

May 19, 2020

To

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

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

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

Sub: Outcome of the Meeting of the Board of Directors of the Manager held on May 19, 2020

Dear Sir/Madam,

We wish to inform you that the Board of Directors of Embassy Office Parks Management Services Private Limited, Manager to Embassy Office Parks REIT ("**Embassy REIT**") at its meeting held on Tuesday, May 19, 2020 through Audio-Visual Electronic Communication has, *inter-alia*:

- i. Adopted the Audited Condensed Standalone Financial Results for the quarter and year ended March 31, 2020 and Audited Standalone Financial Statements of Embassy Office Parks REIT for the year ended March 31, 2020, subject to approval by the Unitholders;
- ii. Adopted the Audited Condensed Consolidated Financial Results for the quarter and year ended March 31, 2020 and Audited Consolidated Financial Statements of Embassy Office Parks REIT for the year ended March 31, 2020, subject to approval by the Unitholders;
- iii. Declared distribution of Rs. 5,316.77 million /Rs.6.89 per Unit for the quarter ended March 31, 2020. The distribution comprises of Rs. 1921.45 /Rs.2.49 per Unit in the form of Interest, less taxes if any, Rs. 3,217.84 million/Rs. 4.17 per Unit in the form of proceeds of Asset SPV loan amortization and Rs. 177.48 million/Rs. 0.23 per Unit in the form of dividend. Together with distributions already made during the three previous quarters, the distributions for full year ended March 31, 2020 total to Rs. 18,820.92 /Rs. 24.39 per Unit.
- iv. Declared Net Asset Value of Rs. 374.64 per Unit for Embassy REIT as at March 31, 2020 as per Regulation 10(22) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, based on the Summary Valuation Report dated May 14, 2020 issued by Mr.

Embassy Office Parks Management Services Pvt. Ltd.

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

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

Manish Gupta, Partner, iVAS Partners, Valuer with value assessment services undertaken by CBRE South Asia Private Limited;

- v. Appointed iVAS Partners, represented by Mr. Manish Gupta, Partner, as the Independent Valuer under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, subject to the approval of the Unitholders, and CBRE South Asia Private Limited to provide value assessment services to Embassy Office Parks REIT, for a period of 3 (three) consecutive financial years.
- vi. Approved the composite scheme of arrangement (the “**Scheme**”) involving Manyata Promoters Private Limited (“**MPPL**”), Embassy Office Parks Private Limited (“**EOPPL**”) and Embassy Pune Techzone Private Limited (“**EPTPL**”) (a wholly owned subsidiary of EOPPL) and their respective shareholders and creditors, proposed to be undertaken subsequent to approval of a reduction of the equity capital of EOPPL. The proposed Scheme shall enable a simplified holding and management structure for Embassy Office Parks REIT assets and create value for Embassy Office Parks REIT and its Unitholders. The proposed Scheme is subject to requisite regulatory approvals. For further details of the Scheme, please refer to **Annexure I**.
- vii. Accepted the resignation of Mr. Rajesh Kaimal, Chief Financial Officer of the Company as Manager to Embassy REIT with effect from close of business on May 19, 2020. Mr. Kaimal plans to pursue professional opportunities in the Embassy Group. Further, Board also approved the appointment of Mr. Aravind Maiya, Deputy Chief Financial Officer, as the Chief Financial Officer of the Company as Manager to Embassy REIT with effect from close of business on May 19, 2020. A brief profile of Mr. Aravind Maiya is enclosed as **Annexure II**. The Members of the Board have placed on record their sincere appreciation for the invaluable contribution made by Mr. Kaimal and welcomed Mr. Maiya as the as CFO and KMP of the Company.

Additionally, kindly note that we have enclosed:

- a. Audited Condensed Standalone Financial Results for the quarter and year ended March 31, 2020 and Audited Standalone Financial Statements of Embassy Office Parks REIT for the year ended March 31, 2020 and Audited Condensed Consolidated Financial Results for the quarter and year ended March 31, 2020 and Audited Consolidated Financial Statements of Embassy Office Parks REIT for the year ended March 31, 2020 and the reports of the Statutory Auditors thereon; and
- b. Copy of the press release in connection with the Audited Condensed Standalone and Condensed Consolidated Financial Results for the quarter and year ended March 31, 2020 in

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compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We also wish to inform you that record date for the distribution to Unitholders for the quarter ended March 31, 2020 will be May 28, 2020 and the payment of distribution will be made on or before June 03, 2020.

The meeting commenced at 10:30 AM and concluded at 3.30 PM.

Kindly take the above on record.

Thank you.

Yours sincerely,

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

Ramesh Periasamy
Company Secretary & Compliance Officer

Embassy Office Parks Management Services Pvt. Ltd.

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ANNEXURE I

Brief details of the division(s) to be demerged;	The demerger, transfer and vesting of the Techzone business undertaking of EOPPL comprising Embassy TechZone (more specifically defined as the “TechZone Undertaking” in the Scheme) into EPTPL on a going concern basis
Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year/ based on financials of the last financial year;	Not applicable
Rationale for demerger	<ul style="list-style-type: none"> (i) Simplified management structure, better administration and reduction in compliance cost. (ii) Simplification of group structure and reduction of shareholding tiers (iii) Greater integration and financial strength
Brief details of change in shareholding pattern (if any) of all entities;	<p>MPPL in which the Embassy Office Parks REIT currently directly holds 64.3% and indirectly (through EOPPL) holds 36.7% will become 100% directly held by the Embassy Office Parks REIT.</p> <p>EPTPL which is currently a 100% subsidiary of EOPPL will become 100% directly held by the Embassy Office Parks REIT.</p>
In case of cash consideration-amount or otherwise share exchange ratio;	<p>Share exchange ratio:</p> <p>1 (One) fully paid-up equity share of face value of Rs. 10/- (Rupees Ten Only) each of EPTPL shall be issued and allotted as fully paid-up for every 1 (One) equity share of face value of Rs. 10/- (Rupees Ten Only) each fully paid-up held in EOPPL</p>
Whether listing would be sought for the resulting entity	Not Applicable

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<p>Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as size, turnover etc.;</p>	<p>Amalgamation of EOPPL into and with MPPL</p> <p><u>Details of net worth, total asset etc. on standalone basis</u></p> <p>EOPPL</p> <p>Total Assets: Rs. 15,887.75 million</p> <p>Net worth: Rs. 9,605.73 million</p> <p>Total Income: Rs. 2,132.97 million</p> <p>MPPL</p> <p>Total Assets: Rs. 51,590.78 million</p> <p>Net worth: Rs. 10,883.94 million</p> <p>Total Income: Rs. 8,986.70 million</p> <p><i>(All figures per audited financial statements for financial year 2019-2020)</i></p>
<p>Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”,</p>	<p>Yes, the proposed transactions would be related party transactions, and are proposed to be undertaken on arm’s length basis.</p>
<p>Area of business of the entity(ies);</p>	<p>Owners and developers of office properties in India</p>
<p>Rationale for amalgamation/merger;</p>	<ul style="list-style-type: none"> (i) Simplified management structure, better administration and reduction in compliance cost. (ii) Simplification of group structure and reduction of shareholding tiers. (iii) Greater integration and financial strength
<p>In case of cash consideration- amount or otherwise share exchange ratio;</p>	<p>Share exchange ratio</p> <p>1 (One) fully paid-up equity share of face value of Rs. 100/- (Rupees One Hundred Only) each of the MPPL shall be issued and allotted as fully paid-up for every 11.85 (Eleven Decimal Eight Five) equity shares of</p>

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	face value of Rs. 10/- (Rupees Ten Only) each fully paid-up held in EOPPL
Brief details of change in shareholding pattern (if any) of listed entity	Not applicable

The Scheme was approved by the board of directors of MPPL, EOPPL and EPTPL pursuant to their meetings, held on May 18, 2020 and approved by the board of directors of the Embassy Office Parks Management Services Limited, Manager on May 19, 2020.

The Scheme pertains to an internal restructuring of the Embassy Office Parks REIT’s existing asset holdings and provides for:

- a) The demerger, transfer and vesting of the Techzone business of EOPPL comprising Embassy TechZone (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;
- b) This will be followed by the amalgamation of EOPPL into MPPL, on a going concern basis.

Upon the Scheme becoming effective and with effect from the Effective Date (as defined in the Scheme):

- a) MPPL will become a 100% directly-held holding company of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of Embassy-Energy Private Limited (an existing SPV of Embassy Office Parks REIT), and 50% of the share capital of Golflinks Software Park Private Limited, (the existing Investment Entity of Embassy Office Parks REIT); and
- b) 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.

The transactions contemplated by the Scheme involve related party transactions amongst the parties to the Scheme and will be undertaken on an arms’ length basis.

The Scheme is subject to the receipt of necessary statutory and regulatory approvals under applicable laws, including the approval of the National Company Law Tribunal, Mumbai Bench.

Capitalised terms used herein and not defined shall have the meaning assigned to such terms in the Scheme.

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

**Ramesh Periasamy
Company Secretary & Compliance Officer**

Embassy Office Parks Management Services Pvt. Ltd.

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ANNEXURE II**Brief Profile of Aravind Maiya**

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.

Aravind 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 specialized 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.

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

Ramesh Periasamy
Company Secretary & Compliance Officer

Embassy Office Parks Management Services Pvt. Ltd.

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

The Board of Directors

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

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

1st Floor, Embassy Point

150, Infantry Road

Bengaluru -560001

Opinion

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

- the condensed standalone Balance Sheet as at March 31, 2020;
- the condensed Statement of Profit and Loss, including Other Comprehensive Income and condensed Statement of Cash Flows for the quarter, half year and year ended March 31, 2020;
- the condensed Statement of Changes in Unitholders’ equity for the year ended March 31, 2020;
- the Statement of Net Assets at fair value as at March 31, 2020;
- the Statement of Total Returns at fair value for the year ended March 31, 2020;
- the Statement of Net Distributable Cash Flows (‘NDCF’) of the REIT for the half year and year ended March 31, 2020, and
- Summary of significant accounting policies and select explanatory information.

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

- in case of the Condensed Balance Sheet, of the state of affairs as at March 31, 2020;
- in case of the Condensed Statement of profit and loss including Other Comprehensive Income, of the net profit for the quarter, half year and year ended on March 31, 2020;
- in case of the Condensed Statement of cash flows, of the cash flows for the quarter, half year and year ended on March 31, 2020;
- in case of the Condensed Statement of changes in Unitholders’ equity, of the movement of the Unitholders’ equity for the year ended March 31, 2020;
- in case of the Statement of Net Assets at fair value, of the net assets as at March 31, 2020;

- in case of the Statement of Total Returns at fair value, of the total returns for the year ended March 31, 2020: and
- in case of the Statement of Net Distributable Cash Flows of the REIT, of the NDCF's for the half year and year ended March 31, 2020.

Basis for Opinion

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

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

The Management of the Manager ('the Management') is responsible for the preparation of these Condensed Standalone Ind AS Financial Information that give a true and fair view of the financial position as at March 31, 2020, financial performance including other comprehensive income and cash flows for the quarter, half year and year ended March 31, 2020, the movement of the Unitholders' equity for the year ended March 31, 2020, its net assets at fair value as at March 31, 2020, its total returns at fair value for the year ended March 31, 2020 and the net distributable cash flows of the REIT for the half year and year ended March 31, 2020, in accordance with the requirements of the REIT regulations; Ind AS 34 as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. This responsibility also includes the design, implementation and maintenance of adequate controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Condensed Standalone Ind AS Financial Information that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

Other Matters

- (i) The figures for the quarter ended March 31, 2020 presented in the Condensed Standalone Ind AS Financial Information are the derived figures between the audited figures in respect of the year ended March 31, 2020 and the published year-to-date figures up to December 31, 2019, which were subject to limited review. Further, the figures for the half year ended March 31, 2020 presented in the Condensed Standalone Ind AS Financial Information are the derived figures between the audited figures in respect of the year ended March 31, 2020 and the published year-to-date figures up to September 30, 2019, which were subject to limited review.
- (ii) The Ind AS financial statements of the REIT for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018, prepared in accordance with Ind AS, included in these Condensed Standalone Ind AS Financial Information, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated August 12, 2019, expressed an unmodified opinion.
- (iii) The standalone figures for the corresponding quarter and half year ended March 31, 2019, as reported in these Condensed Standalone Ind AS Financial Information have been approved by the Manager's Board of Directors, but have not been subjected to limited review or audit.

Report on Other Legal and Regulatory Requirements

We further report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (b) The Condensed Balance Sheet and the Condensed Statement of Profit and Loss including the Statement of Other Comprehensive Income dealt with by this Report are in agreement with the books of account of the REIT; and
- (c) In our opinion, the aforesaid Condensed Standalone Ind AS financial information comply with the Indian Accounting Standards 34, as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

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

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

UDIN: 20209567AAAACA1479

Place: Bengaluru, India
Date: May 19, 2020

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



	Note	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)	As at 1 April 2018 (Audited)
ASSETS				
Non-current assets				
Financial assets				
- Investments	3	186,862.18	187,449.64	-
- Loans	4	65,143.57	4,712.93	-
Total non-current assets		252,005.75	192,162.57	-
Current assets				
Financial assets				
- Investments	5	3,933.45	-	-
- Cash and cash equivalents	6	2,845.45	42,818.53	-
- Loans	7	620.00	-	-
- Other financial assets	8	3.15	-	-
Other current assets	9	47.42	-	-
Total current assets		7,449.47	42,818.53	-
Total assets		259,455.22	234,981.10	-
EQUITY AND LIABILITIES				
EQUITY				
Unit capital	10	229,120.96	229,039.26	-
Other equity	11	(8,784.65)	(94.47)	-
Total equity		220,336.31	228,944.79	-
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	12	39,018.84	-	-
Total non-current liabilities		39,018.84	-	-
Current liabilities				
Financial liabilities				
- Trade payables	13			
- total outstanding dues of micro and small enterprises		-	-	-
- total outstanding dues of creditors other than micro and small enterprises.		6.68	-	-
- Other financial liabilities	14	88.48	6,036.31	-
Other current liabilities	15	4.37	-	-
Current tax liabilities (net)	16	0.54	-	-
Total current liabilities		100.07	6,036.31	-
Total equity and liabilities		259,455.22	234,981.10	-

Significant accounting policies

2

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm's registration number: 101049W/E300004

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to the Embassy Office Parks REIT)

Sd/-
per Adarsh Ranka
Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

Sd/-
Jitendra Virwani
Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-
Tuhin Parikh
Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

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



Note	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
	(Audited refer note 31)	(Unaudited)	(Audited refer note 31)	(Unaudited)	(Unaudited refer note 32)	(Audited)	(Audited)
Income and gains							
Dividend	177.85	-	177.85	112.12	-	289.97	-
Interest	2,136.62	2,138.28	4,274.90	3,954.11	-	8,229.01	-
Other income	47.69	45.59	93.28	62.06	-	155.34	-
Total Income	2,362.16	2,183.87	4,546.03	4,128.29	-	8,674.32	-
Expenses							
Valuation expenses	0.92	4.10	5.02	4.72	-	9.74	-
Audit fees	0.36	3.68	4.04	3.60	1.19	7.64	1.19
Investment management fees	56.02	55.34	111.36	103.45	-	214.81	-
Trustee fees	0.76	0.72	1.48	1.48	-	2.96	-
Legal and professional fees	24.20	59.16	83.36	14.73	-	98.09	-
Other expenses	12.01	2.97	14.98	3.17	93.28	18.15	93.28
Total Expenses	94.27	125.97	220.24	131.15	94.47	351.39	94.47
Earnings/ (loss) before finance costs, depreciation, amortisation, impairment loss and tax							
	2,267.89	2,057.90	4,325.79	3,997.14	(94.47)	8,322.93	(94.47)
Finance costs	890.89	794.43	1,685.32	1,165.01	-	2,850.33	-
Depreciation and amortisation expense	-	-	-	-	-	-	-
Impairment loss	587.46	-	587.46	-	-	587.46	-
Profit/ (loss) before tax	789.54	1,263.47	2,053.01	2,832.13	(94.47)	4,885.14	(94.47)
Tax expense:							
Current tax	8.29	19.01	27.30	43.87	-	71.17	-
	8.29	19.01	27.30	43.87	-	71.17	-
Profit/ (loss) for the period/ year	781.25	1,244.46	2,025.71	2,788.26	(94.47)	4,813.97	(94.47)
Items of other comprehensive income							
Items that will not be reclassified subsequently to profit or loss							
- Remeasurements of defined benefit liability, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period/ year	781.25	1,244.46	2,025.71	2,788.26	(94.47)	4,813.97	(94.47)
Earning per unit - refer Note 22							
Basic	1.01	1.61	2.63	3.61	(5.22)	6.24	(5.22)
Diluted	1.01	1.61	2.63	3.61	(5.22)	6.24	(5.22)

Significant accounting policies

2

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

Sd/-

per **Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 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: 19 May 2020

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

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



	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
	(Audited refer note 31)	(Unaudited)	(Audited refer note 31)	(Unaudited)	(Unaudited refer note 32)	(Audited)	(Audited)
Cash flow from operating activities							
Profit/ (loss) before tax	789.54	1,263.47	2,053.01	2,832.13	(94.47)	4,885.14	(94.47)
<i>Adjustments:</i>							
Interest income	(2,136.62)	(2,138.28)	(4,274.90)	(3,954.11)	-	(8,229.01)	-
Net changes in fair value of financial assets	5.55	(1.49)	4.06	(5.78)	-	(1.72)	-
Dividend	(177.85)	-	(177.85)	(112.12)	-	(289.97)	-
Gain / (loss) on mutual funds	(53.25)	(44.09)	(97.34)	(55.02)	-	(152.36)	-
Impairment loss	587.46	-	587.46	-	-	587.46	-
Finance costs	890.89	794.43	1,685.32	1,165.01	-	2,850.33	-
Operating cash flow before working capital changes	(94.28)	(125.96)	(220.24)	(129.89)	(94.47)	(350.13)	(94.47)
<i>Changes in:</i>							
Other current assets	(46.68)	49.38	2.70	(50.12)	-	(47.42)	-
Other current and non-current liabilities and provisions	(17.86)	22.23	4.37	-	-	4.37	-
Other current financial liabilities	15.56	8.00	23.56	(61.31)	125.97	(37.75)	125.97
Other financial assets	-	3.15	3.15	(6.30)	-	(3.15)	-
Trade payables	3.43	(46.23)	(42.80)	49.48	-	6.68	-
Cash (used in)/ generated from operations	(139.83)	(89.43)	(229.26)	(198.14)	31.50	(427.40)	31.50
Income taxes paid, net	(6.14)	(10.98)	(17.12)	(53.51)	-	(70.63)	-
Net cash (used in)/ generated from operating activities	(145.97)	(100.41)	(246.38)	(251.65)	31.50	(498.03)	31.50
Cash flow from investing activities							
Loans given to subsidiaries	(3,050.00)	(6,670.00)	(9,720.00)	(66,565.60)	(4,681.93)	(76,285.60)	(4,681.93)
Loans repaid by subsidiaries	5,486.81	3,223.50	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	458.10	448.51	906.61	869.01	-	1,775.62	-
Interest received	1,942.78	1,941.14	3,883.92	3,953.43	-	7,837.35	-
Dividend received	177.85	-	177.85	112.12	-	289.97	-
Redemption/ (Investments) in mutual funds (net)	1,599.27	391.36	1,990.63	(5,045.62)	-	(3,054.99)	-
Net cash generated from/(used in) investing activities	6,614.81	(665.49)	5,949.32	(65,740.36)	(4,681.93)	(59,791.04)	(4,681.93)
Cash flow from financing activities							
Proceeds from issue of units	-	-	-	-	47,499.96	-	47,499.96
Expenses incurred towards Initial Public Offering	-	(51.55)	(51.55)	(2,327.09)	-	(2,378.64)	-
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)	(43.82)	6,497.44	6,453.62	29,714.89	-	36,168.51	-
Distribution to unitholders	(4,707.19)	(4,629.70)	(9,336.89)	(4,166.99)	-	(13,503.88)	-
Security deposits (given)/ repaid	-	30.00	30.00	-	(31.00)	30.00	(31.00)
Net cash (used in)/generated from financing activities	(4,751.01)	1,846.19	(2,904.82)	23,220.81	47,468.96	20,315.99	47,468.96

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



	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
	(Audited refer note 31)	(Unaudited)	(Audited refer note 31)	(Unaudited)	(Unaudited refer note 32)	(Audited)	(Audited)
Net increase/ (decrease) in cash and cash equivalents	1,717.83	1,080.29	2,798.12	(42,771.20)	42,818.53	(39,973.08)	42,818.53
Cash and cash equivalents at the beginning of the period/ year	1,127.62	47.33	47.33	42,818.53	-	42,818.53	-
Cash and cash equivalents at the end of the period/ year	2,845.45	1,127.62	2,845.45	47.33	42,818.53	2,845.45	42,818.53
Cash and cash equivalents comprise:							
Cash on hand	-	-	-	-	-	-	-
Balances with banks							
- in current accounts	2,845.19	1,127.32	2,845.19	47.33	0.50	2,845.19	0.50
- in escrow accounts	0.26	0.30	0.26	-	42,818.03	0.26	42,818.03
Cash and cash equivalents at the end of the period/ year (refer note 6)	2,845.45	1,127.62	2,845.45	47.33	42,818.53	2,845.45	42,818.53

Note: The Trust has issued Units in exchange for investments in SPVs during previous year ended 31 March 2019. The same has not been reflected in Standalone Statement of Cash Flows since these were non-cash transactions. Further the Trust has also paid a cash consideration of Rs. 3,450 million towards acquisition of interest in IENMPL.

Significant accounting policies (refer note 2)

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

As per our report of even date attached

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

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

Sd/-
per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

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



A. Unit Capital

Balance as on 1 April 2018	-
Add: Units issued during the year (refer note 10)	231,499.60
Less: Issue expenses	(2,460.34)
Balance as at 31 March 2019	229,039.26
As at 1 April 2019	229,039.26
Add: Reversal of issue expenses no longer payable	81.70
Balance as at 31 March 2020	229,120.96

B. Other equity

Particulars	Retained Earnings
Balance as on 1 April 2018	-
Profit/ (loss) for the year	(94.47)
Balance as at 31 March 2019	(94.47)
Balance as on 1 April 2019	(94.47)
Profit for the year ended 31 March 2020	4,813.97
- Less: Distribution to Unitholders for the quarter ended 30 June 2019*	(4,166.99)
- Less: Distribution to Unitholders for the quarter ended 30 September 2019*	(4,630.00)
- Less: Distribution to Unitholders for the quarter ended 31 December 2019*	(4,707.16)
Balance as at 31 March 2020	(8,784.65)

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

As per our report of even date attached

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

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

Sd/-
per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

A) Statement of Net Assets at fair value

S.No	Particulars	Unit of measurement	As at 31 March 2020	
			Book value	Fair value
A	Assets	Rs in millions	259,455.22	316,939.32
B	Liabilities	Rs in millions	39,118.91	39,118.91
C	Net Assets (A-B)	Rs in millions	220,336.31	277,820.41
D	No. of units	Numbers	771,665,343	771,665,343
E	NAV (C/D)	Rs	285.53	360.03

Notes

1) Measurement of fair values:

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

2) Break up of Net asset value as at 31 March 2020

Particulars	As at 31 March 2020
Fair value of investments in SPVs	310,109.83
Add : Other assets	6,829.49
Less : Liabilities	(39,118.91)
Net Assets	277,820.41

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

B) Statement of Total Returns at fair value

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

As per our report of even date attached

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

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

Sd/-
per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

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

Sl No	Particulars	For the quarter ended 31 March 2020 (Audited refer note 31)	For the quarter ended 31 December 2019 (Unaudited)	For the half year ended 31 March 2020 (Audited refer note 31)	For the half year ended 30 September 2019 (Unaudited)	For the year ended 31 March 2020 (Audited)
1	Cash flows received from SPVs and investment entity in the form of:					
	• Interest	1,942.20	1,941.15	3,883.35	3,940.58	7,823.93
	• Dividends (net of applicable taxes)	177.85	-	177.85	112.12	289.97
	• Repayment of Shareholder Debt	3,244.91	2,862.01	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	55.09	44.10	99.19	67.86	167.05
5	Less: Any other expense accruing at the Trust level, and not captured herein	(17.26)	(2.97)	(20.23)	(3.17)	(23.40)
6	Less: Any fees, including but not limited to:	-	-	-	-	-
	• Trustee fees	(0.76)	(0.72)	(1.48)	(1.48)	(2.96)
	• REIT Management Fees	(56.02)	(55.34)	(111.36)	(103.45)	(214.81)
	• Valuer fees	(0.92)	(4.10)	(5.02)	(4.72)	(9.74)
	• Legal and professional fees	(23.85)	(62.13)	(85.98)	(16.91)	(102.89)
	• Trademark license fees	(0.36)	(0.35)	(0.71)	(0.71)	(1.42)
	• Secondment fees	(0.36)	(0.35)	(0.71)	(0.71)	(1.42)
7	Less: Debt servicing	-	-	-	-	-
	• Interest on external debt	-	-	-	-	-
	• Repayment of external debt	-	-	-	-	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(6.13)	(10.98)	(17.11)	(53.51)	(70.62)
	Net Distributable Cash Flows	5,314.39	4,710.32	10,024.71	8,841.21	18,865.92

Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on 19 May 2020, have declared distribution to unitholders of Rs 6.89 per unit which aggregates to Rs. 5,316.77 million for the quarter ended 31 March 2020. The distributions of Rs 6.89 per unit comprises Rs. 2.49 per unit in the form of interest payment, Rs.0.23 per unit in the form of dividend and the balance Rs. 4.17 per unit in the form of amortization of SPV debt.

Along with distribution of Rs. 17.50 per unit for the nine-months ended 31 December 2019, the cumulative distribution for the year ended 31 March 2020 aggregates to Rs. 24.39 per unit.

- Repayment of short-term construction debt given to SPVs are not considered for the purpose of distributions.

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

As per our report of even date attached

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

1. Trust Information

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

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

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

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

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

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

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

(all amounts in Rs. million unless otherwise stated)



Details of SPV's are provided below

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

Embassy Office Parks REIT

RN: IN/REIT/17-18/0001

Notes to the Condensed Standalone financial statements

(all amounts in Rs. million unless otherwise stated)



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

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

(all amounts in Rs. million unless otherwise stated)



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) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
GLSP	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bangalore.	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)

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2. Significant accounting policies

2.1 Basis of preparation of Condensed Standalone financial statements

The Condensed Standalone financial information ('hereinafter referred to as the Condensed Standalone financial statements') of the Trust comprises the Standalone Balance Sheet and Statement of Net Assets at fair value as at 31 March 2020, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flow, the Statement of Net Distributable Cash Flows, the Standalone Statement of Changes in Unitholder's Equity, Statement of Total Returns at fair value and a summary of significant accounting policies and select explanatory information for the period and year ended 31 March 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 19 May 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 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 the REIT regulations. Also refer Note 10(a) (i) on classification of Unitholders fund.

Embassy Office Parks REIT has prepared Condensed Standalone financial statements which comply with Ind AS applicable for period ending on 31 March 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these condensed standalone financial statements, Embassy Office Parks REIT's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS. There were no adjustments made by the Trust in restating Indian GAAP financial statements, and accordingly disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

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

Statement of compliance to Ind-AS

These Condensed Standalone financial statements for the period and year ended 31 March 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.

Changes in accounting policies and disclosures

New and amended standards

The Trust applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 2.2(m).

Several other amendments apply for the first time for the year ended 31 March 2020, but does not have an impact on the Condensed Standalone financial statements of the Trust.

2.2 Summary of significant accounting policies

a) Functional and presentation currency

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

b) Basis of measurement

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

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

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) (i)

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

- i) Valuation of financial instruments – Refer Note 2.2 (h)
- ii) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(q)(ii).
- iii) Estimation of uncertainties relating to the global health pandemic from COVID-19
The Trust has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its investments in SPVs including loans and other receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Trust, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Trust. The Trust has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet as at 31 March 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.

v) Fair valuation and disclosures

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

d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

e) Measurement of fair values

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

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

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

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

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

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

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

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

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

f) Impairment of non-financial assets

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

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

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

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

g) Foreign currency transactions

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

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

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

h) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

i) Compound financial instruments

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

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

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

j) Impairment of financial assets

Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

k) Embedded derivatives

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

l) Financial guarantee contracts

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

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

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

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

Embassy Office Parks REIT as a lessee

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

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

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

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

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

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

Embassy Office Parks REIT as a lessor

i. Determining whether an arrangement contains a lease

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

ii. Assets held under leases

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

iii. Initial direct costs

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

Transition to Ind AS 116

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

Effective 1 April 2019, the Trust has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on 1 April 2019. There has been no significant impact in view of adoption of Ind AS 116 for the period and year ended 31 March 2020. Further, the applicability of Ind AS 116 did not affect the revenue/reserves of the Trust reported during earlier year. Ind AS 116 requires extensive disclosures. However, considering that the application did not have impact on the REIT, no further disclosure have been made.

The Trust is not a lessor or lessee for any lease contracts as at 31 March 2020.

n) Revenue recognition

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

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

Recognition of dividend income, interest income

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

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

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

o) Investments in subsidiaries and joint ventures

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

p) Borrowing costs

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

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

q) Taxation

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

(i) Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty,

if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

(ii) Deferred tax:

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

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

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

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

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

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

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

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

r) Provisions and contingencies

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

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

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

s) Operating segments

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

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

t) Errors and estimates

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

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

u) Cash and cash equivalents

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

v) Cash distributions to unitholders

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

w) 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, amortisation, impairment loss and income tax

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

z) Distribution Policy

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

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

- not less than 90% of the NDCF of the SPVs are required to be distributed to the Embassy Office Parks REIT, in proportion to its shareholding in the SPV, subject to applicable provisions of the Companies Act, 2013.
- 100% of the cash flows received by the Holding Company from the underlying SPVs are required to be distributed to the Embassy Office Parks REIT, and not less than 90% of the NDCF generated by the Holding Company on its own shall be distributed to the Embassy Office Parks REIT, subject to applicable provisions of the Companies Act, 2013.
- The aforesaid net distributable cash flows are made available to Embassy Office Parks REIT in the form of (i) interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the SPV's/Holding Company, (ii) Principal repayment of Shareholder Debt, (iii) dividend declared by the SPVs/Holding Company and received by Embassy Office Parks REIT and (iv) Proceeds from sale of any Embassy REIT assets.

Since Embassy Office Parks REIT has committed to quarterly distributions, any shortfall as regards minimum quarterly distribution by the SPVs and Holding Company to Embassy Office Parks REIT, post interest paid on Shareholder Debt, interim dividend payments and Principal repayment of Shareholder Debt, would be done by declaring additional 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.

Non-current assets

3 Non-current investments

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Trade, unquoted, Investments in subsidiaries (at cost) (refer note below)			
- 405,940,204 (31 March 2019: 405,940,204) equity shares of Umbel Properties Private Limited of Rs.10 each, fully paid up	2,841.67	2,841.67	-
Less: Provision for impairment *	(587.46)	-	-
	2,254.21	2,841.67	-
- 8,703,248 (31 March 2019 : 8,703,248) equity shares of Embassy Office Parks Private Limited of Rs.10 each, fully paid up	62,768.25	62,768.25	-
- 727,538 (31 March 2019: 727,538) equity shares of Manyata Promoters Private Limited of Rs.10 each, fully paid up	48,790.52	48,790.52	-
- 271,611 (31 March 2019: 271,611) equity shares of Qubix Business Park Private Limited of Rs.10 each, fully paid up	5,595.08	5,595.08	-
- 1,884,747 (31 March 2019: 1,884,747) equity shares of Oxygen Business Park Private Limited of Rs.10 each, fully paid up	12,308.89	12,308.89	-
- 185,604,589 (31 March 2019: 185,604,589) equity shares of Earnest Towers Private Limited of Rs.10 each, fully paid up	12,138.78	12,138.78	-
- 6,134,015 (31 March 2019: 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of Rs.10 each, fully paid up	10,710.94	10,710.94	-
- 124,561 (31 March 2019: 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.10 each, fully paid up	6,463.79	6,463.79	-
- 130,022 (31 March 2019: 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.10 each, fully paid up	6,747.17	6,747.17	-
- 2,129,635 (31 March 2019: 2,129,635) equity shares of Quadron Business Park Private Limited of Rs.10 each, fully paid up	13,689.26	13,689.26	-
- 107,958 (31 March 2019: 107,958) equity shares of Galaxy Square Private Limited of Rs.100 each, fully paid up	4,662.50	4,662.50	-
- 1,999 (31 March 2019: 1,999) equity shares of Embassy Energy Private Limited of Rs.10 each, fully paid up	732.79	732.79	-
	184,607.97	184,607.97	-
	186,862.18	187,449.64	-
<i>Aggregate amount of impairment recognised</i>	<i>587.46</i>	<i>-</i>	<i>-</i>

Note: The Trust has issued Units as consideration to acquire these investments wherein the tradable REIT Unit has been valued at Rs 300 each. Further the Trust has also paid a cash consideration of Rs. 3,450 million towards acquisition of interest in IENMPL.

