  |                                   |
| Embassy Services Private Limited                         | 4.78                                     | 4.78                                | 3.30                                     | 9.56                                       | 8.64                                   | 4.30                                       | 12.94                             |
| <b>Trademark and license fees</b>                        |  |                                     |  |  |  |  |                                   |
| Embassy Shelters Private Limited                         | 0.36                                     | 0.35                                | 0.36                                     | 0.71                                       | 0.71                                   | 0.71                                       | 1.42                              |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

| Particulars   | For the quarter ended September 30, 2020 | For the quarter ended June 30, 2020 | For the quarter ended September 30, 2019 | For the half year ended September 30, 2020 | For the half year ended March 31, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|---|--|-------------------------------------|--|--|--|--|-----------------------------------|
| <b>Purchase of consumables</b>  |  |                                     |  |  |  |  |                                   |
| Embassy One Developers Private Limited                                  | -  | -                                   | -  | -  | 16.81                                  | -  | 16.81                             |
| <b>Rates and taxes</b>  |  |                                     |  |  |  |  |                                   |
| Embassy One Developers Private Limited                                  | -  | -                                   | -  | -  | 2.06                                   | -  | 2.06                              |
| <b>Revenue - Room rentals, sale of food and beverages</b>               |  |                                     |  |  |  |  |                                   |
| Jitendra Virwani  | 0.82                                     | 0.01                                | 0.12                                     | 0.83                                       | 2.22                                   | 0.12                                       | 2.34                              |
| Embassy Property Developments Private Limited                           | 0.02                                     | -                                   | 0.92                                     | 0.02                                       | 3.21                                   | 2.04                                       | 5.25                              |
| Embassy One Developers Private Limited                                  | -  | -                                   | -  | -  | 1.96                                   | -  | 1.96                              |
| Vikas Telecom Private Limited   | -  | -                                   | 0.16                                     | -  | 0.15                                   | 0.16                                       | 0.31                              |
| JV Holding Private Limited  | -  | -                                   | -  | -  | 0.04                                   | -  | 0.04                              |
| Others  | 0.02                                     | 0.05                                | 0.89                                     | 0.07                                       | 4.04                                   | 0.95                                       | 4.99                              |
| <b>Investment in debentures</b>   |  |                                     |  |  |  |  |                                   |
| Golflinks Software Parks Private Limited                                | -  | -                                   | -  | -  | -                                      | 2,500.00                                   | 2,500.00                          |
| <b>Redemption of investment in debentures</b>                           |  |                                     |  |  |  |  |                                   |
| Golflinks Software Parks Private Limited                                | 256.48                                   | 467.90                              | 439.10                                   | 724.38                                     | 906.61                                 | 869.01                                     | 1,775.62                          |
| <b>Secondment fees</b>  |  |                                     |  |  |  |  |                                   |
| Embassy Office Parks Management Services Private Limited                | 0.36                                     | 0.35                                | 0.36                                     | 0.71                                       | 0.71                                   | 0.71                                       | 1.42                              |
| <b>Trustee fees</b>   |  |                                     |  |  |  |  |                                   |
| Axis Trustee Services Limited   | 0.74                                     | 0.74                                | 0.74                                     | 1.48                                       | 1.48                                   | 1.48                                       | 2.96                              |
| <b>Miscellaneous expenses</b>   |  |                                     |  |  |  |  |                                   |
| Mac Charles (India) Limited   | -  | -                                   | 0.48                                     | -  | -                                      | 0.48                                       | 0.48                              |
| <b>Business Promotion expenses</b>                                      |  |                                     |  |  |  |  |                                   |
| Lounge Hospitality LLP  | -  | -                                   | -  | -  | 0.06                                   | -  | 0.06                              |
| <b>Reimbursement of expenses (received)/ paid</b>                       |  |                                     |  |  |  |  |                                   |
| Embassy Services Private Limited  | 0.63                                     | 0.34                                | 19.33                                    | 0.97                                       | 10.44                                  | 19.33                                      | 29.77                             |
| Embassy One Developers Private Limited                                  | 0.37                                     | (1.29)                              | -  | (0.92)                                     | (6.26)                                 | -  | (6.26)                            |
| Embassy Office Parks Management Services Private Limited                | (0.39)                                   | 1.09                                | 47.70                                    | 0.70                                       | 6.17                                   | 47.70                                      | 53.87                             |
| <b>Travel Expenses</b>  |  |                                     |  |  |  |  |                                   |
| Embassy Services Private Limited  | 0.26                                     | 0.22                                | -  | 0.48                                       | -                                      | -  | 0.02                              |
| <b>Initial refundable receipt from Co-sponsor - received / (repaid)</b> |  |                                     |  |  |  |  |                                   |
| Embassy Property Development Private Limited                            | -  | -                                   | -  | -  | -                                      | (0.50)                                     | (0.50)                            |



## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### III. Related party balances

| Particulars  | As at September 30, 2020 | As at March 31, 2020 |
|--|--------------------------|----------------------|
| <b>Security deposits</b>   |                          |                      |
| Embassy Services Private Limited   | 60.50                    | 60.50                |
| Embassy One Developers Private Limited                                       | 1.23                     | 1.23                 |
| <b>Advance from customers</b>  |                          |                      |
| Wework India Management Private Limited                                      | -                        | 1.92                 |
| <b>Trade payables</b>  |                          |                      |
| Embassy Services Private Limited   | 83.49                    | 91.74                |
| Embassy Office Parks Management Service Private Limited                      | -                        | 4.66                 |
| Golflinks Embassy Business Park Management services LLP                      | 13.04                    | 2.01                 |
| FIFC Condominium   | 3.23                     | 17.53                |
| <b>Unbilled revenue</b>  |                          |                      |
| Vikas Telecom Private Limited  | 22.83                    | 25.05                |
| Embassy Property Developments Private Limited                                | -                        | 8.92                 |
| Dynasty Properties Private Limited   | -                        | 3.73                 |
| Golflinks Software Parks Private Limited                                     | 21.16                    | 24.12                |
| <b>Other current financial assets - other receivables from related party</b> |                          |                      |
| Manyata Builders Private Limited   | -                        | 5.63                 |
| Embassy One Developers Private Limited                                       | 1.97                     | 2.31                 |
| FIFC Condominium   | 0.65                     | -                    |
| <b>Other current financial liabilities</b>                                   |                          |                      |
| Embassy One Developers Private Limited                                       | -                        | 0.05                 |
| Embassy Services Private Limited   | 94.16                    | 115.48               |
| Embassy Office Parks Management Services Private Limited                     | 54.14                    | 56.14                |
| Axis Trustee Services Limited  | 1.47                     | -                    |
| FIFC Condominium   | 0.50                     | 0.95                 |
| <b>Other current financial liabilities - Security deposit</b>                |                          |                      |
| Vikas Telecom Private Limited  | 105.00                   | 105.00               |
| Golflinks Software Parks Private Limited                                     | 80.00                    | 80.00                |
| <b>Current liabilities - capital creditors</b>                               |                          |                      |
| Embassy Property Developments Private Limited                                | 15.90                    | 14.73                |
| Anarock Retail Advisors Private Limited                                      | 4.42                     | -                    |
| <b>Other non-current assets - capital advance</b>                            |                          |                      |
| Embassy Shelters Private Limited   | 206.34                   | 206.34               |
| Reddy Veeranna Constructions Private Limited                                 | -                        | 6.51                 |
| FIFC Condominium   | 12.50                    | 9.71                 |
| Babblar Marketing Pvt Ltd  | 32.85                    | -                    |
| <b>Other non-current assets - Prepayments</b>                                |                          |                      |
| FIFC Condominium   | -                        | 5.64                 |

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

| Particulars  | As at<br>September<br>30, 2020 | As at<br>March 31, 2020 |
|--|--------------------------------|-------------------------|
| <b>Other current assets - Advance for supply of goods and rendering of services</b>                          |                                |                         |
| FIFC Condominium   | 2.79                           | 2.78                    |
| Other non-current assets - advance paid for co-development of property, including development rights on land |                                |                         |
| Embassy Property Developments Private Limited (refer note 52)  | 14,203.60                      | 13,998.26               |
| <b>Trade receivables</b>   |                                |                         |
| Embassy Property Developments Private Limited  | -                              | 51.48                   |
| Embassy One Developers Private Limited   | 1.20                           | 1.20                    |
| Golflinks Embassy Business Park Management Services LLP  | 1.88                           | 1.86                    |
| Wework India Management Private Limited  | 17.47                          | 0.17                    |
| Vikas Telecom Private Limited  | 12.91                          | -                       |
| Others   | 1.08                           | 2.32                    |
| <b>Lease deposits</b>  |                                |                         |
| Wework India Management Private Limited  | 112.64                         | 7.20                    |
| Snap Offices Private Limited   | 4.82                           | 4.82                    |
| <b>Investment in Debentures</b>  |                                |                         |
| Golflinks Software Parks Private Limited   | -                              | 724.38                  |

### 50 DETAILS OF UTILISATION OF PROCEEDS OF ISSUE OF EMBASSY REIT SERIES II NCD 2020, TRANCHE A ARE AS FOLLOWS:

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

### 51 DISTRIBUTIONS

The Board of Directors of the Manager to the Trust, in their meeting held on November 2, 2020, have declared distribution to Unitholders of ₹5.50 per unit which aggregates to ₹4,244.16 million for the quarter ended September 30, 2020. The distributions of ₹5.50 per unit comprises ₹1.90 per unit in the form of interest payment, ₹0.42 per unit in the form of dividend and the balance ₹3.18 per unit in the form of amortization of SPV debt.

Along with distribution of ₹4,498.81 million/₹5.83 per unit for the quarter ended June 30, 2020, the cumulative distribution for the half-year ended September 30, 2020 aggregates to ₹8,742.97 million/₹11.33 per unit.

### 52 ADVANCE PAID FOR CO-DEVELOPMENT OF PROPERTY, INCLUDING DEVELOPMENT RIGHTS OF LAND (M3 BLOCK A & B)

Manyata Promoters Private Limited ('MPPL') and Embassy Property Developments Private Limited ('EPDPL') entered into a co-development agreement on 8 March 2017 whereby EPDPL shall develop 1 msf M3 Block A bare shell building within Embassy Manyata campus and shall hand over to MPPL by agreed delivery date for a consideration of ₹6,510 million to EPDPL, of which ₹6,434.46 million has already been paid as of September 30, 2020 (₹5,600 million was paid as of March 31, 2019, ₹629 million was paid during financial year 2019-20 and balance ₹205 million was paid during the period ended September 30, 2020). Further, MPPL has appointed EPDPL as the development manager, to convert the bare shell buildings to

## Notes

### to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

warm shell for a development management fee of ₹40 million to EPDPL along with an estimated cost of such conversion from bare shell to warm shell of ₹1,706 million, of which ₹40 million towards development management fees has already been paid as of September 30, 2020 and no amounts have been paid towards the warm shell conversion. In summary, EPDPL shall develop 1 msf M3 Block A warm shell building to be handed over to MPPL by agreed delivery date for a total consideration of ₹8,256 million, of which ₹6,474.46 million has already been paid as of September 30, 2020 and balance is to be disbursed linked to achievement of development milestones. EPDPL is obligated to obtain Occupancy Certificate (OC) for the buildings by December 2019. In case of any delay in obtaining the OC beyond the agreed delivery date, EPDPL is obligated to pay a rental compensation of ₹57 million per month of delay to MPPL. As of date, the bare shell building is still being constructed and the estimated date of completion and obtaining occupancy certificate is now December 2022. During the half year ended September 30, 2020, MPPL has received from EPDPL the agreed compensation of ₹57 million per month as mentioned above.

The carrying cost in the consolidated financial statements of the above advance is ₹9,947.60 million as at September 30, 2020 which includes one-time fair valuation gain on purchase price allocation on acquisition by the REIT.

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

already been paid as of September 30, 2020 and balance is to be disbursed linked to achievement of development milestones. Furthermore, as per the co-development agreement, during the period of construction, EPDPL is obligated to pay interest to MPPL on the amount of the Development Consideration disbursed by MPPL to EPDPL. During the quarter ended September 30, 2020, the parties have mutually agreed that, EPDPL shall deposit two quarters of compensation/interest with MPPL in a Reserve account prior to December 31, 2020.

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

#### 53 THE BOARD OF DIRECTORS OF THE MANAGER IN THEIR MEETING HELD ON MAY 19, 2020 APPROVED THE COMPOSITE SCHEME OF ARRANGEMENT (THE "SCHEME") INVOLVING MPPL, EOPPL AND EPTPL. THE SCHEME PROVIDES FOR:

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

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

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

## Notes

to the Condensed Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

### 54 SUBSEQUENT EVENTS:

On October 22, 2020, the Board of Directors of the Manager approved acquisition of the property maintenance business of Embassy Manyata and Embassy TechZone, from Embassy Services Private Limited ('ESPL') for a total consideration of ₹4,740 million, pursuant to Business Transfer Agreements entered into in this regard by MPPL and EOPPL respectively. The consideration for the aforesaid acquisition, is paid in the form of issuance of unlisted, unsecured, redeemable non-convertible debentures of MPPL and EOPPL to ESPL and assumption and repayment of identified liabilities of ESPL and the acquisition has been completed on October 28, 2020.