* The recoverable amount of the investments in subsidiary has been computed based on value in use calculation of the underlying properties. The value in use calculation is based on discounted cash flow model. As at 31 March 2020, an amount of Rs. 587.46 million (31 March 2019: Rs. Nil) has been provided as impairment on investment in a subsidiary Company, Umbel Properties Private Limited, which is in the business of hospitality operations. The impairment charge arose in UPPL (Hilton @ Embassy Golflinks) mainly due to impact on occupancy given the current economic conditions due to Covid-19 pandemic. In determining value in use for investment in Umbel Properties Private Limited, the cash flows were discounted at the rate of 12.63%.

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

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

Name of Subsidiary	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Embassy Office Parks Private Limited	100.00%	100.00%	-
Manyata Promoters Private Limited*	64.23%	64.23%	-
Umbel Properties Private Limited	100.00%	100.00%	-
Embassy Energy Private Limited **	19.99%	19.99%	-
Earnest Towers Private Limited	100.00%	100.00%	-
Indian Express Newspapers (Mumbai) Private Limited	100.00%	100.00%	-
Vikhroli Corporate Park Private Limited	100.00%	100.00%	-
Qubix Business Park Private Limited	100.00%	100.00%	-
Quadron Business Park Private Limited	100.00%	100.00%	-
Oxygen Business Park Private Limited	100.00%	100.00%	-
Galaxy Square Private Limited	100.00%	100.00%	-

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

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

4 Loans

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Unsecured, considered good			
Loan to subsidiaries (refer note 24)	65,142.57	4,681.93	-
Security deposits			
- others	1.00	31.00	-
	65,143.57	4,712.93	-

Security: Unsecured

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

Repayment:

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

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

5 Current investments

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Non-trade, Unquoted, Investment in mutual funds			
HDFC Liquid Fund-Growth	1,010.72	-	-
HDFC Overnight Fund-Growth	255.01	-	-
ICICI Prudential Liquid Fund-Growth Option	1,350.77	-	-
IDFC Cash Fund - Growth	390.15	-	-
Axis Liquid Fund - Growth	202.42	-	-
Trade, unquoted investments measured at amortised cost			
- Investment in Debentures of a joint venture entity - refer note 24	724.38	-	-
2,500 (31 March 2019: Nil) 8.5% debentures of Rs 1 million each (current portion)			
	3,933.45	-	-
Investment measured at amortised cost	724.38	-	-
Investment measured at fair value through profit or loss	3,209.07	-	-
Investments measured at fair value through other comprehensive income	-	-	-
Aggregate amount of impairment recognised	-	-	-

Terms attached to Investment in Debentures of a joint venture entity

1. 2,500 (31 March 2019 Rs.nil) unlisted, unrated, secured redeemable, non-convertible debentures of Golfinks Software Park Private Limited with face value of Rs.1,000,000 each. Outstanding as on 31 March 2020 Rs.724.38 million (31 March 2019 Rs.nil).

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

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

4. Redemption : Debentures shall be redeemed in 16 monthly instalment (principal and interest) of Rs. 160.00 million each and 17th instalment of Rs. 98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

6 Cash and cash equivalents

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Balances with banks			
- in current accounts *	2,845.19	0.50	-
- in escrow accounts			
- Balances with banks for unclaimed distributions	0.26	-	-
- Others **	-	42,818.03	-
	2,845.45	42,818.53	-

* Balance in current accounts includes cheques on hand received from SPV's in respect of interest/principal repayments of loans for the year ended 31 March 2020 amounting to Rs.2,121.94 million (31 March 2019 : Rs. Nil).

** Represents balance Nil (31 March 2019: Rs. 42,818.03 million) from proceeds of initial public offer of REIT Units (Total proceeds Rs. 47,499.96 million). As at 31 March 2019, this amount held in the Escrow account could be withdrawn for specific purposes.

7 Loans

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Loan to subsidiaries (refer note 24)	620.00	-	-
	620.00	-	-

Security: Unsecured

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

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

8 Other financial assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Other receivables	3.15	-	-
	3.15	-	-

9 Other current assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Advance for supply of goods and rendering of services	0.44	-	-
Balances with government authorities	8.82	-	-
Prepayments	38.16	-	-
	47.42	-	-

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10 Unit capital

Unit Capital	No in Million	Amount
As at 1 April 2018	-	-
Units issued during the year		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	158.33	47,499.96
- in exchange for equity interest in SPVs (refer note iii below)	613.34	183,999.64
Less: Issue expenses (Refer note below)	-	(2,460.34)
As at 31 March 2019	771.67	229,039.26
As at 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
Closing balance as at 31 March 2020	771.67	229,120.96

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital as at 31 March 2019 in accordance with Ind AS 32 Financial Instruments: Presentation. Further, during the year ended 31 March 2020, excess provision no longer payable, has been reversed amounting to Rs.81.70 million.

(a) Terms/rights attached to Units

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

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

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

- (iii) Embassy Office Parks REIT has acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of Rs. 300 each as per the table below and the Trust has also paid a cash consideration of Rs. 3,450 million towards acquisition of interest in IENMPL.

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

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

Name of the share holder	As at 31 March 2020		As at 31 March 2019	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Limited	104,094,966	13.49%	104,094,966	13.49%
BRE Mauritius Investments	93,610,755	12.13%	93,610,755	12.13%
Veeranna Reddy	65,472,582	8.48%	65,472,582	8.48%
Bre/Mauritius Investments II	45,630,850	5.91%	45,630,850	5.91%
India Alternate Property Limited	39,446,986	5.11%	39,446,986	5.11%

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

11 Other equity

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Retained earnings *	(8,784.65)	(94.47)	-
	(8,784.65)	(94.47)	-

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

Retained earnings

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

12 Borrowings

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Secured			
36,500 (31 March 2019 : Nil) Embassy REIT Series I NCD 2019, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost)			
- Tranche I	32,351.18	-	-
- Tranche II	6,667.66	-	-
	39,018.84	-	-

Note:

- (i) In May 2019, the Trust issued 30,000 (31 March 2019: Nil) listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019 (Tranche I), debentures having face value of Rs. 1 million each amounting to Rs. 30,000.00 million with an Internal Rate of Return (IRR) of 9.4% and will mature on 2 June 2022. In November 2019, the Trust further issued 6,500 such debentures (Tranche II) with an Internal Rate of Return (IRR) of 9.05% and with same terms and conditions as Tranche I.

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

Security terms

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

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase I) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park".
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.

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

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

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

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

12 Borrowings (continued)

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

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

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

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

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

c) Debt Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/ (Finance costs + Principal Repayments made during the period)

d) Interest Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/ Finance costs (net of capitalisation)

e) Net worth = Unit capital + Other equity

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

13 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade payable			
- Total outstanding dues to micro and small enterprises	-	-	-
- Total outstanding dues other than micro and small enterprises			
- to related party (refer note 24)	4.66	-	-
- to others	2.02	-	-
	6.68	-	-

14 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Unclaimed distribution	0.26	-	-
Other liabilities			
- to related party (refer note 24)	55.46	462.98	-
- to others*	32.76	5,573.33	-
	88.48	6,036.31	-

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

15 Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Statutory dues	4.37	-	-
	4.37	-	-

16 Current tax liabilities (net)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Provision for income-tax, net of advance tax	0.54	-	-
	0.54	-	-

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17 Interest income

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income							
- on fixed deposits	0.59	-	0.59	12.84	-	13.43	-
- on debentures (refer note 24)	21.90	31.49	53.39	90.99	-	144.38	-
- on loan to subsidiaries (refer note 24)	2,114.13	2,106.79	4,220.92	3,850.28	-	8,071.20	-
	2,136.62	2,138.28	4,274.90	3,954.11	-	8,229.01	-

18 Other income

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Gain / (loss) on mutual funds *	47.69	45.59	93.28	60.80	-	154.08	-
Miscellaneous	-	-	-	1.26	-	1.26	-
	47.69	45.59	93.28	62.06	-	155.34	-

* Includes net changes in fair value of mutual funds for the year ended 31 March 2020 of Rs. 1.72 millions (31 March 2019 of Rs. Nil).

19 Other expenses

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Bank charges	0.01	0.23	0.24	0.02	-	0.26	-
Rates and taxes	1.07	0.27	1.34	0.14	-	1.48	-
Travelling and conveyance	-	-	-	0.17	-	0.17	-
Marketing and advertisement expenses	10.85	2.41	13.26	2.30	93.28	15.56	93.28
Miscellaneous expenses	0.08	0.06	0.14	0.54	-	0.68	-
	12.01	2.97	14.98	3.17	93.28	18.15	93.28

20 Finance costs

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense							
- Accrual of premium on redemption of debentures	890.89	794.43	1,685.32	1,165.01	-	2,850.33	-
	890.89	794.43	1,685.32	1,165.01	-	2,850.33	-

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

21 Tax expense

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax	8.29	19.01	27.30	43.87	-	71.17	-
	8.29	19.01	27.30	43.87	-	71.17	-

22 Earnings Per Unit (EPU)

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

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

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/ (loss) after tax for calculating basic and diluted EPU	781.25	1,244.46	2,025.71	2,788.26	(94.47)	4,813.97	(94.47)
Weighted average number of Units (No. in million)	771.67	771.67	771.67	771.67	18.10	771.67	18.10
Earnings Per Unit							
- Basic (Rupees/unit)	1.01	1.61	2.63	3.61	(5.22)	6.24	(5.22)
- Diluted (Rupees/unit) *	1.01	1.61	2.63	3.61	(5.22)	6.24	(5.22)

* The Trust does not have any outstanding dilutive units.

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23 Commitments and contingencies

a. Contingent liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Guarantee given to a Bank for loan obtained by a SPV	8,400.00	-	-

Note

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

b. Statement of capital and other commitments

i) There are no capital commitments as at 31 March 2020, 31 March 2019 and 1 April 2018.

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

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24 Related party disclosures

I. List of related parties as at 31 March 2020 (refer notes below)

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

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

BRE/ Mauritius Investments - Co-Sponsor

SG Indian Holding (NQ) Co. I Pte. Limited
SG Indian Holding (NQ) Co. II Pte. Limited
SG Indian Holding (NQ) Co. III Pte. Limited
BRE/Mauritius Investments II;
BREP NTPL Holding (NQ) Pte Limited
BREP VII NTPL Holding (NQ) Pte Limited
BREP Asia SBS NTPL Holding (NQ) Limited
BREP VII SBS NTPL Holding (NQ) Limited
BREP GML Holding (NQ) Pte Limited
BREP VII GML Holding (NQ) Pte Limited
BREP Asia SBS GML Holding (NQ) Limited
BREP VII SBS GML Holding (NQ) Limited
BREP Asia SG Oxygen Holding (NQ) Pte Limited

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

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

Directors

Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri (w.e.f. 6 August 2018)
Punita Kumar Sinha (w.e.f. 6 August 2018)
Robert Christopher Heady (w.e.f. 6 August 2018)
Aditya Virwani (w.e.f. 6 August 2018)
Asheesh Mohta - Director (w.e.f. 28 June 2019, alternate to Robert Christopher Heady)

Key management personnel

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

(i) Subsidiary (SPV)

Embassy Office Parks Private Limited
Manyata Promoters Private Limited
Umbel Properties Private Limited
Embassy Energy Private Limited
Earnest Towers Private Limited
Indian Express Newspapers (Mumbai) Private Limited
Vikhroli Corporate Park Private Limited
Qubix Business Park Private Limited
Quadron Business Park Private Limited
Oxygen Business Park Private Limited
Galaxy Square Private Limited
Embassy Pune Techzone Private Limited (w.e.f. 06 December 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 One Developers Private Limited
Embassy Shelters Private Limited
Mac Charles (India) Limited
Lounge Hospitality LLP

24 Related party disclosures

C Transactions during the period/ year

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Unsecured loans given to							
Quadron Business Park Private Limited	-	-	-	7,509.00	4,681.93	7,509.00	4,681.93
Embassy Office Parks Private Limited	-	-	-	5,858.30	-	5,858.30	-
Manyata Promoters Private Limited	-	-	-	28,423.10	-	28,423.10	-
Qubix Business Park Private Limited	-	-	-	3,179.90	-	3,179.90	-
Oxygen Business Park Private Limited	-	-	-	4,030.30	-	4,030.30	-
Earnest Towers Private Limited	250.00	-	250.00	779.30	-	1,029.30	-
Vikhroli Corporate Park Private Limited	-	40.00	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	-	-	-	3,764.00	-	3,764.00	-
Embassy Energy Private Limited	-	6,000.00	6,000.00	400.00	-	6,400.00	-
Short term construction loan given							
Manyata Promoters Private Limited	-	-	-	3,050.00	-	3,050.00	-
Oxygen Business Park Private Limited	2,700.00	110.00	2,810.00	500.00	-	3,310.00	-
Embassy Office Parks Private Limited	100.00	520.00	620.00	-	-	620.00	-
Investment in debentures							
Golflinks Software Park Private Limited	-	-	-	2,500.00	-	2,500.00	-
Redemption of investment in debentures							
Golflinks Software Park Private Limited	458.10	448.51	906.61	869.01	-	1,775.62	-
Unsecured loans repaid by							
Embassy Office Parks Private Limited	703.75	410.59	1,114.34	560.00	-	1,674.34	-
Manyata Promoters Private Limited	1,365.89	1,107.48	2,473.37	2,370.00	-	4,843.37	-
Qubix Business Park Private Limited	87.23	67.68	154.91	145.00	-	299.91	-
Oxygen Business Park Private Limited	94.06	76.62	170.68	77.00	-	247.68	-
Earnest Towers Private Limited	250.23	170.09	420.32	319.30	-	739.62	-
Vikhroli Corporate Park Private Limited	91.64	47.24	138.88	130.00	-	268.88	-
Galaxy Square Private Limited	114.61	10.30	124.91	160.00	-	284.91	-
Umbel Properties Private Limited	7.47	11.93	19.40	50.00	-	69.40	-
Indian Express Newspapers (Mumbai) Private Limited	35.01	169.96	204.97	225.00	-	429.97	-
Embassy Energy Private Limited	36.92	341.61	378.53	-	-	378.53	-
Short term construction loan repaid by							
Manyata Promoters Private Limited	-	300.00	300.00	2,750.00	-	3,050.00	-
Oxygen Business Park Private Limited	2,700.00	510.00	3,210.00	100.00	-	3,310.00	-
Investment in equity shares of SPVs							
Embassy Office Parks Private Limited	-	-	-	-	62,768.25	-	62,768.25
Manyata Promoters Private Limited	-	-	-	-	48,790.52	-	48,790.52
Quadron Business Park Private Limited	-	-	-	-	13,689.26	-	13,689.26
Oxygen Business Park Private Limited	-	-	-	-	12,308.89	-	12,308.89
Earnest Towers Private Limited	-	-	-	-	12,138.78	-	12,138.78
Vikhroli Corporate Park Private Limited	-	-	-	-	10,710.94	-	10,710.94
Qubix Business Park Private Limited	-	-	-	-	5,595.08	-	5,595.08
Galaxy Square Private Limited	-	-	-	-	4,662.50	-	4,662.50
Umbel Properties Private Limited	-	-	-	-	2,841.67	-	2,841.67
Indian Express Newspapers (Mumbai) Private Limited	-	-	-	-	13,210.97	-	13,210.97
Embassy Energy Private Limited	-	-	-	-	732.79	-	732.79

24 Related party disclosures

C Transactions during the period/ year

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Margin money kept on behalf of Trust							
Embassy Office Parks Management Services Private Limited	-	-	-	-	20.00	-	20.00
Secondment fees							
Embassy Office Parks Management Services Private Limited	0.35	0.35	0.71	0.71	-	1.42	-
Investment management fees							
Embassy Office Parks Management Services Private Limited	56.02	55.34	111.36	103.45	-	214.81	-
Trademark license fees							
Embassy Shelters Private Limited	0.35	0.35	0.71	0.71	-	1.42	-
Trustee fee expenses							
Axis Trustee Services Limited	0.77	0.72	1.49	1.48	-	2.96	-
Marketing and advertisement expenses							
Lounge Hospitality LLP	-	0.06	0.06	-	-	0.06	-
Mac Charles (India) Limited	-	-	-	0.48	-	0.48	-
Travelling and conveyance							
Quadron Business Park Private Limited	-	-	-	0.02	-	0.02	-
Initial receipt from Co-sponsor-received/(repaid)							
Embassy Property Development Private Limited	-	-	-	-	0.50	-	0.50
Interest income							
Quadron Business Park Private Limited	379.97	384.90	764.87	742.04	-	1,506.91	-
Embassy Office Parks Private Limited	168.50	169.65	338.15	360.41	-	698.56	-
Manyata Promoters Private Limited	776.96	823.45	1,600.41	1,498.31	-	3,098.72	-
Qubix Business Park Private Limited	92.45	95.46	187.91	195.54	-	383.45	-
Oxygen Business Park Private Limited	121.72	138.61	260.33	250.49	-	510.82	-
Earnest Towers Private Limited	9.59	14.21	23.80	42.33	-	66.13	-
Vikhroli Corporate Park Private Limited	143.01	144.56	287.57	294.61	-	582.18	-
Galaxy Square Private Limited	74.13	75.14	149.27	155.94	-	305.21	-
Umbel Properties Private Limited	54.02	54.86	108.88	111.89	-	220.77	-
Indian Express Newspapers (Mumbai) Private Limited	104.96	111.36	216.32	198.03	-	414.35	-
Embassy Energy Private Limited	188.82	94.60	283.42	0.68	-	284.10	-
Interest received on debentures							
Golflinks Software Park Private Limited	21.90	31.49	53.39	90.99	-	144.38	-
Dividend Received							
Embassy Energy Private Limited	-	-	-	6.00	-	6.00	-
Indian Express Newspapers (Mumbai) Private Limited	87.85	-	87.85	7.87	-	95.72	-
Oxygen Business Park Private Limited	90.00	-	90.00	98.25	-	188.25	-
Deposits paid on behalf of Trust / Repaid by Trust							
Embassy Office Parks Private Limited	-	-	-	-	31.00	-	31.00

24 Related party disclosures

C Transactions during the period/ year

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Reimbursement of expenses							
Embassy Office Parks Private Limited	-	-	-	-	174.79	-	174.79
Manyata Promoters Private Limited	-	-	-	-	5.96	-	5.96
Qubix Business Park Private Limited	-	-	-	-	9.33	-	9.33
Oxygen Business Park Private Limited	-	-	-	-	9.11	-	9.11
Earnest Towers Private Limited	-	-	-	-	3.96	-	3.96
Vikhroli Corporate Park Private Limited	-	-	-	-	7.65	-	7.65
Quadron Business Park Private Limited	-	-	-	-	7.90	-	7.90
Galaxy Square Private Limited	-	-	-	-	9.10	-	9.10
Umbel Properties Private Limited	-	-	-	-	10.30	-	10.30
Embassy Energy Private Limited	-	-	-	-	6.15	-	6.15
Indian Express Newspapers (Mumbai) Private Limited	-	-	-	-	20.19	-	20.19
Embassy One Developers Private Limited	-	-	-	-	9.54	-	9.54
Embassy Office Parks Management Services Private Limited	4.98	3.59	8.56	47.70	157.50	56.26	157.50
Issue of Unit capital							
Embassy Property Development Private Limited	-	-	-	-	34,645.44	-	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	-	-	-	31,228.49	-	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	-	-	-	20.24	-	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	-	-	-	135.39	-	135.39
BRE/ Mauritius Investments	-	-	-	-	28,083.23	-	28,083.23
India Alternate Property Limited	-	-	-	-	11,834.10	-	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	-	-	-	7,770.49	-	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	-	-	-	1,941.58	-	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	-	-	-	38.24	-	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	-	-	-	10.66	-	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	-	-	-	8,548.39	-	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	-	-	-	2,130.08	-	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	-	-	-	20.36	-	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	-	-	-	12.10	-	12.10
BRE/Mauritius Investments II	-	-	-	-	13,689.26	-	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	-	-	-	4,454.94	-	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	-	-	-	1,112.97	-	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	-	-	-	21.13	-	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	-	-	-	6.04	-	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	-	-	-	9,798.86	-	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	-	-	-	2,448.42	-	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	-	-	-	48.25	-	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	-	-	-	13.36	-	13.36
BREP GML Holding (NQ) Pte. Limited.	-	-	-	-	3,712.50	-	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	-	-	-	927.45	-	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	-	-	-	17.54	-	17.54
BREP VII SBS GML Holding (NQ) Limited	-	-	-	-	5.01	-	5.01
Guarantee given to bank for loan obtained by SPV							
Manyata Promoters Private Limited	8,400.00	-	8,400.00	-	-	8,400.00	-

24 Related party disclosures

D Closing balances

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Unsecured loan receivable (non-current)			
Quadron Business Park Private Limited	12,582.58	4,681.93	-
Embassy Office Parks Private Limited	4,183.96	-	-
Manyata Promoters Private Limited	23,579.73	-	-
Qubix Business Park Private Limited	2,879.99	-	-
Oxygen Business Park Private Limited	3,782.62	-	-
Earnest Towers Private Limited	289.68	-	-
Vikhroli Corporate Park Private Limited	4,497.82	-	-
Galaxy Square Private Limited	2,264.89	-	-
Umbel Properties Private Limited	1,725.80	-	-
Indian Express Newspapers (Mumbai) Private Limited	3,334.03	-	-
Embassy Energy Private Limited	6,021.47	-	-
Short term construction loan			
Embassy Office Parks Private Limited	620.00	-	-
Investment in Debentures (current)			
Golflinks Software Park Private Limited	724.38	-	-
Investment in equity shares of subsidiary			
Embassy Office Parks Private Limited	62,768.25	62,768.25	-
Manyata Promoters Private Limited	48,790.52	48,790.52	-
Quadron Business Park Private Limited	13,689.26	13,689.26	-
Oxygen Business Park Private Limited	12,308.89	12,308.89	-
Earnest Towers Private Limited	12,138.78	12,138.78	-
Vikhroli Corporate Park Private Limited	10,710.94	10,710.94	-
Qubix Business Park Private Limited	5,595.08	5,595.08	-
Galaxy Square Private Limited	4,662.50	4,662.50	-
Umbel Properties Private Limited	2,254.21	2,841.67	-
Indian Express Newspapers (Mumbai) Private Limited	13,210.97	13,210.97	-
Embassy Energy Private Limited	732.79	732.79	-
Other Liabilities			
Embassy Office Parks Private Limited	-	205.79	-
Manyata Promoters Private Limited	-	5.96	-
Qubix Business Park Private Limited	-	9.33	-
Oxygen Business Park Private Limited	-	9.11	-
Earnest Towers Private Limited	-	3.96	-
Vikhroli Corporate Park Private Limited	-	7.65	-
Quadron Business Park Private Limited	-	7.90	-
Galaxy Square Private Limited	-	9.10	-
Umbel Properties Private Limited	-	10.30	-
Embassy Energy Private Limited	-	6.15	-
Indian Express Newspapers (Mumbai) Private Limited	-	20.19	-
Embassy One Developers Private Limited	-	9.54	-
Embassy Office Parks Management Services Private Limited	55.46	157.50	-
Trade Payables			
Embassy Office Parks Management Services Private Limited	4.66	-	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Private Limited	-	20.00	-
Initial refundable receipt from Co-sponsor			
Embassy Property Development Private Limited	-	0.50	-
Guarantee given to bank for loan obtained by SPV			
Manyata Promoters Private Limited	8,400.00	-	-

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2019	Unutilised amount as at 31 March 2019	Actual utilisation upto 31 March 2020	Unutilised amount as at 31 March 2020
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes including issue expenses	5,718.07	-	5,718.07	5,718.07	-
Total	47,500.00	4,681.93	42,818.07	47,500.00	-

26 Financial instruments :

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	31 March 2020	31 March 2020	31 March 2019	31 March 2019
Financial assets				
Fair value through profit and loss				
Investments in mutual funds	3,209.07	3,209.07	-	-
Amortised cost				
Investments	724.38	-	-	-
Loans	65,763.57	-	4,712.93	-
Cash and cash equivalents	2,845.45	-	42,818.53	-
Other financial assets	3.15	-	-	-
Total assets	72,545.62	3,209.07	47,531.46	-
Financial liabilities				
Amortised cost				
Borrowings	39,018.84	38,984.00	-	-
Other financial liabilities	88.48	-	6,036.31	-
Trade payables	6.68	-	-	-
Total liabilities	39,114.00	38,984.00	6,036.31	-

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

Fair value hierarchy

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

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

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

b) Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2020	3,209.07	3,209.07	-	-
Investment in mutual funds	31 March 2019	-	-	-	-

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

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

d) Determination of fair values

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

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

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

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

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

(all amounts in Rs. million unless otherwise stated)

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2020	Unutilised amount as at 31 March 2020
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs' and granting of shareholder debt to SPVs'	35,550.00	35,550.00	-
General purposes including issue expenses	950.00	950.00	-
Total	36,500.00	36,500.00	-

28 The Condensed Standalone financial statements have been prepared in accordance with Indian Accounting Standards 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. Accordingly, Embassy Office Parks REIT has prepared Condensed Standalone financial statements which comply with Ind AS applicable for year ended 31 March 2020, together with the comparative period data as at and for the year ended 31 March 2019, as described in the summary of significant accounting policies. In preparing these condensed standalone financial statements, Embassy Office Parks REIT's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS.

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 19 May 2020, have declared distribution to Unitholders of Rs. 6.89 per unit which aggregates to Rs. 5,316.77 million for the quarter ended 31 March 2020. The distributions of Rs. 6.89 per unit comprises Rs. 2.49 per unit in the form of interest payment, Rs. 0.23 per unit in the form of dividend and the balance Rs. 4.17 per unit in the form of amortization of SPV debt.

Along with distribution of Rs. 13,504.15 million/Rs. 17.50 per unit for the nine-months ended 31 December 2019, the cumulative distribution for the year ended 31 March 2020 aggregates to Rs. 18,820.92 million/Rs. 24.39 per unit.

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

32 The figures for the corresponding quarter and six months ended 31 March 2019, as reported in these Condensed Standalone financial statements have been compiled by the management and approved by the Board of Directors to give a true and fair view of the results in accordance with Ind AS. This information has not been subject to any limited review or audit.

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

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm's registration number: 101049W/E300004

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to the Embassy Office Parks REIT)

Sd/-

per Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

INDEPENDENT AUDITOR'S REPORT

To the Unitholders' of Embassy Office Parks REIT

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Embassy Office Parks REIT (the "REIT"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Unitholders' equity for the year then ended and the Statement of Net Assets at fair value as at March 31, 2020 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows of the REIT for the year then ended and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations, of the state of affairs of the REIT as at March 31, 2020, its profit including other comprehensive income, its cash flows, its statement of changes in Unitholders' equity for the year ended March 31, 2020, its net assets at fair value as at March 31, 2020, its total returns at fair value and the net distributable cash flows of the REIT for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
<p>Assessing impairment of Investments and loans made by the REIT in subsidiaries and joint venture entity (as described in note 3, 4, 5 and 7 of the standalone Ind AS financial statements)</p>	
<p>As at March 31, 2020, the carrying values of REIT's investment in subsidiaries and joint venture entity amounted to Rs.187,586.56 million. Further the REIT has granted loans to its subsidiaries amounting to Rs.65,762.57 million.</p> <p>Management reviews regularly whether there are any indicators of impairment of such investments/ loans by reference to the requirements under Ind AS. Management performs its impairment assessment by comparing the carrying value of these investments/ loans made to their recoverable amount to determine whether an impairment needs to be recognized.</p> <p>For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Significant judgements are required to determine the key assumptions used in determination of value in use.</p> <p>Considering the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> - We assessed the REIT's valuation methodology applied in determining the recoverable amount. - We involved valuation specialists to: <ul style="list-style-type: none"> (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - We compared the recoverable amount of the investment to the carrying value in books as at March 31, 2020. - As regards loans granted, we obtained and considered management evaluation of recoverability of loans and advances granted to its subsidiaries and joint venture entity. - We read/assessed the disclosures in the standalone Ind AS financial statements for compliance with the relevant accounting standards requirements.

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

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

Related party transactions and disclosures

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

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

We identified the accuracy and completeness of related party transactions and its disclosure as set out in respective notes to the standalone Ind AS financial statements as a key audit matter due to the significance of transactions with related parties during the year ended March 31, 2020 and regulatory compliance thereon.

Our audit procedures, included the following:

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

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

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

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

Other Information

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

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Management of the Manager ('the Management') is responsible for the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position as at March 31, 2020, financial performance including other comprehensive income, cash flows, the movement of the unit holders' equity for the year ended March 31, 2020, its net assets at fair value as at March 31, 2020, its total returns at fair value and the net distributable cash flows of the REIT for the year ended March 31, 2020, in accordance with the requirements of the REIT regulations; Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. This responsibility also includes the design, implementation and maintenance of adequate controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (b) The Balance Sheet and the Statement of Profit and Loss including the Statement of Other Comprehensive Income dealt with by this Report are in agreement with the books of account of the REIT; and
- (c) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

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

Sd/-
per Adarsh Ranka
Partner
Membership Number: 209567

UDIN: 20209567AAAABW7397

Place: Bengaluru, India
Date: May 19, 2020

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



	Note	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
ASSETS				
Non-current assets				
Financial assets				
- Investments	3	186,862.18	187,449.64	-
- Loans	4	65,143.57	4,712.93	-
Total non-current assets		252,005.75	192,162.57	-
Current assets				
Financial assets				
- Investments	5	3,933.45	-	-
- Cash and cash equivalents	6	2,845.45	42,818.53	-
- Loans	7	620.00	-	-
- Other financial assets	8	3.15	-	-
Other current assets	9	47.42	-	-
Total current assets		7,449.47	42,818.53	-
Total assets		259,455.22	234,981.10	-
EQUITY AND LIABILITIES				
EQUITY				
Unit capital	10	229,120.96	229,039.26	-
Other equity	11	(8,784.65)	(94.47)	-
Total equity		220,336.31	228,944.79	-
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	12	39,018.84	-	-
Total non-current liabilities		39,018.84	-	-
Current liabilities				
Financial liabilities				
- Trade payables	13			
- total outstanding dues of micro and small enterprises		-	-	
- total outstanding dues of creditors other than micro and small enterprises.		6.68	-	
- Other financial liabilities	14	88.48	6,036.31	
Other current liabilities	15	4.37	-	-
Current tax liabilities (net)	16	0.54	-	-
Total current liabilities		100.07	6,036.31	-
Total equity and liabilities		259,455.22	234,981.10	-
Significant accounting policies	2			

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

As per our report of even date attached

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

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

Sd/-
per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income and gains			
Dividend		289.97	-
Interest	17	8,229.01	-
Other income	18	155.34	-
Total Income		8,674.32	-
Expenses			
Valuation expenses		9.74	-
Audit fees	22	7.64	1.19
Investment management fees		214.81	-
Trustee fees		2.96	-
Legal and professional Fees		98.09	-
Other expenses	19	18.15	93.28
Total Expenses		351.39	94.47
Earnings/ (loss) before finance costs, depreciation, amortisation, impairment loss and tax		8,322.93	(94.47)
Finance costs	20	2,850.33	-
Depreciation and amortisation expense		-	-
Impairment loss	3	587.46	-
Profit/ (loss) before tax		4,885.14	(94.47)
Tax expense:	21		
Current tax		71.17	-
		71.17	-
Profit/ (loss) for the year		4,813.97	(94.47)
Items of other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of defined benefit liability, net of tax		-	-
Total comprehensive income for the year		4,813.97	(94.47)
Earning per unit - refer Note 23			
Basic		6.24	(5.22)
Diluted		6.24	(5.22)

Significant accounting policies

2

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

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

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

Sd/-
per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
Profit/ (loss) before tax	4,885.14	(94.47)
<i>Adjustments:</i>		
Interest income	(8,229.01)	-
Net changes in fair value of financial assets	(1.72)	-
Dividend	(289.97)	-
Gain / (loss) on mutual funds	(152.36)	-
Impairment loss	587.46	-
Finance costs	2,850.33	-
Operating cash flow before working capital changes	(350.13)	(94.47)
Changes in:		
Other current assets	(47.42)	-
Other current and non-current liabilities and provisions	4.37	-
Other current financial liabilities	(37.75)	125.97
Other financial assets	(3.15)	-
Trade payables	6.68	-
Cash (used in)/ generated from operations	(427.40)	31.50
Income taxes paid, net	(70.63)	-
Net cash (used in)/ generated from operating activities	(498.03)	31.50
Cash flow from investing activities		
Loans given to subsidiaries	(76,285.60)	(4,681.93)
Loans repaid by subsidiaries	15,596.61	-
Investment in subsidiary	(3,450.00)	-
Investment in debentures issued by joint venture	(2,500.00)	-
Redemption of debentures issued by joint venture	1,775.62	-
Interest received	7,837.35	-
Dividend received	289.97	-
Redemption / (Investments) in mutual funds, (net)	(3,054.99)	-
Net cash generated from/(used in) investing activities	(59,791.04)	(4,681.93)
Cash flow from financing activities		
Proceeds from issue of units	-	47,499.96
Expenses incurred towards Initial Public Offering	(2,378.64)	-
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)	36,168.51	-
Distribution to unitholders	(13,503.88)	-
Security deposits (given)/ repaid	30.00	(31.00)
Net cash (used in)/generated from financing activities	20,315.99	47,468.96
Net increase/ (decrease) in cash and cash equivalents	(39,973.08)	42,818.53
Cash and cash equivalents at the beginning of the year	42,818.53	-
Cash and cash equivalents at the end of the year	2,845.45	42,818.53
Cash and cash equivalents comprise:		
Cash on hand	-	-
Balances with banks		
- in current accounts	2,845.19	0.50
- in escrow accounts	0.26	42,818.03
Cash and cash equivalents at the end of the year	2,845.45	42,818.53

Note: The Trust has issued Units in exchange for investments in SPVs during previous year ended 31 March 2019. The same has not been reflected in Standalone Statement of Cash Flows since these were non-cash transactions. Further the Trust has also paid a cash consideration of Rs. 3,450 million towards acquisition of interest in IENMPL.

Significant accounting policies

2

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

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

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

Sd/-
per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

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



A. Unit Capital

Balance as on 1 April 2018	-
Add: Units issued during the year - refer Note: 10	231,499.60
Less: Issue expenses	(2,460.34)
Balance as at 31 March 2019	229,039.26
As at 1 April 2019	229,039.26
Add: Reversal of issue expenses no longer payable	81.70
Balance as at 31 March 2020	229,120.96

B. Other equity

Particulars	Retained Earnings
Balance as on 1 April 2018	-
Profit/ (loss) for the year	(94.47)
Balance as at 31 March 2019	(94.47)
Balance as on 1 April 2019	(94.47)
Profit for the year ended 31 March 2020	4,813.97
- Less: Distribution to Unitholders for the quarter ended 30 June 2019*	(4,166.99)
- Less: Distribution to Unitholders for the quarter ended 30 September 2019*	(4,630.00)
- Less: Distribution to Unitholders for the quarter ended 31 December 2019*	(4,707.16)
Balance as at 31 March 2020	(8,784.65)

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

As per our report of even date attached

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

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

Sd/-
per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
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Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

A) Statement of Net Assets at fair value

S.No	Particulars	Unit of measurement	As at 31 March 2020	
			Book value	Fair value
A	Assets	Rs in millions	259,455.22	316,939.32
B	Liabilities	Rs in millions	39,118.91	39,118.91
C	Net Assets (A-B)	Rs in millions	220,336.31	277,820.41
D	No. of units	Numbers	771,665,343	771,665,343
E	NAV (C/D)	Rs	285.53	360.03

Notes

1) Measurement of fair values:

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

2) Break up of Net asset value as at 31 March 2020

Particulars	As at 31 March 2020
Fair value of investments in SPVs	310,109.83
Add: Other assets	6,829.49
Less : Liabilities	(39,118.91)
Net Assets	277,820.41

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

B) Statement of Total Returns at fair value

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

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

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

Sd/-
per Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

Embassy Office Parks REIT

RN: IN/REIT/17-18/0001

(all amounts in Rs. million unless otherwise stated)

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

SI No	Particulars	For the year ended 31 March 2020
1	Cash flows received from SPVs and investment entity in the form of:	
	• Interest	7,823.93
	• Dividends (net of applicable taxes)	289.97
	• Repayment of Shareholder Debt	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	167.05
5	Less: Any other expense accruing at the Trust level, and not captured herein	(23.40)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(2.96)
	• REIT Management Fees	(214.81)
	• Valuer fees	(9.74)
	• Legal and professional fees	(102.89)
	• Trademark license fees	(1.42)
	• Secondment fees	(1.42)
7	Less: Debt servicing	
	• Interest on external debt	-
	• Repayment of external debt	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(70.62)
Net Distributable Cash Flows		18,865.92

Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on 19 May 2020, have declared distribution to unitholders of Rs 6.89 per unit which aggregates to Rs. 5,316.77 million for the quarter ended 31 March 2020. The distributions of Rs 6.89 per unit comprises Rs. 2.49 per unit in the form of interest payment, Re.0.23 per unit in the form of dividend and the balance Rs. 4.17 per unit in the form of amortization of SPV debt.
Along with distribution of Rs. 17.50 per unit for the nine-months ended 31 December 2019, the cumulative distribution for the year ended 31 March 2020 aggregates to Rs. 24.39 per unit.
- Repayment of short-term construction debt given to SPV's are not considered for the purpose of distributions.
- Since the Trust was listed only on 1 April 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

As per our report of even date attached

for S R Batliboi & Associates LLP

Chartered Accountants

Firm's registration number: 101049W/E300004

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Pvt Ltd

(as Manager to the Embassy Office Parks REIT)

Sd/-

per Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

1. Trust Information

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

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

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

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

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

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

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

(all amounts in Rs. million unless otherwise stated)

Details of SPV's are provided below

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

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

(all amounts in Rs. million unless otherwise stated)

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

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

(all amounts in Rs. million unless otherwise stated)



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) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
GLSP	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bangalore.	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)

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2. Significant accounting policies

2.1 Basis of preparation of Standalone financial statements

The Standalone financial statements of the Trust comprises the Standalone Balance Sheet and Statement of Net Assets at fair value as at 31 March 2020, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flow, the Statement of Net Distributable Cashflows, the Standalone Statement of Changes in Unitholder's Equity, Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the year ended 31 March 2020. The Standalone financial statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 19 May 2020.

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

Embassy Office Parks REIT has prepared Standalone financial statements which comply with Ind AS applicable for year ending on 31 March 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these Standalone financial statements, Embassy Office Parks REIT's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS. There were no adjustments made by the Trust in restating Indian GAAP financial statements, and accordingly disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

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

Statement of compliance to Ind-AS

These Standalone financial statements for the year ended 31 March 2020 are the separate financial statements of the Embassy Office Parks REIT and have been prepared in accordance with Indian Accounting Standards as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent not inconsistent with REIT regulations.

Changes in accounting policies and disclosures

New and amended standards

The Trust applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 2.2(m).

Several other amendments apply for the first time for the year ended 31 March 2020, but does not have an impact on the Standalone financial statements of the Trust.

2.2 Summary of significant accounting policies

a) Functional and presentation currency

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

b) Basis of measurement

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

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

c) Use of judgments and estimates

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

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

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

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

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

- i) Valuation of financial instruments – Refer Note 2.2 (h)
- ii) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(q)(ii).
- iii) Estimation of uncertainties relating to the global health pandemic from COVID-19

The Trust has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its investments in SPVs including loans and other receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Trust, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Trust. The Trust has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet

as at 31 March 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 Standalone financial statements.

iv) **Impairment of investments and loans in subsidiaries**

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

v) **Fair valuation and disclosures**

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

d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

e) Measurement of fair values

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

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

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

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

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

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

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

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

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

f) Impairment of non-financial assets

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

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

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

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

g) Foreign currency transactions

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

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

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

h) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

i) Compound financial instruments

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

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

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

j) Impairment of financial assets

Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

k) Embedded derivatives

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

l) Financial guarantee contracts

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

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

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

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

Embassy Office Parks REIT as a lessee

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

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

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

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

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

Office Parks REIT recognises any remaining amount of the re-measurement in statement of profit and loss.

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

Embassy Office Parks REIT as a lessor

i. Determining whether an arrangement contains a lease

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

ii. Assets held under leases

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

iii. Initial direct costs

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

Transition to Ind AS 116

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

Effective 1 April 2019, the Trust has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on 1 April 2019. There has been no significant impact in view of adoption of Ind AS 116 for the year ended 31 March 2020. Further, the applicability of Ind AS 116 did not affect the revenue /reserves of the Trust reported during earlier year. Ind AS 116 requires extensive disclosures. However, considering that the application did not have impact on the REIT, no further disclosure have been made.

The Trust is not a lessor or lessee for any lease contracts as at 31 March 2020.

n) Revenue recognition

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

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

Recognition of dividend income, interest income

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

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

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

o) Investments in subsidiaries and joint ventures

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

p) Borrowing costs

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

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

q) Taxation

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

(i) Current tax:

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

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

(ii) Deferred tax:

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

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

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

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

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

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

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

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

r) Provisions and contingencies

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

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

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

s) Operating segments

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

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

t) Errors and estimates

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

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

u) Cash and cash equivalents

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

v) Cash distributions to unitholders

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

w) 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, amortisation, impairment loss and income tax

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

z) Distribution Policy

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

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

- not less than 90% of the NDCF of the SPVs are required to be distributed to the Embassy Office Parks REIT, in proportion to its shareholding in the SPV, subject to applicable provisions of the Companies Act, 2013.
- 100% of the cash flows received by the Holding Company from the underlying SPVs are required to be distributed to the Embassy Office Parks REIT, and not less than 90% of the NDCF generated by the Holding Company on its own shall be distributed to the Embassy Office Parks REIT, subject to applicable provisions of the Companies Act, 2013.
- The aforesaid net distributable cash flows are made available to Embassy Office Parks REIT in the form of (i) interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the SPV's/Holding Company, (ii) Principal repayment of Shareholder Debt, (iii) dividend declared by the SPVs/Holding Company and received by Embassy Office Parks REIT and (iv) Proceeds from sale of any Embassy REIT assets.

Since Embassy Office Parks REIT has committed to quarterly distributions, any shortfall as regards minimum quarterly distribution by the SPVs and Holding Company to Embassy Office Parks REIT, post interest paid on Shareholder Debt, interim dividend payments and Principal repayment of Shareholder Debt, would be done by declaring additional 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.

Non-current assets

3 Non-current investments

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Trade, unquoted, Investments in subsidiaries (at cost)			
(refer note below)			
- 405,940,204 (31 March 2019: 405,940,204) equity shares of Umbel Properties Private Limited of Rs.10 each, fully paid up	2,841.67	2,841.67	-
Less: Provision for impairment *	(587.46)	-	-
	2,254.21	2,841.67	-
- 8,703,248 (31 March 2019 : 8,703,248) equity shares of Embassy Office Parks Private Limited of Rs.10 each, fully paid up	62,768.25	62,768.25	-
- 727,538 (31 March 2019: 727,538) equity shares of Manyata Promoters Private Limited of Rs.10 each, fully paid up	48,790.52	48,790.52	-
- 271,611 (31 March 2019: 271,611) equity shares of Qubix Business Park Private Limited of Rs.10 each, fully paid up	5,595.08	5,595.08	-
- 1,884,747 (31 March 2019: 1,884,747) equity shares of Oxygen Business Park Private Limited of Rs.10 each, fully paid up	12,308.89	12,308.89	-
- 185,604,589 (31 March 2019: 185,604,589) equity shares of Earnest Towers Private Limited of Rs.10 each, fully paid up	12,138.78	12,138.78	-
- 6,134,015 (31 March 2019: 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of Rs.10 each, fully paid up	10,710.94	10,710.94	-
- 124,561 (31 March 2019: 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.10 each, fully paid up	6,463.79	6,463.79	-
- 130,022 (31 March 2019: 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.10 each, fully paid up	6,747.17	6,747.17	-
- 2,129,635 (31 March 2019: 2,129,635) equity shares of Quadron Business Park Private Limited of Rs.10 each, fully paid up	13,689.26	13,689.26	-
- 107,958 (31 March 2019: 107,958) equity shares of Galaxy Square Private Limited of Rs.100 each, fully paid up	4,662.50	4,662.50	-
- 1,999 (31 March 2019: 1,999) equity shares of Embassy Energy Private Limited of Rs.10 each, fully paid up	732.79	732.79	-
	184,607.97	184,607.97	-
	186,862.18	187,449.64	-
Aggregate amount of impairment recognised	587.46	-	-

Note : The Trust has issued Units as consideration to acquire these investments wherein the tradable REIT Units have been valued at Rs 300 each. Further the Trust has also paid a cash consideration of Rs. 3,450 million towards acquisition of interest in IENMPL.

* The recoverable amount of the investments in subsidiary has been computed based on value in use calculation of the underlying properties. The value in use calculation is based on discounted cash flow model. As at 31 March 2020, an amount of Rs. 587.46 million (31 March 2019: Rs. Nil) has been provided as impairment on investment in a subsidiary Company, Umbel Properties Private Limited, which is in the business of hospitality operations. The impairment charge arose in UPPL (Hilton @ Embassy Golflinks) mainly due to impact on occupancy given the current economic conditions due to Covid-19 pandemic. In determining value in use for investment in Umbel Properties Private Limited, the cash flows were discounted at the rate of 12.63%.

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

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

Name of Subsidiary	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Embassy Office Parks Private Limited	100.00%	100.00%	-
Manyata Promoters Private Limited*	64.23%	64.23%	-
Umbel Properties Private Limited	100.00%	100.00%	-
Embassy Energy Private Limited **	19.99%	19.99%	-
Earnest Towers Private Limited	100.00%	100.00%	-
Indian Express Newspapers (Mumbai) Private Limited	100.00%	100.00%	-
Vikhroli Corporate Park Private Limited	100.00%	100.00%	-
Qubix Business Park Private Limited	100.00%	100.00%	-
Quadron Business Park Private Limited	100.00%	100.00%	-
Oxygen Business Park Private Limited	100.00%	100.00%	-
Galaxy Square Private Limited	100.00%	100.00%	-

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

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

4 Loans

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Unsecured, considered good			
Loan to subsidiaries- refer Note 25	65,142.57	4,681.93	-
Security deposits			
- others	1.00	31.00	-
	65,143.57	4,712.93	-

Security: Unsecured

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

Repayment:

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

5 Current investments

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Non-trade, Unquoted, Investment in mutual funds			
HDFC Liquid Fund-Growth	1,010.72	-	-
HDFC Overnight Fund-Growth	255.01	-	-
ICICI Prudential Liquid Fund-Growth	1,350.77	-	-
IDFC Cash Fund - Growth	390.15	-	-
Axis Liquid Fund - Growth	202.42	-	-
Trade, unquoted investments measured at amortised cost			
- Investment in Debentures of a joint venture entity - refer note 25	724.38	-	-
2,500 (31 March 2019: Nil) 8.5% debentures of Rs 1 million each (current portion)			
	3,933.45	-	-
Investment measured at amortised cost	724.38	-	-
Investment measured at fair value through profit or loss	3,209.07	-	-
Investments measured at fair value through other comprehensive income	-	-	-
Aggregate amount of impairment recognised	-	-	-

Terms attached to Investment in Debentures of a joint venture entity

- 2,500 (31 March 2019 Rs. Nil) unlisted, unrated, secured redeemable, non-convertible debentures of Golfinks Software Park Private Limited with face value of Rs.1,000,000 each. Outstanding as on 31 March 2020 Rs.724.38 million (31 March 2019 Rs. Nil).
- Interest Rate : 8.50% p.a. on monthly outstanding balance.
- Security : The debentures are secured by first ranking exclusive security interest over Torrey Pines building.
- Redemption : Debentures shall be redeemed in 16 monthly instalment (principal and interest) of Rs. 160.00 million each and 17th instalment of Rs. 98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

6 Cash and cash equivalents

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Balances with banks			
- in current accounts *	2,845.19	0.50	-
- in escrow accounts			
- Balances with banks for unclaimed distributions	0.26	-	-
- Others **	-	42,818.03	-
	2,845.45	42,818.53	-

* Balance in current accounts includes cheques on hand received from SPV's in respect of interest/principal repayments of loans for the year ended 31 March 2020 amounting to Rs.2,121.94 million (31 March 2019 : Rs. Nil).

** Represents balance Nil (31 March 2019: Rs. 42,818.03 million) from proceeds of initial public offer of REIT Units (Total proceeds Rs. 47,499.96 million). As at 31 March 2019, this amount held in the Escrow account could be withdrawn for specific purposes.

7 Loans

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
<i>Unsecured, considered good</i>			
Loan to subsidiaries- refer Note 25	620.00	-	-
	620.00	-	-

Security: Unsecured

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

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

8 Other financial assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Other receivables	3.15	-	-
	3.15	-	-

9 Other current assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
<i>Unsecured, considered good</i>			
Advance for supply of goods and rendering of services	0.44	-	-
Balances with government authorities	8.82	-	-
Prepayments	38.16	-	-
	47.42	-	-

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10 Unit capital

Unit Capital	No in Million	Amount
As at 1 April 2018	-	-
Units issued during the year		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	158.33	47,499.96
- in exchange for equity interest in SPVs (refer note iii below)	613.34	183,999.64
Less: Issue expenses (Refer note below)	-	(2,460.34)
As at 31 March 2019	771.67	229,039.26
As at 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
Closing balance as at 31 March 2020	771.67	229,120.96

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital as at 31 March 2019 in accordance with Ind AS 32 Financial Instruments: Presentation. Further, during the year ended 31 March 2020, excess provision no longer payable, has been reversed amounting to Rs.81.70 million.

(a) Terms/rights attached to Units

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

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

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

- (iii) Embassy Office Parks REIT has acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of Rs. 300 each as per the table below and the Trust has also paid a cash consideration of Rs. 3,450 million towards acquisition of interest in IENMPL.

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

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

Name of the share holder	As at 31 March 2020		As at 31 March 2019	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Limited	104,094,966	13.49%	104,094,966	13.49%
BRE Mauritius Investments	93,610,755	12.13%	93,610,755	12.13%
Veeranna Reddy	65,472,582	8.48%	65,472,582	8.48%
Bre/Mauritius Investments II	45,630,850	5.91%	45,630,850	5.91%
India Alternate Property Limited	39,446,986	5.11%	39,446,986	5.11%

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

11 Other equity

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Retained earnings *	(8,784.65)	(94.47)	-
	(8,784.65)	(94.47)	-

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

Retained earnings

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

12 Borrowings

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	01 April 2018
Secured			
36,500 (31 March 2019 : Nil) Embassy REIT Series I NCD 2019, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost)			
- Tranche I	32,351.18	-	-
- Tranche II	6,667.66	-	-
	39,018.84	-	-

Note:

- (i) In May 2019, the Trust issued 30,000 (31 March 2019: Nil) listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019 (Tranche I), debentures having face value of Rs. 1 million each amounting to Rs. 30,000.00 million with an Internal Rate of Return (IRR) of 9.4% and will mature on 2 June 2022. In November 2019, the Trust further issued 6,500 such debentures (Tranche II) with an Internal Rate of Return (IRR) of 9.05% and with same terms and conditions as Tranche I.

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

Security terms

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

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase I) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park".
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.

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

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

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

12 Borrowings (continued)

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

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

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

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

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

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

c) Debt Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/ (Finance costs + Principal Repayments made during the period)

d) Interest Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/ Finance costs (net of capitalisation)

e) Net worth = Unit capital + Other equity

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

13 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Trade payable			
- Total outstanding dues to micro and small enterprises (refer note (ii) below)	-	-	-
- Total outstanding dues other than micro and small enterprises			
- to related party- refer Note 25	4.66	-	-
- to others	2.02	-	-
	6.68	-	-

Notes :

(i) All the trade payables are current in nature. The Trust's exposure to currency and liquidity risks related to trade payables is disclosed in Note :27.

(ii) The Trust does not have any dues of principal or interest to micro and small enterprises as at 31 March 2020 and 31 March 2019.

14 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Unclaimed distribution	0.26	-	-
Other liabilities			
- to related party - refer Note 25	55.46	462.98	-
- to others*	32.76	5,573.33	-
	88.48	6,036.31	-

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

15 Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Statutory dues	4.37	-	-
	4.37	-	-

16 Current tax liabilities (net)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Provision for income-tax, net of advance tax	0.54	-	-
	0.54	-	-

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17 Interest income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income		
- on fixed deposits	13.43	-
- on debentures (refer note 25)	144.38	-
- on loan to subsidiaries (refer note 25)	8,071.20	-
	8,229.01	-

18 Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Gain / (loss) on mutual funds *	154.08	-
Miscellaneous	1.26	-
	155.34	-

* Includes net changes in fair value of mutual funds for the year ended 31 March 2020 of Rs. 1.72 millions (31 March 2019 of Rs. Nil).

19 Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Bank charges	0.26	-
Rates and taxes	1.48	-
Travelling and conveyance	0.17	-
Marketing and advertisement expenses	15.56	93.28
Miscellaneous expenses	0.68	-
	18.15	93.28

20 Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense		
- Accrual of premium on redemption of debentures	2,850.33	-
	2,850.33	-

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

21 Tax expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax	71.17	-
	71.17	-

Reconciliation of tax expense and the profit multiplied by tax rate

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	4,885.14	(94.47)
Domestic tax rate	42.74%	35.88%
Tax using the Trust's domestic tax rate	2,088.10	-
Effect of exempt incomes	(3,635.61)	-
Effect of non-deductible expenses	1,619.65	-
Others	(0.97)	-
Tax expense	71.17	-

22 Auditor's remuneration

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor		
- statutory audit	3.10	1.18
- limited review	4.10	-
Reimbursement of expenses	0.44	0.01
	7.64	1.19

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

(all amounts in Rs. million unless otherwise stated)

**23 Earnings Per Unit (EPU)**

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

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
EPU	4,813.97	(94.47)
Weighted average number of Units (No. in million)	771.67	18.10
Earnings Per Unit		
- Basic (Rupees/unit)	6.24	(5.22)
- Diluted (Rupees/unit) *	6.24	(5.22)

* The Trust does not have any outstanding dilutive units.

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

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Guarantee given to a Bank for loan obtained by a SPV	8,400.00	-	-

Note

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

b. Statement of capital and other commitments

i) There are no capital commitments as at 31 March 2020, 31 March 2019 and 1 April 2018.

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

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25 Related party disclosures

I. List of related parties as at 31 March 2020 (refer notes below)

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

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

BRE/ Mauritius Investments - Co-Sponsor

SG Indian Holding (NQ) Co. I Pte. Limited
SG Indian Holding (NQ) Co. II Pte. Limited
SG Indian Holding (NQ) Co. III Pte. Limited
BRE/Mauritius Investments II;
BREP NTPL Holding (NQ) Pte Limited
BREP VII NTPL Holding (NQ) Pte Limited
BREP Asia SBS NTPL Holding (NQ) Limited
BREP VII SBS NTPL Holding (NQ) Limited
BREP GML Holding (NQ) Pte Limited
BREP VII GML Holding (NQ) Pte Limited
BREP Asia SBS GML Holding (NQ) Limited
BREP VII SBS GML Holding (NQ) Limited
BREP Asia SG Oxygen Holding (NQ) Pte Limited

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

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

Directors

Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri (w.e.f. 6 August 2018)
Punita Kumar Sinha (w.e.f. 6 August 2018)
Robert Christopher Heady (w.e.f. 6 August 2018)
Aditya Virwani (w.e.f. 6 August 2018)
Asheesh Mohta - Director (w.e.f. 28 June 2019, alternate to Robert Christopher Heady)

Key management personnel

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

(i) Subsidiary (SPV)

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

(ii) Joint Venture

Golflinks Software Park Private Limited

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

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

Embassy Office Parks REIT

RN: IN/REIT/17-18/0001

Notes to the Standalone financial statements

(all amounts in Rs. million unless otherwise stated)

**25 Related party disclosures****C Transactions during the year**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Unsecured loans given to		
Quadron Business Park Private Limited	7,509.00	4,681.93
Embassy Office Parks Private Limited	5,858.30	-
Manyata Promoters Private Limited	28,423.10	-
Qubix Business Park Private Limited	3,179.90	-
Oxygen Business Park Private Limited	4,030.30	-
Earnest Towers Private Limited	1,029.30	-
Vikhroli Corporate Park Private Limited	4,766.70	-
Galaxy Square Private Limited	2,549.80	-
Umbel Properties Private Limited	1,795.20	-
Indian Express Newspapers (Mumbai) Private Limited	3,764.00	-
Embassy Energy Private Limited	6,400.00	-
Short term construction loan given		
Manyata Promoters Private Limited	3,050.00	-
Oxygen Business Park Private Limited	3,310.00	-
Embassy Office Parks Private Limited	620.00	-
Investment in debentures		
Golflinks Software Park Private Limited	2,500.00	-
Redemption of investment in debentures		
Golflinks Software Park Private Limited	1,775.62	-
Unsecured loans repaid by		
Embassy Office Parks Private Limited	1,674.34	-
Manyata Promoters Private Limited	4,843.37	-
Qubix Business Park Private Limited	299.91	-
Oxygen Business Park Private Limited	247.68	-
Earnest Towers Private Limited	739.62	-
Vikhroli Corporate Park Private Limited	268.88	-
Galaxy Square Private Limited	284.91	-
Umbel Properties Private Limited	69.40	-
Indian Express Newspapers (Mumbai) Private Limited	429.97	-
Embassy Energy Private Limited	378.53	-
Short term construction loan repaid by		
Manyata Promoters Private Limited	3,050.00	-
Oxygen Business Park Private Limited	3,310.00	-
Investment in equity shares of SPVs		
Embassy Office Parks Private Limited	-	62,768.25
Manyata Promoters Private Limited	-	48,790.52
Quadron Business Park Private Limited	-	13,689.26
Oxygen Business Park Private Limited	-	12,308.89
Earnest Towers Private Limited	-	12,138.78
Vikhroli Corporate Park Private Limited	-	10,710.94
Qubix Business Park Private Limited	-	5,595.08
Galaxy Square Private Limited	-	4,662.50
Umbel Properties Private Limited	-	2,841.67
Indian Express Newspapers (Mumbai) Private Limited	-	13,210.97
Embassy Energy Private Limited	-	732.79

25 Related party disclosures

C Transactions during the year

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Margin money kept on behalf of Trust		
Embassy Office Parks Management Services Private Limited	-	20.00
Secondment fees		
Embassy Office Parks Management Services Private Limited	1.42	-
Investment management fees		
Embassy Office Parks Management Services Private Limited	214.81	-
Trademark license fees		
Embassy Shelters Private Limited	1.42	-
Trustee fee expenses		
Axis Trustee Services Limited	2.96	-
Marketing and advertisement expenses		
Mac Charles (India) Limited	0.48	-
Lounge Hospitality LLP	0.06	-
Travelling and conveyance		
Quadron Business Park Private Limited	0.02	-
Initial receipt from Co-sponsor-received/(repaid)		
Embassy Property Development Private Limited	-	0.50
Interest income		
Quadron Business Park Private Limited	1,506.91	-
Embassy Office Parks Private Limited	698.56	-
Manyata Promoters Private Limited	3,098.72	-
Qubix Business Park Private Limited	383.45	-
Oxygen Business Park Private Limited	510.82	-
Earnest Towers Private Limited	66.13	-
Vikhroli Corporate Park Private Limited	582.18	-
Galaxy Square Private Limited	305.21	-
Umbel Properties Private Limited	220.77	-
Indian Express Newspapers (Mumbai) Private Limited	414.35	-
Embassy Energy Private Limited	284.10	-
Interest received on debentures		
Golflinks Software Park Private Limited	144.38	-
Dividend Received		
Embassy Energy Private Limited	6.00	-
Indian Express Newspapers (Mumbai) Private Limited	95.72	-
Oxygen Business Park Private Limited	188.25	-
Deposits paid on behalf of Trust / Repaid by Trust		
Embassy Office Parks Private Limited	-	31.00

Embassy Office Parks REIT

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Notes to the Standalone financial statements

(all amounts in Rs. million unless otherwise stated)

**25 Related party disclosures****C Transactions during the year**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Reimbursement of expenses		
Embassy Office Parks Private Limited	-	174.79
Manyata Promoters Private Limited	-	5.96
Qubix Business Park Private Limited	-	9.33
Oxygen Business Park Private Limited	-	9.11
Earnest Towers Private Limited	-	3.96
Vikhroli Corporate Park Private Limited	-	7.65
Quadron Business Park Private Limited	-	7.90
Galaxy Square Private Limited	-	9.10
Umbel Properties Private Limited	-	10.30
Embassy Energy Private Limited	-	6.15
Indian Express Newspapers (Mumbai) Private Limited	-	20.19
Embassy One Developers Private Limited	-	9.54
Embassy Office Parks Management Services Private Limited	56.26	157.50
Issue of Unit capital		
Embassy Property Development Private Limited	-	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	135.39
BRE/ Mauritius Investments	-	28,083.23
India Alternate Property Limited	-	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	12.10
BRE/Mauritius Investments II	-	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	13.36
BREP GML Holding (NQ) Pte. Limited.	-	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	17.54
BREP VII SBS GML Holding (NQ) Limited	-	5.01
Guarantee given to bank for loan obtained by SPV		
Manyata Promoters Private Limited	8,400.00	-

25 Related party disclosures**D Closing balances**

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Unsecured loan receivable (non-current)			
Quadron Business Park Private Limited	12,582.58	4,681.93	-
Embassy Office Parks Private Limited	4,183.96	-	-
Manyata Promoters Private Limited	23,579.73	-	-
Qubix Business Park Private Limited	2,879.99	-	-
Oxygen Business Park Private Limited	3,782.62	-	-
Earnest Towers Private Limited	289.68	-	-
Vikhroli Corporate Park Private Limited	4,497.82	-	-
Galaxy Square Private Limited	2,264.89	-	-
Umbel Properties Private Limited	1,725.80	-	-
Indian Express Newspapers (Mumbai) Private Limited	3,334.03	-	-
Embassy Energy Private Limited	6,021.47	-	-
Short term construction loan			
Embassy Office Parks Private Limited	620.00	-	-
Investment in Debentures (current)			
Golflinks Software Park Private Limited	724.38	-	-
Investment in equity shares of subsidiary			
Embassy Office Parks Private Limited	62,768.25	62,768.25	-
Manyata Promoters Private Limited	48,790.52	48,790.52	-
Quadron Business Park Private Limited	13,689.26	13,689.26	-
Oxygen Business Park Private Limited	12,308.89	12,308.89	-
Earnest Towers Private Limited	12,138.78	12,138.78	-
Vikhroli Corporate Park Private Limited	10,710.94	10,710.94	-
Qubix Business Park Private Limited	5,595.08	5,595.08	-
Galaxy Square Private Limited	4,662.50	4,662.50	-
Umbel Properties Private Limited	2,254.21	2,841.67	-
Indian Express Newspapers (Mumbai) Private Limited	13,210.97	13,210.97	-
Embassy Energy Private Limited	732.79	732.79	-
Other Liabilities			
Embassy Office Parks Private Limited	-	205.79	-
Manyata Promoters Private Limited	-	5.96	-
Qubix Business Park Private Limited	-	9.33	-
Oxygen Business Park Private Limited	-	9.11	-
Earnest Towers Private Limited	-	3.96	-
Vikhroli Corporate Park Private Limited	-	7.65	-
Quadron Business Park Private Limited	-	7.90	-
Galaxy Square Private Limited	-	9.10	-
Umbel Properties Private Limited	-	10.30	-
Embassy Energy Private Limited	-	6.15	-
Indian Express Newspapers (Mumbai) Private Limited	-	20.19	-
Embassy One Developers Private Limited	-	9.54	-
Embassy Office Parks Management Services Private Limited	55.46	157.50	-
Trade Payables			
Embassy Office Parks Management Services Private Limited	4.66	-	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Private Limited	-	20.00	-
Initial refundable receipt from Co-sponsor			
Embassy Property Development Private Limited	-	0.50	-
Guarantee given to bank for loan obtained by SPV			
Manyata Promoters Private Limited	8,400.00	-	-

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2019	Unutilised amount as at 31 March 2019	Actual utilisation upto 31 March 2020	Unutilised amount as at 31 March 2020
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes including issue expenses	5,718.07	-	5,718.07	5,718.07	-
Total	47,500.00	4,681.93	42,818.07	47,500.00	-

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	31 March 2020	31 March 2020	31 March 2019	31 March 2019
Financial assets				
Fair value through profit and loss				
Investments in mutual funds	3,209.07	3,209.07	-	-
Amortised cost				
Investments	724.38	-	-	-
Loans	65,763.57	-	4,712.93	-
Cash and cash equivalents	2,845.45	-	42,818.53	-
Other financial assets	3.15	-	-	-
Total assets	72,545.62	3,209.07	47,531.46	-
Financial liabilities				
Amortised cost				
Borrowings	39,018.84	38,984.00	-	-
Other financial liabilities	88.48	-	6,036.31	-
Trade payables	6.68	-	-	-
Total liabilities	39,114.00	38,984.00	6,036.31	-

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.

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 Standalone financial statements.

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

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

c) Financial instruments

Quantitative disclosures of fair value measurement hierarchy for assets as at :

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2020	3,209.07	3,209.07	-	-
Investment in mutual funds	31 March 2019	-	-	-	-

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

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

Determination of fair values

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

- 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.

e) Financial risk management

The Trust has exposure to following risks arising from financial instruments:

- Credit risk (refer note (b) below)
- Liquidity risk (refer note (c) below)
- Market risk (refer note (d) below)

a. Risk management framework

The Board of Directors of the Manager of the Trust has overall responsibility for the establishment and oversight of the the Trust's risk management framework. The Trust's risk management policies are established to identify and analyse the risks faced by the Turst, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities.

The Board of Directors of the Manager of the Trust, monitors compliance with the Trust's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

b. Credit risk

Credit risk is the risk of financial loss to the Trust if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Trust's receivables from loans given to its SPV's and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

The Trust establishes an allowance account for impairment that represents its estimate of losses in respect of its financial assets. The main component of this allowance is estimated losses that relate to specific tenants or counterparties. The allowance account is used to provide for impairment losses. Subsequently when the Trust is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

Cash at bank and fixed deposits are placed with financial institutions which are regulated and have low risk.