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

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI firm's registration number: 101049W/E300004

Sd/-

**Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: November 2, 2020

for and on behalf of the Board of Directors of

**Embassy Office Parks Management Services Private Limited**

(as Manager to the Embassy Office Parks REIT)

Sd/-

**Jitendra Virwani**

Director

DIN: 00027674

Place: Bengaluru

Date: November 2, 2020

Sd/-

**Tuhin Parikh**

Director

DIN: 00544890

Place: Mumbai

Date: November 2, 2020

# SUMMARY VALUATION REPORT

## Embassy Office Parks Management Services Private Limited in its capacity as manager of The Embassy Office Parks REIT

EMBASSY MANYATA, BENGALURU  
EXPRESS TOWERS, MUMBAI  
EMBASSY 247, MUMBAI  
FIRST INTERNATIONAL FINANCE CENTRE (FIFC), MUMBAI  
EMBASSY TECHZONE, PUNE  
EMBASSY QUADRON, PUNE  
EMBASSY QUBIX, PUNE  
EMBASSY OXYGEN, NOIDA  
EMBASSY GALAXY, NOIDA  
EMBASSY GOLFLINKS, BENGALURU  
EMBASSY ONE, BENGALURU  
HILTON AT EMBASSY GOLFLNKS, BENGALURU  
EMBASSY ENERGY, BELLARY DISTRICT, KARNATAKA

DATE OF VALUATION: SEPTEMBER 30, 2020

DATE OF REPORT: OCTOBER 29, 2020

Value Assessment  
Service

**CBRE**

Valuer under SEBI (REIT)  
Regulations, 2014

**iVAS**



## 1 Instruction

iVAS Partners, represented by Mr. Manish Gupta, has been instructed by **Embassy Office Parks Management Services Private Limited** (the ‘Client’, the ‘**Instructing Party**’) in its capacity as **manager of The Embassy Office Parks REIT (Embassy REIT)** to advise upon the Market Value (MV) of properties comprising of commercial office real estate assets located across Bengaluru, Pune, Mumbai and Noida as well as affiliated facilities including a solar park, retail spaces and hotels (together herein referred as subject properties across the report).

CBRE has been instructed by the Client to be the ‘Value Assessment Service Provider’ for providing market intelligence to the ‘Valuer’ (iVAS Partners, represented by Mr. Manish Gupta) and forecasting cash flows from the respective assets. The Valuer has utilized the market intelligence provided by CBRE and independently reviewed the cash flows to arrive at the Market Value of the respective assets as per the SEBI (REIT) regulations 2014. iVAS Partners (represented by Mr. Manish Gupta) and CBRE are collectively referred to as the Consultants for the purpose of this report.

The details of the subject properties under the purview of this valuation exercise are tabulated below:

| Development Name                   | Location                    |
|------------------------------------|-----------------------------|
| Embassy Manyata                    | Bengaluru                   |
| Express Towers                     | Mumbai                      |
| Embassy 247                        | Mumbai                      |
| First International Finance Centre | Mumbai                      |
| Embassy TechZone                   | Pune                        |
| Embassy Quadron                    | Pune                        |
| Embassy Qubix                      | Pune                        |
| Embassy Oxygen                     | Noida                       |
| Embassy Galaxy                     | Noida                       |
| Embassy GolfLinks                  | Bengaluru                   |
| Embassy One                        | Bengaluru                   |
| Hilton at Embassy GolfLinks        | Bengaluru                   |
| Embassy Energy                     | Bellary District, Karnataka |

### 1.1 Purpose

The Valuer understands that the valuation is required by the Client for financial and investor reporting purposes to comply with the requirements of Regulation 21 of the SEBI (REIT) Regulations, 2014.

### 1.2 Reliant Party

Reliant parties to this report shall mean Embassy Office Parks Management Services Private Limited (EOPMSPL), the Embassy Office Parks REIT (“Embassy REIT”) and their Unit Holders and Axis Trustee Services Limited (the Trustee for the Embassy REIT) for the purpose (of the valuation) as highlighted in this report. The auditors would be extended reliance by the ‘Consultants’ but would extend no liability to the auditors.

The valuation will be prepared strictly and only for the use of the Reliant Party and for the Purpose specifically stated. The instructing party would make all reliant parties aware of the terms and conditions of this agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

### 1.3 Limitation of Liability

- The ‘Consultants’ provide the Services exercising due care and skill, but the ‘Consultants’ do not accept any legal liability arising from negligence or otherwise to any person in relation to possible

environmental site contamination or any failure to comply with environmental legislation which may affect the value of the properties. Further, the ‘Consultants’ shall not accept liability for any errors, misstatements, omissions in the Report caused due to false, misleading or incomplete information or documentation provided to the ‘Consultants’ by the Instructing Party.

- The Consultants’ maximum aggregate liability for claims arising out of or in connection with the Valuation Report, under this contract shall not exceed Indian Rupees 30 mn.
- In the event that any of the Sponsor, Manager, Trustee, Embassy REIT in connection with the report be subject to any claim (“Claim Parties”) in connection with, arising out of or attributable to the Valuation Report, the Claim Parties will be entitled to require the ‘Consultants’ to be a necessary party/ respondent to such claim and the ‘Consultants’ shall not object to their inclusion as a necessary party/ respondent. If the ‘Consultants’ do not co-operate to be named as a necessary party/ respondent to such claims or co-operate in providing adequate/ successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the ‘Consultants’ in this regard and the Consultants’ liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.
- The Consultants will neither be responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls etc.

#### 1.4 Capability of Valuer and Value Assessment Service Provider

##### **Valuer under SEBI (REIT) Regulations, 2014: iVAS Partners, represented by Mr. Manish Gupta**

Manish Gupta, Partner at iVAS Partners, is a Registered Architect with Council of Architecture (COA) and a member of the Royal Institute of Chartered Surveyors (MRICS) and Institution of Valuers (IOV), with over 12 years of experience in the real estate industry. Manish is a seasoned professional with experience in providing real estate valuation services to a wide spectrum of clients including financial institutions, private equity funds, developers, NBFCs, corporate houses, banks, resolution professionals, land owners, etc.

He has worked on variety of valuation, consulting and technical due-diligence assignments for various purposes including investment related due diligence, mortgage/collateral appraisals, financial reporting, listing purposes, IBC led requirements, etc. across a range of asset classes such as residential projects, integrated township developments, hospitality assets, commercial (office and retail) projects, industrial developments, warehousing parks, educational projects, healthcare developments, etc. for both national as well as international clients.

##### **Value Assessment Service Provider: CBRE South Asia Pvt. Ltd.**

CBRE Advisory Services India is an integral part of CBRE Global Valuation & Advisory Services team. The Global VAS team comprises of over 1,500 professionals across approximately 280 offices globally and India Advisory Services team comprises of more than 280 professionals.

CBRE Advisory Services India have completed over 80,000 valuation and advisory assignments across varied asset classes spread across 20 states and 300+ cities. CBRE provides quality valuation, risk advisory and consulting services across a range of property types including residential, hospitality, retail, commercial, institutional, Special Economic Zone (SEZ), industrial, etc. CBRE derives global best practices while maintaining the complexities of Indian real estate markets and are ideally positioned to help solve any valuation related real estate challenge, ranging from single asset valuations to valuation of multi-market and multi-property portfolios.

Our dedicated and experienced professionals provide quality services from 9 offices across India (Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Gurgaon, Hyderabad, Pune and Ahmedabad). Our professionals have a varied qualification base such as Royal Institute of Chartered Surveyors (RICS) or IOV, IIV certified valuation professional, master planner, architect, MBA, CA, CFA, etc. and this entire multi-faceted experience helps us in achieving our commitment to provide the highest level of professional expertise to our clients.

CBRE Advisory Services India team has substantial experience with several institutional clients including financial institutions, real estate funds, private equity funds, developers, corporates, banks, NBFCs, etc.

## 1.5 Disclosures

The Consultants hereby certify that:

- iVAS Partners (Valuer Registration Number: IBBI/RV-E/02/2020/112), represented by Mr. Manish Gupta (hereinafter referred to as the Valuer), is eligible to be appointed as a valuer in terms of Regulation 2(1)(zz) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
- Neither CBRE nor iVAS Partners (represented by Mr. Manish Gupta - Partner, iVAS Partners) are an associate of the instructing party
- Mr. Manish Gupta, Partner, iVAS Partners (the Valuer) has a minimum of five years of experience in the valuation of real estate
- The Valuer has not been involved with the acquisition or disposal within the last twelve months of any of the properties valued under this summary valuation report in the last twelve months
- The Valuer has adequate and robust internal controls to ensure the integrity of the valuation reports
- The Valuer has sufficient key personnel with adequate experience and qualification to perform services related to property valuation at all times
- The Valuer has sufficient financial resources to enable them to conduct their business effectively and meet their liabilities
- The Valuer has acquainted itself with all laws or regulations relevant to such valuation
- The valuation of assets undertaken is impartial, true and fair and in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
- The Valuer and any of its employees/ consultants involved in valuation of the REIT assets are not invested in units of the REIT or in the assets being valued till the time such person is designated as valuer of such REIT and not less than 6 months after ceasing to be valuer of the REIT
- The Valuer has conducted the valuation of the REIT assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise professional judgement
- The Valuer has acted with independence, objectivity and impartiality in performing the valuation
- The Valuer has discharged its duties towards the Embassy REIT in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete the said assignment
- The Valuer shall not accept remuneration, in any form, for performing a valuation of the REIT assets from any person other than the Embassy REIT or its authorised representatives.
- The Valuer shall before accepting any assignment from any related party to the Embassy REIT, shall disclose to the Embassy REIT, any direct or indirect consideration which the valuer may have in respect of such assignment
- The Valuer shall disclose to the trustee of the Embassy REIT, any pending business transactions, contracts under negotiation and other arrangements with the Instructing Party or any other party whom the Embassy REIT is contracting with and any other factors which may interfere with the Valuer's ability to give an independent and professional valuation of the property
- The Valuer shall not make false, misleading or exaggerated claims in order to secure assignments
- The Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information
- The Valuer shall not accept an assignment that includes reporting of the outcome based on predetermined opinions and conclusions required by the Embassy REIT
- The valuation undertaken by the Valuer abides by international valuation standards
- The Valuer notes that there are encumbrances, however, no options or pre-emptions rights in relation to the assets based on the title report prepared by King & Partridge, Shardul Amarchand Mangaldas & Co, Cyril Amarchand Mangaldas, Little & Company, Jayashree Sridhar and Law Shield (hereinafter collectively referred to as 'Legal Counsels')

## 1.6 Assumptions, Disclaimers, Limitations & Qualifications to Valuation

|  |  |
|--|--|
| <b>Valuation Subject to Change:</b>    | <ul style="list-style-type: none"> <li>The subject valuation exercise is based on prevailing market dynamics as on the date of valuation and does not take into account any unforeseeable developments which could impact the same in the future</li> </ul>  |
| <b>Our Investigations:</b>             | <ul style="list-style-type: none"> <li>The Consultants are not engaged to carry out all possible investigations in relation to the subject properties. Where in our report the Consultants identify certain limitations to our investigations, this is to enable the reliant party to instruct further investigations where considered appropriate or where the Consultants recommend as necessary prior to reliance. The Consultants are not liable for any loss occasioned by a decision not to conduct further investigations</li> </ul>  |
| <b>Assumptions:</b>                    | <ul style="list-style-type: none"> <li>Assumptions are a necessary part of undertaking valuations. The Valuer adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The reliant parties accept that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation</li> </ul>   |
| <b>Information Supplied by Others:</b> | <ul style="list-style-type: none"> <li>The valuations are based on the information provided by the Instructing Party (Embassy Office Parks Management Services Private Limited). The same has been assumed to be correct and has been used for valuation exercise. Where it is stated in the report that another party has supplied information to the 'Consultants', this information is believed to be reliable but the 'Consultants' can accept no responsibility if this should prove not to be so. However, please note that wherever we have relied on information from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context</li> </ul> |
| <b>Future Matters:</b>                 | <ul style="list-style-type: none"> <li>To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to the 'Consultants' at the date of this document. The 'Consultants' do not warrant that such statements are accurate or correct</li> </ul>  |
| <b>Map and Plans:</b>                  | <ul style="list-style-type: none"> <li>Any sketch, plan or map in this report is included to assist reader while visualizing the properties and assume no responsibility in connection with such matters</li> </ul>  |
| <b>Site Details:</b>                   | <ul style="list-style-type: none"> <li>Based on title due-diligence information provided by the Client, the Valuer understands that the subject properties are free from any encroachments and are available as on the date of the valuation</li> </ul>  |
| <b>Property Title:</b>                 | <ul style="list-style-type: none"> <li>For the purpose of this valuation exercise, the Valuer has relied on the Title Reports prepared by the Legal Counsels for each of the properties and has made no further enquiries with the relevant local authorities in this regard. The Valuer understands that the subject properties may have encumbrances, disputes and claims. The Valuer does not have the expertise or the preview to verify the veracity or quantify these encumbrances, disputes or claims. For the purpose of this valuation, the Valuer has assumed that the respective assets have title deeds that are clear and marketable.</li> </ul>  |
| <b>Environmental Conditions:</b>       | <ul style="list-style-type: none"> <li>The Valuer has assumed that the subject properties are not contaminated and are not adversely affected by any existing or proposed environmental law and any processes which are carried out on the properties are regulated by environmental legislation and are properly licensed by the appropriate authorities</li> </ul>   |
| <b>Town Planning:</b>                  | <ul style="list-style-type: none"> <li>The current zoning of the subject properties has been adopted on the basis of review of various documents (title deeds) provided by the Instructing Party and the current land use maps for the subject region. The same has been considered for the purpose of this valuation exercise. Further, it has been assumed that the development on the subject properties adheres/ would adhere to the development regulations as prescribed by the relevant authorities. The Valuer has not made any enquiries with the relevant development authorities to validate the legality of the same.</li> </ul>   |
| <b>Area:</b>                           | <ul style="list-style-type: none"> <li>Various areas related to the properties considered for the purpose of this valuation exercise are based on the rent rolls/ Architect certificate provided by the Instructing Party. It must be noted that the above information has been provided by the Client and has been verified based on the approvals/ layout plans/building plans provided by the Client. However, the Valuer has not undertaken additional verification and physical measurement for the purpose of this valuation exercise</li> </ul>   |

- Condition & Repair:**

  - In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present which might adversely affect the current or future occupation, development or value of the property; the property is free from rot, infestation, structural or latent defect; no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts
- Not a Structural Survey:**

  - The Valuer states that this is a valuation report and not a structural survey
- Legal:**

  - Unless specifically disclosed in the report, the Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the subject property.
- Others:**

  - Considering the unorganized nature of real estate markets in India, all comparable evidence (if any) provided in the valuation report has been limited to the basic details such as the area of asset, rate at which transacted, broad location, etc. other specific details would be provided only if the information is available in public domain
  - The actual market price achieved may be higher or lower than our estimate of value depending upon the circumstances of the transaction, nature of the business, etc. The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion may not necessarily be the price at which actual transaction takes place
  - We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences
- Other Assumptions:**

  - Please note that all the factual information such as tenants' leasable area, lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the subject properties is based on the appropriate relevant documents provided by the Client and the same has been adopted for the purpose of this valuation exercise. While we have reviewed a few lease deeds on a sample basis, the Consultants do not take any responsibility towards authenticity of the rent rolls provided by the Client. Any change in the above information will have an impact on the assessed value and in that case the Valuer will have to relook at the assessed value. The relevant information sources are represented in section 2.5
  - All measurements, areas and ages quoted in our report are approximate
  - We are not advisors with respect to legal tax and regulatory matters for the transaction. No investigation of the respective Special Purpose Vehicles (SPVs) holding the assets' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility is assumed for matters of a legal nature
  - Kindly note that we have undertaken a quarterly assessment of cash flows for the purpose of the valuations



**Material  
Valuation  
Uncertainty  
from Novel  
Coronavirus:**

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11<sup>th</sup> March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, there is a shortage of market evidence for comparison purposes, to inform opinions of value.

Our valuation of the properties is therefore reported as being subject to ‘material valuation uncertainty’. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

Values may change more rapidly and significantly than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation contained within this report under frequent review

**Additional:**

- In the current uncertain environment caused by the outbreak of the Novel Coronavirus (COVID-19), we have considered / relooked at various asset/ market specific parameters and have adopted heuristic/ careful interventions (including but not limited to the points mentioned below) to our projected cashflows based on our view as of the date of valuation.
  - Limited/ no growth in rent and ARR has been considered over the next few quarters
  - Construction timelines have been delayed from the earlier estimates
  - Considering challenges in the short term, timelines have been extended for new space take-up/ future leasing
  - For the operational hotels, occupancy has been rationalized in the short term”

## 2 Valuation Approach & Methodology

### 2.1 Scope of Valuation

The valuation exercise is aimed at the assessment of the Market Value (MV) of the subject property. In considering the value of the property, the Valuer has considered the guidelines laid out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS).

### 2.2 Basis of Valuation

The valuations have been conducted in accordance with the RICS Valuation – Global Standards 2020 (Red Book Global Incorporating the IVSC International Valuation Standards issued in November 2019, effective from 31 January 2020) and is in compliance with the International Valuation Standards (IVS). The valuation exercise has been undertaken by appropriately qualified Valuer and would be aimed at assessing the Market Value of subject properties.

As per the Valuation and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS) the market value is defined as:

*‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion’.*

### 2.3 Approach and Methodology

The purpose of this valuation exercise is to estimate the Market Value (MV) of the subject properties. Market Value is derived through the following Methodologies:



#### 2.3.1 Direct Comparison Approach

In **‘Direct Comparison Approach’**, the subject property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). The comparable evidence gathered during research is adjusted for premiums and discounts based on property specific attributes to reflect the underlying value of the property.

#### 2.3.2 Income Approach

The income approach is based on the premise that value of an income - producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of the income approach in real estate valuation namely, direct capitalization and discounted cash flow (DCF).

##### A. Direct Capitalization Method

Direct capitalization involves capitalizing a ‘normalized’ single - year net income estimated by an appropriate yield. This approach is best utilized with stable revenue producing assets, whereby there is little volatility in the net annual income.

## B. Discounted Cash Flow Method

Using this valuation method, future cash flows from the property are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income associated with the property. These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate. A variation of the Discounted Cash Flow Method is illustrated below:

### B.1. Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants – typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, the Valuer has considered the impact of such sub/ above market leases on the valuation of the subject property.

## 2.4 Approach and Methodology Adopted

A large number of leases at the subject properties were executed at rentals prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, tenants looking at spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rentals may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or sub markets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved, the value of the office component in the subject properties has been assessed through the Discounted Cash Flow Method using Rental Reversion and the value of the Solar Park and hotel component at the respective properties have been valued using Discounted Cash Flow Method. Further, the following steps have been adopted as part of the valuation for the respective subject properties (assets).

### Asset-specific Review:

1. As the first step to the valuation of the asset, the rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, top 10 tenants have been reviewed from their lease terms perspective. For anchor tenants, discounts on marginal rent or additional lease-up timeframe have been adopted upon lease reversion.
2. Title documents and architect certificates were reviewed for validation of area details, ownership of the asset

### Micro-market Review:

1. A detailed assessment of the site and surroundings has been undertaken with respect to the prevalent activities, change in dynamics impacting the values and the optimal use of the respective properties vis-à-vis their surrounding sub-market, etc. Further, a primary and secondary research exercise has been carried out in the catchment areas for the respective assets to ascertain the transaction activity of commercial, retail and hospitality developments. This has been achieved through interactions with various market players such as developers, real estate brokers, key office tenants, hospitality occupiers, etc. Peers to the assets were identified in terms of potential competition (both completed and under-construction/planned assets), comparable recent lease transactions witnessed in the micro-market were analysed along with the historical leasing and re-leasing history within the asset over the last 2 – 3 years. This was undertaken to assess the applicable market rent (applicable rental for the micro-market where the asset is located) and

applicable marginal rental (the Consultants' view on rental for the asset – used for leasing vacant spaces as well as upon releasing).

2. The Consultants also analysed the historical leasing within the asset for anchor tenants to identify the discount that is extended to such tenants at the time of fresh leasing or lease renewals. Every lease deed of large anchor tenants were analysed and applicable discount to marginal rental was estimated for individual leases. For other tenants occupying relatively large space within the properties, the Valuer assumed the leases to revert to marginal rentals (duly escalated from the date of valuation) post expiry of the lease, factoring appropriate re-leasing time.

### **Cash Flow Projections:**

1. The cash flows for the operational and under-construction/proposed area were projected separately to arrive at their respective value conclusion.
2. The Valuer has utilized the EBIDTA to arrive at the value of the subject properties. The following steps were undertaken to arrive at the value for operational and under-construction/proposed area respectively.

The Valuer has projected future cash flows from the property based on existing lease terms for the operational area till the expiry of the leases or re-negotiation (using the variance analysis), whichever is earlier. Post which, the lease terms have been aligned with marginal rentals. For vacant area and under-construction/proposed area, the Valuer has projected the marginal rent led cash flows factoring appropriate lease-up time frame for vacant/under-construction/proposed area. These cash flows have been projected for 10-year duration from the date of valuation and for 11<sup>th</sup> year (for assessment of terminal value). These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate.

For each lease, the following steps have been undertaken to assess the rental over a 10-year time horizon:

- a. **Step 1:** Project the rentals for identified tenancies up to the period of lease expiry, lock-in expiry, first escalation, second escalation, etc. whichever is applicable. In the event of vacant/ to be leased spaces, market-led rentals to be adopted with suitable lease-up time
  - b. **Step 2:** Generating a marginal rental stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step
  - c. **Step 3:** In the event the escalated contracted rental is above the marginal rent (viz. by 10% for Bengaluru/ Mumbai assets & 15% for Pune/ Noida assets), the contracted terms are discarded, and the terms are reverted to market. In the event the escalated contracted rent is below the marginal rent by the threshold highlighted above, the contracted terms are adopted going forward until the next lease review/ renewal. Intent of this step is to project the rental for respective leases until lease expiry as well as post expiry
  - d. **Step 4:** Computing the monthly income based on rentals projected as part of Step 3 and translating the same to a quarterly income (for the next 10 years and 11th year – considered for calculation of terminal value)
3. Adjustments for other revenues and recurring operational expenses, fit-out income (if any – projected till first term expiry and discounted to present day – the same has been considered below the NOI and does not get capitalized) and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during

lease roll-overs to factor potential rent free terms as well as outflows towards brokerage. For all assets, the Valuer has looked at the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset. For Embassy Manyata, Embassy GolfLinks and Embassy TechZone, common area maintenance is managed by an external agency and accordingly, no CAM margin has been considered during the course of operations. However, for assessing the exit cash flows, the Valuer has assumed that on a notional exit, market-led CAM charges and hence CAM margin would be accruable to a potential buyer and the same has been adopted during capitalization.

4. The net income on quarterly basis have been projected over the next 10 years and the 1 year forward NOI (for 11<sup>th</sup> year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net income over the next 10 years along with the terminal value during the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the asset through this approach.
5. For the hospitality component, future cash flows from the property, were projected based on our assessment of ARR and Occupancy. Adjustments for other revenues and recurring operational expenses, have been adopted in-line with prevalent market dynamics. The net income on quarterly basis have been projected over the next 10 years and the 1 year forward EBITDA (for 11<sup>th</sup> year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net income over the next 10 years along with the terminal value during the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the asset.

## 2.5 Information Sources for Valuation

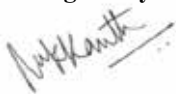
Property related information referred to for the valuation exercise has been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

## 2.6 Scope of Services for Value Assessment Service Provider

CBRE has been engaged by the Instructing Party to provide value assessment services and accordingly, would be responsible for the below scope as part of this exercise.

- Provide market intelligence to the Valuer on the following aspects:
  - Economic and Investment Overview
  - India Real Estate Overview
    - IT/ ITES Industry Dynamics
    - Key Office Markets
    - Outlook
  - For cities housing Embassy REIT Assets
    - Key Office Markets
    - General market practices
    - Demand Supply for Key Office Markets & Rental Trends
    - Outlook
- Review rent roll and forecast cash flows from the respective assets for the Valuer to independently review and work towards assessing the valuation of each Asset

### Official Signatory for Value Assessment Service Provider:



**Name:** Vamshi KK Nakirekanti | MRICS | FIE | FIV | CEng (India)

**Designation:** Executive Director, Head – Valuation and Advisory Services, India & South East Asia

**Firm:** CBRE South Asia Pvt Ltd



### 3 Nature of the Interest of the Embassy REIT

The table below highlights the nature of interest of the Embassy REIT:

| Property  | Interest Valued | Interest Embassy REIT holds | Remainder of term in case of Leasehold (approx.) |
|---|-----------------|-----------------------------|--|
| <b>Embassy Manyata, Bengaluru</b>                   | Freehold*       | 100.0%                      | NA   |
| <b>Express Towers, Mumbai</b>                       | Freehold        | 100.0%                      | NA   |
| <b>Embassy 247, Mumbai</b>                          | Freehold        | 100.0%                      | NA   |
| <b>First International Financial Center, Mumbai</b> | Leasehold       | 100.0%                      | 68 Years   |
| <b>Embassy TechZone, Pune</b>                       | Leasehold       | 100.0%                      | 80 Years   |
| <b>Embassy Quadron, Pune</b>                        | Leasehold       | 100.0%                      | 80 Years   |
| <b>Embassy Qubix, Pune</b>                          | Freehold        | 100.0%                      | NA   |
| <b>Embassy Oxygen, Noida</b>                        | Leasehold       | 100.0%                      | 77 Years   |
| <b>Embassy Galaxy, Noida</b>                        | Leasehold       | 100.0%                      | 76 Years   |
| <b>Embassy GolfLinks, Bengaluru</b>                 | Freehold        | 50.0%                       | NA   |
| <b>Embassy One, Bengaluru</b>                       | Freehold        | 100.0%                      | NA   |
| <b>Hilton at GolfLinks, Bengaluru</b>               | Freehold        | 100.0%                      | NA   |
| <b>Embassy Energy, Bellary District, Karnataka</b>  | Freehold        | 100.0%                      | NA   |