As at the reporting date, there is no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Balance Sheet.

c. Liquidity Risk

Liquidity risk is the risk that the trust will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The trust's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the trust's reputation.

Management monitors rolling forecasts of the trust's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Management of the trust in accordance with practice and limits set by the trust. In addition, the trust's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet those, monitoring balance sheet liquidity ratios and maintaining debt refinancing plans.

Maturities of financial liabilities

The following are the Trust's remaining contractual maturities of financial liabilities as the reporting date. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Trust may be required to pay and includes contractual interest payments and excludes the impact of netting agreements. The Trust believes that the working capital is sufficient to meet its current requirements, accordingly no liquidity risk is perceived.

Particulars	Carrying value	Contractual cash flows				Total
		0 - 12 months	1-2 years	3-5 years	More than 5 years	
31 March 2020						
Borrowings	39,018.84	-	47,697.70	-	-	47,697.70
Trade payables	6.68	6.68	-	-	-	6.68
Other financial liabilities - current	88.48	88.48	-	-	-	88.48
Total	39,114.00	95.16	47,697.70	-	-	47,792.86
31 March 2019						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities - current	6,036.31	6,036.31	-	-	-	6,036.31
Total	6,036.31	6,036.31	-	-	-	6,036.31

d. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Trust's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

i. Currency risk

Majority of transactions entered into by the Trust are denominated in Indian Rupees. Accordingly the Trust does not have any currency risk.

ii. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is not exposed to any interest rate risk since all its debts are at fixed interest rates.

iii. Price risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices of investments. The Trust has no material exposure to equity securities price risk and is not exposed to commodity risk. The Trust's exposure to price risk arises from investments held by the Trust in mutual funds and classified in the balance sheet as fair value through statement of profit or loss. The fair value of these investments is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Trust are mainly investments in liquid and overnight debt mutual funds and accordingly no material volatility is expected.

Mutual funds price risk sensitivity analysis

The Trust's exposure to price risk arises from investments held by the Trust and classified in the balance sheet as fair value through statement of profit or loss.

Particulars	31 March 2020	31 March 2019
Increase by 1% (100 basis points)	32.09	-
Decrease by 1% (100 basis points)	(32.09)	-

28 Capital management

The Trust's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Trust's capital structure mainly constitutes equity in the form of unit capital and debt. The projects of SPV's are initially funded through construction financing arrangements. On completion, these loans are restructured into lease-rental discounting arrangements or debentures. The Trust's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Trust monitors Capital using ratio of 'Net debt' to 'Gross asset value (GAV)' of all SPV's. For this purpose, Net debt is defined as Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings. The Trust's adjusted Net debt to GAV ratio as at 31 March 2020 is as follows:

Particulars	31 March 2020	31 March 2019
Net debt	39,018.84	-
GAV	331,685.00	-
Net debt to GAV	11.76%	-

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2020	Unutilised amount as at 31 March 2020
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPV's and granting of shareholder debt to SPV's	35,550.00	35,550.00	-
General purposes including issue expenses	950.00	950.00	-
Total	36,500.00	36,500.00	-

30 Reconciliation of movements of financial liabilities to cash flows arising from financing activities

Particulars	For year ended 31 March 2020	For year ended 31 March 2019
Opening balance	-	-
Changes from financing cash flows		
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)	36,168.51	-
Other changes		
Accrual of premium on redemption of debentures	2,850.33	-
Closing balance	39,018.84	-

31 Segment Reporting

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

32 In preparing these Standalone financial statements, the Trust's opening balance sheet was prepared as at 01 April 2018, which is the date of transition to Ind AS.

33 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.

34 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 19 May 2020, have declared distribution to Unitholders of Rs. 6.89 per unit which aggregates to Rs. 5,316.77 million for the quarter ended 31 March 2020. The distributions of Rs. 6.89 per unit comprises Rs. 2.49 per unit in the form of interest payment, Re. 0.23 per unit in the form of dividend and the balance Rs. 4.17 per unit in the form of amortization of SPV debt.

Along with distribution of Rs. 13,504.15 million/Rs. 17.50 per unit for the nine-months ended 31 December 2019, the cumulative distribution for the year ended 31 March 2020 aggregates to Rs. 18,820.92 million/Rs. 24.39 per unit.

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

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm's registration number: 101049W/E300004

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to the Embassy Office Parks REIT)

Sd/-

per **Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

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

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

Opinion

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

- the condensed consolidated Balance Sheet as at March 31, 2020;
- the condensed consolidated Statement of Profit and Loss, including Other Comprehensive Income and condensed consolidated Statement of Cash Flows for the quarter, half year and year ended March 31, 2020;
- the condensed consolidated Statement of Changes in Unitholders’ equity for the year ended March 31, 2020;
- the consolidated Statement of Net Assets at fair value as at March 31, 2020;
- the consolidated Statement of Total Returns at fair value for the year ended March 31, 2020;
- the Statement of Net Distributable Cash Flows (‘NDCF’) of the REIT and each of its subsidiaries for the half year and year ended March 31, 2020, and
- Summary of significant accounting policies and select explanatory information.

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

- i. includes the financial information of the following entities:

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

- ii. give the information required by the REIT regulations in the manner so required; and
- iii. give a true and fair view in conformity with Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34") and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations, of:
- in case of the condensed consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2020;
 - in case of the condensed consolidated Statement of profit and loss including Other Comprehensive Income, its consolidated profit including other comprehensive income for the quarter, half year and year ended on March 31, 2020;
 - in case of the condensed consolidated Statement of cash flows, of the consolidated cash flows for the quarter, half year and year ended on March 31, 2020;

- in case of the condensed consolidated Statement of Changes in Unitholders' equity, of the movement of the Unitholders' equity for the year ended March 31, 2020;
- in case of the consolidated Statement of Net Assets at fair value, of the consolidated net assets as at March 31, 2020;
- in case of the consolidated Statement of Total Returns at fair value, of the consolidated total returns for the year ended March 31, 2020; and
- in case of the Statement of Net Distributable Cash Flows of the REIT and each of its subsidiaries, of the NDCF's for the half year and year ended March 31, 2020.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 48(iv) to the Consolidated Ind AS financial statements which refers to the uncertainty in relation to two pending cases, as regards Property tax dues aggregating to Rs.3,313.08 million payable by MPPL, before judicial forums as at March 31, 2020. Based on legal opinions obtained and pending outcome of such legal matter no provision has been made in these Consolidated Ind AS financial statements.

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

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

The Management of the Manager ('the Management') is responsible for the preparation of these Condensed Consolidated Ind AS Financial Information that give a true and fair view of the consolidated financial position as at March 31, 2020, consolidated financial performance including other comprehensive income and consolidated cash flows for the quarter, half year and year ended March 31, 2020, consolidated statement of changes in Unitholders' equity for the year ended March 31, 2020, its consolidated net assets at fair value as at March 31, 2020, its consolidated total returns at fair value for the year ended March 31, 2020 and the net distributable cash flows of the REIT and each of its subsidiaries for the half year and year ended March 31, 2020, in accordance with the requirements of the REIT regulations; Ind AS 34 as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed consolidated Ind AS Financial Information that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the condensed consolidated Ind AS Financial Information by the Management, as aforesaid.

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

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

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

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

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

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

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

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

Other Matters

- (i) The Condensed Consolidated Ind AS Financial Information also include the Group's share of net profit of Rs. 368.12 million, Rs. 640.71 million and Rs. 1,301.25 million, for the quarter, half year and year ended March 31, 2020, respectively, as considered in the Condensed Consolidated Ind AS Financial Information, in respect of a Joint venture, whose financial statements, other financial information have been audited by other auditor and whose report have been furnished to us by the Management. Our opinion on the Condensed Consolidated Ind AS Financial Information, in so far as it relates to the amounts and disclosures included in respect of this Joint venture, is based solely on the report of such other auditor.
- (ii) The figures for the quarter ended March 31, 2020 presented in the Condensed Consolidated Ind AS Financial Information are the derived figures between the audited figures in respect of the year ended March 31, 2020 and the published year-to-date figures up to December 31, 2019, which were subject to limited review. Further, the figures for the half year ended March 31, 2020 presented in the Condensed Consolidated Ind AS Financial Information are the derived figures between the audited figures in respect of the year ended March 31, 2020 and the published year-to-date figures up to September 30, 2019, which were subject to limited review.
- (iii) The Ind AS financial statements of the Group for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018, prepared in accordance with Ind AS, included in these Condensed Consolidated Ind AS Financial Information, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated August 12, 2019, expressed an unmodified opinion.
- (iv) The consolidated figures for the corresponding quarter and half year ended March 31, 2019, as reported in these Condensed Consolidated Ind AS Financial Information have been approved by the Manager's Board of Directors, but have not been subjected to limited review or audit.

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

Report on Other Legal and Regulatory Requirements

Based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of Joint venture, we further report that:

- (a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) The Condensed Consolidated Balance Sheet and the Condensed Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Condensed Consolidated Ind AS Financial Information; and
- (c) In our opinion, the aforesaid Condensed Consolidated Ind AS Financial Information comply with the Indian Accounting Standards 34, as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

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

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

UDIN: 20209567AAAACB7661

Place: Bengaluru, India
Date: May 19, 2020

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



	Note	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)	As at 1 April 2018 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	3	20,698.93	21,295.50	-
Capital work-in-progress	4	2,334.07	1,220.52	-
Investment property	5	194,076.48	189,548.97	-
Investment property under development	8	1,773.39	3,797.25	-
Goodwill	6	50,289.37	51,699.22	-
Intangible assets	7	5,001.36	5,018.78	-
Equity accounted investee	9	24,091.36	23,574.23	-
Financial assets				
- Investments	10	-	489.29	-
- Loans	12	668.71	583.63	-
- Other financial assets	13	1,188.54	2,216.54	-
Non-current tax assets (net)	14	1,554.70	1,418.90	-
Other non-current assets	15	16,475.64	11,190.69	-
Total non-current assets		318,152.55	312,053.52	-
Current assets				
Inventories	16	12.82	5.42	-
Financial assets				
- Investments	11	12,273.59	1,455.58	-
- Trade receivables	17	242.25	335.86	-
- Loans	18	51.49	955.96	-
- Cash and cash equivalents	19A	3,249.16	49,612.75	-
- Other bank balances	19B	169.79	1,455.99	-
- Other financial assets	20	399.46	750.21	-
Other current assets	21	351.22	322.50	-
Total current assets		16,749.78	54,894.27	-
Total assets		334,902.33	366,947.79	-
EQUITY AND LIABILITIES				
EQUITY				
Unit capital	22	229,120.96	229,039.26	-
Other equity	23	(5,943.12)	(94.47)	-
Total equity		223,177.84	228,944.79	-
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	24	56,170.51	68,033.29	-
- Other financial liabilities	25	3,118.65	2,781.04	-
Provisions	27	5.25	5.08	-
Deferred tax liabilities (net)	26	40,407.38	41,424.39	-
Other non-current liabilities	28	386.70	642.14	-
Total non-current liabilities		100,088.49	112,885.94	-
Current liabilities				
Financial liabilities				
- Borrowings	29	-	3,171.09	-
- Trade payables	30			
- total outstanding dues of micro and small enterprises		2.48	-	-
- total outstanding dues of creditors other than micro and small enterprises		252.27	421.87	-
- Other financial liabilities	31	10,562.79	20,778.67	-
Provisions	32	2.37	3.01	-
Other current liabilities	33	781.58	708.84	-
Current tax liabilities (net)	34	34.51	33.58	-
Total current liabilities		11,636.00	25,117.06	-
Total equity and liabilities		334,902.33	366,947.79	-

Significant accounting policies

2

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

As per our report of even date attached

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

	Note	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
		(Audited)**	(Unaudited)	(Audited)**	(Unaudited)	(Unaudited)*	(Audited)	(Audited)*
Income and gains								
Revenue from operations	35	5,433.61	5,458.53	10,892.14	10,557.08	-	21,449.22	-
Interest	36	191.28	54.76	246.04	231.31	-	477.35	-
Other income	37	211.06	167.98	379.04	133.96	-	513.00	-
Total Income		5,835.95	5,681.27	11,517.22	10,922.35	-	22,439.57	-
Expenses								
Cost of materials consumed	38	32.56	36.32	68.88	50.06	-	118.94	-
Employee benefits expense	39	97.23	101.84	199.07	178.10	-	377.17	-
Operating and maintenance expenses	40	112.08	160.22	272.30	355.16	-	627.46	-
Repairs and maintenance	42	304.14	292.01	596.15	619.23	-	1,215.38	-
Valuation expenses		0.92	4.10	5.02	4.72	-	9.74	-
Audit fees		0.92	17.69	18.61	24.59	1.19	43.20	1.19
Insurance expenses		15.20	17.01	32.21	34.53	-	66.74	-
Investment management fees	47	183.42	169.46	352.88	348.06	-	700.94	-
Trustee fees		0.76	0.72	1.48	1.48	-	2.96	-
Legal and professional fees		91.76	117.17	208.93	175.01	-	383.94	-
Other expenses	41	374.91	303.04	677.95	568.38	93.28	1,246.33	93.28
Total Expenses		1,213.90	1,219.58	2,433.48	2,359.32	94.47	4,792.80	94.47
Earnings/ (loss) before finance costs, depreciation, amortisation, impairment loss and tax		4,622.05	4,461.69	9,083.74	8,563.03	(94.47)	17,646.77	(94.47)
Finance costs	43	1,204.94	943.57	2,148.51	1,655.03	-	3,803.54	-
Depreciation expense	44	1,221.93	1,142.52	2,364.45	2,755.55	-	5,120.00	-
Amortisation expense	44	41.27	39.90	81.17	80.07	-	161.24	-
Impairment loss	3, 6	1,775.98	-	1,775.98	-	-	1,775.98	-
Profit/ (loss) before share of profit of equity accounted investee and tax		377.93	2,335.70	2,713.63	4,072.38	(94.47)	6,786.01	(94.47)
Share of profit after tax of equity accounted investee		280.55	246.48	527.03	642.30	-	1,169.33	-
Profit/ (loss) before tax		658.48	2,582.18	3,240.66	4,714.68	(94.47)	7,955.34	(94.47)
Tax expense:								
Current tax	45	480.90	284.11	765.01	596.38	-	1,361.39	-
Deferred tax charge/ (credit)	45	180.59	90.76	271.35	(282.62)	-	(11.27)	-
Minimum alternate tax credit entitlement (MAT)	45	(439.29)	(318.24)	(757.53)	(292.59)	-	(1,050.12)	-
MAT written off/ (written back)	45	(141.79)	(8.96)	(150.75)	150.75	-	-	-
		80.41	47.67	128.08	171.92	-	300.00	-
Profit/(loss) for the period/ year		578.07	2,534.51	3,112.58	4,542.76	(94.47)	7,655.34	(94.47)
Items of other comprehensive income								
Items that will not be reclassified subsequently to profit or loss								
- Remeasurements of defined benefit liability, net of tax		0.16	-	0.16	-	-	0.16	-
Total comprehensive income/ (loss) attributable to Unitholders for the period/ year		578.23	2,534.51	3,112.74	4,542.76	(94.47)	7,655.50	(94.47)
Earnings per Unit	46							
Basic		0.75	3.28	4.03	5.89	(5.22)	9.92	(5.22)
Diluted		0.75	3.28	4.03	5.89	(5.22)	9.92	(5.22)

* Refer note 60

** Refer note 59

Significant accounting policies

2

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

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

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



	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
	(Audited)**	(Unaudited)	(Audited)**	(Unaudited)	(Unaudited)*	(Audited)	(Audited)*
Cash flow from operating activities							
Profit/ (loss) before share of profit of equity accounted investee and tax	377.93	2,335.70	2,713.63	4,072.38	(94.47)	6,786.01	(94.47)
Adjustments for :							
Non-cash and other adjustments							
Depreciation expense	1,221.93	1,142.52	2,364.45	2,755.55	-	5,120.00	-
Amortisation expense	41.27	39.90	81.17	80.07	-	161.24	-
Assets no longer required, written off	2.90	3.30	6.20	4.96	-	11.16	-
Allowance for credit loss	0.59	-	0.59	0.26	-	0.85	-
Liabilities no longer required written back	(13.29)	-	(13.29)	-	-	(13.29)	-
Leasing commission paid	-	-	-	(41.86)	-	(41.86)	-
Profit on sale of mutual funds	(163.41)	(110.03)	(273.44)	(86.52)	-	(359.96)	-
Finance costs	1,204.94	943.56	2,148.50	1,655.04	-	3,803.54	-
Interest income	(191.28)	(46.76)	(238.04)	(213.00)	-	(451.04)	-
Fair value loss/(gain) on investment measured at FVTPL	20.78	(0.82)	19.96	(13.25)	-	6.71	-
Impairment loss recognised	1,775.98	-	1,775.98	-	-	1,775.98	-
Operating profits/(loss) before working capital changes	4,278.34	4,307.37	8,585.71	8,213.63	(94.47)	16,799.34	(94.47)
Working capital adjustments							
- Inventories	(0.01)	(1.68)	(1.69)	(5.71)	-	(7.40)	-
- Trade receivables	47.11	115.09	162.20	(35.60)	-	126.60	-
- Loans and other financial assets (current and non-current)	227.95	(32.57)	195.38	536.32	-	731.70	-
- Other assets (current and non-current)	75.13	207.26	282.39	(229.45)	-	52.94	-
- Trade payables	126.81	(124.83)	1.98	(155.81)	-	(153.83)	-
- Other financial liabilities (current and non-current)	343.98	18.44	362.42	615.28	125.97	977.70	125.97
- Other liabilities and provisions (current and non-current)	(233.83)	(25.74)	(259.57)	76.56	-	(183.01)	-
Cash generated from operating activities before taxes	4,865.48	4,463.34	9,328.82	9,015.22	31.50	18,344.04	31.50
Taxes (paid)/ refunds received (net)	(326.79)	(367.94)	(694.73)	(734.55)	-	(1,429.28)	-
Cash generated from operating activities	4,538.69	4,095.40	8,634.09	8,280.67	31.50	16,914.76	31.50
Cash flow from investing activities							
(Investments)/ redemption of deposits with banks (net)	830.92	92.57	923.49	1,836.71	-	2,760.20	-
(Investments)/ redemption in mutual funds (net)	2,781.03	(8,498.58)	(5,717.55)	(3,533.54)	-	(9,251.09)	-
Investment in debentures	-	-	-	(2,500.00)	-	(2,500.00)	-
Repayment of investment in debentures	458.10	448.51	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	(1,574.92)	(5,666.94)	(7,241.86)	(4,555.95)	-	(11,797.81)	-
Payment for business acquisition	-	-	-	(3,450.00)	(4,681.93)	(3,450.00)	(4,681.93)
Dividend received	365.00	-	365.00	170.00	-	535.00	-
Interest received	233.30	90.20	323.50	162.16	-	485.66	-
Net cash flow generated from / (used in) investing activities	3,093.43	(13,534.24)	(10,440.81)	(11,001.61)	(4,681.93)	(21,442.42)	(4,681.93)

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



	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
	(Audited)**	(Unaudited)	(Audited)**	(Unaudited)	(Unaudited)*	(Audited)	(Audited)*
Cash flow from financing activities							
Interest paid	(330.30)	(533.09)	(863.39)	(699.09)	-	(1,562.48)	-
Repayments of borrowings	(3,435.46)	(40.14)	(3,475.60)	(69,987.06)	-	(73,462.66)	-
Proceeds from borrowings (net off issue expenses)	2,998.47	14,052.96	17,051.43	31,895.83	-	48,947.26	-
Proceeds from issue of units	-	-	-	-	47,499.96	-	47,499.96
Transaction costs related to issue of units	(30.00)	(21.54)	(51.54)	(2,327.09)	-	(2,378.63)	-
Cash used in distribution to Unitholders (including taxes on account of distribution by SPVs)	(4,707.20)	(4,629.69)	(9,336.89)	(4,189.83)	-	(13,526.72)	-
Finance Lease payments	(20.37)	-	(20.37)	-	-	(20.37)	-
Security deposits (given)/received	-	30.00	30.00	-	(31.00)	30.00	(31.00)
Net cash (used in) / generated from financing activities	(5,524.86)	8,858.50	3,333.64	(45,307.24)	47,468.96	(41,973.60)	47,468.96
Net increase/ (decrease) in cash and cash equivalents	2,107.26	(580.34)	1,526.92	(48,028.18)	42,818.53	(46,501.26)	42,818.53
Cash and cash equivalents at the beginning of the period / year	1,004.23	1,584.57	1,584.57	49,612.75	-	49,612.75	-
Cash balance acquired due to business combination	-	-	-	-	6,794.22	-	6,794.22
Cash and cash equivalents at the end of the period / year	3,111.49	1,004.23	3,111.49	1,584.57	49,612.75	3,111.49	49,612.75
Components of cash and cash equivalents (refer note 19A and 31)							
Cash in hand	1.12	1.24	1.12	0.92	0.48	1.12	0.48
Balances with banks							
- in current accounts	3,225.16	1,532.17	3,225.16	1,036.19	3,449.14	3,225.16	3,449.14
- in escrow accounts	2.62	11.17	2.62	81.33	45,580.11	2.62	45,580.11
- in fixed deposits	20.00	136.66	20.00	466.13	583.02	20.00	583.02
Book overdraft	(137.41)	(677.01)	(137.41)	-	-	(137.41)	-
	3,111.49	1,004.23	3,111.49	1,584.57	49,612.75	3,111.49	49,612.75

* Refer note 60

** Refer note 59

Significant accounting policies (Refer Note 2)

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

Note: The Trust has issued Units in exchange for investments in SPVs during the year ended 31 March 2019. The same has not been reflected in Consolidated Statement of Cash Flows since these were non-cash transactions. Further, the Trust has also paid a cash consideration of Rs. 3,450 million towards acquisition of interest in IENMPL.

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

Sd/-

Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

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



A. Unit Capital	No in Million	Amount
Balance as on 1 April 2018	-	-
Add: Units issued during the year (refer note 22)	771.67	231,499.60
Less: Issue expenses	-	(2,460.34)
Balance as at 31 March 2019	771.67	229,039.26
Balance as on 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no more payable	-	81.70
Balance as at 31 March 2020	771.67	229,120.96

B. Other equity	Retained Earnings
Particulars	
Balance as on 1 April 2018	-
Profit/ (loss) for the year	(94.47)
Balance as at 31 March 2019	(94.47)
Balance as on 1 April 2019	(94.47)
Add: Profit for the year ended 31 March 2020	7,655.34
Add: Other Comprehensive Income for the year ended 31 March 2020	0.16
Less: Distribution to Unitholders for the quarter ended 30 June 2019*	(4,166.99)
Less: Distribution to Unitholders for the quarter ended 30 September 2019*	(4,630.00)
Less: Distribution to Unitholders for the quarter ended 31 December 2019*	(4,707.16)
Balance as at 31 March 2020	(5,943.12)

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

As per our report of even date attached

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

A) Statement of Net Assets at fair value

S.No	Particulars	Unit of measurement	As at 31 March 2020	
			Book Value	Fair value
A	Assets	Rs in millions	334,902.33	401,354.66
B	Liabilities	Rs in millions	111,724.49	112,254.26
C	Net Assets (A-B)	Rs in millions	223,177.84	289,100.40
D	No. of units	Numbers	771,665,343	771,665,343
E	NAV (C/D)	Rs	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 31 March 2020 has been determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

Valuation technique

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

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

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

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

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

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

For the purpose of fair valuation of assets, the Embassy Office Parks Group has fair valued its investment property, investment property under development (including capital advances), property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL) and 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 Rs. 50,289.37 million on book value basis (net off impairment loss, refer note 6). The Goodwill of Rs. 50,289.37 million mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values using an approach as more fully described in Note 50 as well as the requirement to recognise deferred tax liability of Rs. 38,783.20 million, calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases.

Note:

- Other assets includes cash and cash equivalents and other working capital balances which are not factored in the discounted cashflow method used in determining the fair value of investment property, investment property under development, property, plant and equipment 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 Firms registration number: 101049W/E300004

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

B) Statement of Total Returns at Fair value

		Rs in millions
S.No	Particulars	For the year ended 31 March 2020
A	Total comprehensive income	7,655.50
B	Add : Changes in fair value not recognised in total comprehensive income (Refer note 1 below)	3,961.80
C (A+B)	Total Return	11,617.30

Note:

- 1 In the above statement, changes in fair value for the year ended 31 March 2020 has been computed based on the difference in fair values of Investment Property, Investment property under development, Property, Plant and Equipment (relating to the hotel property in UPPL and QBPL, and the Solar power plant in EEPL); Capital Work-in-progress (relating to the proposed hotel to be developed in MPPL and investment in GLSP) as at 31 March 2020 (audited) as compared with the values as at 31 March 2019 (unreviewed) net of cash spent on construction during the period. The fair values of the afore-mentioned assets as at 31 March 2020 (audited) and 31 March 2019 (unreviewed) 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 Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of
Embassy Office Parks Management Services Private Limited
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 Place: Bengaluru
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 DIN: 00027674
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Tuhin Parikh
 Director
 DIN: 00544890
 Place: Mumbai
 Date: 19 May 2020

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

(i) Embassy Office Parks REIT - Standalone

Sl No	Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the year ended 31 March 2020
1	Cash flows received from SPVs and investment entity in the form of:					
	• Interest	1,942.20	1,941.15	3,883.35	3,940.58	7,823.93
	• Dividends (net of applicable taxes)	177.85	-	177.85	112.12	289.97
	• Repayment of Shareholder Debt	3,244.91	2,862.01	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	55.09	44.10	99.19	67.86	167.05
5	Less: Any other expense accruing at the Trust level and not captured herein	(17.26)	(2.97)	(20.23)	(3.17)	(23.40)
6	Less: Any fees, including but not limited to:					
	• Trustee fees	(0.76)	(0.72)	(1.48)	(1.48)	(2.96)
	• REIT Management Fees	(56.02)	(55.34)	(111.36)	(103.45)	(214.81)
	• Valuer fees	(0.92)	(4.10)	(5.02)	(4.72)	(9.74)
	• Legal and professional fees	(23.85)	(62.13)	(85.98)	(16.91)	(102.89)
	• Trademark license fees	(0.36)	(0.35)	(0.71)	(0.71)	(1.42)
	• Secondment fees	(0.36)	(0.35)	(0.71)	(0.71)	(1.42)
7	Less: Debt servicing					
	• Interest on external debt	-	-	-	-	-
	• Repayment of external debt	-	-	-	-	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(6.13)	(10.98)	(17.11)	(53.51)	(70.62)
	Net Distributable Cash Flows	5,314.39	4,710.32	10,024.71	8,841.21	18,865.92

* Refer note 59

Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on 19 May 2020, have declared distribution to Unitholders of Rs. 6.89 per unit which aggregates to Rs. 5,316.77 million for the quarter ended 31 March 2020. The distributions of Rs. 6.89 per unit comprises Rs. 2.49 per unit in the form of interest payment, Rs. 0.23 per unit in the form of dividend and the balance Rs. 4.17 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 17.50 per unit for the nine-months ended 31 December 2019, the cumulative distribution for the year ended 31 March 2020 aggregates to Rs. 24.39 per unit.
- Repayment of short-term construction debt given to SPVs are not considered for the purpose of distributions.
- Since the Trust was listed only on 1 April 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

As per our report of even date attached

for S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

Sd/-

Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

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

For the quarter ended 31 March 2020 for distribution

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

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from REIT to SPV's upon ultimate availment of external credit facility are not considered for NDCF computation.

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

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

For the quarter ended 31 December 2019 for distribution

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	EPTPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	50.17	976.22	9.79	(33.33)	180.64	41.81	90.70	27.67	(146.93)	65.14	81.10	-	1,342.98
	<i>Adjustment:</i>													
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Depreciation, amortisation and impairment	87.54	343.43	86.30	56.49	51.02	20.84	76.51	52.20	79.13	14.23	40.95	-	908.63
	• Assets written off or liabilities written back	0.20	0.77	-	-	-	-	0.25	-	-	-	-	-	1.22
	• Current tax charge as per statement of profit and loss	8.51	149.87	8.96	0.87	12.20	19.90	28.90	12.49	1.77	12.57	8.97	-	265.01
	• Deferred tax	40.01	112.98	(0.57)	(13.38)	3.83	0.82	(4.94)	18.67	(79.08)	6.65	(4.11)	-	80.89
	• MAT adjustments as per statement of profit and loss	(0.00)	(245.71)	(15.45)	-	(40.00)	-	-	(12.49)	(1.29)	(12.25)	-	-	(327.19)
	• Ind AS adjustments not considered in any other item above	(48.29)	(6.72)	(0.23)	-	(37.25)	(0.97)	(6.34)	(31.30)	(6.36)	4.98	(14.53)	-	(147.01)
3	Add: Interest on shareholders debt charged to statement of profit and loss	166.73	605.70	94.60	54.98	14.20	75.14	111.45	138.58	384.09	95.47	144.55	-	1,885.49
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(30.69)	362.68	69.53	12.15	16.82	(56.15)	32.25	27.43	6.08	3.02	(28.55)	-	414.57
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 *	-	(13.88)	(26.26)	-	-	-	-	-	-	-	-	-	(40.14)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(28.93)	(155.66)	(1.20)	(2.34)	(26.57)	(25.94)	(31.21)	(17.90)	(33.96)	(12.50)	(19.94)	-	(356.16)
	Total Adjustments (B)	195.08	1,153.46	215.68	108.77	(5.75)	33.64	206.87	187.68	350.38	112.17	127.34	-	2,685.31
	Net distributable Cash Flows C = (A+B).	245.25	2,129.68	225.47	75.44	174.89	75.45	297.57	215.35	203.45	177.31	208.44	-	4,028.29

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from REIT to SPV's upon ultimate availing of external credit facility are not considered for NDCF computation.

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

for and on behalf of the Board of Directors of
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Partner
Membership number: 209567
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Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
(ii) Calculation of net distributable cash flows at each Asset SPV

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

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

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from REIT to SPV's upon ultimate availment of external credit facility are not considered for NDCF computation.

As per our report of even date attached:

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)

Sd/-

Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-

Tuhin parikh

Director

DIN: 00544890

Place: Mumbai

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

For the half year ended 30 September 2019 pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

Sl No	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	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
	<i>Adjustment:</i>													
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:													
	• Depreciation, amortisation and impairment	174.55	689.47	172.62	119.27	99.64	44.97	298.02	112.69	154.03	28.70	70.98	-	1,964.94
	• Assets written off or liabilities written back	4.96												4.96
	• Current tax charge as per statement of profit and loss	5.18	343.30	-	1.14	34.61	36.42	65.21	18.78	0.10	24.94	-	-	529.68
	• Deferred tax	(18.69)	226.01	9.21	(12.73)	33.64	(2.09)	(12.72)	37.30	(49.93)	10.10	19.88	-	239.98
	• MAT adjustments as per statement of profit and loss	97.81	(255.66)	8.96	-	-	-	-	(18.78)	43.98	(18.15)	-	-	(141.84)
	• Ind AS adjustments not considered in any other item above	(39.37)	20.31	(0.49)	-	(9.21)	3.82	(21.58)	(15.73)	(3.00)	(3.45)	(154.41)	-	(223.11)
3	Add: Interest on shareholders debt charged to statement of profit and loss	360.41	1,078.89	0.68	111.77	42.33	155.94	198.03	250.49	742.85	195.54	294.61	-	3,431.54
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	496.28	644.97	95.38	(5.32)	139.96	66.79	(105.38)	49.68	165.47	(9.61)	(34.59)	-	1,503.63
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(242.04)	(42.73)	-	-	-	-	-	-	-	-	-	(284.77)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(69.15)	(314.78)	(20.38)	(3.83)	(51.20)	(40.93)	(72.63)	(46.99)	(68.98)	(26.53)	10.70	-	(704.70)
	Total Adjustments (B)	1,011.98	2,190.47	223.25	210.30	289.77	264.92	348.95	387.44	984.52	201.54	207.17	-	6,320.31
	Net distributable Cash Flows C = (A+B).	1,255.74	3,670.58	244.16	149.57	417.69	326.18	415.15	435.98	470.88	326.58	339.03	-	8,051.55

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from REIT to SPV's upon ultimate availment of external credit facility are not considered for NDCF computation.

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

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

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

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

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from REIT to SPV's upon ultimate availment of external credit facility are not considered for NDCF computation.