\*Excluding the M3 block which is being developed on a leasehold land parcel (6.64 Acres)

## 4 Value Summary

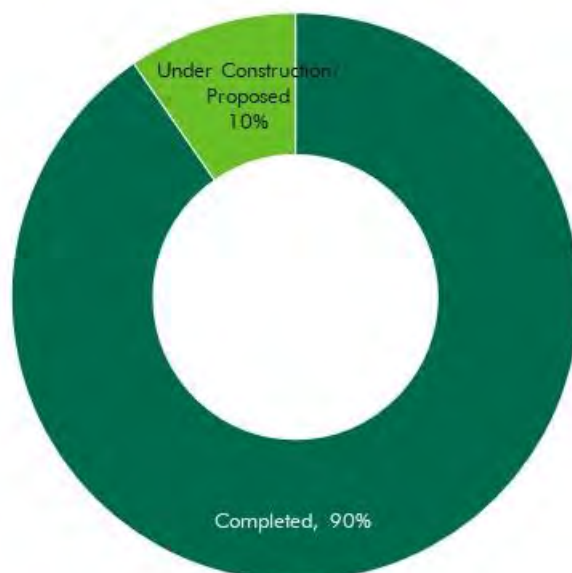
The following table highlights the summary of the market value of each property which is a part of the said Embassy REIT portfolio as on September 30, 2020:

| Property  | Asset Type   | Leasable Area   | Market Value (INR mn) |                                    |                           |
|---|--|---|-----------------------|------------------------------------|---------------------------|
|   |  |   | Completed             | Under construction (UC) / Proposed | Total                     |
| <b>Embassy Manyata, Bengaluru</b>                   | Mixed-use (Office (IT/ ITeS SEZ/ Non-SEZ <sup>1</sup> ), Hotel, Retail, Convention Centre) | Completed office – 11.8 msf<br>Proposed/ UC* office - 3.1 msf<br>UC Hotel (5 star) - 266 keys<br>UC Hotel (3 star) - 353 keys | 135,267               | 25,294                             | <b>160,561</b>            |
| <b>Express Towers, Mumbai</b>                       | Office (Non-SEZ)   | Completed office - 0.5 msf  | 17,722                | -                                  | <b>17,722</b>             |
| <b>Embassy 247, Mumbai</b>                          | Office (Non-SEZ)   | Completed office - 1.2 msf  | 16,404                | -                                  | <b>16,404</b>             |
| <b>First International Financial Centre, Mumbai</b> | Office (Non-SEZ)   | Completed office - 0.4 msf  | 13,908                | -                                  | <b>13,908</b>             |
| <b>Embassy TechZone, Pune</b>                       | Office (IT/ ITeS SEZ)  | Completed office - 2.2 msf<br>Proposed/ UC office - 3.3 msf   | 15,096                | 6,511                              | <b>21,607</b>             |
| <b>Embassy Quadron, Pune</b>                        | Office (IT/ ITeS SEZ)  | Completed office - 1.9 msf  | 13,104                | -                                  | <b>13,104</b>             |
| <b>Embassy Qubix, Pune</b>                          | Office (IT/ ITeS SEZ)  | Completed office - 1.5 msf  | 10,153                | -                                  | <b>10,153</b>             |
| <b>Embassy Oxygen, Noida</b>                        | Office (IT/ ITeS SEZ)  | Completed office - 2.5 msf<br>Proposed/ UC office - 0.7 msf   | 19,217                | 2,025                              | <b>21,242</b>             |
| <b>Embassy Galaxy, Noida</b>                        | Office (Non-SEZ)   | Completed office - 1.4 msf  | 8,783                 | -                                  | <b>8,783</b>              |
| <b>Embassy One, Bengaluru</b>                       | Mixed-use (Office (Non-SEZ), Hotel, Retail)  | Office & Retail - 0.3 msf<br>Hotel (5 star) - 230 Keys  | 12,077                | -                                  | <b>12,077</b>             |
| <b>Hilton at Embassy GolfLinks, Bengaluru</b>       | Hotel  | Hotel (5 star) - 247 Keys   | 4,375                 | -                                  | <b>4,375</b>              |
| <b>Embassy Energy, Bellary District, Karnataka</b>  | Solar park   | Installed capacity of 130 MW DC (100 MW AC)   | 10,002                | -                                  | <b>10,002</b>             |
| <b>Total – 100% owned assets</b>                    |  |   | <b>276,108</b>        | <b>33,830</b>                      | <b>309,939</b>            |
| <b>Embassy GolfLinks, Bengaluru</b>                 | Office (Non-SEZ)   | Completed office - 2.7 msf  | 27,428                | -                                  | <b>27,428<sup>1</sup></b> |
| <b>Total</b>  |  |   | <b>303,536</b>        | <b>33,830</b>                      | <b>337,366</b>            |

<sup>1</sup> Note: Indicative of Embassy REIT's economic interest in the asset, viz. 50%

\*UC -under construction, ^SEZ – Special Economic Zone

## Market value break-up of assets valued for the Embassy REIT



### Assumptions, Disclaimers, Limitations & Qualifications

This summary valuation report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use of the parties as mentioned in Section 1.2 of this summary report.

Prepared by: iVAS Partners, represented by Mr. Manish Gupta

Official Signatory:

**Name:** Mr. Manish Gupta  
**Designation:** Partner, iVAS Partners  
**Valuer Registration Number:** IBBI/RV-E/02/2020/112

## 5 Assets

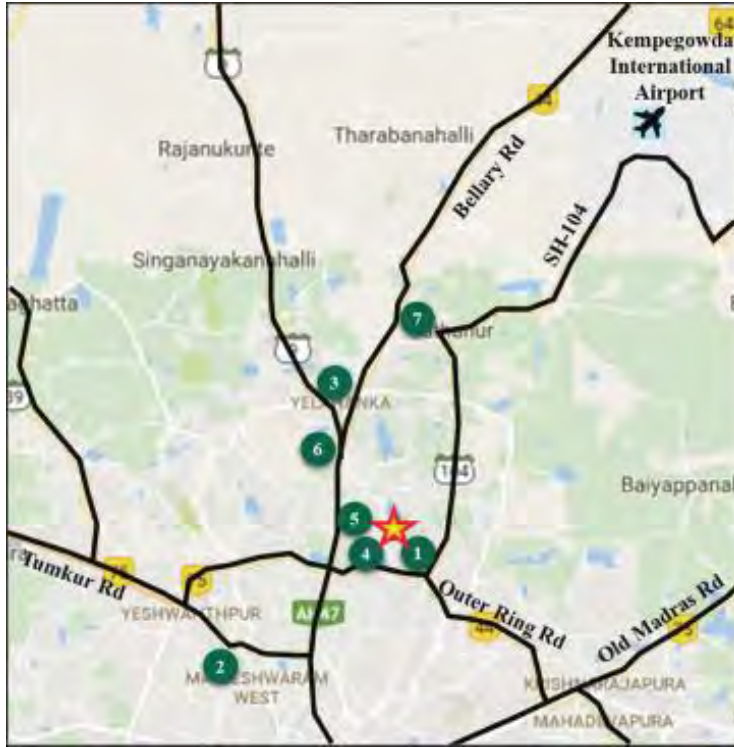
### 5.1 Embassy Manyata

|                                  |  |
|----------------------------------|--|
| <b>Property Name:</b>            | Embassy Manyata is a commercial office development located along Outer Ring Road, Nagavara, Bengaluru, Karnataka   |
| <b>Property Address:</b>         | Nagavara Village, Kasaba Hobli, Bengaluru North Taluk, Bengaluru District and Rachenahalli and Thanisandra Villages, Krishnarajapuram Hobli, Bengaluru East Taluk, Bengaluru District, Karnataka   |
| <b>Land Area:</b>                | Based on review of the title report (for Manyata Promoters Pvt Ltd and M3 Block respectively), the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 121.76 acres   |
| <b>Brief Description:</b>        | <p>The subject property is the second largest commercial office asset in India (in terms of scale), largest in Bengaluru and is a landmark in North Bengaluru. The property is accessible through the Nagavara Outer Ring Road emanating from Hebbal. Further, the subject development is strategically located in proximity to micro-markets of Thanisandra &amp; Hennur Road which are amongst the fastest developing vectors in North Bengaluru.</p> <p>The subject property is located in close proximity to the Nagavara Outer Ring Road, which connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer Ring Road, Old Madras Road, etc. Further, it is located at a distance of 1-2 km from Nagavara Junction, 3-4 km from Hebbal Junction, 7-8 km from Yelahanka Junction, 11-14 km from MG Road (CBD) and 29-31 km from Kempegowda International Airport</p> |
| <b>Statement of Assets (sf):</b> | Based on review of various documents (such as rent roll, lease deeds, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 11.8 msf of completed leasable area out of which occupancy is approximately 97.0% as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:  |

| Particular   | Area (sf)  | Occupancy (%) |
|--|--|---------------|
| Completed Blocks   | 11,751,174   | 97.0%         |
| Under Construction Blocks                                      | 1,652,929  | NA            |
| Proposed Blocks  | 1,415,550  | NA            |
| <b>Total – Office/Retail</b>                                   | <b>14,819,653</b>                                    |               |
| Hotel<br>(including convention<br>centre) ~ Under Construction | 619 keys<br>(Hotel - 722,678<br>Convention – 58,000) | NA            |

Source: Architect certificates, rent roll, lease deeds; Note – office & retail refers to leasable area while hotel & convention refers to developable area

Location Map



| # | Key Office Developments |
|---|-------------------------|
| ★ | Embassy Manyata         |
| 1 | MFAR Manyata Tech Park  |
| 2 | Brigade Gateway (WTC)   |
| 3 | RMZ Galleria            |
| 4 | Karle Town Centre       |
| 5 | Kirloskar Business Park |
| 6 | NCC Urban Windsor       |
| 7 | Hinduja Ecopolis        |

Key Assumptions

| Particulars   | Unit             | Details                            |
|---|------------------|------------------------------------|
| <b>Construction assumptions</b>                       |                  |                                    |
| Pending cost to complete                              | INR mn           | 16,544*                            |
| Proposed project completion timelines (all blocks)    | Quarter, Year    | Q3, FY 2025                        |
| <b>Revenue assumptions (as on September 30, 2020)</b> |                  |                                    |
| Lease completion                                      | Year             | FY 2025                            |
| In-place rent   | INR psf/mth      | 61                                 |
| Marginal rent – IT office component                   | INR psf/mth      | 91                                 |
| Marginal rent – Non IT office component               | INR psf/mth      | 105                                |
| Marginal rent – Retail component                      | INR psf/mth      | 118                                |
| Parking rent (Effective)                              | INR / bay/mth    | 3,750                              |
| ARR – 5 star hotel                                    | INR / room / day | 8,000                              |
| Stabilized Occupancy – 5 star hotel                   | %                | 70%                                |
| ARR – 3 star hotel                                    | INR / room / day | 5,500                              |
| Stabilized Occupancy – 3 star hotel                   | %                | 70%                                |
| <b>Other financial assumptions</b>                    |                  |                                    |
| Cap rate – commercial components                      | %                | 8.00%                              |
|   |                  | 7.14%                              |
| Cap rate – hotel components                           | %                | (viz. an EV-EBITDA multiple of 14) |
| WACC rate (operational)                               | %                | 12.03%                             |
| WACC rate (under-construction/proposed)               | %                | 13.00%                             |
| WACC rate (hotel)                                     | %                | 13.60%                             |

\* Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works

Market Value: **INR 160,561 Mn**



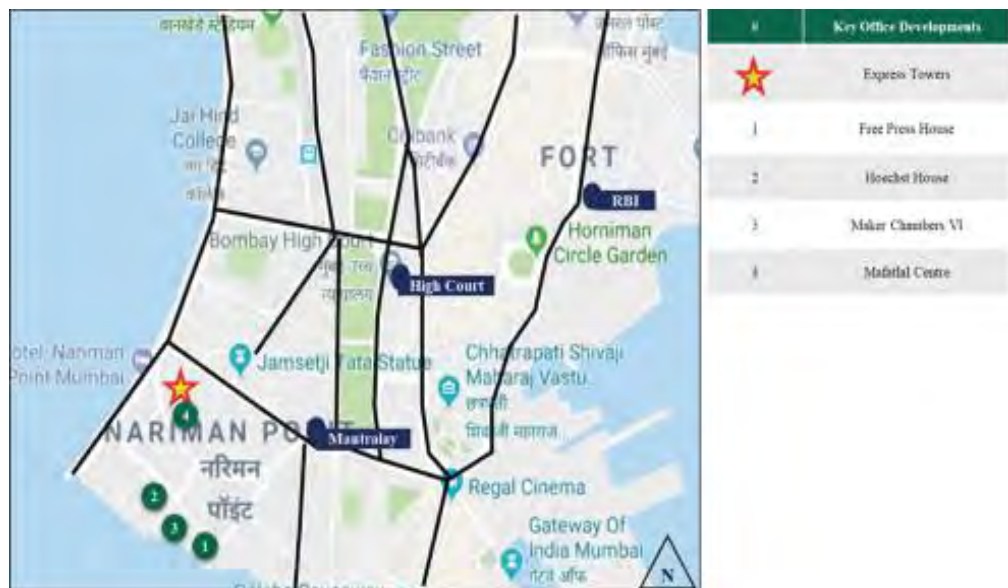
## 5.2 Express Towers

|                                  |  |
|----------------------------------|--|
| <b>Property Name:</b>            | 'Express Towers' is an operational office asset located along Barrister Rajni Patel Marg, Nariman Point, Mumbai  |
| <b>Property Address:</b>         | Barrister Rajni Patel Marg, Nariman Point, Mumbai  |
| <b>Land Area:</b>                | Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 1.46 acres   |
| <b>Brief Description:</b>        | The subject property 'Express Towers' is an office asset situated in Nariman Point. The subject property is located opposite to the Oberoi Trident hotel. The G+25 floor storey structure was constructed in the late 1960s and has been refurbished in the past few years. Nariman Point is located at the southernmost tip of the Mumbai City, at a distance of approximately 1 - 2 km from the Churchgate Railway Station; approximately 25 - 28 km from the Domestic / International City Airport. |
| <b>Statement of Assets (sf):</b> | Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 472,377 sf of completed leasable area, which is approximately 90.2% occupied as on the date of valuation. Also, the top 2 floors viz the 24 <sup>th</sup> and 25 <sup>th</sup> floor are not owned by the Client. Table below highlights the leasable area details for the subject development under the ownership of the Client.      |

| Particular                | Leasable Area (sf) | Occupancy (%) |
|---------------------------|--------------------|---------------|
| Completed Blocks          | 472,377            | 90.2%         |
| Under Construction Blocks | -                  | NA            |
| Proposed Blocks           | -                  | NA            |
| <b>Total</b>              | <b>472,377</b>     |               |

Source: Architect certificate, Rent roll, lease deeds;

### Location Map



### Key Assumptions

| Particulars   | Unit          | Details          |
|---|---------------|------------------|
| <b>Revenue assumptions (as on September 30, 2020)</b> |               |                  |
| Lease completion                                      | Year          | FY 2022          |
| In-place rent   | INR psf/mth   | 266 <sup>^</sup> |
| Marginal Rent – Commercial office component           | INR psf/mth   | 270              |
| Parking rent (Effective)                              | INR / bay/mth | -                |
| <b>Other financial assumptions</b>                    |               |                  |
| Cap rate – commercial components                      | %             | 7.50%            |
| WACC rate (operational)                               | %             | 12.03%           |

<sup>^</sup>denotes the weighted average rentals for leased office/restaurant spaces

**Market Value: INR 17,722 Mn**

5.3 Embassy 247

**Property Name:** ‘Embassy 247’ is an operational office asset located along LBS Road, Gandhinagar, Vikhroli West, Mumbai

**Property Address:** LBS Marg, Vikhroli (W), Mumbai, Maharashtra.

**Land Area:** Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 7.27 acres

**Brief Description:** The subject property, “Embassy 247”, is an operational office asset located along LBS Road in Gandhinagar, Vikhroli West, Mumbai. The development is divided in three towers viz. A, B & C. The towers A & C are identical to each other and have an elevation of 2 Basement + Ground + 11 upper floors. Tower B situated in between Tower A & C has an elevation of 2 Basement + Ground + 14 upper floors. Based on the site visit, it is understood that all the three towers are internally connected from basement to the 3<sup>rd</sup> floor and floors 10 and 11. The entire development has a total completed leasable area of approximately 1,186,149 sf. The subject property is located in proximity to established residential and commercial locations within the city such as Bhandup, Kanjurmarg, Ghatkopar etc.

The subject property is located at a distance of approximately 28-30 km from the Central Business District of Mumbai (viz. Nariman Point), approximately 11-12 km from Domestic Airport, approximately 10-12 km from the Chhatrapati Shivaji International Airport Terminal, Mumbai etc.

**Statement of Assets (sf):** Based on information provided by the Client, the total completed leasable area considered for the purpose of this valuation is 1,186,149 sf. Table below highlights the leasable area details for the subject development:

| Particular                | Leasable Area (sf) | Occupancy (%) |
|---------------------------|--------------------|---------------|
| Completed Blocks          | 1,186,149          | 85.6%         |
| Under Construction Blocks | -                  | NA            |
| Proposed Blocks           | -                  | NA            |
| <b>Total</b>              | <b>1,186,149</b>   |               |

Source: Architect certificate, Rent roll, lease deeds;

Location Map



## Key Assumptions

| Particulars   | Unit          | Details         |
|---|---------------|-----------------|
| <b>Revenue assumptions (as on September 30, 2020)</b> |               |                 |
| Lease completion                                      | Year          | FY 2023         |
| In-place rent   | INR psf/mth   | 99 <sup>^</sup> |
| Marginal rent – Commercial office component           | INR psf/mth   | 110*            |
| Marginal rent – Retail component                      | INR psf/mth   | 78              |
| Parking rent (Effective)                              | INR / bay/mth | -               |
| <b>Other financial assumptions</b>                    |               |                 |
| Cap rate – commercial components                      | %             | 8.00%           |
| WACC rate (operational)                               | %             | 12.03%          |

<sup>^</sup>denotes the weighted average rentals for leased office/retail and food-court spaces

\* Inclusive of car park rent

## Market Value:

**INR 16,404 Mn**

5.4 First International Finance Centre (FIFC)

**Property Name:** First International Finance Centre is a commercial office development located on Bandra Kurla Complex Road, Bandra Kurla Complex, Mumbai, Maharashtra

**Property Address:** G-Block, Bandra Kurla Complex road, Bandra Kurla Complex, Mumbai, Maharashtra

**Land Area:** Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 1.99 Acres

**Brief Description:** The subject property, “First International Finance Centre”, is an operational office asset located along BKC Road in G Block, Bandra Kurla Complex, Mumbai. This office asset has a total leasable area of approximately 658,390 sf. The development is operated as a condominium and is co-owned by two entities i.e., a leading bank and the Client. Based on review of the title report for the subject property, the Client has an ownership of approximately 360,947 sf of the total area and the same has been considered for the purpose for this valuation exercise (this area will be considered as the subject property hereinafter). The subject property is located in proximity to locations such as Kurla, Bandra, Santacruz etc., which are considered as established residential and commercial locations within the city.

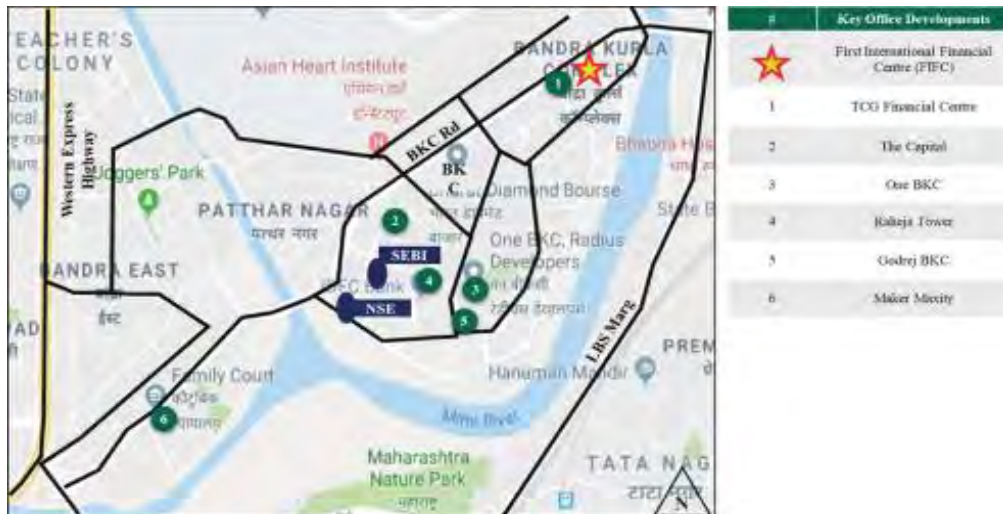
The subject property is located at a distance of approximately 20-22 km from the Central Business District of Mumbai (viz. Nariman Point), approximately 6-8 km from Domestic Airport, approximately 8-9 km from the Chhatrapati Shivaji International Airport Terminal, Mumbai etc.

**Statement of Assets (sf):** Based on review of various documents (such as rent roll, Architect’s Certificate, lease deeds, etc.), the subject property is an operational office asset with approximately 360,947 sf of completed leasable area out of which approximately 77.5% is leased as on the date of valuation. Table below highlights the leasable area details for the subject development:

| Particular                | Leasable Area (sf) | Occupancy (%) |
|---------------------------|--------------------|---------------|
| Completed Blocks          | 360,947            | 77.5%         |
| Under Construction Blocks | -                  | NA            |
| Proposed Blocks           | -                  | NA            |
| <b>Total</b>              | <b>360,947</b>     |               |

Source: Architect certificate, Rent roll, lease deeds;

Location Map



| Key Assumptions | Particulars                                    | Unit          | Details          |
|-----------------|--|---------------|------------------|
|                 | Revenue assumptions (as on September 30, 2020) |               |                  |
|                 | Lease completion                               | Year          | FY 2022          |
|                 | In-place rent                                  | INR psf/mth   | 297 <sup>^</sup> |
|                 | Marginal rent – Office Component               | INR psf/mth   | 285              |
|                 | Marginal rent – Retail                         | INR psf/mth   | 314              |
|                 | Parking rent (Effective)                       | INR / bay/mth | -                |
|                 | Other financial assumptions                    |               |                  |
|                 | Cap rate – commercial components               | %             | 7.75%            |
|                 | WACC rate (operational)                        | %             | 12.03%           |

<sup>^</sup>denotes the weighted average rentals for leased office/retail spaces

Market Value: **INR 13,908 Mn**



### 5.5 Embassy TechZone

**Property Name:** ‘Embassy TechZone’ is an operational office asset located in Phase 2, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

**Property Address:** Plot No. 3/A and Plot No. 3/B, Rajiv Gandhi Infotech Park, Hinjewadi, Phase-II, Village Marunji, Taluka Mulshi, District Pune, Maharashtra

**Land Area:** Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 67.45 acres

**Brief Description:** ‘Embassy TechZone’, has been conceptualized as an office asset spread across a total land area of approximately 67.45 acres. The property is an office asset leased to various tenants and is also well equipped with number of facilities and amenities like food court, amphitheater, intra park shuttles, gymnasium, multilevel car parking, sports ground, etc.

‘Embassy TechZone’ is strategically located in Hinjewadi which is a prominent technology hub of Pune city. ‘Embassy TechZone’ is located at a distance of approximately 5 – 6 km from National Highway 48 (Connecting Mumbai – Pune – Bengaluru), 20 – 21 km from Pune CBD (Peth areas), 20 – 21 km from Pune Railway Station and approximately 26 – 27 km from Pune International Airport.

**Statement of Assets (sf):** Based on review of various documents (such as rent roll, lease deeds, Architect’s Certificate, etc.), the Valuer understands that ‘Embassy TechZone’ is an operational office asset with approximately 2.2 msf of completed leasable area out of which occupancy is approximately 90.6% as on the date of valuation. Further, approximately 3.3 msf is currently under construction/ planning stage. Table below highlights the leasable area for individual blocks that form part of the subject development:

| Particular                          | Leasable area (sf) | Occupancy (%) |
|-------------------------------------|--------------------|---------------|
| Completed Blocks                    | 2,160,055          | 90.6%         |
| Under Construction/ Proposed Blocks | 3,312,891          | NA            |
| <b>Total</b>                        | <b>5,472,946</b>   |               |

Source: Rent roll, lease deeds, architect certificate provided by the Client;

#### Location Map



| Key Assumptions                                       | Particulars                             | Unit          | Details |
|---|---|---------------|---------|
|   | <b>Construction assumptions</b>         |               |         |
|   | Pending cost to complete (overall)      | INR mn        | 13,673* |
|   | Proposed project completion timelines   | Year          | FY 2027 |
| <b>Revenue assumptions (as on September 30, 2020)</b> |   |               |         |
|   | Lease completion                        | Year          | FY 2027 |
|   | In-place rent                           | INR psf/mth   | 49      |
|   | Marginal rent – IT SEZ office component | INR psf/mth   | 48      |
|   | Parking rent (Effective)                | INR / bay/mth | 1,500   |

| Key Assumptions | Particulars                             | Unit | Details |
|-----------------|---|------|---------|
|                 | <b>Other financial assumptions</b>      |      |         |
|                 | Cap rate – commercial components        | %    | 8.25%   |
|                 | WACC rate (operational)                 | %    | 12.03%  |
|                 | WACC rate (under-construction/proposed) | %    | 13.00%  |

\* Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works

Market Value: **INR 21,607 Mn**

## 5.6 Embassy Quadron

**Property Name:** 'Embassy Quadron' is a Commercial Office Business Park located in Phase 2, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

**Property Address:** Plot No. 28, Hinjewadi Phase II, Rajiv Gandhi Infotech Park, Pune, Maharashtra, 411057

**Land Area:** Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 25.52 acres

**Brief Description:** 'Embassy Quadron', has been conceptualized as an IT SEZ office development leased to various domestic and multi-national IT/ ITeS tenants. The property is well equipped with number of facilities and amenities like enhanced landscapes, Q café food court, grocery stores, ATMs, indoor sports zone, gymnasium, crèche, two-wheeler and four-wheeler car parking spaces, etc. The property has been constructed in phased manner between 2008 to 2011.

The development currently includes four operational buildings (Q1 to Q4).

Further, 'Embassy Quadron' is strategically located in Hinjewadi which is a prominent technology hub of Pune city. 'Embassy Quadron' is located at a distance of approximately 7 – 8 km from National Highway 48 (connecting Mumbai – Pune – Bengaluru), 22 – 23 km from Pune CBD (Peth areas), 22 – 23 km from Pune Railway Station and approximately 26 - 27 km from Pune International Airport.

**Statement of Assets (sf):** Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the Valuer understands that 'Embassy Quadron' is an operational SEZ office asset with approximately 1.9 msf of completed leasable area out of which occupancy is approximately 77.0% as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

| Particular                | Leasable area (sf) | Occupancy (%) |
|---------------------------|--------------------|---------------|
| Completed Blocks          | 1,894,674          | 77.0%         |
| Under Construction Blocks | -                  | NA            |
| Proposed Blocks           | -                  | NA            |
| <b>Total</b>              | <b>1,894,674</b>   |               |

Source: Rent roll, lease deeds, architect certificate provided by the Client;

Location Map



Key Assumptions

| Particulars   | Unit          | Details         |
|---|---------------|-----------------|
| <b>Revenue assumptions (as on September 30, 2020)</b> |               |                 |
| Lease completion                                      | Year          | FY 2023         |
| In-place rent   | INR psf/mth   | 44 <sup>^</sup> |
| Marginal rent – IT SEZ office component               | INR psf/mth   | 48              |
| Parking rent (Effective)                              | INR / bay/mth | 1,500           |
| <b>Other financial assumptions</b>                    |               |                 |
| Cap rate – commercial components                      | %             | 8.25%           |
| WACC rate (operational)                               | %             | 12.03%          |

<sup>^</sup>denotes the weighted average rental for leased office/retail spaces

Market Value:

**INR 13,104 Mn**

## 5.7 Embassy Qubix

**Property Name:** ‘Embassy Qubix’ is a Commercial Office Business Park located in Phase 1, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

**Property Address:** Plot No.2, Blue Ridge Township, Near Rajiv Gandhi Infotech Park – Phase I, Hinjewadi, Pune, Maharashtra 411057

**Land Area:** Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 25.16 acres

**Brief Description:** “Embassy Qubix”, has been conceptualized as an IT SEZ office development leased to various domestic and multi-national technology tenants. The property is well equipped with number of facilities and amenities like enhanced landscapes, Q Court Courtyard, grocery stores, ATMs, two-wheeler and four-wheeler car parking spaces, etc. The property has been constructed in phased manner between 2010 to 2012.

The development currently includes six operational buildings (IT 1 to IT 6).

Further, Embassy Qubix is strategically located in Hinjewadi which is a prominent technology hub of Pune city. Embassy Qubix is located at a distance of approximately 3 – 4 km from National Highway 48 (connecting Mumbai – Pune – Bengaluru), 18 – 19 km from Pune CBD (Peth areas), 19 – 20 km from Pune Railway Station and approximately 23 - 24 km from Pune International Airport.

**Statement of Assets (sf):** Based on review of various documents (such as rent roll, Architect’s Certificate, etc.), the Valuer understands that “Embassy Qubix” is an operational SEZ office asset with approximately 1.5 msf of completed leasable area, which is 97.6% occupied as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

| Particular                | Leasable Area (sf) | Occupancy (%) |
|---------------------------|--------------------|---------------|
| Completed Blocks          | 1,450,494          | 97.6%         |
| Under Construction Blocks | -                  | NA            |
| Proposed Development      | -                  | NA            |
| <b>Total</b>              | <b>1,450,494</b>   |               |

Source: Rent roll, lease deeds, architect certificate;



Location Map



Key Assumptions

| Particulars   | Unit          | Details         |
|---|---------------|-----------------|
| <b>Revenue assumptions (as on September 30, 2020)</b> |               |                 |
| Lease completion                                      | Year          | FY 2022         |
| In-place rent   | INR psf/mth   | 40 <sup>^</sup> |
| Marginal rent – IT SEZ office component               | INR psf/mth   | 48              |
| Parking rent (Effective)                              | INR / bay/mth | 1,500           |
| <b>Other financial assumptions</b>                    |               |                 |
| Cap rate – commercial components                      | %             | 8.25%           |
| WACC rate (operational)                               | %             | 12.03%          |

<sup>^</sup>denotes the weighted average rental for leased office/retail spaces

Market Value: **INR 10,153 Mn**

5.8 Embassy Oxygen

**Property Name:** ‘Embassy Oxygen’ is an operational IT/ ITes SEZ office development located at Sector 144, Noida, Uttar Pradesh

**Property Address:** Plot No. – 07, Sector 144, Noida, Uttar Pradesh, India

**Land Area:** Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 24.83 Acres

**Brief Description:** The subject property “Embassy Oxygen” is a partly operational office asset, leased to technology occupiers. The subject property is located at Sector 144, Noida in proximity to Noida – Greater Noida Expressway, which is an emerging commercial / residential vector of Noida. The property is a two side open plot with accessibility via approximately 45 m and 24 m wide roads. The subject property lies in proximity to various office assets such as Candor TechSpace, Assotech Business Cresterra, Advant Navis Business Park, Stellar 135, Express Trade Towers 2, etc.

The subject property is located in close proximity to Noida – Greater Noida Expressway, which makes it easily accessible from other regions of NCR (National Capital Region) such as Delhi, Greater Noida, etc. Further, it is located at a distance of approximately 16 – 17 km from the established commercial hub of Noida viz. Sector-18, approximately 16 – 17 km from DND Flyway and approximately 38 – 39 km from Indira Gandhi International Airport, Delhi

**Statement of Assets (sf):** Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational SEZ office asset with approximately 2.5 msf of completed leasable area, out of which occupancy is approximately 77.7% as on the date of valuation. Table below highlights the leasable area for operational and under construction/ proposed blocks that form part of the subject development:

| Particular                | Leasable Area (sf) | Occupancy (%) |
|---------------------------|--------------------|---------------|
| Completed Blocks          | 2,517,307          | 77.7%         |
| Under Construction Blocks | 737,000            | NA            |
| Proposed Development      | NA                 | NA            |
| <b>Total</b>              | <b>3,254,307</b>   |               |

Source: Architect Certificate, Rent roll, lease deeds provided by the Client

Location Map:



Key Assumptions:

| Particulars   | Unit          | Details     |
|---|---------------|-------------|
| <b>Construction assumptions</b>                       |               |             |
| Pending cost to complete (overall)                    | INR mn        | 2,980*      |
| Proposed project completion timelines (overall)       | Quarter, Year | Q4, FY 2023 |
| <b>Revenue assumptions (as on September 30, 2020)</b> |               |             |
| Lease completion                                      | Year          | FY 2024     |
| In-place rent   | INR psf/mth   | 48          |
| Marginal rent – IT SEZ office component               | INR psf/mth   | 54          |
| Parking rent (Effective)                              | INR / bay/mth | -           |
| <b>Other financial assumptions</b>                    |               |             |
| Cap rate  | %             | 8.25%       |
| WACC rate (operational)                               | %             | 12.03%      |
| WACC rate (under-construction/proposed)               | %             | 13.00%      |

\* Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works

Market Value: **INR 21,242 Mn**

5.9 Embassy Galaxy

Property

Name: ‘Embassy Galaxy’ is an operational IT/ ITeS office development located at Sector 62, Noida, Uttar Pradesh

Property

Address: A-44 & 45, Sector 62, Noida, Uttar Pradesh, India – 201309

Land Area:

Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 9.88 Acres

Brief Description:

The subject property “Embassy Galaxy” is an operational office asset, leased to technology occupiers. The subject property is located at Sector 62, Noida, which is an established commercial vector of Noida. The property is accessible by an internal road of Sector 62 (approximately 45 m wide). The subject property lies in proximity to various office assets such as 3C Green Boulevard, Stellar IT Park, Logix Cyber Park, Candor Techspace, etc.

The subject property is located in close proximity to National Highway (NH) – 24, which makes it easily accessible from other regions of NCR (National Capital Region) such as Delhi, Ghaziabad, etc. Further, it is located at a distance of approximately 9 – 10 km from the established commercial hub of Noida viz. Sector-18, approximately 10 – 11 km from DND Flyway and approximately 31 – 32 km from Indira Gandhi International Airport, Delhi

Statement of Assets (sf):

Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational office asset with approximately 1.4 msf of completed leasable area, which is approximately 98.9% leased as on the date of valuation. Table below highlights the leasable area details for the subject development:

| Particular                | Leasable Area (sf) | Occupancy (%) |
|---------------------------|--------------------|---------------|
| Completed Blocks          | 1,357,029          | 98.9%         |
| Under Construction Blocks | -                  | NA            |
| Proposed Development      | -                  | NA            |
| <b>Total</b>              | <b>1,357,029</b>   |               |

Source: Architect certificate, Rent roll, lease deeds provided by the Client;

Location Map:



| Key Assumptions:                   | Particulars   | Unit          | Details |
|------------------------------------|---|---------------|---------|
|                                    | <b>Revenue assumptions (as on September 30, 2020)</b> |               |         |
|                                    | Lease completion                                      | Year          | FY 2022 |
|                                    | In-place rent   | INR psf/mth   | 35      |
|                                    | Marginal rent – IT office component                   | INR psf/mth   | 45      |
|                                    | Parking rent (Effective)                              | INR / bay/mth | -       |
| <b>Other financial assumptions</b> |   |               |         |
|                                    | Cap rate  | %             | 8.25%   |
|                                    | WACC rate (operational)                               | %             | 12.03%  |

Market Value: **INR 8,783 Mn**



## 5.10 Embassy GolfLinks

### Property

**Name:** Embassy GolfLinks is an office asset located along Intermediate Ring Road, Bengaluru, Karnataka

### Property

**Address:** Challaghatta Village, Varthur Hobli, Mahadevapura, Bengaluru East Taluk, Bengaluru, Karnataka

### Land Area:

Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 37.11 acres.

**Brief Description:** The subject property, “Embassy GolfLinks”, is an operational office asset located along Intermediate Ring Road, Bengaluru. This office asset has a total leasable area of approximately 4.5 msf. The interest being valued corresponds to approximately 2.7 msf of office area which forms part of the economic interest of the Client. The larger development also includes an operational hotel (Hilton at Embassy GolfLinks). The immediate surroundings of the subject property comprises of large aggregates of land owned by the Defence Services of the Country Karnataka Golf Association’s operational golf course, Diamond District, DivyaSree Greens, Maruthi Infotech Park, etc. In addition, the subject property is located in proximity to locations such as Indiranagar, Koramangala etc., which are considered as established residential and commercial locations within the city.

The subject property is located at a distance of approximately <1 km from the Domlur flyover, 1 – 2 km from Indiranagar, 2-3 km from Koramangala, 7-8 km from MG Road and approximately 43 - 45 km from Bengaluru International Airport.