- Since the Trust was listed on 1 April 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.
- Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013

As per our report of even date attached:

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

Sd/-

Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-

Tuhin parikh

Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

1. Organisation structure

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

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

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

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

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

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

Details of the SPVs is provided below:

Name of the SPV	Activities	Shareholding (in percentage) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
EOPPL	Development and leasing of office space and related interiors (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks holding company (Hold Co.) for the Embassy Office Parks Group.	Embassy Property Developments Private Limited (EPDPL): 50.00% EPDPL together with Jitendra Virwani: 0.00% (1 Share) SG Indian Holding (NQ) Co I Pte. Ltd: 49.75% SG Indian Holding (NQ) Co II Pte. Ltd: 0.03% SG Indian Holding (NQ) Co III Pte. Ltd: 0.22%	Embassy Office Parks REIT : 100%
MPPL	Development and leasing of office space and related interiors (Embassy Manyata), located at Bangalore.	EOPPL : 35.77% BRE/Mauritius Investments: 36.97% Veeranna Reddy: 27.00% Suguna Reddy: 0.26%	EOPPL : 35.77% Embassy Office Parks REIT : 64.23%
UPPL	Development, rental and maintenance of serviced residences (Hilton hotel).	EPDPL: 58% D M Estates Private Limited: 29% Golfinks Properties Private Limited: 13%	Embassy Office Parks REIT : 100%
EEPL	Generation and supply of solar power mainly to the office spaces of Embassy Office Parks Group located in Bangalore.	EOPPL: 80% EPDPL: 10% Rana George: 10%	EOPPL: 80% Embassy Office Parks REIT : 20%
GSPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Galaxy), located in Noida.	BREP GML Holding (NQ) Pte. Ltd.: 79.62% BREP VII GML Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS GML Holding (NQ) Ltd.: 0.38% BREP VII SBS GML Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Quadron), located in Pune.	BRE/Mauritius Investments II: 99.99% Kunal Shah: 0.01%	Embassy Office Parks REIT : 100%
QBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Qubix), located in Pune.	BREP NTPL Holding (NQ) Pte. Ltd.: 79.62% BREP VII NTPL Holding (NQ) Pte. Ltd.: 19.89% BREP VII SBS NTPL Holding (NQ) Ltd.: 0.38% BREP VII NTPL Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
OBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Oxygen), located in Noida.	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.: 79.61% BREP VII SG Oxygen Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS Oxygen Holding (NQ) Ltd.: 0.39% BREP VII SBS Oxygen Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%

Details of the SPVs (continued):

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

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) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
GLSP	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bangalore.	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)

2. Significant accounting policies

2.1 Basis of preparation of condensed consolidated financial statements

The Condensed Consolidated Financial Information (hereinafter referred to as the "Condensed Consolidated Financial Statements") of the Embassy Office Parks Group comprises the Consolidated Balance Sheet and the Consolidated Statement of Net Assets at fair value as at 31 March 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Unitholders' Equity, the Statement of Net Distributable Cashflows of Embassy REIT and each of the SPVs, the Consolidated Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the period and year ended 31 March 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 19 May 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 22(a) (i) on classification of Unitholders fund.

Embassy Office Parks Group has prepared condensed consolidated financial statements which comply with Ind AS applicable for the period ending on 31 March 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these condensed consolidated financial statements, Embassy Office Parks Group's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS. Since no consolidated financial statements were prepared under the Companies (Accounts) Rules, 2014 (Previous GAAP), disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

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

Statement of compliance to Ind-AS

These Condensed Consolidated Financial Statements for the period and year ended 31 March 2020 are the financial statements of the Embassy Office Parks Group and have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

The Condensed Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except for the change in policy for recognition of leases under Ind AS 116 as referred in note 2.2(q). The financial statements of all the SPVs and the Trust used for the purpose of consolidation are drawn up to the same reporting date i.e. year ended on 31 March 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.

2. Significant accounting policies (continued)

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

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

(ii) Interests in joint arrangements

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

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

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

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

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

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

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

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

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

Basis of Business Combination

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

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

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

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

Changes in accounting policies and disclosures

New and amended standards

Embassy Office Parks Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 54.

Several other amendments apply for the first time for the year ending 31 March 2020, but does not have an impact on the consolidated financial statements of the Group.

Ind AS 116 Leases

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

Effective 1 April 2019, the Embassy Office Parks Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on 1 April 2019. The right of use asset and lease liability has been recognized on the date of initial application i.e. 1 April 2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 54.

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.

2. Significant accounting policies (continued)

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

i) Business combinations

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

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

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

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

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

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

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

vii) Classification of Unitholders' funds - Note 22 (a) (i)

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment during the quarter and year ended 31 March 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 80LAB of the Income Tax Act, 1961, wherein the tax deduction is dependent upon necessary details available for exempt and non-exempt income.

v) The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on 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. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet as at 31 March 2020 will be recovered. 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.

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.

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

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.

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

g) Property, plant and equipment and intangible assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

h) Non-current assets held for sale

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

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

i) Inventory

Stores and operating supplies

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

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

j) Impairment of non-financial assets

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

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

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

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

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

k) Foreign currency transactions

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

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

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

l) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

2. Significant accounting policies (continued)

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

m) Compound financial instruments

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

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

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

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

n) **Impairment of financial assets**

Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

The Embassy Office Parks Group assumes that the credit risk on a financial asset has increased significantly if it is more than 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**

Policy applicable upto 31 March 2019

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.

2. Significant accounting policies (continued)

ii. Assets held under leases

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

iii. Initial direct costs

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

Policy applicable with effect from 1 April 2019

Embassy Office Parks Group as a lessee

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

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

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

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

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

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

Embassy Office Parks Group as a lessor

i. Determining whether an arrangement contains a lease

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

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.

Transition to Ind AS 116

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

Effective 1 April 2019, the Embassy Office Parks Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on 1 April 2019. The right of use asset and lease liability has been recognized on the date of initial application i.e. 1 April 2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

Embassy Office Parks Group as a lessor

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

Embassy Office Parks Group as lessee

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

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

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

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

r) Revenue recognition

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

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

i) Rental income from investment properties

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

2. Significant accounting policies (continued)

ii) **Income from finance lease**

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

iii) **Revenue from Room Rentals**

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

iv) **Revenue from contract with customers**

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

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

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

c) **Other operating income**

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

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

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

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

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

s) **Employee benefits**

Defined contribution plan

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

Gratuity

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

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

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

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

Compensated absences

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

t) **Borrowing costs**

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

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

u) **Taxation**

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

(i) **Current tax:**

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

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

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Embassy Office Parks Group will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2. Significant accounting policies (continued)

(ii) Deferred tax:

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

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

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

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

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

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

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

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

v) Provisions and contingencies

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

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

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

w) Operating segments

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

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

- Commercial Offices segment:

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

- Hospitality segment:

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

- Other segment:

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

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

x) Errors and estimates

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

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

y) Cash and cash equivalents

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

z) Distribution Policy:

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

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

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

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

- 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 has committed to quarterly distributions, any shortfall as regards minimum quarterly distribution by the SPVs and Holding Company to Embassy Office Parks REIT, post interest paid on Shareholder Debt, Interim Dividend payments and Principal repayment of Shareholder Debt, would be done by declaring additional 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.

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3 Property, plant and equipment

Reconciliation of carrying amounts for the year ended 31 March 2020

Particulars	Land-freehold (refer note ii)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Gross block (cost or deemed cost)										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Additions due to business combination*	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
Deletion	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
At 1 April 2019	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
Additions for the year	452.41	9.98	4.77	0.72	0.11	1.20	6.38	0.02	2.52	478.11
Deletion	-	-	-	(0.06)	-	-	-	(0.81)	-	(0.87)
At 31 March 2020	6,540.07	7,067.88	7,142.28	485.98	448.94	18.46	17.89	10.83	40.41	21,772.74
Accumulated depreciation										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	-	-	-	-	-	-	-
At 1 April 2019	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	129.88	403.48	79.09	57.38	11.08	10.96	10.83	4.98	707.68
Impairment loss (refer note iii)	84.00	235.36	27.34	5.38	12.35	0.25	0.01	-	1.44	366.13
At 31 March 2020	84.00	365.24	430.82	84.47	69.73	11.33	10.97	10.83	6.42	1,073.81
Carrying amount (net)										
As at 31 March 2019	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
As at 31 March 2020	6,456.07	6,702.64	6,711.46	401.51	379.21	7.13	6.92	-	33.99	20,698.93

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

- i. Post acquisition of the SPV's, the Embassy Office Parks Group has revisited the useful life of the property, plant and equipment and aligned the same across the Embassy Office Parks Group. The Embassy Office Parks Group has also aligned its method of depreciation to straight-line method across its SPV's.
- ii. The solar plant has been constructed on 465.77 acres of land, the title for 254.47 acres is registered in name of the group and balance 211.30 acres is in process of registration and is scheduled for completion by 31 December 2020.
- iii. During the current year, an impairment loss of Rs. 366.13 million has been recognised against the property, plant and equipment of the hospitality segment of Embassy Quadron. The impairment loss of Rs. 366.13 million as at 31 March 2020 is after reducing the carrying amount of goodwill of Rs. 922.71 million for certain hotel which is lowest cash generating unit (CGU) forming part of hospitality segment (31 March 2019: Nil) 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. (Refer Note 6 for additional disclosure on impairment).

4 Capital work-in-progress

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
MPPL-Hilton Hotel (Front Parcel) *	2,334.07	1,220.52	-
	2,334.07	1,220.52	-

* forms part of MPPL CGU.

5 Investment property

Reconciliation of carrying amounts for the year ended 31 March 2020

Particulars	Land-freehold	Land-leasehold (Refer notes)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Vehicle	Computer	Total
Gross block (cost or deemed cost)										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Additions due to business combination*	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
At 1 April 2019	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
Additions for the year	1,050.92	312.10	5,858.46	1,227.42	180.31	348.61	2.10	0.08	8.57	8,988.57
Disposals	-	-	-	(39.66)	(5.65)	-	(3.01)	-	(0.42)	(48.74)
Adjustments (refer note i and vi)	10,284.81	(10,446.41)	-	161.60	-	-	-	-	-	-
At 31 March 2020	75,183.43	28,227.18	81,683.17	9,574.22	1,490.56	2,270.67	43.42	5.31	10.84	198,488.80
Accumulated depreciation										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	483.74	2,106.20	947.20	360.10	487.10	22.82	3.48	1.68	4,412.32
At 31 March 2020	-	483.74	2,106.20	947.20	360.10	487.10	22.82	3.48	1.68	4,412.32
Carrying amount (net)										
As at 31 March 2019	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
As at 31 March 2020	75,183.43	27,743.44	79,576.97	8,627.02	1,130.46	1,783.57	20.60	1.83	9.16	194,076.48

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

- i. **MPPL** - During the year ended 31 March 2020, cost of freehold land of Rs. 161.60 million has been transferred to Karnataka Power Transmission Corporation Limited (KPTCL) along with the 220 KVA substation constructed at Embassy Manyata. Since these are enabling assets to the overall Park, the cost of land has been transferred to plant and machinery and being depreciated over the useful life of the substation.
- ii. **EOPPL**: The leasehold land for Embassy Techzone is taken from Maharashtra Industrial Development Corporation ('MIDC') on a lease for a period of 95 years. The lease expires in July 2100.
- iii. **OBPPL**: The leasehold land for Embassy Oxygen is taken from New Okhla Industrial Development Authority ('NOIDA') on lease for a lease period of 90 years. The lease expires in September 2097.
- iv. **ETPL**: The leasehold land for First International Financial Centre is taken from Mumbai Mahanagar Regional Development Authority ('MMRDA') on a lease for a period of 80 years. The lease expires in June 2088.
- v. **GSPL**: The leasehold land for Embassy Galaxy is taken from NOIDA on a lease for a period of 90 years. The lease expires in June 2095.
- vi. **IENMPL**: The leasehold land for Express Towers is taken from the Government of Maharashtra on a lease of 99 years (from 1963-64). The lease expires in August 2063. However, pursuant to recent Maharashtra State notification in March 2019, IENMPL made an application to the office of the Collector, Mumbai City, seeking conversion of the land on which the building known as "Express Towers" stands, from occupancy class II land that is leasehold land into occupancy class I land, that is, freehold land, by a letter dated April 1, 2019. Pursuant to various orders passed by the office of the Collector, IENMPL has made an aggregate payment of Rs.909.46 million towards regularization and conversion of the land. Subsequently, the Collector, Mumbai pursuant to its order dated August 23, 2019, after regularising the usage of the said Property, approved the conversion of such land from occupancy class II and leasehold land into occupancy class I land that is freehold land, under the Maharashtra Land Revenue (Conversion of Occupancy Class II and Leasehold Lands into Occupancy Class I Lands) Rules, 2019. Out of the aforementioned Rs.909.46 million, a sum of Rs. 756.41 million has been capitalized as a part of land and the balance has been capitalized towards building. Further, an amount of Rs. 10,446.41 million, being the carrying cost of such land, has been reclassified from leasehold to freehold land.
- vii. **QBPL**: The leasehold land for Embassy Quadron is taken from MIDC for a lease term of 95 years. As per the lease agreement the Company can renew the lease for a further period of 95 years. Further, the SPV acquired assets and liabilities of the Hotel Business and Commercial Business vide the duly registered Business Transfer Agreement (BTA) with Embassy One Developers Private Limited on 11 March 2019 for purchase of assets and liabilities of the Hotel Business and Commercial Business from Embassy One Developers Private Limited. Refer note 49.
- viii. Post acquisition of the SPV's, Embassy Office Parks Group has revisited the useful life of the investment properties and aligned the same across the Embassy Office Parks Group. The Embassy Office Parks Group has also aligned its method of depreciation to straight-line method across its SPV's.
- ix. Investment property comprises of commercial buildings and other assets forming part of the buildings, that is leased to third parties. The license agreement entered into with tenants may or may not contain an initial non-cancellable period. Subsequent renewals of these license agreements are negotiated with the tenants and historically the average renewal period ranges between three and five years.
 - x. The investment property have been leased out to lessees / held for lease on operating lease basis.
 - xi. The plant and machinery and furniture and fixtures are physically attached to the buildings and form an integral part thereof, hence they are considered as investment property.
 - xii. Additions to investment property and investment property under development include borrowing cost amounting to Rs. 579.19 million (31 March 2019: Nil) at a capitalisation rate which is the SPV specific "Weighted Average Borrowing Cost" (WABC).

6 Goodwill (refer note 2.1 b, note 49 and note 50)

As at 31 March 2020 and 31 March 2019

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

As a result of the valuation, an impairment of Rs 1,409.85 million is recognized in the Statement of Profit and Loss against Goodwill and an impairment of Rs. 366.13 million is recognized in the Statement of Profit and Loss against property, plant and equipment, totalling to Rs. 1,775.98 million as impairment loss. Impairment charge mainly relates to the hospitality segment and more specifically UPPL (Hilton Hotel), and hospitality segment of QBPL (Four Seasons). The Hotel CGU is composed mainly of property, plant and equipment. The impairment charge arose in the Hotel CGU due to slower ramp up of occupancy coupled with the current economic conditions due to Covid-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the “value in use” and the “fair value less cost to sell” in accordance with Ind AS 36.

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

7 Intangible assets

Reconciliation of carrying amounts for the year ended 31 March 2020

Particulars	Power Purchase Agreement*	Right to use trade mark	Computer software	Total
Gross Block				
At 1 April 2018	-	-	-	-
Additions due to business combination *	3,348.00	1,647.91	22.87	5,018.78
At 31 March 2019	3,348.00	1,647.91	22.87	5,018.78
At 1 April 2019	3,348.00	1,647.91	22.87	5,018.78
Addition during the year	-	133.97	9.85	143.82
At 31 March 2020	3,348.00	1,781.88	32.72	5,162.60
Accumulated amortisation				
At 1 April 2018	-	-	-	-
Amortisation for the year	-	-	-	-
At 31 March 2019	-	-	-	-
At 1 April 2019	-	-	-	-
Amortisation for the year	145.56	-	15.68	161.24
At 31 March 2020	145.56	-	15.68	161.24
Carrying amount (net)				
As at 31 March 2019	3,348.00	1,647.91	22.87	5,018.78
As at 31 March 2020	3,202.44	1,781.88	17.04	5,001.36

* refer note 50

8 Investment property under development (IPUD)

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

SPV	Nature	As at	As at	As at
		31 March 2020	31 March 2019	1 April 2018
Base build				
MPPL	Front Parcel NXT block	-	1,680.97	-
MPPL	Other blocks	58.54	-	-
OBPL	Tower 2	-	1,099.28	-
OBPL	Tower 1	164.66	-	-
EOPPL	Hudson block	183.19	42.56	-
EOPPL	Ganges block	118.13	16.45	-
Infrastructure Upgrades				
MPPL	Flyover	629.48	71.53	-
MPPL	Master plan upgrade	335.14	593.14	-
EOPPL	Master plan upgrade	228.13	101.39	-
VCPPL	Façade work	-	175.92	-
Others	Others	56.12	16.01	-
		1,773.39	3,797.25	-

9 Equity accounted investee

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Investment in joint venture			
Golflinks Software Park Private Limited	24,091.36	23,574.23	-
	24,091.36	23,574.23	-
Goodwill on acquisition included as a part of carrying cost	10,449.36	10,449.36	-
	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
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)	24,091.36	23,574.23	-

10 Non-current investments

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade, unquoted, at amortised cost			
Investment in preference shares			
Manyata Projects Private Limited *	-	156.98	-
15,698,440 (31 March 2019: 15,698,440) 0.01% optionally convertible redeemable preference shares of Rs 10 each, fully paid-up			
Less: Impairment	-	(156.98)	-
Non-trade investments measured at fair value through profit and loss			
Unquoted			
Investment in mutual funds **			
SBI Magnum Instacash Fund-Growth Option	-	313.96	-
IDFC Cash Fund - Growth Direct Plan	-	175.33	-
	-	489.29	-
* During the year ended 31 March 2020, these investments have been written off.			
** These mutual fund balances are held as lien towards Debt Service Reserve requirement for debt taken			
Investments measured at amortised cost	-	-	-
Investments measured at fair value through profit or loss	-	489.29	-
Aggregate amount of impairment recognised	-	156.98	-

11 Current investments

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade, unquoted, at amortised cost			
Investment in debentures of joint venture (refer note 53) and (i) below 2,500 (31 March 2019: Nil) 8.5% debentures of Rs 1 million each [current portion]	724.38	-	-
Non-trade investments measured at fair value through profit and loss			
Unquoted, Investment in mutual funds			
HDFC Liquid Fund - Growth Option	1,950.71	285.05	-
IDFC Cash Fund - Growth Option	390.14	-	-
ICICI Prudential Liquid Fund - Growth Option	1,350.76	285.61	-
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	-	-
SBI Magnum Instacash Fund - Growth Option	-	14.78	-
SBI Liquid Fund - Growth Option	-	722.39	-
SBI Magnum Insta Cash Fund - Growth Option	-	147.75	-
	12,273.59	1,455.58	-

- i) 2,500 (31 March 2019 : Nil) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of Rs.10,00,000 each. Outstanding as on 31 March 2020 Rs.724.38 million (31 March 2019:Nil).

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

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

Redemption : Debentures shall be redeemed in 16 monthly instalments (principal and interest) of Rs. 160.00 million each and 17th instalment of Rs. 98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

Investment measured at amortised cost	724.38	-	-
Investment measured at fair value through profit and loss	11,549.21	1,455.58	-

Non-current financial assets

12 **Loans**

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Security deposits			
- related party (refer note 53)	10.50	-	-
- others	658.21	583.63	-
	668.71	583.63	-

13 **Other financial assets**

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Fixed deposits with banks*	670.06	2,144.06	-
Unbilled revenue (refer note 53)	506.91	-	-
Interest accrued but not due			
- from fixed deposits	2.96	8.90	-
Receivable under finance lease	8.61	63.58	-
	1,188.54	2,216.54	-
* Includes fixed deposits held as lien against debt taken and margin money for bank guarantee	670.06	2,098.06	-

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

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Advance tax, net of provision for tax	1,554.70	1,418.90	-
	1,554.70	1,418.90	-

15 **Other non-current assets**

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Advance paid for co-development of property, including development rights on land (refer note 53) *	13,998.26	8,774.00	-
Other capital advances			
- related party (refer note 53)	222.56	340.32	-
- others	1,333.74	1,073.62	-
Balances with government authorities	164.03	237.68	-
Paid under protest to government authorities (refer note 48)	676.26	674.51	-
Prepayments	80.79	90.56	-
	16,475.64	11,190.69	-

* Advance paid for co-development of property, includes borrowing cost amounting to Rs. 344.42 million (31 March 2019: Nil) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).

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

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Stock of consumables	12.82	5.42	-
	12.82	5.42	-

17 **Trade receivables**

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured</i>			
Considered good *	242.25	335.86	-
Credit impaired	16.02	42.58	-
Less: Allowances for impairment losses	(16.02)	(42.58)	-
	242.25	335.86	-

*Includes trade receivables from related parties amounting to Rs. 57.03 million (31 March 2019: Rs. 10.56 million) (Refer Note 53)

18 **Loans**

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Security deposits			
- related party (refer note 53)	50.00	953.64	-
- others	1.49	2.32	-
	51.49	955.96	-

19A Cash and cash equivalents

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Cash on hand	1.12	0.48	-
Balances with banks			
- in current accounts*	3,225.16	3,449.14	-
- in escrow accounts			
- Balances with banks for unclaimed distributions	0.26	-	-
- Others**	2.62	45,580.11	-
- in deposit accounts with original maturity of less than three months	20.00	583.02	-
	3,249.16	49,612.75	-

* Balance in current accounts includes cheques on hand as at 31 March 2020 amounting to Rs. 2,121.94 million (31 March 2019: Rs. Nil).

** Represents balance Nil (31 March 2019: Rs. 42,818.03 million) from proceeds of initial public offer of REIT Units (Total proceeds Rs. 47,499.96 million). As at 31 March 2019, this amount held in the Escrow account could be withdrawn for specific purposes.

19B Other bank balances

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Balances with banks			
- in fixed deposit accounts with original maturity greater than three months and maturity less than twelve months from the reporting date	169.79	1,455.99	-
	169.79	1,455.99	-
Deposit for availing letter of credit facilities	169.79	750.17	-
Deposit lien marked towards the performance guarantee of EEPL	-	1.00	-

20 Other financial assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Interest accrued but not due			
- on fixed deposits	7.53	21.63	-
- on statutory deposits	40.39	31.97	-
- on others	4.35	2.03	-
Unbilled revenue (refer note 53)	256.91	192.33	-
Unbilled maintenance charges	59.45	71.54	-
Receivable under finance lease	16.88	73.94	-
Other receivables			
- related parties (refer note 53)	7.94	225.22	-
- others	6.01	131.55	-
	399.46	750.21	-

21 Other current assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Advance for supply of goods and rendering of services			
- to related parties (refer note 53)	2.78	-	-
- to others	51.32	22.08	-
Balances with government authorities	149.93	212.65	-
Prepayments (refer note 53)	134.21	85.66	-
Other advances	12.98	2.11	-
	351.22	322.50	-

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22 Unit Capital

Unit Capital	No in Million	Amount
As at 1 April 2018	-	-
Units issued during the year		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	158.33	47,499.96
- in exchange for equity interest in SPVs (refer note iii below)	613.34	183,999.64
Less: Issue expenses (refer note below)	-	(2,460.34)
Closing balance as at 31 March 2019	771.67	229,039.26
As at 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
Closing balance as at 31 March 2020	771.67	229,120.96

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital as at 31 March 2019 in accordance with Ind AS 32 - Financial Instruments: Presentation. Further, during the year ended 31 March 2020, excess provision no longer payable, has been reversed amounting to Rs. 81.70 million.

(a) Terms/ rights attached to Units

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

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

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

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

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

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

Name of the Unitholder	As at 31 March 2020		As at 31 March 2019	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Pvt Ltd.	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Ltd.	104,094,966	13.49%	104,094,966	13.49%
BRE Mauritius Investments	93,610,755	12.13%	93,610,755	12.13%
Veeranna Reddy	65,472,582	8.48%	65,472,582	8.48%
BRE/ Mauritius Investments II	45,630,850	5.91%	45,630,850	5.91%
India Alternate Property Limited	39,446,986	5.11%	39,446,986	5.11%

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

23 Other Equity*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
<i>Reserves and Surplus</i>			
Retained earnings	(5,943.12)	(94.47)	-
	(5,943.12)	(94.47)	-

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

Retained earnings

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

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24 Borrowings

Particulars	As at	As at	As at
	31 March 2020	31 March 2019 **	1 April 2018
Secured			
Non-convertible debentures			
- Embassy REIT Series I NCD 2019 - Tranche I (refer note i)	32,351.16	-	-
- Embassy REIT Series I NCD 2019 - Tranche II (refer note i)	6,667.66	-	-
Terms loans			
- from banks (refer note iii)	10,978.43	41,269.59	-
- from financial institutions	-	16,850.86	-
- vehicle loans	30.60	42.02	-
Overdraft facility (Asset backed debt)	-	3,514.31	-
Deferred payment liability (refer note ii)	6,142.66	6,354.83	-
Obligation under finance lease	-	1.68	-
	56,170.51	68,033.29	-

Notes:

- (i) In May 2019, the Trust issued 30,000 (31 March 2019: Nil) listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019 (Tranche I), debentures having face value of Rs. 1 million each amounting to Rs. 30,000.00 million with an Internal Rate of Return (IRR) of 9.4% and will mature on 2 June 2022. In November 2019, the Trust further issued 6,500 such debentures (Tranche II) with an Internal Rate of Return (IRR) of 9.05% and with same terms and conditions as Tranche I.

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

Security terms

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

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

Redemption terms:

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

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

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

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019	Secured	-	-	2 June 2022	2 June 2022

2. Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to Embassy REIT Series I NCD 2019.
3. Other requirements as per Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

Particulars	For the year ended 31 March 2020
Asset cover ratio (refer a below)	17.32%
Debt -equity ratio (refer b below)	0.26
Debt-service coverage ratio (refer c below)	4.55
Interest-service coverage ratio (refer d below)	5.10
Net worth (refer e below)	223,177.84

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

- a) Asset cover ratio = Total borrowings*/ Gross asset value as computed by independent valuers
- b) Debt equity ratio = Total borrowings*/ Unitholders' Equity*
- c) Debt Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax / [Finance cost (net of capitalisation and excluding interest on lease deposit and interest on lease liability) + Principal repayments made during the year]
- d) Interest Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax / Finance cost (net of capitalisation and excluding interest on lease deposit and interest on lease liability)
- e) Net worth = Unit capital + Other equity

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

Unitholder's Equity = Unit Capital + Other equity

24 Borrowings (continued)

(ii) Deferred payment liability

EEPL SPV has entered into a deferred payment agreement with IL&FS Solar Power Limited for Rs. 6,853.90 million (as at 31 March 2020: Rs. 7,278.74 million, 31 March 2019: Rs. 6,994.93 million), for the purpose of financing the construction and development of a solar photovoltaic electricity generation facility with a minimum capacity of 100 MW AC. The debt carries interest at an IRR of 12.72% with a fixed EMI.

Security terms

1. Exclusive first charge by way of deposit of title deeds on the project land in accordance with the mortgage documentation.
2. Charge over the entire moveable properties (both present and future) of the Embassy Energy SPV, in relation to the project (including without limitation all tangible and intangible assets).
3. The above deferred payment liability is also secured by a guarantee given by EOPPL, SPV 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 Feb 2033. Pursuant to mutual agreement with IL & FS Solar Power Limited, only 50% of EMI are payable to them till the registration of agreed 465.77 acres of land is completed in favor of Embassy Energy SPV. As at end of 31 March 2020, the land registered is 254.47 acres. The company has accordingly paid 50% of principal and interest and the balance is withheld.

In accordance with the deferred payment agreement, the Group issued a prepayment offer to IL&FS Solar Power Limited ('lender') in respect of outstanding debt amounting to Rs. 7,278.74 million as of March 31, 2020. 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 it has been classified as non-current liability.

(iii) (a) HSBC Limited [balance as at 31 March 2020: Rs. 3,361.58 million (31 March 2019: Rs Nil)]

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 31 March 2020
Repayable in 36 monthly instalments. The debt carries interest of MCLR + 0.35%	3,361.58

(b) State Bank of India [balance as at 31 March 2020: Rs. 4,381.10 million (31 March 2019: Rs Nil)]

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

(c) HSBC Limited [balance as at 31 March 2020: Rs. 3,389.99 million (31 March 2019: Rs Nil)]

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.

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

Repayment and interest terms	As at 31 March 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

** Balances as at 31 March 2019 includes certain borrowings secured by way of assignment/ charge/ hypothecation/ mortgage of certain project receivables, underlying land, building and movable property, plant and equipment and investment property for certain SPVs. These borrowings have been settled during the year ended 31 March 2020.

25 Other financial liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Lease deposits (refer note 53)	2,360.50	2,734.68	-
Lease liability (refer note 54)	302.58	-	-
Payable for purchase of fixed assets	455.57	46.36	-
	3,118.65	2,781.04	-

26 Deferred tax liabilities (net)

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Minimum Alternate Tax credit entitlement	(4,015.29)	(3,009.06)	-
Deferred tax liabilities (net)	44,422.67	44,433.45	-
	40,407.38	41,424.39	-

27 Provisions

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Provision for employee benefits			
- gratuity	5.25	3.01	-
- compensated absences	-	2.07	-
	5.25	5.08	-

28 Other non-current liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Deferred lease rental	378.21	611.63	-
Advances from customers	8.49	30.51	-
	386.70	642.14	-

29 Borrowings*

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Secured:</i>			
Loans repayable on demand			
- construction loan from financial institution	-	2,344.63	-
Other short-term borrowings			
- lease rental discounting loan from bank	-	826.46	-
	-	3,171.09	-

* Balances as at 31 March 2019 includes certain loans/ borrowings secured by way of assignment/ charge/ hypothecation/ mortgage of certain project receivables, underlying land, building and movable property, plant and equipment and investment property for certain SPVs. These loans have been settled during the year ended 31 March 2020.

30 Trade payables

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Trade payable			
- total outstanding dues to micro and small enterprises	2.48	-	-
- total outstanding dues other than micro and small enterprises	136.33	408.16	-
- to related parties (refer note 53)	115.94	13.71	-
	254.75	421.87	-

31 Other financial liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Current maturities of long-term debt			
- from banks	154.25	5,335.61	-
- from financial institutions	-	1,930.45	-
- deferred payment liability	1,136.08	640.10	-
Security deposits			
- related party (refer note 53)	185.00	185.00	-
Lease deposits	7,137.07	6,017.42	-
Book overdraft	137.41	-	-
Capital creditors for purchase of fixed assets			
- to related party (refer note 53)	14.73	50.94	-
- to others	975.66	451.15	-
- Lease liability (refer note 54)	20.35	-	-
Unclaimed dividend for 2019-20	0.26	-	-
Other liabilities			
- to related party (refer note 53)	172.62	186.87	-
- to others	629.36	5,981.13	-
	10,562.79	20,778.67	-

32 Provisions

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Provision for employee benefits			
- gratuity	0.03	1.73	-
- compensated absences	2.34	1.28	-
	2.37	3.01	-

33 Other current liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Unearned income	44.09	43.68	-
Advances received from customers (refer note 53)	291.43	183.63	-
Statutory dues	193.92	212.86	-
Deferred lease rentals	252.14	268.67	-
	781.58	708.84	-

34 Current tax liabilities (net)

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Provision for income-tax, net of advance tax	34.51	33.58	-
	34.51	33.58	-

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35 Revenue from operations

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Facility rentals	4,045.26	4,241.29	8,286.55	8,403.44	-	16,689.99	-
Income from finance lease	0.29	0.47	0.76	1.52	-	2.28	-
Room rentals	149.07	198.90	347.97	299.43	-	647.40	-
Revenue from contracts with customers							
Maintenance services	447.59	439.94	887.53	889.90	-	1,777.43	-
Sale of food and beverages	108.42	123.12	231.54	160.35	-	391.89	-
Income from generation of renewable energy	462.40	382.67	845.07	721.18	-	1,566.25	-
Other operating income							
- hospitality	16.15	18.33	34.48	68.92	-	103.40	-
- others	204.43	53.81	258.24	12.34	-	270.58	-
	5,433.61	5,458.53	10,892.14	10,557.08	-	21,449.22	-

36 Interest income

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
- on debentures (Refer note 53)	10.91	15.78	26.69	47.03	-	73.72	-
- on fixed deposits with bank	5.88	23.87	29.75	110.05	-	139.80	-
- on security deposits	0.39	1.62	2.01	44.85	-	46.86	-
- on other statutory deposits	5.42	5.49	10.91	10.86	-	21.77	-
- on Income-tax refund	-	8.00	8.00	18.31	-	26.31	-
- others	168.68	-	168.68	0.21	-	168.89	-
	191.28	54.76	246.04	231.31	-	477.35	-

37 Other income

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Net changes in fair value of financial assets	-	-	-	18.45	-	18.45	-
Liabilities no longer required written back	12.17	0.02	12.19	1.10	-	13.29	-
Profit on sale of mutual funds	163.41	110.03	273.44	86.52	-	359.96	-
Miscellaneous	35.48	57.93	93.41	27.89	-	121.30	-
	211.06	167.98	379.04	133.96	-	513.00	-

38 Cost of materials consumed

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchases	32.57	38.00	70.57	55.77	-	126.34	-
Add: Increase/(decrease) in inventory	(0.01)	(1.68)	(1.69)	(5.71)	-	(7.40)	-
	32.56	36.32	68.88	50.06	-	118.94	-

39 Employee benefits expense *

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	80.71	78.54	159.25	136.63	-	295.88	-
Contribution to provident and other funds	2.26	5.30	7.56	10.06	-	17.62	-
Staff welfare	14.26	18.00	32.26	31.41	-	63.67	-
	97.23	101.84	199.07	178.10	-	377.17	-

* refers to employee benefits expense of the hospitality segment (also refer note 52)

40 Operating and maintenance expenses

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel (net)	108.76	156.09	264.85	344.31	-	609.16	-
Operating consumables	3.32	4.13	7.45	10.85	-	18.30	-
	112.08	160.22	272.30	355.16	-	627.46	-

41 Other expenses

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Property tax (net)	194.98	170.67	365.65	338.36	-	704.01	-
Rates and taxes	11.72	11.15	22.87	15.03	-	37.90	-
Marketing and advertising expenses	33.85	16.01	49.86	27.45	93.28	77.31	93.28
Assets and other balances written off	2.90	3.30	6.20	4.96	-	11.16	-
Allowances for credit loss	0.59	-	0.59	0.26	-	0.85	-
Reversal of impairment on investments	-	(156.98)	(156.98)	-	-	(156.98)	-
Investments written off	-	156.98	156.98	-	-	156.98	-
Bank charges	5.05	5.12	10.17	9.25	-	19.42	-
Brokerage and commission	4.94	7.23	12.17	11.93	-	24.10	-
Net changes in fair value of financial assets	20.78	4.38	25.16	-	-	25.16	-
Travel and conveyance	5.67	7.08	12.75	13.03	-	25.78	-
Corporate Social Responsibility (CSR) contribution	47.75	17.98	65.73	20.18	-	85.91	-
Miscellaneous expenses	46.68	60.12	106.80	127.93	-	234.73	-
	374.91	303.04	677.95	568.38	93.28	1,246.33	93.28

42 Repairs and maintenance

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Repairs and maintenance	-	-	-	-	-	-	-
- common area maintenance	188.76	180.88	369.64	366.11	-	735.75	-
- buildings	5.65	10.27	15.92	60.27	-	76.19	-
- machinery	63.61	57.33	120.94	132.57	-	253.51	-
- others	46.12	43.53	89.65	60.28	-	149.93	-
	304.14	292.01	596.15	619.23	-	1,215.38	-

43 Finance costs (net of capitalisation) #

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense							
- on borrowings from banks and financial institutions	104.55	9.15	113.70	196.45	-	310.15	-
- on deferred payment liability	207.81	208.90	416.71	423.48	-	840.19	-
- on lease deposits	53.00	89.97	142.97	169.12	-	312.09	-
- on lease liabilities	7.79	7.81	15.60	15.60	-	31.20	-
- accrual of premium on redemption of debentures *	831.79	627.74	1,459.53	850.38	-	2,309.91	-
	1,204.94	943.57	2,148.51	1,655.03	-	3,803.54	-

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

Gross interest expense is Rs. 1,401.81 million and Rs. 4,771.46 million and interest capitalised is Rs. 196.87 million and Rs. 967.92 million for the quarter and year ended 31 March 2020.

44 Depreciation and amortisation

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment	171.89	179.08	350.97	356.71	-	707.68	-
Depreciation of investment property	1,050.04	963.44	2,013.48	2,398.84	-	4,412.32	-
Amortisation of intangible assets	41.27	39.90	81.17	80.07	-	161.24	-
	1,263.20	1,182.42	2,445.62	2,835.62	-	5,281.24	-

45 Tax expense #

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax*	480.90	284.11	765.01	596.38	-	1,361.39	-
Deferred tax charge	180.59	90.76	271.35	(282.62)	-	(11.27)	-
Minimum Alternate Tax credit entitlement (MAT)**	(439.29)	(318.24)	(757.53)	(292.59)	-	(1,050.12)	-
MAT written off/ (written back)	(141.79)	(8.96)	(150.75)	150.75	-	-	-
	80.41	47.67	128.08	171.92	-	300.00	-

* includes dividend distribution tax of Rs. Nil and Rs. 22.83 million payable by SPVs on dividend distributed to Embassy Office Parks Group for the quarter and year ended 31 March 2020. Also includes current tax adjustments relating to earlier years of Rs. 42.32 million (31 March 2019: Nil)

** including MAT credit entitlement relating to earlier years of Rs. 373.69 million (31 March 2019: Nil).

The Government of India has 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 have been provided an option to pay income tax at a concessional rate of 22%, subject to conditions prescribed therein in the Ordinance. Further, the Minimum Alternate Tax rate has been reduced from 18.5% to 15% (excluding surcharge and cess). Embassy Office Parks Group based on its internal assessment had provisionally decided to opt for concessional income tax rate for certain of its SPVs. Further, as clarified by Central Board of Direct Taxes, Minimum Alternate Tax credit balance for such SPVs amounting to Rs. 141.79 million had been written off to the Consolidated Statement of Profit and Loss for the period ended 31 December 2019. Further, based on the amendments to the Finance Bill, 2020 dated 27 March 2020, such SPV's have not opted for such concessional tax rate under Section 115BAA of the IT Act. Accordingly, for the quarter ended 31 March 2020, the additional current tax expense amounts to Rs. 151.32 million, MAT write off as stated above of Rs. 141.79 million has been reinstated and additional deferred tax liability of Rs. 212.70 million has been recorded during the quarter.

46 Earnings Per Unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the period/ year attributable to Unitholders by the weighted average number of units outstanding during the 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 Units of the Trust were allotted on 22 March 2019 and 27 March 2019.

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

	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit after tax for calculating basic and diluted EPU	578.07	2,534.51	3,112.58	4,542.76	(94.47)	7,655.34	(94.47)
Weighted average number of Units (No. in millions)	771.67	771.67	771.67	771.67	18.10	771.67	18.10
Earnings Per Unit							
- Basic (Rupees/unit)	0.75	3.28	4.03	5.89	(5.22)	9.92	(5.22)
- Diluted (Rupees/unit)*	0.75	3.28	4.03	5.89	(5.22)	9.92	(5.22)

* The Trust does not have any outstanding dilutive units

47 Management Fees

Property Management Fee

Pursuant to the Investment Management Agreement dated 12 June 2017 as amended, Investment Manager is entitled to fees @ 3% of the 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 Investment Manager to undertake the services provided to the Embassy REIT and its SPVs. Property Management fees for the quarter and year ended 31 March 2020 amounts to Rs. 127.40 million and Rs. 486.13 million (31 March 2019: Rs Nil). There are no changes during the period in the methodology for computation of fees paid to Investment Manager.

REIT Management Fees

Pursuant to the Investment Management Agreement dated 12 June 2017, as amended, Investment Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the REIT and its investments. REIT Management fees accrued for the quarter and year ended 31 March 2020 amounts to Rs. 56.02 million and Rs. 214.81 million (31 March 2019: Rs Nil). There are no changes during the period in the methodology for computation of fees paid to Investment Manager.

Secondment fees

Pursuant to the Secondment Agreement dated 11 March 2019, Investment Manager is entitled to fees of Rupees One Lakh (Rs. 1,00,000) per month in respect certain employees of Investment Manager being deployed to the Embassy office Parks REIT in connection with the operation and management of the assets of the Embassy REIT. Secondment Fees for the quarter and year ended 31 March 2020 amounts to Rs. 0.36 million and Rs. 1.42 million (31 March 2019 - Rs Nil). There are no changes during the period in the methodology for computation of secondment fees paid to Investment Manager.

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48 Commitments and contingencies

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (Refer note i)	11,088.92	5,369.00	-
Contingent liabilities			
Claims not acknowledged as debt in respect of Income Tax matters (Refer note ii)	425.41	390.03	-
Claims not acknowledged as debt in respect of Service Tax matters (Refer note iii)	730.10	598.90	-
Claims not acknowledged as debt in respect of Property Tax matters (Refer note iv)	3,313.08	3,212.76	-
Others (Refer notes v and vi)			

Based on management's best estimate the Group has provided for any claims during the year. The Group will continue to monitor developments to identify significant uncertainties and change in estimates, if any, in future period.

Notes:

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

SPV	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
MPPL	9,519.23	3,859.26	-
OBPPL	51.78	893.77	-
EOPPL	1,423.43	424.23	-
Others	94.48	191.74	-
	11,088.92	5,369.00	-

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

SPV	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
MPPL	8.50	0.28	-
EOPPL	224.29	172.28	-
QBPL	77.60	145.57	-
QBPPL	3.76	3.76	-
OBPPL	72.82	-	-
IENMPL	38.44	68.14	-
	425.41	390.03	-

MPPL: (a) The SPV has received Section 153A assessment orders for AY 2009-10 to 2015-16 making additions under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing taxable income under the Income tax Act. The SPV has received demand orders to pay a sum of Rs. 8.22 million for the assessment period. Appeals were filed before CIT(A) challenging the assessment orders. As at 31 March 2020 the CIT(A) has dismissed the appeals for AY 2009-10, 2011-12 and 2012-13 upholding the assessment additions made. MPPL intends to challenge the same and file an appeal before Income-tax Appellate Tribunal [ITAT], within the stipulated time. Accordingly, the SPV has disclosed Rs.8.22 million (31 March 2019: Nil) as contingent liability.

(b) The SPV was originally assessed u/s. 143(3) for AY 2009-10 apart from the assessment u/s. 153A as disclosed above in (a) for disallowance under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing the taxable income under the Income tax Act. The SPV has received outstanding demand orders to pay a sum of Rs 0.28 million. As at 31 March 2020 the appeal against order of ITAT is pending for hearing before Hon'ble High Court of Karnataka. Accordingly, the SPV has disclosed Rs. 0.28 million (31 March 2019: Rs. 0.28 million) as contingent liability.

EOPPL: (a) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2016-17 and received assessment order dated 31.12.2018 with additions made u/s.14A of the Income Tax Act with demand order of Rs 172.28 million. The SPV has filed an appeal against the assessment order at the CIT(A) and has paid Rs. 14.06 million under protest with balance demand stayed. Accordingly, the SPV has disclosed Rs. 172.28 million (31 March 2019: Rs. 172.28 million) as contingent liability.

(b) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2017-18 and received assessment order dated 24.12.2019 with additions made u/s.14A of the Income Tax Act read with rule 8D of the Income-tax Rules and addition to the income based on reconciliation differences between Form 26AS and the books of accounts. Aggrieved by the assessment order, the SPV has filed an appeal with CIT(A). Accordingly, the SPV has disclosed Rs. 52.01 million (31 March 2019: Rs. Nil) as contingent liability.

QBPL: (a) The SPV was assessed under section 143(3) of the Income Tax Act and has received a demand notice of Rs 71.71 million for AY 2010-11, on account of disallowance of the deduction 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. Income tax Department has moved to Hon'ble High Court of Mumbai against the ITAT order. Accordingly, the SPV has disclosed the above demand of Rs.71.71 million (31 March 2019: Rs. 71.00 million) as a contingent liability.

(b) The SPV was assessed for AY 2014-15 u/s. 143(3) of the Income Tax Act and certain additions were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs.5.89 million was received. While the said demand has been paid, the SPV has contested this demand and filed an appeal with CIT(A) against the said order. Accordingly, the SPV has disclosed the above demand of Rs. 5.89 million (31 March 2019: Rs. 5.89 million) as a contingent liability.

(c) The SPV had received an assessment order u/s.143(3) of the Act for Assessment year 2012-13 wherein the assessing officer has raised a demand of Rs.68.68 million, which was mainly on account of income from leasing of immovable property which has been treated as 'income from house property', as against the head 'profits and gains from business or profession' as declared by the SPV in its tax returns. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal in favour of the SPV. Accordingly the SPV has disclosed Rs. Nil (31 March 2019 Rs.68.68 million) as a contingent liability.

48 Commitments and contingencies (continued)

QBPL: The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2015-16 and certain addition were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs.3.76 million was received. While the said demand has been paid, the SPV has contested this demand and filed an appeal with CIT(A) against the said order. Accordingly, the SPV has disclosed the above demand of Rs. 3.76 million (31 March 2019: Rs. 3.76 million) as a contingent liability.

OBPPL: (a) The SPV had been assessed u/s. 143(3) of the Act and received a tax demand notice of Rs. 69.83 million for Assessment Year 2011-12 wherein the Assessing Officer had disallowed the profit earned by the SPV on transfer of the land at a value which was in excess of its fair value and claimed as deduction under Section 80IAB. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal in favour of the SPV. Income Tax Department filed an appeal with ITAT against the order of CIT(A). Accordingly, the SPV has disclosed the above demand of Rs. 69.83 million (31 March 2019: Nil) as a contingent liability.

(b) The SPV has received an assessment order for AY 2017-18 wherein TDS credit has not being given in respect of merged entities. Subsequently, the SPV has filed an appeal against the assessment order with CIT(A). Accordingly, the SPV has disclosed Rs. 2.99 million (31 March 2019: Rs. Nil) as contingent liability.

IENMPL: (a) The SPV had received an assessment order u/s 147 r/w. s. 143(3) of Income Tax Act 1961 for the AY 2009-10 for disallowance of unrealized rent claimed against income from House Property resulting in tax demand of Rs. 2.92 million. 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 against the SPV. The SPV filed an appeal with ITAT against the order of CIT(A) which during the year was dismissed by ITAT. Accordingly, the SPV has disclosed Rs. Nil (31 March 2019: Rs. 4.05 million) as contingent liability.

(b) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2010-11 with disallowance of municipal tax paid, claimed against Income from House property, disallowance of management fees and section 14A additions made, resulting in tax demand of Rs. 12.12 million. The SPV filed an appeal before CIT(A) which was dismissed by the CIT(A). The SPV filed an appeal with ITAT against the order of CIT(A) which during the year was dismissed by ITAT. Accordingly, the SPV has disclosed Rs. Nil (31 March 2019: Rs.12.11 million) as contingent liability.

(c) The SPV was reassessed u/s 147 read with section 143(3) of Income-tax Act, 1961 for the AY 2010-11 and addition on account of unexplained cash deposits was made u/s.69A of the Act, resulting in tax demand of Rs. 2.98 million. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.2.98 million (31 March 2019: Rs. Nil) as contingent liability.

(d) 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. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs.12.14 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.12.14 million (31 March 2019: Rs.13.43 million) as contingent liability.

(e) 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. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs.14.07 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.14.07 million (31 March 2019: Rs 20.42 million) as contingent liability.

(f) The SPV received a tax demand notice of Rs.5.48 million for Assessment Year 2013-14 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 filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal against the SPV. The SPV filed an appeal with ITAT against the order of CIT(A), however has recorded the liability. Accordingly, the SPV has disclosed Rs. Nil (31 March 2019: Rs 5.48 million) as contingent liability.

(g) The SPV received a tax demand notice of Rs.9.25 million for Assessment Year 2014-15 wherein the Assessing Officer had disallowed municipal tax paid claimed against Income from House property an additions made u/s. 14A of the Income tax Act read with Rule 8D of the Income Tax Rules. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. Accordingly, the SPV has disclosed Rs.9.25 million (31 March 2019: Rs.12.65 million) as contingent liability.

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

SPV	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
MPPL	573.90	522.04	-
ETPL	64.73	12.30	-
GSPL	23.99	1.02	-
VCPL	40.66	40.66	-
UPPL	26.82	22.88	-
	730.10	598.90	-

MPPL: (a) The SPV had received Order-in-original dated 23 December 2015 with a demand to pay a sum of Rs. 522.04 million (including interest and penalty) from the Commissioner of Central Excise Bangalore-V Commissionerate towards incorrectly availed Cenvat credit during the period 1 April 2006 to 31 March 2012. Appeal has been filed before CESTAT dated 18 April 2016. As at 31 March 2020 the appeal is still pending before CESTAT and the amount of Rs 522.04 million (31 March 2019: Rs.522.04 million) is disclosed as contingent liability.

(b) The SPV had received an order dated 26 May 2011 from Assistant Commissioner of Commercial Taxes for rejecting the refund of Rs. 51.86 million towards incorrectly availed VAT credit during the period 1 April 2009 to 31 March 2010. Appeal was filed before KAT which allowed the refund in part. The SPV approached Hon'ble High Court of Karnataka which quashed the order passed by KAT and granted full refund. The State of Karnataka has filed an appeal in the Supreme Court against the High Court order. Accordingly, a sum of Rs 51.86 million (31 March 2019: Rs. Nil) has been disclosed as contingent liability.

ETPL: (a) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata for the period 2012-13 in respect of non-registration and non-payment of service tax under the category of 'Builder's Special Services' and not 'Construction of Immovable Property' service with regard to installation of parking equipment which is taxable as a service leading to ineligibility of abatement of Rs. 10.01 million, irregular availing of credit of Rs 6.87 million and non-payment of service tax Rs 0.96 million (along with penalty of equal amount). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of Rs 1.33 million to stay the recovery of the balance amount. The same has been paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the aforementioned demand and penalty amount of Rs 35.68 million (31 March 2019: Rs. 10.00 million) has been disclosed as a contingent liability.

(b) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata demanding Rs 2.30 million in respect of denial of credit on construction of building and various other activities which has been utilized against output service of 'Renting of Immovable Property' service for the period 2013-14 (along with penalty of equal amount). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of Rs 0.2 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the year ended 31 March 2019 the SPV has received favorable order and the said demand was annulled; however, the Assistant Commissioner (T&R) had filed an appeal against the Order to Central Excise and Service Tax Appellate Tribunal. The appeal has been dismissed by the CESTAT. Accordingly, the SPV has disclosed demand and penalty amount of Rs. Nil as at 31 March 2020 (31 March 2019: Rs. 2.30 million) as contingent liability.

(c) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata in January 2020, demanding Rs 14.52 million in respect of denial of input tax credit during construction period for the financial years 2014-15 to 2016-17 (along with penalty of equal amount). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of Rs 1.09 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the year ended 31 March 2020, the SPV has disclosed the demand and penalty amount of Rs. 29.05 million (31 March 2019: Rs. Nil) as contingent liability.

48 Commitments and contingencies (continued)

GSPL: a) The SPV had received an Order-in-Original passed by the Ld. Commissioner, Customs, Central Excise and Service Tax Commissionerate, Noida demanding Rs 11.99 million (along-with penalty of equal amount) in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of Rs 0.90 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the previous year FY 17-18, the Company had received a favorable order and the said demand was annulled; however, the Commissioner Excise has filed an appeal against the Order to Hon'ble High Court of Allahabad. Accordingly, the SPV has disclosed the demand and penalty amount of Rs. 23.99 million (31 March 2019: Rs. Nil) as contingent liability.

b) The SPV had received an Order-in-Original passed by the Deputy Commissioner, Service Tax, Division - III, Noida, demanding Rs 1.02 million in respect of denial of CENVAT credit utilised on the basis of photocopy of invoices for the AY 2014-15. Against the aforesaid Order, the SPV has filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit Rs 0.08 million to stay the recovery of the balance amount. The SPV paid full demand of Rs. 1.02 million under protest. During the year ended 31 March 2020, this matter has been settled under Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019. Accordingly an amount of Rs. Nil (31 March 2019: Rs. 1.02 million) is disclosed as contingent liability.

VCPL: The SPV has received a show cause cum demand notice issued by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Bombay related to period from 1 April 2012 to 31 March 2015, demanding Rs 29.91 million along-with penalty of Rs. 10.75 million in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of Rs 2.01 million to stay the recovery of the balance amount. The same was paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the said demand of Rs. 40.66 million (31 March 2019: Rs. 40.66 million) has been disclosed as contingent liability.

UPPL: (a) The SPV had received show cause notices dated 3 July 2015 for demand on irregular cenvat credit availed for Rs 23.04 million relating to period from 1 April 2011 to 31 March 2016. Responses have been filed in August 2017 and is pending before the Commissioner of Service Tax. Accordingly, the aforementioned demand of Rs. 23.04 million (31 March 2019: Rs. 22.88 million) is disclosed as contingent liability.

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

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

SPV	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
MPPL	3,313.08	3,212.76	-
	3,313.08	3,212.76	-

MPPL: (a) The SPV has received a demand order dated 5 October 2015 to pay a sum of Rs. 2,739.49 million (including interest and penalty) towards the difference in property tax payable by the SPV, which difference arose on account of classification of the property under different schedules for the purpose of computing property taxes, for the period 2008-09 to 2015-16. The SPV is contesting that the concerned property being an industrial estate that has been developed as special economic zone must be classified as category XIV as per the notification issued under Karnataka Municipal Corporation Act, 1976 (the Act) and Bruhat Bengaluru Mahanagar Palike Property Tax Rules, 2009 (Rules). Whereas, the Assistant Revenue Officer has been considering the concerned property under category VIII as per the notification issued under the Act and Rules. The SPV filed a writ petition against the demand order which has been dismissed by the Hon'ble High Court of Karnataka. The said court upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of writ petition, MPPL has filed an appeal before the aforementioned court and the same has been admitted by the court on 27 June 2016. The Hon'ble High Court restrained BBMP from taking any coercive action against the SPV and also directed BBMP to allow the SPV to make payment of property tax for the assessment year 2016-17. The matter is currently pending and as of the date of these financial statements, no further developments have taken place. SPV has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability. The SPV paid Rs 646.69 million (31 March 2019: Rs. 646.69 million) under protest against the above demand.

(b) The SPV has also received a demand order dated 9 October 2017 to pay a sum of Rs. 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, Bangalore objecting the total survey report and property tax assessment notice arising therefrom. A new demand notice dated 17 January 2019 was issued to pay a sum of Rs. 860.39 million towards the differential property tax for the period 2008-09 to 2017-18. The SPV, has submitted a letter to the Joint Commissioner dated 29 March 2019, referring to the appeals preferred by the SPV and had paid a sum of Rs. 286.80 million towards property tax demanded under protest. SPV has obtained external legal opinion on this matter which indicates that the SPV has a fair chance of success and the actual liability for payment is subject to final decision in the appeal pending before Joint Commissioner. Accordingly, net contingent liability of Rs 573.59 million (31 March 2019: Rs. 473.27 million) has been disclosed.

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

(a) GLSP (50% equity accounted investee - joint venture) Income Tax matters:

(a) GLSP has received a Tribunal order for AY 2007-08 to 2013-14 upholding the taxability of interest income basis information in the Annual Information Return (for AY 2007-08 only), upholding the disallowance on interest paid towards loans allegedly used for on-lending to certain parties and remanding the issue of disallowance on interest paid towards such loans. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all years put together is Rs 907.40 million. GLSP has filed an appeal before the Hon'ble High Court of Karnataka on these matters. GLSP has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability.

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

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

(d) During the year ended 31 March 2020, GLSP has received assessment order for AY 2017-18 for disallowance under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules, Disallowance of claim under section 80G of the Income Tax Act and addition to the income based on differences between Form 26AS and the books of accounts. GLSP has filed an appeal against the assessment order with CIT(A). Accordingly, GLSP has disclosed Rs. 2.83 million (31 March 2019 : Rs. Nil) as contingent liability.

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

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

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

48 Commitments and contingencies (continued)

vi) Other matters

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

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

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

The SPV commissioned the solar plant during the FY 2017-2018 and as per the previous Regulation, the charges did not apply to the SPV for a period of 10 years. The SPV filed a writ petition with the Hon'ble High Court of Karnataka challenging the KERC Order and obtained an interim Stay Order dated 24 May 2018. BESCOM filed preliminary statement of objections and also filed application seeking recalling of interim order. The application seeking recalling of interim order was rejected. The Hon'ble High Court passed the judgment on 13 March 2019 allowing the Writ Petition and quashed the order dated 14 May 2018 passed by KERC. The SPV has filed the Caveat Petition for receiving notifications in case any suit / appeal is filed by any of the parties to the said petition. KERC has filed a common writ appeal against the order dated 13 March 2019. However, EEPL has not been made a party to the said appeal. In the event an adverse order is passed in the said appeal, EEPL may also be affected.

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

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

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(all amounts in Rs. millions unless otherwise stated)

49 Business Transfer Agreement (BTA) between QBPL and EODPL

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

QBPL borrowed Rs. 4,681.93 millions from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired and purchase consideration amounting to Rs. 1,402.19 millions has been recognised as goodwill as at 31 March 2019.

During the year ended 31 March 2020, goodwill amounting to Rs. 922.71 million pertaining to hospitality division of Embassy Quadron has been impaired. Refer note 6 for further details.

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

50 Business Combination

Embassy Office Parks REIT has acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of Rs. 300 each amounting to Rs 183,888.64 millions and by assuming liability towards purchase of equity interest in IENMPL amounting to Rs. 3,450 million (paid subsequently on 2 April 2019).

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

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

Note:

- Purchase consideration amounting to Rs. 71,078.44 millions is towards issue of 209,227,490 units at Rs. 300 each. Further, an amount of Rs. 8,310.19 millions is paid by SPV before the date of acquisition by Embassy Office Parks REIT, towards equity investment in MPPL of Rs. 8,309.11 million, in EEPL of Rs. 1 million and in GLSP of Rs. 0.08 million.
- During the year ended 31 March 2019, QBPL had entered into Business Transfer Agreement (BTA) with EODPL on 11 March 2019 and completed the purchase of the assets and liabilities for Hospitality segment and Commercial offices segment from EODPL as per the BTA. QBPL borrowed Rs. 4,681.93 million from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired (Rs 3,279.74 million) and purchase consideration (Rs 4,681.93 million) amounting to Rs. 1,402.19 million has been recognised as goodwill as at 31 March 2019. This transaction is not a part of the goodwill on consolidation as shown in the table above.
- Purchase consideration includes assumption of liability of Rs. 3,450 million towards one of the erstwhile shareholders of the SPV. The liability has been settled in cash on 2 April 2019.
- During the year ended 31 March 2020, goodwill amounting to Rs. 487.14 million pertaining to UPPL has been impaired. Refer note 6 for further details.

50 Business Combination (continued)

Measurement of fair values

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

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

Goodwill is attributable due to the acquisition price being dependent on the overall property valuation assuming a discounted cash flow method computed using future cashflows and other relevant assumptions as compared with the individual assets recorded at their fair values computed basis comparable approach or depreciated replacement cost basis. The acquisition was done on 22 March 2019 and thus goodwill was not assessed for impairment as at 31 March 2019. Goodwill has been tested for impairment as at 31 March 2020. Refer note 6 for details on impairment testing.

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51 Financial instruments - Fair values

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	31 March 2020	31 March 2020	31 March 2019	31 March 2019
Financial assets				
Amortised cost				
Loans	720.20	-	1,539.59	-
Trade receivables	242.25	-	335.86	-
Cash and cash equivalents	3,249.16	-	49,612.75	-
Other bank balances	169.79	-	1,455.99	-
Other financial assets	1,588.00	-	2,966.75	-
Investments in debentures	724.38	-	-	-
Fair value through profit and loss				
Investments in mutual funds	11,549.21	11,549.21	1,944.87	1,944.87
Total assets	18,242.99	11,549.21	57,855.81	1,944.87
Financial liabilities				
Amortised cost				
Borrowings (including current maturities of long-term debt) - floating rates	11,163.28	-	72,115.61	-
Borrowings (including current maturities of long-term debt) - fixed rates	46,297.56	46,243.74	6,994.93	6,994.93
Lease deposits	9,497.57	-	8,752.11	-
Trade payables	254.75	-	421.87	-
Other financial liabilities	2,893.54	-	6,901.45	-
Total liabilities	70,106.70	46,243.74	95,185.97	6,994.93

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

B. Measurement of fair values

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

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

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

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

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

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

Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2020	11,549.21	11,549.21	-	-
Investment in mutual funds	31 March 2019	1,944.87	1,944.87	-	-

Transfers between Level 1, Level 2 and Level 3

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

Determination of fair values

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

- 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.

52 Operating segments

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

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

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

a) Commercial Offices segment:

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

b) Hospitality segment:

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

c) Other segment:

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

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

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

Particulars	Commercial Offices						Hospitality						Other Segment						Total					
	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the year ended 31 March 2020	For the quarter, half-year and year ended 31 March 2019	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 30 September 2019	For the year ended 31 March 2020	For the quarter, half-year and year ended 31 March 2019	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 30 September 2019	For the year ended 31 March 2020	For the quarter, half-year and year ended 31 March 2019	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the year ended 31 March 2020	For the quarter, half-year and year ended 31 March 2019		
Revenue from operations	4,687.19	4,721.70	9,408.89	9,300.69	18,709.58	-	284.01	354.17	638.18	535.21	1,173.39	-	462.41	382.66	845.07	721.18	1,566.25	-	5,433.61	5,458.53	10,892.14	10,557.08	21,449.22	-
Identifiable operating expenses	(484.95)	(508.93)	(993.88)	(1,088.09)	(2,081.97)	-	(302.53)	(269.20)	(571.73)	(496.26)	(1,067.99)	-	(27.74)	(41.42)	(69.16)	(60.56)	(129.72)	-	(815.22)	(819.55)	(1,634.77)	(1,644.91)	(3,279.68)	-
Net Operating Income (segment results for the period/ year)	4,202.24	4,212.77	8,415.01	8,212.60	16,627.61	-	(18.52)	84.97	66.45	38.95	105.40	-	434.67	341.24	775.91	660.62	1,436.53	-	4,618.39	4,638.98	9,257.37	8,912.17	18,169.54	-
Other operating expenses																			(398.68)	(400.03)	(798.71)	(714.41)	(1,513.12)	(94.47)
Interest, dividend and other income																			402.34	222.74	625.08	365.27	990.35	-
Earnings before finance costs, depreciation, amortisation, impairment loss and tax																			4,622.05	4,461.69	9,083.74	8,563.03	17,646.77	(94.47)
Share of profit after tax of equity accounted investees																			280.55	246.48	527.03	642.30	1,169.33	-
Depreciation and amortisation expenses																			(1,263.20)	(1,182.42)	(2,445.62)	(2,835.62)	(5,281.24)	-
Impairment loss (Refer note 6)																			(1,775.98)	-	(1,775.98)	-	(1,775.98)	-
Finance costs																			(1,204.94)	(943.57)	(2,148.51)	(1,655.03)	(3,803.54)	-
Profit/(loss) before tax																			658.48	2,582.18	3,240.66	4,714.68	7,955.34	(94.47)
Tax expense																			(80.41)	(47.67)	(128.08)	(171.92)	(300.00)	-
Other Comprehensive Income																			0.16	-	0.16	-	0.16	-
Total comprehensive income/(loss) for the period/year																			578.23	2,534.51	3,112.74	4,542.76	7,655.50	(94.47)

52 Operating segments (continued)

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

For the quarter ended 31 March 2020

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

For the quarter ended 31 December 2019

Particulars	Trust	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETPTL	Total
Segment Revenue:														
Commercial Office Segment	-	2,181.42	372.55	-	-	225.35	256.48	362.32	228.00	375.04	349.82	370.72	-	4,721.70
Hospitality Segment	-	-	-	215.91	-	-	-	-	-	138.26	-	-	-	354.17
Others	-	-	-	-	382.66	-	-	-	-	-	-	-	-	382.66
Total	-	2,181.42	372.55	215.91	382.66	225.35	256.48	362.32	228.00	513.30	349.82	370.72	-	5,458.53
Net Operating Income (segment results)														
Commercial Office Segment	-	2,049.75	356.05	-	-	174.72	234.39	280.06	191.59	292.28	303.34	330.59	-	4,212.77
Hospitality Segment	-	-	-	99.47	-	-	-	-	-	(14.50)	-	-	-	84.97
Others	-	-	-	-	341.24	-	-	-	-	-	-	-	-	341.24
Total	-	2,049.75	356.05	99.47	341.24	174.72	234.39	280.06	191.59	277.78	303.34	330.59	-	4,638.98

For the half year ended 31 March 2020

Particulars	Trust	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETPTL	Total
Segment Revenue:														
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
Total	-	4,487.16	709.26	375.22	845.07	422.00	514.62	689.80	449.21	996.78	654.95	748.07	-	10,892.14
Net Operating Income (segment results)														
Commercial Office Segment	-	4,207.56	684.19	-	-	329.99	473.36	545.52	369.70	590.12	553.19	661.38	-	8,415.01
Hospitality Segment	-	-	-	145.78	-	-	-	-	-	(79.33)	-	-	-	66.45
Others	-	-	-	-	775.91	-	-	-	-	-	-	-	-	775.91
Total	-	4,207.56	684.19	145.78	775.91	329.99	473.36	545.52	369.70	510.79	553.19	661.38	-	9,257.37

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52 Operating segments (continued)

For the half year ended 30 September 2019

Particulars	Trust	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	QBPL	VCPL	IENMPL	ETPL	Total
Segment Revenue:														
Commercial Office Segment	-	4,307.65	788.57	-	-	448.47	411.02	689.48	454.95	738.19	720.37	741.99	-	9,300.69
Hospitality Segment	-	-	-	450.40	-	-	-	-	-	84.81	-	-	-	535.21
Others	-	-	-	-	721.18	-	-	-	-	-	-	-	-	721.18
Total	-	4,307.65	788.57	450.40	721.18	448.47	411.02	689.48	454.95	823.00	720.37	741.99	-	10,557.08
Net Operating Income (segment results)														
Commercial Office Segment	-	4,017.72	727.09	-	-	331.54	368.09	508.77	382.51	587.60	623.28	666.00	-	8,212.60
Hospitality Segment	-	-	-	178.14	-	-	-	-	-	(139.19)	-	-	-	38.95
Others	-	-	-	-	660.62	-	-	-	-	-	-	-	-	660.62
Total	-	4,017.72	727.09	178.14	660.62	331.54	368.09	508.77	382.51	448.41	623.28	666.00	-	8,912.17

For the year ended 31 March 2020

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

*Above mentioned segment details for the quarter, half-year and year ended 31 March 2019 are not provided since the amounts for these periods are Nil.