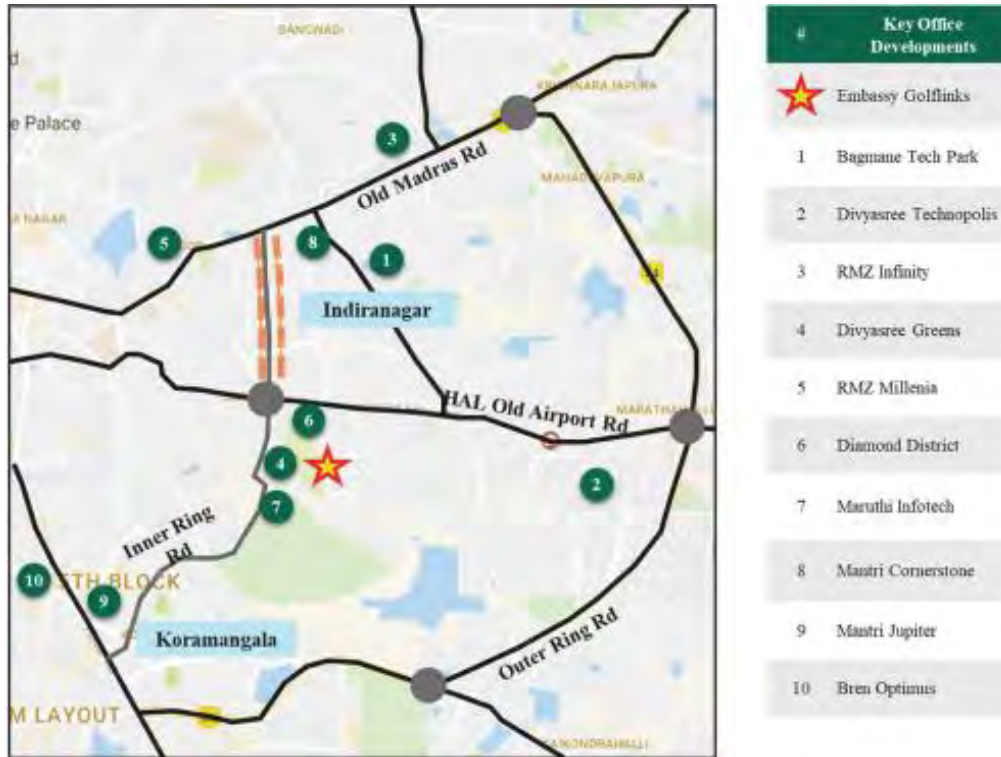
### Statement of Assets (sf):

Based on review of various documents (such as rent roll, Architect’s Certificate, etc.), the subject property is an operational office asset with approximately 2.7 msf of completed leasable area and is 98.6% occupied as on the date of valuation. Table below highlights the leasable area for subject property that form part of the subject development:

| Particular                | Leasable Area (sf) | Occupancy (%) |
|---------------------------|--------------------|---------------|
| Completed Blocks          | 2,737,442          | 98.6%         |
| Under Construction Blocks | -                  | NA            |
| Proposed Development      | -                  | NA            |
| <b>Total</b>              | <b>2,737,442</b>   |               |

Source: Source: Rent roll, lease deeds, architect certificate provided by the Client

Location Map



Key Assumptions

| Particulars   | Unit          | Details |
|---|---------------|---------|
| <b>Revenue assumptions (as on September 30, 2020)</b> |               |         |
| In-place rent   | INR psf pm    | 116     |
| Marginal rent – office component                      | INR psf pm    | 148     |
| Parking rent (Effective)                              | INR / bay/mth | 4,500   |
| <b>Other financial assumptions</b>                    |               |         |
| Cap rate – commercial components                      | %             | 8.00%   |
| WACC rate   | %             | 12.03%  |

Market Value:

**INR 54,856 Mn**

Note:

1. The valuation presented is for 100% interest in the asset. However, based on inputs provided by the Client, the REIT hold 50% of the interests in the asset (viz. INR 27,428 Mn)

2. The above valuation excludes valuation of Hilton at Embassy GolfLinks. The valuation of Hilton at Embassy GolfLinks is presented in section 5.12

### 5.11 Embassy One

**Property Name:** 'Embassy One' is a premium mixed-used development (High-end office, retail and hospitality components) located along, Bellary Road, Ganga Nagar, Bengaluru, Karnataka

**Property Address:** Bellary Road, Ganga Nagar, Bengaluru, Karnataka

**Land Area:** Based on review of the title report, the Valuer understand that the total land area of the subject property under the ownership of the Client is approximately 5.62 acres (which includes residential component). The interest being valued as part of this assessment is an undivided share of 3.19 acres (for the office, retail and hospitality components).

**Brief Description:** The subject property is a premium mixed-used development comprising of commercial, retail and hospitality components. Subject property is located in a premium location in close proximity to the CBD, approximately 6-7 km from MG Road. The stretch between the CBD and Mekhri Circle is recognized as a premium residential and hospitality hub of Bengaluru. Subject location lies in close proximity to premium residential colonies of Sheshadripuram, Sadashiva Nagar, Dollars colony, Fraser Town, Jayamahal, etc., which house affluent population of businessmen community, ministers, etc. Further, the location is considered an established hub for premium hotels, housing prominent 5 star hotels such as Windsor Manor, Lalit Ashok, & Taj Westend. As per information provided by the client, the Valuer understands that 5.5% of total area is leased as of date of valuation.

The subject property's location along the initial stretch of Bellary Road further adds to the attractiveness of the development. Bellary Road connects the city centre to the airport and also provides connectivity to all major hubs within Bengaluru City. Further, the subject property's proximity to the Hebbal Outer Ring Road, connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer ring road, Old Madras road, etc. Further, it is located at a distance of 1-2 km from Mekhri Circle, 3-4 km from Hebbal ORR Junction, 6-7 km from MG Road, 27-28 K from Bengaluru International Airport.

**Statement of Assets (sf):** Table below highlights the leasable area for individual blocks that form part of the subject development:

| Block                               | No of Keys/ Leasable Area (sf) |
|-------------------------------------|--------------------------------|
| Office                              | 194,948                        |
| Retail                              | 55,148                         |
| Hotel (Four Seasons at Embassy One) | 230 keys                       |
| <b>Total</b>                        | <b>230 keys / 250,096</b>      |

Source: Architect certificate provided by the Client

Location Map



Key Assumptions

| Particulars   | Unit             | Details                            |
|---|------------------|------------------------------------|
| <b>Revenue assumptions (as on September 30, 2020)</b> |                  |                                    |
| Lease completion                                      | Year             | Q3, FY 2024                        |
| In-place rent   | INR psf/mth      | 156                                |
| Marginal rent – Non IT office component               | INR psf/mth      | 147*                               |
| Marginal rent – Retail component                      | INR psf/mth      | 170                                |
| Parking rent (Effective)                              | INR / bay/mth    | -                                  |
| ARR – Four Seasons at Embassy One                     | INR / room / day | 10,500                             |
| Stabilized Occupancy – Four Seasons at Embassy One    | %                | 70%                                |
| <b>Other financial assumptions</b>                    |                  |                                    |
| Cap rate – commercial components                      | %                | 7.50%                              |
|   |                  | 7.14%                              |
| Cap rate – hotel components                           | %                | (viz. an EV-EBITDA multiple of 14) |
| WACC rate (operational)                               | %                | 12.03%                             |
| WACC rate (hotel)                                     | %                | 12.63%                             |

\* Inclusive of car park rent

Market Value: **INR 12,077 Mn**

5.12 Hilton at Embassy GolfLinks

**Property Name:** Hilton at Embassy GolfLinks is an operational hospitality development as part of a larger office asset ‘Embassy GolfLinks’ located along Intermediate Ring Road, Bengaluru, Karnataka

**Property Address:** Challaghatta Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru, Karnataka

**Land Area:** Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 3.58 acres

**Brief Description:** The subject property, Hilton at Embassy GolfLinks, is an operational hospitality development located along Intermediate Ring Road, Bengaluru. The interest being valued corresponds to a developed area of 448,156 sf of hotel with 247 keys (operational since March 2014 and operated by Hilton). The immediate surroundings of the subject property comprise of large aggregates of land owned by the Defence Services of the Country Karnataka Golf Association’s operational golf course, Diamond District, DivyaSree Greens, Maruthi Infotech Park, etc. In addition, the subject property is located in proximity to locations such as Indiranagar, Koramangala etc., which are considered as established residential and commercial locations within the city. In addition to the subject property, the micro-market also comprises of other hotels such as The Leela, Taj Vivanta, Hyatt, The Paul, Ramada Encore, etc.

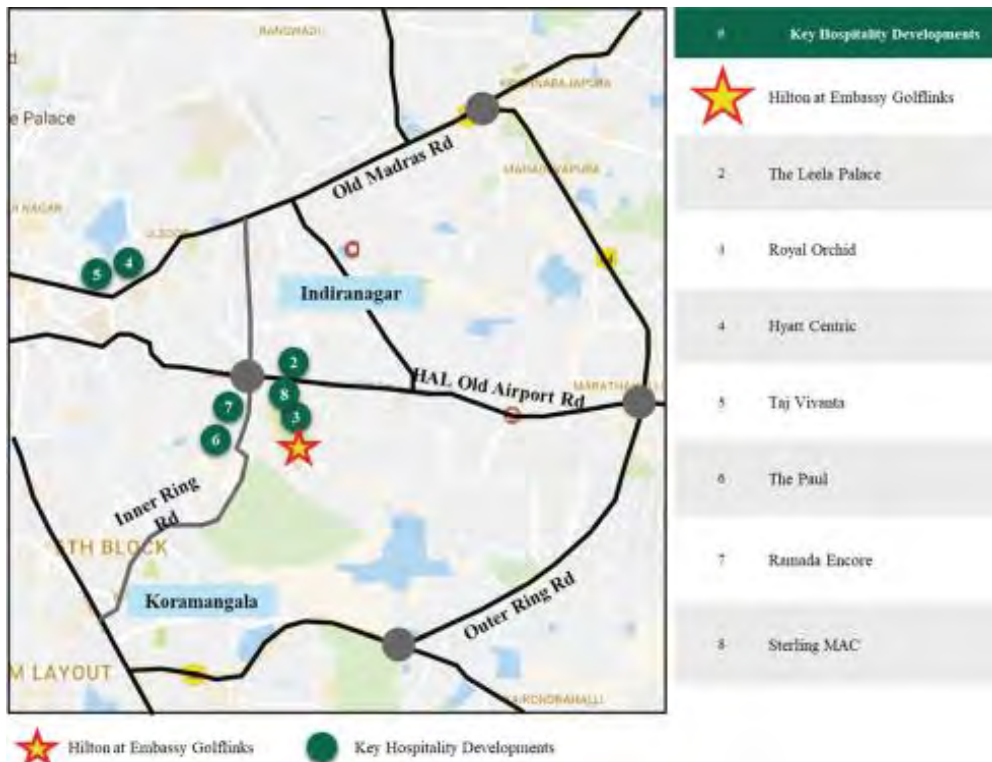
The subject property is located at a distance of approximately <1 km from the Domlur flyover, 1 – 2 km from Indiranagar, 2-3 km from Koramangala, 7-8 km from MG Road and approximately 43 - 45 km from Bengaluru International Airport.

**Statement of Assets (sf):** Based on the information provided by the client, the subject property is an operational hospitality development. Table below highlights the total operational area of the subject development:

| Property                            | No of Keys                                |
|-------------------------------------|---|
| Hotel (Hilton at Embassy GolfLinks) | 247 keys<br>(developed area - 448,156 sf) |

Source: Architect certificate provided by the Client

Location Map





| Key Assumptions                    | Particulars   | Unit             | Details                                     |
|------------------------------------|---|------------------|---|
|                                    | <b>Revenue assumptions (as on September 30, 2020)</b> |                  |   |
|                                    | ARR – Hilton at Embassy GolfLinks                     | INR / room / day | 9,000                                       |
|                                    | Stabilized Occupancy – Hilton at Embassy GolfLinks    | %                | 72  |
| <b>Other financial assumptions</b> |   |                  |   |
|                                    | Cap rate – hotel components                           | %                | 7.14%<br>(viz. an EV-EBITDA multiple of 14) |
|                                    | WACC rate   | %                | 12.63%                                      |
| Market Value:                      | <b>INR 4,375 Mn</b>                                   |                  |   |

### 5.13 Embassy Energy

**Property Name:** ‘Embassy Energy’ is a Solar PV electricity generation facility spread across Villages Ittigi, Mooregeri and Nellukudure, Bellary District, Karnataka

**Property Address:** Villages Ittigi and Mooregeri in Huvin Hadagali Taluka and Nellukudure in Hagri Bommanhalli Taluka, Bellary District, Karnataka

**Land Area:** The Valuer understands from the Client, title reports, site plans, letter highlighting Commercial Operations Date and site visit, that the park is spread over 465.77 Acres of which the land aggregation is in place by way of sale deed, Agreement to Sell (ATS) or General Power of Attorney (GPA), etc. The Valuer understands that currently only about 254.47 Acres is owned by the company by way of Sale Deed whereas the rest is under various stages of sale and conversion – below is a table which highlights the current status of the Land Aggregation. Further, the Valuer understands that physical possession of the land is with EEPL and/or its contractors and sub-contractors and that the solar park has been constructed on most of the land. It is assumed that the sale and conversion would be successful and any adverse impact has not been factored in the valuation

| Particular  | Area (acres) |
|---|--------------|
| Total extent of identified Land                   | 465.77       |
| Registered ATS and POA completed                  | 465.77       |
| Applied for approval u/s 109                      | 464.51       |
| Extent of land approved/recommended by DC u/s 109 | 442.54       |
| Final approval received u/s 109                   | 442.54       |
| Sale Deed executed favouring EEPL                 | 254.47       |

**Brief Description:** The subject property is an operational solar park under the ownership of ‘Embassy-Energy Private Limited (EEPL)’. The subject site is spread across three villages namely Ittigi, Mooregeri and Nellukudure in Bellary District. The subject location is situated at a distance of more than 300 km from Bengaluru City and is currently a nascent vector in terms of real estate activity. Being a peripheral location, the region is predominantly characterized by the presence of agricultural land parcels (with black cotton soil). However, a few solar parks are currently operational/ proposed at the subject location by prominent players such as Adani, ReNew, etc. The accessibility of the subject region is via State Highway – 45 (SH – 45).

On account of being accessible through the State Highway – 45 (SH – 45), the subject property enjoys good connectivity to neighbouring towns and villages. Further, it is located at a distance of approximately 3 – 4 km from the 220 KV Sub-station (Ittigi), approximately 3 – 4 km from Ittigi Village Centre, approximately 65 – 70 km from Davangere and approximately 300 – 310 km from MG Road (Bengaluru).