53 Related party disclosures

I. List of related parties

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

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

BRE/ Mauritius Investments - Co-Sponsor

SG Indian Holding (NQ) Co. I Pte. Limited
SG Indian Holding (NQ) Co. II Pte. Limited
SG Indian Holding (NQ) Co. III Pte. Limited
BRE/Mauritius Investments II
BREP NTPL Holding (NQ) Pte Limited
BREP VII NTPL Holding (NQ) Pte Limited
BREP Asia SBS NTPL Holding (NQ) Limited

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

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

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

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

Directors

Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri (w.e.f 6 August 2018)
Punita Kumar Sinha (w.e.f 6 August 2018)
Robert Christopher Heady (w.e.f 6 August 2018)
Aditya Virwani (w.e.f 6 August 2018)
Asheesh Mohta - Director (w.e.f: 28 June 2019, alternate to Robert Christopher Heady)

KMPs

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

B. Joint Venture

Golfinks Software Parks Private Limited

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

Vikas Telecom Private Limited
Dynasty Properties Private Limited
Snap Offices Private Limited
(formerly known as Stylus Commercial Services Private Limited)
Synergy Property Development Services Private Limited (Upto 5 November 2019)*
Embassy Industrial Parks Private Limited
Golfinks Embassy Management Services LLP
Golfinks Park Management Services LLP
Wework India Management Private Limited
Embassy Shelters Private Limited
Manyata Builders Private Limited
Manyata Projects Private Limited
FIFC Condominium

Reddy Veeranna Constructions Private Limited
Embassy Construction Private Limited
Mac Charles (India) Limited
Lounge Hospitality LLP
EPDPL Coliving Operation LLP
EPDPL Coliving Private Limited
Embassy Projects Private Limited

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

II. **Related party transactions**

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Property Management fees							
Embassy Office Park Management Services Private Limited	127.40	125.19	252.59	233.54	-	486.13	-
REIT Management fees							
Embassy Office Park Management Services Private Limited	56.02	55.34	111.36	103.45	-	214.81	-
Purchase of Intangible assets							
Embassy Office Park Management Services Private Limited	8.84	-	8.84	-	-	8.84	-
Purchase of Investment Property							
Reddy Veeranna Constructions Private Limited	4.51	-	4.51	-	-	4.51	-
Common area maintenance							
Embassy Services Private Limited	26.45	221.02	247.47	313.96	-	561.43	-
Golflinks Embassy Business Park Management Services LLP	6.02	6.03	12.05	12.06	-	24.11	-
FIFC Condominium	15.71	17.85	33.56	33.45	-	67.01	-
Repairs and maintenance - building							
FIFC Condominium	6.13	-	6.13	-	-	6.13	-
Business consultancy services (capitalised)							
Embassy Property Developments Private Limited	14.18	37.23	51.41	73.49	-	124.90	-
Income from generation of renewable energy from the tenants of							
Vikas Telecom Private Limited	98.11	98.52	196.63	180.69	-	377.32	-
Embassy Property Developments Private Limited	15.83	17.05	32.88	54.67	-	87.55	-
Dynasty Properties Private Limited	7.39	9.89	17.28	22.04	-	39.32	-
Golflinks Software Park Private Limited	64.53	55.40	119.93	104.94	-	224.87	-
Security Deposit given/(repaid) to/(by) related party							
Embassy Property Developments Private Limited	-	(165.35)	(165.35)	(826.15)	-	(991.50)	-
FIFC Condominium	-	(2.52)	(2.52)	2.52	-	-	-
Capital advances paid							
Embassy Property Developments Private Limited (refer note below)	252.92	4,359.69	4,612.61	272.36	-	4,884.97	-
Reddy Veeranna Constructions Private Limited	(3.30)	0.82	(2.48)	6.50	-	4.02	-
FIFC Condominium	9.71	-	9.71	-	-	9.71	-
Rental and maintenance income							
Wework India Management Private Limited	25.67	26.43	52.09	56.75	-	108.85	-
Snap Offices Private Limited	9.23	9.21	18.44	18.41	-	36.85	-
Interest income							
Golflinks Software Park Private Limited	10.95	15.75	26.70	45.49	-	72.19	-
Embassy Services Private Limited	-	-	-	3.63	-	3.63	-
Embassy Property Development Private Limited	160.47	-	160.47	-	-	160.47	-
Reddy Veeranna Construction Private Limited	-	-	-	1.53	-	1.53	-
Other operating income							
Embassy Property Developments Private Limited	171.60	44.28	215.88	-	-	215.88	-
Income from management fees							
Golflinks Software Park Private Limited	7.50	37.50	45.00	-	-	45.00	-

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

II. **Related party transactions**

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Project management consultancy fees (capitalised)							
Synergy Property Development Services Private limited	-	33.44	33.44	58.09	-	91.53	-
Amount paid for civil works (capitalised)							
Synergy Property Development Services Private limited	-	-	-	539.28	-	539.28	-
Power and fuel expenses							
Embassy Services Private Limited	18.42	35.64	54.06	63.45	-	117.51	-
Reversal of impairment on investments							
Manyata Projects Private Limited	-	(156.98)	(156.98)	-	-	(156.98)	-
Investments written off							
Manyata Projects Private Limited	-	156.98	156.98	-	-	156.98	-
Legal and professional charges							
Embassy Services Private Limited	34.57	9.68	44.25	4.19	-	48.44	-
Security charges							
Embassy Services Private Limited	2.34	6.30	8.64	4.30	-	12.94	-
Trademark and license fees							
Embassy Shelters Private Limited	0.36	0.35	0.71	0.71	-	1.42	-
Purchase of consumables							
Embassy One Developers Private Limited	16.81	-	16.81	-	-	16.81	-
Rates and taxes							
Embassy One Developers Private Limited	2.06	-	2.06	-	-	2.06	-
Revenue - Room rentals, sale of food and beverages							
Jitendra Virwani	1.21	1.01	2.22	0.12	-	2.34	-
Embassy Property Developments Private Limited	0.88	2.33	3.21	2.04	-	5.25	-
Embassy One Developers Private Limited	1.96	-	1.96	-	-	1.96	-
Vikas Telecom Private Limited	0.15	-	0.15	0.16	-	0.31	-
JV Holding Private Limited	0.03	0.01	0.04	-	-	0.04	-
Others	0.90	2.94	4.04	0.95	-	4.99	-
Investment in debentures							
Golflinks Software Parks Private Limited	-	-	-	2,500.00	-	2,500.00	-
Redemption of investment in debentures							
Golflinks Software Parks Private Limited	458.10	448.51	906.61	869.01	-	1,775.62	-
Secondment fees							
Embassy Office Parks Management Services Private Limited	0.36	0.35	0.71	0.71	-	1.42	-
Trustee fees							
Axis Trustee Services Limited	0.76	0.72	1.48	1.48	-	2.96	-
Miscellaneous expenses							
Mac Charles (India) Limited	-	-	-	0.48	-	0.48	-
Business Promotion expenses							
Lounge Hospitality LLP	-	0.06	0.06	-	-	0.06	-

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

II. **Related party transactions**

Particulars	For the quarter ended 31 March 2020	For the quarter ended 31 December 2019	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the quarter and half year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Reimbursement of expenses (received)/ paid							
Embassy Services Private Limited	(6.65)	17.09	10.44	19.33	-	29.77	-
Embassy One Developers Private Limited	(6.26)	-	(6.26)	-	9.54	(6.26)	9.54
Embassy Office Parks Management Services Private Limited	1.97	4.19	6.17	47.70	157.50	53.87	157.50
Initial refundable receipt from Co-sponsor - received / (repaid)							
Embassy Property Development Private Limited	-	-	-	(0.50)	0.50	(0.50)	0.50
Issue of Unit capital (in exchange of the Investment in equity shares of SPVs)							
Embassy Property Development Private Limited	-	-	-	-	34,645.44	-	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	-	-	-	31,228.49	-	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	-	-	-	20.24	-	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	-	-	-	135.39	-	135.39
BRE/ Mauritius Investments	-	-	-	-	28,083.23	-	28,083.23
India Alternate Property Limited	-	-	-	-	11,834.10	-	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	-	-	-	7,770.49	-	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	-	-	-	1,941.58	-	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	-	-	-	38.24	-	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	-	-	-	10.66	-	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	-	-	-	8,548.39	-	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	-	-	-	2,130.08	-	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	-	-	-	20.36	-	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	-	-	-	12.10	-	12.10
BRE/Mauritius Investments II	-	-	-	-	13,689.26	-	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	-	-	-	4,454.94	-	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	-	-	-	1,112.97	-	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	-	-	-	21.13	-	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	-	-	-	6.04	-	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	-	-	-	9,798.86	-	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	-	-	-	2,448.42	-	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	-	-	-	48.25	-	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	-	-	-	13.36	-	13.36
BREP GML Holding (NQ) Pte. Limited.	-	-	-	-	3,712.50	-	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	-	-	-	927.45	-	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	-	-	-	17.54	-	17.54
BREP VII SBS GML Holding (NQ) Limited	-	-	-	-	5.01	-	5.01
Margin money kept on behalf of Trust							
Embassy Office Parks Management Services Private Limited	-	-	-	-	20.00	-	20.00

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

III. Related party balances

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Security deposits			
Embassy Property Developments Private Limited	-	953.64	-
Embassy Services Private Limited	60.50	-	-
Advance from Customers			
Wework India Management Private Limited	1.92	-	-
Trade payables			
Embassy Services Private Limited	91.74	-	-
Embassy Office Parks Management Service Private Limited	4.66	13.71	-
Golflinks Embassy Business Park Management services LLP	2.01	-	-
FIFC Condominium	17.53	-	-
Unbilled revenue			
Vikas Telecom Private Limited	25.05	-	-
Embassy Property Developments Private Limited	8.92	-	-
Dynasty Properties Private Limited	3.73	-	-
Golflinks Software Parks Private Limited	24.12	-	-
Other current financial assets - other receivables from related party			
Embassy Property Developments Private Limited	-	225.22	-
Manyata Builders Private Limited	5.63	-	-
Embassy One Developers Private Limited	2.31	-	-
Other current financial liabilities			
Embassy Property Developments Private Limited	-	19.33	-
Embassy One Developers Private Limited	0.05	9.54	-
Embassy Services Private Limited	115.48	-	-
Embassy Office Parks Management Services Private Limited	56.14	158.00	-
FIFC Condominium	0.95	-	-
Current liabilities - payable for purchase of fixed assets			
Embassy Property Developments Private Limited	14.73	20.94	-
Reddy Veeranna Constructions Private Limited	-	30.00	-
Other non-current assets - capital advance			
Embassy Shelters Private Limited	206.34	340.32	-
Reddy Veeranna Constructions Private Limited	6.51	-	-
FIFC Condominium	9.71	-	-
Other current assets - Advance for supply of goods and rendering of services			
FIFC Condominium	2.78	-	-
Other non-current assets - advance paid for purchase of development rights on a land and purchase of land			
Embassy Property Developments Private Limited (refer note below)	13,998.26	8,774.00	-
Trade receivables			
Embassy Property Developments Private Limited	51.48	-	-
Embassy One Developers Private Limited	1.20	-	-
Golflinks Embassy Business Park Management Services LLP	1.86	-	-
Wework India Management Private Limited	0.17	-	-
Others	2.32	10.56	-

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

III. Related party balances

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Lease deposits			
Wework India Management Private Limited	7.20	7.20	-
Snap Offices Private Limited	4.82	-	-
Investment in Debentures			
Golflinks Software Parks Private Limited	724.38	-	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Private Limited	-	20.00	-
Corporate guarantee/ letter of undertaking received for loan taken			
Embassy Property Developments Private Limited	-	2,300.00	-
Initial refundable receipt from co-sponsor			
Embassy Property Developments Private Limited	-	0.50	-
Other current financial liabilities - Security deposit			
Vikas Telecom Private Limited	105.00	105.00	-
Golflinks Software Parks Private Limited	80.00	80.00	-

Notes:

Manyata Promoters Private Limited ('MPPL') and Embassy Property Developments Private Limited ('EPDPL') entered into a co-development agreement whereby EPDPL shall develop 1 msf M3 Block A bare shell building to be handed over to MPPL by agreed delivery date for a consideration of Rs. 6,550 million to EPDPL, of which Rs. 6,269.20 million has already been paid as of 31 March 2020. The carrying cost in the consolidated financial statements of the above advance is Rs. 9,403.11 million as at 31 March 2020 which includes one time fair valuation gain on purchase price allocation on acquisition by the REIT (Refer Note 50).

During the year ended March 31, 2020, to further consolidate/ expand 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'2023 for a consideration of Rs. 6,767 million to EPDPL, of which Rs. 4,255.85 million has already been paid as of March 31, 2020. As per terms of both of these co-development agreements, consideration is contingent on pre-defined leasing timelines and Net Operating Income. Further, EPDPL is liable to pay a compensation for any delay in delivery beyond agreed date of respective blocks. MPPL has also appointed EPDPL as the development manager, to convert the bare shell buildings to warm shell and obtain the occupancy certificate for the buildings by agreed timeline for an agreed consideration. Further, interest as agreed and approved by the Board of MPPL is payable by EPDPL to MPPL upto the date of completion of the M3 Block B. The Group has obtained two independent valuation reports as required by the REIT regulations for acquisition and the average of the two valuations amounts to Rs. 8,728.62 million (including conversion of bareshell to warmshell). No fees or commission is payable to any associate of the related party in relation to the transaction.

54 Transition to Ind AS 116

Embassy Office Parks Group as lessee

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

On transition, the Embassy Office Parks Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability measured on the transition date. Accordingly, a right-of-use asset of Rs. 312.10 million and a corresponding lease liability of Rs. 312.10 million has been recognised. The principal portion of the lease payments have been disclosed under cash flows from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flows from operating activities.

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

Impact of application of Ind AS 116 on consolidated balance sheet (increase/(decrease)):

	As at 31 March 2020
Assets	
Right-of-use assets	308.15
Total assets	308.15
Equity	
Retained earnings	(14.79)
Total equity	(14.79)
Liabilities	
Lease liabilities	322.93
Deferred tax liabilities	7.39
Total liabilities	330.32

Impact of application of Ind AS 116 on statement of profit and loss (increase/(decrease) in profit):

	For the quarter ended 31 March 2020	For the quarter ended 31 December	For the half year ended 31 March 2020	For the half year ended 30 September 2019	For the year ended 31 March 2020
Increase in Depreciation	(0.99)	(0.99)	(1.98)	(1.97)	(3.95)
Increase in Interest on lease liabilities	(7.79)	(7.80)	(15.59)	(15.61)	(31.20)
Decrease in Rental expenses	5.09	5.09	10.18	10.18	20.36
Impact on Profit before tax	(3.69)	(3.70)	(7.39)	(7.40)	(14.79)

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

Refer Statement of Cash Flow for total cash outflow on account of lease payments during the year ended 31 March 2020.

Group as a lessor

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

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2019	Unutilised amount as at 31 March	Actual utilisation upto 31 March 2020	Unutilised amount as at 31 March 2020
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of the Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes including issue expenses	5,718.07	-	5,718.07	5,718.07	-
Total	47,500.00	4,681.93	42,818.07	47,500.00	-

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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2020	Unutilised amount as at 31 March 2020
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs and granting of shareholder debt	35,550.00	35,550.00	-
General purposes including issue expenses	950.00	950.00	-
Total	36,500.00	36,500.00	-

57 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 19 May 2020, have declared distribution to Unitholders of Rs. 6.89 per unit which aggregates to Rs. 5,316.77 million for the quarter ended 31 March 2020. The distributions of Rs. 6.89 per unit comprises Rs. 2.49 per unit in the form of interest payment, Rs. 0.23 per unit in the form of dividend and the balance Rs. 4.17 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 13,504.15 million/ Rs. 17.50 per unit for the nine-months ended 31 December 2019, the cumulative distribution for the year ended 31 March 2020 aggregates to Rs. 18,820.92 million/ Rs. 24.39 per unit.

58 The Condensed Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards 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. Accordingly, Embassy Office Parks Group has prepared condensed consolidated financial statements which comply with Ind AS applicable for the quarter, half-year and year ended on 31 March 2020, together with the comparative period data as at and for the quarter, half-year and year ended 31 March 2019, as described in the summary of significant accounting policies. In preparing these condensed consolidated financial statements, Embassy Office Parks Group’s opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS.

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

60 The REIT acquired the SPVs by issuing units to the erstwhile shareholders of the SPVs on 22 March 2019. The results of the SPVs have been consolidated accordingly from such date and hence the numbers for the previous year ended 31 March 2019 are not comparable.

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

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

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

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

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

INDEPENDENT AUDITOR'S REPORT

To the Unitholders' of Embassy Office Parks REIT

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Embassy Office Parks REIT (hereinafter referred to as "the REIT"), its subsidiaries and a Joint venture (together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Unitholders' Equity for the year then ended and the consolidated Statement of Net Assets at fair value as at March 31, 2020 and the consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the REIT and each of its subsidiaries for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and on the other financial information of the Joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated profit including other comprehensive income, its consolidated cash flows, its consolidated statement of changes in Unitholders' equity for the year ended March 31, 2020, its consolidated net assets at fair value as at March 31, 2020, its consolidated total returns at fair value and the net distributable cash flows of the REIT and each of its subsidiaries for the year ended March 31, 2020.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 48(iv) to the Consolidated Ind AS financial statements which refers to the uncertainty in relation to two pending cases, as regards Property tax dues aggregating to Rs.3,313.08 million payable by Manyata Promoters Private Limited, before judicial forums as at March 31, 2020. Based on legal opinions obtained and pending outcome of such legal matter no provision has been made in these Consolidated Ind AS financial statements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
<p>Assessing impairment of Goodwill, Intangible assets with indefinite useful life, Investment property and Property, plant and equipment (as described in note 2.2 (c), 6 and 7 of the consolidated Ind AS financial statements)</p>	
<p>Goodwill and other Intangible assets with indefinite useful life, acquired in a business combination, are significant items on the balance sheet and management performs impairment testing for such goodwill and intangible assets, annually.</p> <p>Further, the Group's carrying value of Investment properties is Rs.195,849.87 million (including properties under construction – Rs.1,773.39 million) and carrying value of Property, plant and equipment is Rs.23,033 million (including capital work in progress – Rs.2,334.07 million) as at March 31, 2020, which is also subject to impairment testing.</p> <p>During the current year, impairment indicators were identified by the management for certain Cash Generating Units in relation to its hospitality segment. In performing such impairment assessments, management compared the carrying value of each of the identifiable cash generating units (“CGUs”) to which goodwill and other Intangible assets with indefinite useful life had been allocated with their respective ‘value in use’ computed based on discounted cash flow method, to determine if any impairment loss should be recognized.</p> <p>Similarly, for ensuring that its investment properties and property, plant and equipment are carried at no more than their recoverable amount, the recoverable amount, i.e. value in use, is determined by forecasting and discounting future cash flows.</p> <p>Considering the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Assessed the management’s valuation methodology applied in determining the recoverable amounts. - Evaluated management’s identification of CGU’s, the carrying value of each CGU and the methodology followed by management for the impairment assessment in compliance with the applicable accounting standards. - We involved valuation specialists to: <ul style="list-style-type: none"> (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - We read/assessed the disclosures in the consolidated Ind AS financial statements for compliance with the relevant accounting standards requirements.

Key audit matters	How our audit addressed the key audit matter
Classification of Unitholders' funds as equity (as described in note 22(a)(i) of the consolidated Ind AS financial statements)	
<p>The REIT is required to distribute to its Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the REIT to pay cash distributions to its Unitholders. The Unitholders' funds could have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/141/2016 dated December 26, 2016 and No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circulars") issued under the REIT Regulations, the Unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated December 26, 2016 dealing with the minimum disclosures for key financial statements.</p> <p>Based on the above, the classification of Unitholders' funds as equity involved considerable management judgement. Accordingly, it is considered as a key audit matter.</p>	<p>Our audit procedures included evaluating the requirements for classification of financial liability and equity under Ind AS 32 and evaluating the provisions of SEBI Circulars for classification/presentation of Unitholders' funds in the consolidated Ind AS financial statements of the REIT.</p> <p>We assessed the disclosures in the consolidated Ind AS financial statements for compliance with the relevant requirements of REIT regulations.</p>

Key audit matters	How our audit addressed the key audit matter
<p data-bbox="199 232 1364 293">Computation and disclosures as prescribed in the REIT regulations relating to Statement of Net Assets and Total Returns at Fair Value</p> <p data-bbox="199 300 1305 360">(as described in note 2.2(c) and in Statement of Net assets at fair value and Statement of total returns at fair value of the consolidated Ind AS financial statements)</p> <p data-bbox="199 367 734 801">As per the provisions of REIT Regulations, the REIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets. For this purpose, fair value is determined by forecasting and discounting future cash flows. The determination of fair value involves judgement due to inherent uncertainty in the underlying assumptions and it is highly sensitive to changes in some of the inputs used e.g. the discounting rate (WACC), capitalization rates, rental growth rates etc.,</p> <p data-bbox="199 860 734 987">Accordingly, the aforementioned computation and disclosures are determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</p>	<p data-bbox="758 367 1273 398">Our audit procedures include the following-</p> <ul style="list-style-type: none"> <li data-bbox="758 434 1385 533">- Read the requirements of SEBI REIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. <li data-bbox="758 568 1385 667">- Assessed the appropriateness of independent valuer's and management's valuation methodology applied in determining the fair values. <li data-bbox="758 703 1385 801">- Tested controls implemented by management to determine inputs for fair valuation as well as assumptions used in the fair valuation. <li data-bbox="758 837 1385 1406">- We involved valuation specialists to: <ul style="list-style-type: none"> <li data-bbox="758 873 1385 1003">(a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. <li data-bbox="758 1008 1385 1169">(b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. <li data-bbox="758 1173 1385 1406">(c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. <li data-bbox="758 1442 1385 1541">- Tested the arithmetical accuracy of computation in the Statement of Net Assets and Total Returns at Fair Value. <li data-bbox="758 1576 1385 1675">- Read/Assessed the disclosures in the consolidated financial statements for compliance with the relevant requirements of REIT Regulations.

Key audit matters	How our audit addressed the key audit matter
Related party transactions and disclosures (as described in note 54 of the consolidated Ind AS financial statements)	
<p>The Group has undertaken transactions with its related parties in the normal course of business. These include making acquisition of property; capital advances, fees for certain services provided by related parties to Group; fees for certain services provided by Group to related parties, etc.as disclosed in Note 54 of the consolidated Ind AS financial statements.</p> <p>We identified the accuracy and completeness of related party transactions and its disclosure as set out in respective notes to the consolidated Ind AS financial statements as a key audit matter due to the significance of transactions with related parties during the year ended March 31, 2020 and regulatory compliance thereon.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Obtained, read and assessed the Group’s policies, processes and procedures in respect of identifying related parties, evaluation of arm’s length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with REIT regulations. - We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions. - We read minutes of Unitholder meetings, Board and its relevant committee meetings and minutes of meetings of those charged with governance of the Manager and SPVs in connection with transactions with related parties effected during the year and Group’s assessment of related party transactions being in the ordinary course of business at arm’s length and in accordance with REIT regulations. - Assessed and tested the disclosures made in accordance with the requirements of Ind AS and REIT regulations.

Other Information

The Management of Embassy Office Parks Management Services Private Limited (“the Manager”), acting in its capacity as the manager of Embassy Office Parks REIT is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor’s report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Management of the Manager ('the Management') is responsible for the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position as at March 31, 2020, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in Unitholders' equity for the year ended March 31, 2020, its consolidated net assets at fair value as at March 31, 2020, its consolidated total returns at fair value of the REIT and the net distributable cash flows of the of the REIT and each of its subsidiaries for the year ended March 31, 2020 in accordance with the requirements of the REIT regulations; Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Management, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Manager and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Management and respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the REIT and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) The consolidated Ind AS financial statements include the Group's share of net profit of Rs. 1,301.25 million for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of a Joint venture, whose financial statements, other financial information have been audited by other auditor and whose report have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this Joint venture, is based solely on the report of such other auditor.
- (b) The Ind AS financial statements of the Group for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018, prepared in accordance with Ind AS, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated August 12, 2019, expressed an unmodified opinion.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

Based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of Joint venture, we report that:

- (a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements; and
- (c) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Adarsh Ranka
Partner
Membership Number: 209567

UDIN: 20209567AAAABX3303

Place: Bengaluru, India
Date: May 19, 2020

	Note	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
ASSETS				
Non-current assets				
Property, plant and equipment	3	20,698.93	21,295.50	-
Capital work-in-progress	4	2,334.07	1,220.52	-
Investment property	5	194,076.48	189,548.97	-
Investment property under development	8	1,773.39	3,797.25	-
Goodwill	6	50,289.37	51,699.22	-
Intangible assets	7	5,001.36	5,018.78	-
Equity accounted investee	9	24,091.36	23,574.23	-
Financial assets				
- Investments	10	-	489.29	-
- Loans	12	668.71	583.63	-
- Other financial assets	13	1,188.54	2,216.54	-
Non-current tax assets (net)	14	1,554.70	1,418.90	-
Other non-current assets	15	16,475.64	11,190.69	-
Total non-current assets		318,152.55	312,053.52	-
Current assets				
Inventories	16	12.82	5.42	-
Financial assets				
- Investments	11	12,273.59	1,455.58	-
- Trade receivables	17	242.25	335.86	-
- Loans	18	51.49	955.96	-
- Cash and cash equivalents	19A	3,249.16	49,612.75	-
- Other bank balances	19B	169.79	1,455.99	-
- Other financial assets	20	399.46	750.21	-
Other current assets	21	351.22	322.50	-
Total current assets		16,749.78	54,894.27	-
Total assets		334,902.33	366,947.79	-
EQUITY AND LIABILITIES				
EQUITY				
Unit capital	22	229,120.96	229,039.26	-
Other equity	23	(5,943.12)	(94.47)	-
Total equity		223,177.84	228,944.79	-
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	24	56,170.51	68,033.29	-
- Other financial liabilities	25	3,118.65	2,781.04	-
Provisions	27	5.25	5.08	-
Deferred tax liabilities (net)	26	40,407.38	41,424.39	-
Other non-current liabilities	28	386.70	642.14	-
Total non-current liabilities		100,088.49	112,885.94	-
Current liabilities				
Financial liabilities				
- Borrowings	29	-	3,171.09	-
- Trade payables	30			
- total outstanding dues of micro and small enterprises		2.48	-	-
- total outstanding dues of creditors other than micro and small enterprises		252.27	421.87	-
- Other financial liabilities	31	10,562.79	20,778.67	-
Provisions	32	2.37	3.01	-
Other current liabilities	33	781.58	708.84	-
Current tax liabilities (net)	34	34.51	33.58	-
Total current liabilities		11,636.00	25,117.06	-
Total equity and liabilities		334,902.33	366,947.79	-

Significant accounting policies

2

The accompanying notes referred to above are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)

Sd/-

Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

Embassy Office Parks REIT
Consolidated Financial Statements
Consolidated Statement of Profit and Loss
(all amounts in Rs. millions unless otherwise stated)



	Note	For the year ended 31 March 2020	For the year ended 31 March 2019 *
Income and gains			
Revenue from operations	35	21,449.22	-
Interest	36	477.35	-
Other income	37	513.00	-
Total Income		22,439.57	-
Expenses			
Cost of materials consumed	38	118.94	-
Employee benefits expense	39	377.17	-
Operating and maintenance expenses	40	627.46	-
Repairs and maintenance	42	1,215.38	-
Valuation expenses		9.74	-
Audit fees		43.20	1.19
Insurance expenses		66.74	-
Investment management fees	47	700.94	-
Trustee fees		2.96	-
Legal and professional fees		383.94	-
Other expenses	41	1,246.33	93.28
Total Expenses		4,792.80	94.47
Earnings/ (loss) before finance costs, depreciation, amortisation, impairment loss and tax		17,646.77	(94.47)
Finance costs	43	3,803.54	-
Depreciation expense	44	5,120.00	-
Amortisation expense	44	161.24	-
Impairment loss	3, 6	1,775.98	-
Profit/ (loss) before share of profit of equity accounted investee and tax		6,786.01	(94.47)
Share of profit after tax of equity accounted investee		1,169.33	-
Profit/ (loss) before tax		7,955.34	(94.47)
Tax expense:			
Current tax	45	1,361.39	-
Deferred tax charge/ (credit)	45	(11.27)	-
Minimum alternate tax credit entitlement (MAT)	45	(1,050.12)	-
		300.00	-
Profit/ (loss) for the year		7,655.34	(94.47)
Items of other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of defined benefit liability, net of tax		0.16	-
Total comprehensive income/ (loss) attributable to Unitholders for the year		7,655.50	(94.47)
Earnings per Unit			
Basic	46	9.92	(5.22)
Diluted		9.92	(5.22)

* Refer note 61

Significant accounting policies

2

The accompanying notes referred to above are an integral part of these Consolidated Financial Statements.

As per our report of even date attached
for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of
Embassy Office Parks Management Services Private Limited
(as Manager to Embassy Office Parks REIT)

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

Embassy Office Parks REIT
Consolidated Financial Statements
Consolidated Statement of Cashflow
(all amounts in Rs. millions unless otherwise stated)



	For the year ended 31 March 2020	For the year ended 31 March 2019 *
Cash flow from operating activities		
Profit/ (loss) before share of profit of equity accounted investee and tax	6,786.01	(94.47)
Adjustments for :		
Non-cash and other adjustments		
Depreciation expense	5,120.00	-
Amortisation expense	161.24	-
Assets no longer required, written off	11.16	-
Allowance for credit loss	0.85	-
Liabilities no longer required written back	(13.29)	-
Leasing commission paid	(41.86)	-
Profit on sale of mutual funds	(359.96)	-
Finance costs	3,803.54	-
Interest income	(451.04)	-
Fair value loss/(gain) on investment measured at FVTPL	6.71	-
Impairment loss recognised	1,775.98	-
Operating profits/(loss) before working capital changes	16,799.34	(94.47)
Working capital adjustments		
- Inventories	(7.40)	-
- Trade receivables	126.60	-
- Loans and other financial assets (current and non-current)	731.70	-
- Other assets (current and non-current)	52.94	-
- Trade payables	(153.83)	-
- Other financial liabilities (current and non-current)	977.70	125.97
- Other liabilities and provisions (current and non-current)	(183.01)	-
Cash generated from operating activities before taxes	18,344.04	31.50
Taxes (paid)/ refunds received (net)	(1,429.28)	-
Cash generated from operating activities	16,914.76	31.50
Cash flow from investing activities		
(Investments)/ redemption of deposits with banks (net)	2,760.20	-
(Investments)/ redemption in mutual funds (net)	(9,251.09)	-
Investment in debentures	(2,500.00)	-
Repayment of investment in debentures	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	(11,797.81)	-
Payment for business acquisition	(3,450.00)	(4,681.93)
Dividend received	535.00	-
Interest received	485.66	-
Net cash flow generated from / (used in) investing activities	(21,442.42)	(4,681.93)
Cash flow from financing activities		
Interest paid	(1,562.48)	-
Repayments of borrowings	(73,462.66)	-
Proceeds from borrowings (net off issue expenses)	48,947.26	-
Proceeds from issue of units	-	47,499.96
Transaction costs related to issue of units	(2,378.63)	-
Cash used in distribution to Unitholders (including taxes on account of distribution by SPVs)	(13,526.72)	-
Finance lease payments	(20.37)	-
Security deposits (given)/received	30.00	(31.00)
Net cash (used in) / generated from financing activities	(41,973.60)	47,468.96

Embassy Office Parks REIT
Consolidated Financial Statements
Consolidated Statement of Cashflow
(all amounts in Rs. millions unless otherwise stated)



	For the year ended 31 March 2020	For the year ended 31 March 2019 *
Net increase/ (decrease) in cash and cash equivalents	(46,501.26)	42,818.53
Cash and cash equivalents at the beginning of the year	49,612.75	-
Cash balance acquired due to business combination	-	6,794.22
Cash and cash equivalents at the end of the year	3,111.49	49,612.75
Components of cash and cash equivalents (refer note 19A and 31)		
Cash in hand	1.12	0.48
Balances with banks		
- in current accounts	3,225.16	3,449.14
- in escrow accounts	2.62	45,580.11
- in fixed deposits	20.00	583.02
Book overdraft	(137.41)	-
	3,111.49	49,612.75

* Refer note 61

Significant accounting policies (Refer Note 2)

The accompanying notes referred to above are an integral part of these Consolidated Financial Statements.