Based on review of power purchase agreements between EEPL and the power purchasers, the Valuer understands that the solar plant would supply electricity to the existing office parks / hotels of Embassy in Bengaluru. In lieu of the same, it is understood that EEPL has already signed power purchase agreements (PPAs) for 25 years with various entities for commercial and industrial category.

Further, based on the review of various documents provided by the Client, it is understood that EEPL has entered into a project development agreement with IL&FS Solar Power Limited, as per which IL&FS Solar Power Limited would set up the entire solar plant facility including land acquisition, development, design, engineering, procurement, construction, erection, testing and commissioning of the solar park. For the same, IL&FS Solar Power Limited will receive deferred payments from EEPL in equated monthly instalments for 15 years (180 months) from Commercial Operation Date (COD). Additionally, it is also understood that IL&FS Solar Power Limited would undertake the O&M services for the solar park facility for a period of 15 years from COD. For the same, EEPL would pay a lump sum operations and maintenance service fee (during the term of this agreement) to IL&FS Solar Power Limited.

**Statement of Assets:** Based on review of various documents (such as deferred payment agreement, project development agreement, commissioning certificates, Government Order, etc.), the solar park has an installed capacity of approximately 130 Mega Watts (MW) DC (output will be 100 MW AC), capable of generating at least 215 Million Units (MU) of electricity by the end of the first 12 months from the date on which it achieves COD and subject to plant stabilization. Table below highlights the details for the subject plant:

| Particular   | Detail                                   |
|--|--|
| Capacity (MW) (A)                                  | 130 MW DC (100 MW AC)                    |
| Plant Load Factor (%) (B)                          | 18.88%                                   |
| Number of hours in a day (C)                       | 24                                       |
| Days in a year (D)                                 | 365                                      |
| Total units generated (kWH) (A * B * C * D) * 1000 | 215 Million Units (MU)* in kWH in Year 1 |

Source: Various documents/ inputs provided by the Client; \* Subject to plant stabilization, however, considering the past performance of the subject plant, the maximum generation has been capped at approx. 200 Million Units (MU) for any given year

As per the PPAs executed with various entities, the purchasers have agreed to purchase at least 85% of the contracted quantity (**'minimum guaranteed offtake'**) each tariff year, commencing from the commercial operation date until the end of the term.

| Key Assumptions: | Particulars   | Unit               | Details                         |
|------------------|---|--------------------|---------------------------------|
|                  | <b>Development Timelines</b>                          |                    |                                 |
|                  | COD   | Date               | 28 <sup>th</sup> February 2018* |
|                  | <b>Revenue assumptions (as on September 30, 2020)</b> |                    |                                 |
|                  | BESCOM Tariff – Commercial                            | INR per kWh        | 9.00                            |
|                  | BESCOM Tariff – Industrial                            | INR per kWh        | 7.40                            |
|                  | <b>Blended Tariff</b>                                 | <b>INR per kWh</b> | <b>8.76**</b>                   |
|                  | <b>Other financial assumptions</b>                    |                    |                                 |
|                  | Useful Life   | Years              | 25 years                        |
|                  | Cost of Equity  | %                  | 13.50%                          |

\* 40% commenced operations on 23<sup>rd</sup> January 2018 and balance 60% on 28<sup>th</sup> February 2018

\*\* In proportion of the distribution between commercial and industrial category consumers

**Market Value:** **INR 10,002 Mn**

## Annexures

## Key Assumptions and Value Summary – September '20

| Asset                                 | Leasable Area (msf)/ Keys/ MW  |                         |                                 | Discount Rate |        | Cap Rate/ EBITDA Multiple | Rent/ ADR/Tariff Rate | GAV as of Sep '20 (Rs mm) |               |                |
|---------------------------------------|--------------------------------|-------------------------|---------------------------------|---------------|--------|---------------------------|-----------------------|---------------------------|---------------|----------------|
|                                       | Completed                      | Proposed/ U/C           | Total                           | Completed     | U/C    |                           |                       | Completed                 | Proposed/ U/C | Total          |
| <b>Commercial Assets</b>              |                                |                         |                                 |               |        |                           |                       |                           |               |                |
| Embassy Manyata                       | 11.8                           | 3.1                     | 14.8                            | 12.03%        | 13.00% | 8.00%                     | 91                    | 135,267                   | 21,172        | 156,439        |
| Embassy GolfLinks*                    | 2.7                            | 0.0                     | 2.7                             | 12.03%        | NA     | 8.00%                     | 148                   | 27,428                    | -             | 27,428         |
| Embassy One                           | 0.3                            | 0.0                     | 0.3                             | 12.03%        | NA     | 7.50%                     | 147 <sup>^</sup>      | 4,532                     | -             | 4,532          |
| Express Towers                        | 0.5                            | 0.0                     | 0.5                             | 12.03%        | NA     | 7.50%                     | 270                   | 17,722                    | -             | 17,722         |
| Embassy 247                           | 1.2                            | 0.0                     | 1.2                             | 12.03%        | NA     | 8.00%                     | 110 <sup>^</sup>      | 16,404                    | -             | 16,404         |
| FIFC                                  | 0.4                            | 0.0                     | 0.4                             | 12.03%        | NA     | 7.75%                     | 285                   | 13,908                    | -             | 13,908         |
| Embassy TechZone                      | 2.2                            | 3.3                     | 5.5                             | 12.03%        | 13.00% | 8.25%                     | 48                    | 15,096                    | 6,511         | 21,607         |
| Embassy Quadron                       | 1.9                            | 0.0                     | 1.9                             | 12.03%        | NA     | 8.25%                     | 48                    | 13,104                    | -             | 13,104         |
| Embassy Qubix                         | 1.5                            | 0.0                     | 1.5                             | 12.03%        | NA     | 8.25%                     | 48                    | 10,153                    | -             | 10,153         |
| Embassy Oxygen                        | 2.5                            | 0.7                     | 3.3                             | 12.03%        | 13.00% | 8.25%                     | 54                    | 19,217                    | 2,025         | 21,242         |
| Embassy Galaxy                        | 1.4                            | 0.0                     | 1.4                             | 12.03%        | NA     | 8.25%                     | 45                    | 8,783                     | -             | 8,783          |
| <b>Sub-Total (Commercial Offices)</b> | <b>26.2</b>                    | <b>7.1</b>              | <b>33.3</b>                     |               |        |                           |                       | <b>281,614</b>            | <b>29,708</b> | <b>311,322</b> |
| <b>Hospitality Asset</b>              |                                |                         |                                 |               |        |                           |                       |                           |               |                |
| Hilton at Embassy GolfLinks           | 247 Keys                       | -                       | 247 Keys                        | 12.63%        | NA     | 14x                       | 9,000                 | 4,375                     | -             | 4,375          |
| Four Seasons at Embassy One           | 230 Keys                       | -                       | 230 Keys                        | 12.63%        | NA     | 14x                       | 10,500                | 7,545                     | -             | 7,545          |
| Hilton at Embassy Manyata (5 Star)    | -                              | 266 Keys                | 266 Keys                        | NA            | 13.60% | 14x                       | 8,000                 | -                         | 2,563         | 2,563          |
| Hilton at Embassy Manyata (3 Star)    | -                              | 353 Keys                | 353 Keys                        | NA            | 13.60% | 14x                       | 5,500                 | -                         | 1,559         | 1,559          |
| <b>Sub-Total (Hospitality)</b>        | <b>477 Keys</b>                | <b>619 Keys</b>         | <b>1096 Keys</b>                |               |        |                           |                       | <b>11,920</b>             | <b>4,122</b>  | <b>16,042</b>  |
| <b>Others</b>                         |                                |                         |                                 |               |        |                           |                       |                           |               |                |
| Embassy Energy                        | 100MW                          | -                       | 100MW                           | 13.50%        | NA     | NA                        | 8.76                  | 10,002                    | -             | 10,002         |
| <b>Sub-Total (Others)</b>             | <b>100MW</b>                   | <b>-</b>                | <b>100MW</b>                    |               |        |                           |                       | <b>10,002</b>             | <b>-</b>      | <b>10,002</b>  |
| <b>Total</b>                          | <b>26.2 msf/477 Keys/100MW</b> | <b>7.1 msf/619 Keys</b> | <b>33.3 msf/1096 Keys/100MW</b> |               |        |                           |                       | <b>303,536</b>            | <b>33,830</b> | <b>337,366</b> |
| <b>% Split</b>                        |                                |                         |                                 |               |        |                           |                       | <b>90%</b>                | <b>10%</b>    | <b>100%</b>    |

\*Indicative of Embassy REIT's economic interest in the asset, viz. 50%; <sup>^</sup> Inclusive of car park rent

## Key Assumptions and Value Summary – March '20

| Asset                                 | Leasable Area (msf)/Keys/MW    |                         | Discount Rate |        | Cap Rate/EBITDA Multiple | Rent/ADR/Tariff Rate | GAV as of Mar.'20 (Rs mm) |               |
|---------------------------------------|--------------------------------|-------------------------|---------------|--------|--------------------------|----------------------|---------------------------|---------------|
|                                       | Completed                      | Proposed/U/C            | Completed     | U/C    |                          |                      | Completed                 | Proposed/U/C  |
| <b>Commercial Assets</b>              |                                |                         |               |        |                          |                      |                           |               |
| Embassy Manyata                       | 11.8                           | 3.1                     | 12.03%        | 13.00% | 8.00%                    | 90                   | 129,952                   | 20,154        |
| Embassy GolfLinks*                    | 2.7                            | 0.0                     | 12.03%        | NA     | 8.00%                    | 148                  | 27,014                    | -             |
| Embassy One                           | 0.3                            | 0.0                     | 12.03%        | NA     | 7.50%                    | 147 <sup>^</sup>     | 4,897                     | -             |
| Express Towers                        | 0.5                            | 0.0                     | 12.03%        | NA     | 7.50%                    | 270                  | 17,866                    | -             |
| Embassy 247                           | 1.2                            | 0.0                     | 12.03%        | NA     | 8.00%                    | 110 <sup>^</sup>     | 16,624                    | -             |
| FIFC                                  | 0.4                            | 0.0                     | 12.03%        | NA     | 7.75%                    | 285                  | 13,911                    | -             |
| Embassy TechZone                      | 2.2                            | 3.3                     | 12.03%        | 13.00% | 8.25%                    | 48                   | 14,929                    | 6,103         |
| Embassy Squadron                      | 1.9                            | 0.0                     | 12.03%        | NA     | 8.25%                    | 48                   | 13,838                    | -             |
| Embassy Qubix                         | 1.5                            | 0.0                     | 12.03%        | NA     | 8.25%                    | 48                   | 10,085                    | -             |
| Embassy Oxygen                        | 2.5                            | 0.7                     | 12.03%        | 13.00% | 8.25%                    | 54                   | 19,492                    | 1,924         |
| Embassy Galaxy                        | 1.4                            | 0.0                     | 12.03%        | NA     | 8.25%                    | 45                   | 8,696                     | -             |
| <b>Sub-Total (Commercial Offices)</b> | <b>26.2</b>                    | <b>7.1</b>              |               |        |                          |                      | <b>277,304</b>            | <b>28,181</b> |
| <b>Hospitality Asset</b>              |                                |                         |               |        |                          |                      |                           |               |
| Hilton at Embassy GolfLinks           | 247 Keys                       | -                       | 12.63%        | NA     | 14x                      | 9,000                | 4,436                     | -             |
| Four Seasons at Embassy One           | 230 Keys                       | -                       | 12.63%        | NA     | 14x                      | 10,500               | 7,673                     | -             |
| Hilton at Embassy Manyata (5 Star)    | -                              | 266 Keys                | NA            | 13.60% | 14x                      | 8,000                | -                         | 2,378         |
| Hilton at Embassy Manyata (3 Star)    | -                              | 353 Keys                | NA            | 13.60% | 14x                      | 5,500                | -                         | 1,422         |
| <b>Sub-Total (Hospitality)</b>        | <b>477 Keys</b>                | <b>619 Keys</b>         |               |        |                          |                      | <b>12,109</b>             | <b>3,800</b>  |
| <b>Others</b>                         |                                |                         |               |        |                          |                      |                           |               |
| Embassy Energy                        | 100MW                          | -                       | 13.50%        | NA     | NA                       | 8.76                 | 10,289                    | -             |
| <b>Sub-Total (Others)</b>             | <b>100MW</b>                   | <b>-</b>                |               |        |                          |                      | <b>10,289</b>             | <b>-</b>      |
| <b>Total</b>                          | <b>26.2 msf/477 Keys/100MW</b> | <b>7.1 msf/619 Keys</b> |               |        |                          |                      | <b>299,702</b>            | <b>31,981</b> |
| <b>% Split</b>                        |                                |                         |               |        |                          |                      | <b>90%</b>                | <b>10%</b>    |

\*Indicative of Embassy REIT's economic interest in the asset, viz. 50%; <sup>^</sup> Inclusive of car park rent



## **Principal Place of Business**

### **Royal Oaks**

Embassy GolfLinks Business Park

Off Intermediate Ring Road, Bengaluru 560 071. Karnataka, India

Tel: +91 80 3322 0000 Fax: +91 80 4903 0046