Note: The Trust has issued Units in exchange for investments in SPVs during the year ended 31 March 2019. The same has not been reflected in Consolidated Statement of Cash Flows since these were non-cash transactions. Further, the Trust has also paid a cash consideration of Rs. 3,450 million towards acquisition of interest in IENMPL.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of
Embassy Office Parks Management Services Private Limited
(as Manager to Embassy Office Parks REIT)

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

A. Unit Capital	No in Million	Amount
Balance as on 1 April 2018	-	-
Add: Units issued during the year (refer note 22)	771.67	231,499.60
Less: Issue expenses	-	(2,460.34)
Balance as at 31 March 2019	771.67	229,039.26
Balance as on 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no more payable	-	81.70
Balance as at 31 March 2020	771.67	229,120.96

B. Other equity	Retained Earnings
Particulars	
Balance as on 1 April 2018	-
Profit/ (loss) for the year	(94.47)
Balance as at 31 March 2019	(94.47)
Balance as on 1 April 2019	(94.47)
Add: Profit for the year ended 31 March 2020	7,655.34
Add: Other Comprehensive Income for the year ended 31 March 2020	0.16
Less: Distribution to Unitholders for the quarter ended 30 June 2019*	(4,166.99)
Less: Distribution to Unitholders for the quarter ended 30 September 2019*	(4,630.00)
Less: Distribution to Unitholders for the quarter ended 31 December 2019*	(4,707.16)
Balance as at 31 March 2020	(5,943.12)

* The distributions made by Trust to its Unitholders are based on the Net Distributable Cash flows (NDCF) of Embassy Office Parks REIT under the REIT Regulations which includes repayment of debt by SPVs to REIT.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of
Embassy Office Parks Management Services Private Limited
(as Manager to Embassy Office Parks REIT)

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

A) Statement of Net Assets at fair value

S.No	Particulars	Unit of measurement	As at 31 March 2020	
			Book Value	Fair value
A	Assets	Rs in millions	334,902.33	401,354.66
B	Liabilities	Rs in millions	111,724.49	112,254.26
C	Net Assets (A-B)	Rs in millions	223,177.84	289,100.40
D	No. of units	Numbers	771,665.343	771,665.343
E	NAV (C/D)	Rs	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 31 March 2020 has been determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

Valuation technique

The fair value measurement for all of the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

The valuers have followed a Discounted Cash Flow method. The valuation model considers the present value of net cash flows to be generated from the respective properties, taking into account the expected rental growth rate, vacancy period, occupancy rate, average room rent, lease incentive costs and blended tariff rates. The expected net cash flows are discounted using the risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Given the COVID-19 related uncertainties, the independent valuers have, as a precautionary measure, referenced material valuation uncertainty in arriving at their valuation as at 31 March 2020.

2) Property wise break up of Fair value of Assets as at 31 March 2020 is as follows:

Rs in millions

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
100% owned assets						
MPPL	153,906.00	1,843.65	155,749.65	17,124.79	138,624.86	120,534.72
EOPLL	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
Total	304,668.60	71,608.41	376,277.01	112,254.26	264,022.75	310,810.97
Investment in GLSP **	25,077.65	-	25,077.65	-	25,077.65	24,091.36
	329,746.25	71,608.41	401,354.66	112,254.26	289,100.40	334,902.33

* Fair values of investment property, investment property under development, property, plant and equipment, capital work in progress and investment in GLSP as at 31 March 2020 as disclosed above are solely based on the fair valuation report of iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

For the purpose of fair valuation of assets, the Embassy Office Parks Group has fair valued its investment property, investment property under development (including capital advances), property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL) and 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 Rs. 50,289.37 million on book value basis (net off impairment loss, refer note 6). The Goodwill of Rs. 50,289.37 million mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values using an approach as more fully described in Note 50 as well as the requirement to recognise deferred tax liability of Rs. 38,783.20 million, calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases.

Note:

- Other assets includes cash and cash equivalents and other working capital balances which are not factored in the discounted cashflow method used in determining the fair value of investment property, investment property under development, property, plant and equipment 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 Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)

Sd/-

Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

B) Statement of Total Returns at Fair value

		Rs in millions
S.No	Particulars	For the year ended 31 March 2020
A	Total comprehensive income	7,655.50
B	Add : Changes in fair value not recognised in total comprehensive income (Refer note 1 below)	3,961.80
C (A+B)	Total Return	11,617.30

Note:

1 In the above statement, changes in fair value for the year ended 31 March 2020 has been computed based on the difference in fair values of investment property, investment property under development, property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL and investment in GLSP) as at 31 March 2020 (audited) as compared with the values as at 31 March 2019 (unreviewed) net of cash spent on construction during the period. The fair values of the afore-mentioned assets as at 31 March 2020 (audited) and 31 March 2019 (unreviewed) 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 Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of
Embassy Office Parks Management Services Private Limited
 (as Manager to Embassy Office Parks REIT)

Sd/-
Adarsh Ranka
 Partner
 Membership number: 209567
 Place: Bengaluru
 Date: 19 May 2020

Sd/-
Jitendra Virwani
 Director
 DIN: 00027674
 Place: Bengaluru
 Date: 19 May 2020

Sd/-
Tuhin Parikh
 Director
 DIN: 00544890
 Place: Mumbai
 Date: 19 May 2020

Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
(i) Embassy Office Parks REIT - Standalone

Sl No	Particulars	For the year ended 31 March 2020
1	Cash flows received from SPVs and investment entity in the form of:	
	• Interest	7,823.93
	• Dividends (net of applicable taxes)	289.97
	• Repayment of Shareholder Debt	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	167.05
5	Less: Any other expense accruing at the Trust level and not captured herein	(23.40)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(2.96)
	• REIT Management Fees	(214.81)
	• Valuer fees	(9.74)
	• Legal and professional fees	(102.89)
	• Trademark license fees	(1.42)
	• Secondment fees	(1.42)
7	Less: Debt servicing	
	• Interest on external debt	-
	• Repayment of external debt	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(70.62)
	Net Distributable Cash Flows	18,865.92

Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on 19 May 2020, have declared distribution to Unitholders of Rs. 6.89 per unit which aggregates to Rs. 5,316.77 million for the quarter ended 31 March 2020. The distributions of Rs. 6.89 per unit comprises Rs. 2.49 per unit in the form of interest payment, Rs. 0.23 per unit in the form of dividend and the balance Rs. 4.17 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 17.50 per unit for the nine-months ended 31 December 2019, the cumulative distribution for the year ended 31 March 2020 aggregates to Rs. 24.39 per unit.
- Repayment of short-term construction debt given to SPV's are not considered for the purpose of distributions.
- Since the Trust was listed only on 1 April 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of
Embassy Office Parks Management Services Private Limi
(as Manager to Embassy Office Parks REIT)

Sd/-
Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: 19 May 2020

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 19 May 2020

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: 19 May 2020

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
(ii) Calculation of net distributable cash flows at each Asset SPV

For the year ended 31 March 2020 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	QBPPL	VCPPL	EPTPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	758.86	3,375.36	44.27	(151.15)	462.44	124.74	200.83	153.83	(2,101.31)	239.58	181.64	-	3,289.09
	<i>Adjustment:</i>													
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:													
	• Depreciation, amortisation and impairment	354.71	1,390.13	345.24	231.93	201.05	87.74	451.53	222.31	1,596.55	57.29	147.21	-	5,085.69
	• Assets written off or liabilities written back	6.35	(6.43)	-	(2.91)	-	-	(0.39)	(2.72)	-	-	-	-	(6.10)
	• Current tax charge as per statement of profit and loss	122.95	661.16	9.95	2.36	122.52	89.72	147.63	43.49	-	47.32	20.29	-	1,267.39
	• Deferred tax	103.42	484.73	15.26	(44.30)	33.98	(3.48)	6.52	83.02	(218.17)	20.54	65.03	-	546.55
	• MAT adjustments as per statement of profit and loss	(109.25)	(781.68)	(9.95)	-	(116.07)	-	-	(43.49)	48.11	(37.79)	-	-	(1,050.12)
	• Ind AS adjustments not considered in any other item above	(89.45)	32.82	(1.28)	-	(40.30)	15.25	(31.95)	14.82	6.05	10.73	(134.66)	-	(217.97)
3	Add: Interest on shareholders debt charged to statement of profit and loss	685.73	2,420.32	284.09	220.76	66.13	305.21	414.38	483.41	1,506.86	383.46	582.17	-	7,352.52
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	665.19	1,246.17	120.12	40.51	181.36	61.26	(112.37)	108.70	175.69	15.67	(29.24)	-	2,473.06
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(271.51)	(93.48)	-	-	-	-	(50.90)	-	-	-	-	(415.89)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(126.99)	(610.55)	(21.58)	(7.38)	(102.51)	(84.09)	(136.03)	(82.16)	(132.69)	(53.20)	(24.09)	-	(1,381.27)
	Total Adjustments (B)	1,612.66	4,565.16	648.37	440.97	346.16	471.61	739.32	776.48	2,982.39	444.02	626.71	-	13,653.86
	Net distributable Cash Flows C = (A+B).	2,371.52	7,940.52	692.64	289.82	808.60	596.35	940.15	930.31	881.08	683.60	808.35	-	16,942.95

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from REIT to SPV's upon ultimate availment of external credit facility are not considered for NDCF computation.

1 Since the Trust was listed on 1 April 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

2 Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013

As per our report of even date attached:

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)

Sd/-

Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-

Tuhin parikh

Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

1. Organisation structure

The Consolidated Financial Statements comprise financial statements of Embassy Office Parks REIT (the ‘Trust’ or the ‘Embassy REIT’), its subsidiaries namely Embassy Office Parks Private Limited (‘EOPPL’), Manyata Promoters Private Limited (‘MPPL’), Umbel Properties Private Limited (‘UPPL’), Embassy Energy Private Limited (‘EEPL’), Galaxy Square Private Limited (‘GSPL’), Quadron Business Park Private Limited (‘QBPL’), Qubix Business Park Private Limited (‘QBPL’), Oxygen Business Park Private Limited (‘OBPPL’), Earnest Towers Private Limited (‘ETPL’), Vikhroli Corporate Park Private Limited (‘VCPPL’), Indian Express Newspapers (Mumbai) Private Limited (‘IENMPL’) and Embassy Pune Techzone Private Limited (‘EPTPL’) (individually referred to as ‘Special Purpose Vehicle’ or ‘SPV’ and together referred to as ‘Embassy Office Parks Group’) and a Joint Venture namely Golflinks Software Park Private Limited (‘GLSP’) (also referred to as the Investment Entity). The SPVs are Companies domiciled in India.

The objectives of Embassy REIT are to undertake activities in accordance with the provisions of the SEBI REIT Regulations and the Trust Deed. The principal activity of Embassy REIT is to own and invest in rent or income generating real estate and related assets in India with the objective of producing stable and sustainable distributions to Unitholders.

Embassy Property Developments Private Limited (‘EPDPL’) and BRE/Mauritius Investments (‘BMI’) (collectively known as the ‘Sponsors’ or the ‘Co-Sponsors’) have set up the Embassy Office Parks REIT as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and the Trust has been registered with SEBI as a Real Estate Investment Trust on 3 August 2017 under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. The Trustee to Embassy Office Parks REIT is Axis Trustee Services Limited (the ‘Trustee’) and the Manager for Embassy Office Parks REIT is Embassy Office Parks Management Services Private Limited (the ‘Manager’ or ‘EOPMSPL’).

Embassy Office Parks REIT acquired the following SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders on 22 March 2019. In exchange for these equity interests, the above shareholders have been allotted 613,332,143 Units of Embassy Office Parks REIT valued at Rs. 300 each. These Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 1 April 2019.

The Trust went public as per its plan for Initial Public Offer of Units after obtaining the required approvals from the relevant authorities. The Units were allotted to the applicants on 27 March 2019 and were subsequently listed on the BSE and NSE on 1 April 2019.

Accordingly, the equity interest in each of the following SPVs (directly or indirectly, through their holding companies) have been transferred from the respective shareholders to the Trust.

Details of the SPVs is provided below:

Name of the SPV	Activities	Shareholding (in percentage) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
EOPPL	Development and leasing of office space and related interiors (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks holding company (Hold Co.) for the Embassy Office Parks Group.	Embassy Property Developments Private Limited (EPDPL): 50.00% EPDPL together with Jitendra Virwani: 0.00% (1 Share) SG Indian Holding (NQ) Co I Pte. Ltd: 49.75% SG Indian Holding (NQ) Co II Pte. Ltd: 0.03% SG Indian Holding (NQ) Co III Pte. Ltd: 0.22%	Embassy Office Parks REIT : 100%
MPPL	Development and leasing of office space and related interiors (Embassy Manyata), located at Bangalore.	EOPPL : 35.77% BRE/Mauritius Investments: 36.97% Veeranna Reddy: 27.00% Suguna Reddy: 0.26%	EOPPL : 35.77% Embassy Office Parks REIT : 64.23%
UPPL	Development, rental and maintenance of serviced residences (Hilton hotel).	EPDPL : 58% D M Estates Private Limited: 29% Golflinks Properties Private Limited: 13%	Embassy Office Parks REIT : 100%
EEPL	Generation and supply of solar power mainly to the office spaces of Embassy Office Parks Group located in Bangalore.	EOPPL: 80% EPDPL: 10% Rana George: 10%	EOPPL: 80% Embassy Office Parks REIT : 20%
GSPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Galaxy), located in Noida.	BREP GML Holding (NQ) Pte. Ltd.: 79.62% BREP VII GML Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS GML Holding (NQ) Ltd.: 0.38% BREP VII SBS GML Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Quadron), located in Pune.	BRE/Mauritius Investments II: 99.99% Kunal Shah: 0.01%	Embassy Office Parks REIT : 100%

Details of the SPVs (continued):

Name of the SPV	Activities	Shareholding (in percentage) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Qubix), located in Pune.	BREP NTPL Holding (NQ) Pte. Ltd.: 79.62% BREP VII NTPL Holding (NQ) Pte. Ltd.: 19.89% BREP VII SBS NTPL Holding (NQ) Ltd.: 0.38% BREP VII NTPL Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
OBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Oxygen), located in Noida.	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.: 79.61% BREP VII SG Oxygen Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS Oxygen Holding (NQ) Ltd.: 0.39% BREP VII SBS Oxygen Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	India Alternate Property Limited: 95.23% Preamsagar Infra Reality Private Limited: 2.51% Hiranandani Properties Private Limited: 2.26%	Embassy Office Parks REIT : 100%
VCPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy 247), located in Mumbai.	BREP Asia HCC Holding (NQ) Pte Ltd.: 79.81% BREP VII HCC Holding (NQ) Pte Ltd.: 19.89% BREP Asia SBS HCC Holding (NQ) Ltd.: 0.19% BREP VII SBS HCC Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
IENMPL	Development and leasing of office` space and related interiors and maintenance of such assets (Express Towers), located in Mumbai.	Panchshil Techpark Private Limited: 51.07% BREP Asia SG Indian Holding (NQ) Co II Pte Limited: 37.27% BREP VII SG Indian Holding (NQ) Co II Pte Limited: 9.31% Shekhar Gupta jointly with Ms. Neelam: 2.11% BREP Asia SBS Holding (NQ) Co. XI Ltd.: 0.18% BREP VII SBS Holding (NQ) Co. XI Ltd.: 0.05%	Embassy Office Parks REIT : 100%

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) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
GLSP	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bangalore.	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)

2. Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

The Consolidated Financial Statements of the Embassy Office Parks Group comprises the Consolidated Balance Sheet and the Consolidated Statement of Net Assets at fair value as at 31 March 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Unitholders' Equity, the Statement of Net Distributable Cashflows of Embassy REIT and each of the SPVs, the Consolidated Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the year ended 31 March 2020. The Consolidated Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 19 May 2020. The Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circular"); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), read with relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI Circular.

Embassy Office Parks Group has prepared consolidated financial statements which comply with Ind AS applicable for year ending on 31 March 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, Embassy Office Parks Group's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS. Since no consolidated financial statements were prepared under the Companies (Accounts) Rules, 2014 (Previous GAAP), disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

The Consolidated Financial Statements are presented in Indian Rupees in Millions, except when otherwise indicated.

2. Significant accounting policies (continued)

Statement of compliance to Ind-AS

These Consolidated Financial Statements for the year ended 31 March 2020 are the financial statements of the Embassy Office Parks Group and have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), to the extent not inconsistent with SEBI Circular.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except for the change in policy for recognition of leases under Ind AS 116 as referred in note 2.2(q). The financial statements of all the SPVs and the Trust used for the purpose of consolidation are drawn up to the same reporting date i.e. year ended on 31 March 2020.

Basis of Consolidation

(i) Subsidiaries

The Embassy Office Parks Group consolidates entities which it owns or controls. The Consolidated Financial Statements comprise the financial statements of the Embassy Office Parks REIT and its subsidiary SPVs as disclosed in Note 1. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The procedure for preparing Consolidated Financial Statements of the Embassy Office Parks Group are stated below:

- a) The 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 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 consolidated financial statements using the equity method of accounting as described below.

Under the equity method of accounting, the investments are initially recognised at cost on the date of acquisition and adjusted thereafter to recognize the Embassy Office Parks Group's share of the post-acquisition profits or losses of the investee in profit and loss, and Embassy Office Parks Group's share of other comprehensive income of the investee in other comprehensive income.

Goodwill is calculated at excess of cost of investment over share of fair value of net assets acquired on the date of acquisition and is disclosed as an additional information in the Notes to the Consolidated Financial Statements.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When Embassy Office Parks Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, Embassy Office Parks Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between Embassy Office Parks Group and joint ventures are eliminated to the extent of Embassy Office Parks Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees are consistent with the policies adopted by the Embassy Office Parks Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the Embassy Office Parks Group's policy.

During the year ended 31 March 2018, the statutory auditors of GLSP had modified their audit report for non-compliance with Section 185 of the Companies Act, 2013 in respect of a loan aggregating Rs. 190.00 million provided by GLSP to a private company which had common directors. The loan was repaid during the year ended 31 March 2019 and the non-compliance was duly rectified.

Basis of Business Combination

The Embassy Office Parks Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the 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.

Changes in accounting policies and disclosures

New and amended standards

Embassy Office Parks Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 56.

Several other amendments apply for the first time for the year ending 31 March 2020, but does not have an impact on the consolidated financial statements of the Group.

Ind AS 116 Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

2. Significant accounting policies (continued)

Effective 1 April 2019, the Embassy Office Parks Group has adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on 1 April 2019. The right of use asset and lease liability has been recognized on the date of initial application i.e. 1 April 2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 56.

a) Functional and presentation currency

The Consolidated Financial Statements are presented in Indian Rupees, which is the Embassy Office Parks Group’s functional currency and the currency of the primary economic environment in which the Embassy Office Parks Group operates. All financial information presented in Indian Rupees has been rounded off to nearest million except unit and per unit data.

b) Basis of measurement

The Consolidated Financial Statements are prepared on the historical cost basis, except for the following:

- Certain financial assets and liabilities (refer accounting policy regarding financial instrument): measured at fair values;
- Net defined benefit (asset)/ liability less present value of defined obligations: Fair value of plan assets less present value of defined benefit plan; 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 Consolidated Financial Statements in conformity with generally accepted accounting principles in India (Ind AS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements is included in the following notes:

i) Business combinations

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 Consolidated Financial Statements - Note 2.1

vii) Classification of Unitholders’ funds - Note 22 (a) (i)

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment during the year ended 31 March 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 80IAB of the Income Tax Act, 1961, wherein the tax deduction is dependent upon necessary details available for exempt and non-exempt income.

v) The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on 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. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet as at 31 March 2020 will be recovered. The impact of COVID-19 on the Group’s financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

2. Significant accounting policies (continued)

d) Current versus non-current classification

The Embassy Office Parks Group presents assets and liabilities in the Consolidated Balance Sheet based on current/ non-current classification:

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Embassy Office Parks Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Embassy Office Parks Group has identified twelve months as its operating cycle.

e) Measurement of fair values

A number of the Embassy Office Parks Group accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
 - In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Embassy Office Parks Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Embassy Office Parks Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Embassy Office Parks Group has an established control framework with respect to the measurement of fair values. The Embassy Office Parks Group engages with external valuers for measurement of fair values in the absence of quoted prices in active markets.

While measuring the fair value of an asset or liability, the Embassy Office Parks Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows-

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Embassy Office Parks Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Embassy Office Parks Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

f) Investment property

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Embassy Office Parks Group and the cost of the item can be measured reliably. The cost of the assets not ready for their intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of such replaced position is derecognised.

Investment properties are depreciated on straight-line method over their estimated useful lives. However, where the management's estimate of the remaining useful life of the assets on a review subsequent to the time of acquisition is different, then depreciation is provided over the remaining useful life based on the revised useful life. The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Pursuant to this policy, Management's estimates of useful life of the following major assets under straight-line method are as follows:

Asset category	Estimated useful life (in years)
Buildings	60 years
Plant and Machinery	15 years
Furniture and Fixtures	12 years
Electrical Equipment	15 years
Leasehold land*	30 - 99 years based on the primary lease period

Pro-rata depreciation is provided on properties purchased or sold during the year.

*Upfront premium paid under lease-cum-sale agreements to acquire land where the Embassy Office Parks Group has an option to purchase the land at the end of/ during the lease term are not amortised over the lease period.

Investment property acquired on Business Combination is depreciated over the remaining useful life from the date of acquisition as certified by the technical valuer.

Note: Plant and machinery, furniture and fixtures and electrical equipment which are physically attached to the building are considered as part of the investment property.

2. Significant accounting policies (continued)

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 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.

2. Significant accounting policies (continued)

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination. Goodwill is tested for impairment on an annual basis and more often, if there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets, such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

k) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Embassy Office Parks Group's entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on foreign exchange transactions settled and from translations during the year are recognised in the Consolidated Statement of Profit and Loss of the year except exchange differences arising from the translation of the items which are recognised in OCI.

l) Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Embassy Office Parks Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt instrument;
- Fair value through other comprehensive income (FVOCI) – equity instrument; or
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Embassy Office Parks Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of the principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of the principal and interest on the principal amount outstanding.

On initial recognition of an equity instrument that is not held for trading, the Embassy Office Parks Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Embassy Office Parks Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Embassy Office Parks Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Embassy Office Parks Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Embassy Office Parks Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

2. Significant accounting policies (continued)

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Embassy Office Parks Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Embassy Office Parks Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Embassy Office Parks Group's claim to cash flows from specified assets (e.g. non – recourse features)

A prepayment feature is consistent with the solely payment of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit and loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit and loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

iii) Derecognition

Financial assets

The Embassy Office Parks Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Embassy Office Parks Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Embassy Office Parks Group enters into transactions whereby it transfers assets recognised in its Consolidated Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Embassy Office Parks Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Embassy Office Parks Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit and loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Balance Sheet only when the Embassy Office Parks Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

m) Compound financial instruments

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not measured subsequently.

Interest related to the financial liability is recognised in profit and loss (unless it qualifies for inclusion in cost of asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

2. Significant accounting policies (continued)

n) Impairment of financial assets

Financial assets

The Embassy Office Parks Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVTOCI- debt investments

At each reporting date, the Embassy Office Parks Group assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or being past due for 180 days or more; or
- the restructuring of a loan or advance by the Embassy Office Parks Group on terms that in the material assessment of the Embassy Office Parks Group it would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties

The Embassy Office Parks Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Embassy Office Parks Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Embassy Office Parks Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Embassy Office Parks Group's historical experience and informed credit assessment and including forward-looking information.

The Embassy Office Parks Group assumes that the credit risk on a financial asset has increased significantly if it is more than 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

Policy applicable upto 31 March 2019

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.

2. Significant accounting policies (continued)

ii. Assets held under leases

Leases in which the Embassy Office Parks Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Embassy Office Parks Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Embassy Office Parks Group's net investment in the leases.

iii. Initial direct costs

Initial direct costs such as brokerage expenses incurred specifically to earn revenues from an operating lease are capitalised to the carrying amount of leased asset and recognised over the lease term on the same basis as rental income.

Policy applicable with effect from 1 April 2019

Embassy Office Parks Group as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Embassy Office Parks Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Embassy Office Parks Group. Generally, the Embassy Office Parks Group uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Embassy Office Parks Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The Embassy Office Parks Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Embassy Office Parks Group recognises any remaining amount of the re-measurement in profit and loss.

The Embassy Office Parks Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Embassy Office Parks Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Embassy Office Parks Group as a lessor

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for other elements on the basis of their relative fair values.

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.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective 1 April 2019, the Embassy Office Parks Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on 1 April 2019. The right of use asset and lease liability has been recognized on the date of initial application i.e. 1 April 2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

Embassy Office Parks Group as a lessor

The Embassy Office Parks Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub – lease in a joint venture. The Embassy Office Parks Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Embassy Office Parks Group as a lessor does not have any impact on account of sub-lease on the application of this standard.

Embassy Office Parks Group as lessee

Ind AS 116 requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance lease under Ind AS 17.

On transition, the Embassy Office Parks Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date. The Embassy Office Parks Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets.

On transition, the Embassy Office Parks Group recognised a lease liability measured at the present value of the remaining lease payments.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

2. Significant accounting policies (continued)

r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms.

Revenue is recognised when recovery of the consideration is probable and the amount of revenue can be measured reliably.

i) Rental income from investment properties

Rental income from property leased under operating lease is recognised in the statement of profit and loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. The lease term is the non-cancellable period together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Embassy Office Parks Group is reasonably certain that the tenant will exercise that option. Contingent rents are recognised as revenue in the period in which they are earned on a receipt basis.

ii) Income from finance lease

The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

iii) Revenue from Room Rentals

Revenue from room rentals are based on the occupancy charged on the basis of room rates which are contracted (exclusive of applicable taxes).

iv) Revenue from contract with customers

a) Revenue from maintenance services is recognised as and when the services are rendered based on the terms of the contracts with the lessees.

b) Revenue from Food, beverages and banquets

Revenue from food and beverages are recorded as and when food is served. Revenue generated from the banquet services offered are charged on the basis of cover charges per person which is billed (exclusive of applicable taxes) based on guaranteed covers if actual cover is less than contracted.

c) Other operating income

Other operating income, including service charges on rooms and Food & Beverage (F&B) revenues and other hospitality-related operating income is recognised when the services are rendered and the same become chargeable. Revenue from other services is recognised on accrual basis as per the terms of the agreement.

v) Recognition of dividend and interest income

Dividend income is recognised in profit and loss on the date on which the Embassy Office Parks Group's right to receive payment is established.

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

s) Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Embassy Office Parks Group makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit and loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Embassy Office Parks Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Embassy Office Parks Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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.

2. Significant accounting policies (continued)

u) Taxation

Income tax comprises current and deferred tax. Income tax expense is recognised in the Consolidated Statement of Profit and Loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

(i) Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ("MAT") under the provisions of the Income Tax, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Embassy Office Parks Group will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(ii) Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Embassy Office Parks Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

Deferred income tax asset are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Embassy Office Parks Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Embassy Office Parks Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Tax impact of timing difference which arise during the tax holiday period are recognised only to the extent of those differences which are reversed after the tax holiday period.

v) Provisions and contingencies

The Embassy Office Parks Group recognises a provision when there is a present obligation (legal or constructive) as a result of a past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

If the effect of the time value of money is material, provisions are discounted.

w) Operating segments

An operating segment is a component of the Embassy Office Parks Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by a representative of the Embassy Office Parks Group, the Embassy Office Parks Group's Chief Operating Decision Maker ("CODM"), to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Net Operating Income ("NOI") is the key metric reported to the CODM for the purposes of assessment of the segment results. The same is defined as follows:

- Commercial Offices segment:

NOI for commercial offices is defined as Revenue from operations (which includes (i) facility rentals, (ii) maintenance services income, (iii) income from finance lease, and (iv) other operating income for Commercial Offices) less Direct operating expenses (which includes (i) Operating and maintenance expenses 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.

2. Significant accounting policies (continued)

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 Consolidated Financial Statements. Changes in accounting policies are applied retrospectively.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

y) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Balance Sheet comprises of cash at banks and on hand, deposits held at call with bank or financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

z) Distribution Policy:

Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to the Unitholders not less than ninety percent of the net distributable cash flows ('NDCF') of Embassy Office Parks REIT and the current policy of the Manager is to comply with such requirement. The NDCF is calculated in accordance with the REIT Regulations and in the manner provided in the NDCF framework defined by the Manager.

In terms of the REIT Regulations and NDCF framework which prescribes for the minimum amount of NDCF to be distributed to Embassy Office Parks REIT:

- not less than 90% of the NDCF of the SPVs are required to be distributed to the Embassy Office Parks REIT, in proportion to its shareholding in the SPV, subject to applicable provisions of the Companies Act, 2013.
- 100% of the cash flows received by the Holding Company from the underlying SPVs are required to be distributed to the Embassy Office Parks REIT, and not less than 90% of the NDCF generated by the Holding Company on its own shall be distributed to the Embassy Office Parks REIT, subject to applicable provisions of the Companies Act, 2013.
- The aforesaid net distributable cash flows are made available to Embassy Office Parks REIT in the form of (i) interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the SPV's/Holding Company, (ii) Principal repayment of Shareholder Debt, (iii) dividend declared by the SPVs/Holding Company and received by Embassy Office Parks REIT and (iv) Proceeds from sale of any Embassy REIT assets.

Since Embassy Office Parks REIT has committed to quarterly distributions, any shortfall as regards minimum quarterly distribution by the SPVs and Holding Company to Embassy Office Parks REIT, post interest paid on Shareholder Debt, Interim Dividend payments and Principal repayment of Shareholder Debt, would be done by declaring additional 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.

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3 Property, plant and equipment

Reconciliation of carrying amounts for the year ended 31 March 2020

Particulars	Land-freehold (refer note ii)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Gross block (cost or deemed cost)										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Additions due to business combination*	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
Deletion	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
At 1 April 2019	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
Additions for the year	452.41	9.98	4.77	0.72	0.11	1.20	6.38	0.02	2.52	478.11
Deletion	-	-	-	(0.06)	-	-	-	(0.81)	-	(0.87)
At 31 March 2020	6,540.07	7,067.88	7,142.28	485.98	448.94	18.46	17.89	10.83	40.41	21,772.74
Accumulated depreciation										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	-	-	-	-	-	-	-
At 1 April 2019	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	129.88	403.48	79.09	57.38	11.08	10.96	10.83	4.98	707.68
Impairment loss (refer note iii)	84.00	235.36	27.34	5.38	12.35	0.25	0.01	-	1.44	366.13
At 31 March 2020	84.00	365.24	430.82	84.47	69.73	11.33	10.97	10.83	6.42	1,073.81
Carrying amount (net)										
As at 31 March 2019	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
As at 31 March 2020	6,456.07	6,702.64	6,711.46	401.51	379.21	7.13	6.92	-	33.99	20,698.93

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 50.

- Post acquisition of the SPV's, the Embassy Office Parks Group has revisited the useful life of the property, plant and equipment and aligned the same across the Embassy Office Parks Group. The Embassy Office Parks Group has also aligned its method of depreciation to straight-line method across its SPV's.
- The solar plant has been constructed on 465.77 acres of land, the title for 254.47 acres is registered in name of the group and balance 211.30 acres is in process of registration and is scheduled for completion by 31 December 2020.
- During the current year, an impairment loss of Rs. 366.13 million has been recognised against the property, plant and equipment of the hospitality segment of Embassy Quadron. The impairment loss of Rs. 366.13 million as at 31 March 2020 is after reducing the carrying amount of goodwill of Rs. 922.71 million for certain hotel which is lowest cash generating unit (CGU) forming part of hospitality segment (31 March 2019: Nil) 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. (Refer Note 6 for additional disclosure on impairment).
- Refer Note 24 for information on charge created by the group on its property, plant and equipment.
- Refer Note 48 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4 Capital work-in-progress

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
MPPL-Hilton Hotel (Front Parcel) *	2,334.07	1,220.52	-
	2,334.07	1,220.52	-

* forms part of MPPL CGU.

Note:

Borrowing cost capitalised

Hilton Hotel (Front Parcel) project by MPPL is currently under development. The project is expected to be completed in June 2022. The carrying amount of the asset is Rs.2,334.07 million as at 31 March 2020 (31 March 2019: Rs. 1,220.52 million). The amount of borrowing cost capitalised during the year ended 31 March 2020 is Rs. 44.31 million (31 March 2019: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.51%, which is the SPV specific "Weighted Average Borrowing Cost" (WABC).

5 Investment property

Reconciliation of carrying amounts for the year ended 31 March 2020

Particulars	Land-freehold	Land-leasehold (Refer notes)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Vehicle	Computer	Total
Gross block (cost or deemed cost)										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Additions due to business combination*	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
At 1 April 2019	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
Additions for the year	1,050.92	312.10	5,858.46	1,227.42	180.31	348.61	2.10	0.08	8.57	8,988.57
Disposals	-	-	-	(39.66)	(5.65)	-	(3.01)	-	(0.42)	(48.74)
Adjustments (refer note i and vi)	10,284.81	(10,446.41)	-	161.60	-	-	-	-	-	-
At 31 March 2020	75,183.43	28,227.18	81,683.17	9,574.22	1,490.56	2,270.67	43.42	5.31	10.84	198,488.80
Accumulated depreciation										
At 1 April 2018	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	483.74	2,106.20	947.20	360.10	487.10	22.82	3.48	1.68	4,412.32
At 31 March 2020	-	483.74	2,106.20	947.20	360.10	487.10	22.82	3.48	1.68	4,412.32
Carrying amount (net)										
As at 31 March 2019	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
As at 31 March 2020	75,183.43	27,743.44	79,576.97	8,627.02	1,130.46	1,783.57	20.60	1.83	9.16	194,076.48

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 50.

- i. **MPPL** - During the year ended 31 March 2020, cost of freehold land of Rs. 161.60 million has been transferred to Karnataka Power Transmission Corporation Limited (KPTCL) along with the 220 KVA substation constructed at Embassy Manyata. Since these are enabling assets to the overall Park, the cost of land has been transferred to plant and machinery and being depreciated over the useful life of the substation.
- ii. **EOPPL**: The leasehold land for Embassy Techzone is taken from Maharashtra Industrial Development Corporation ('MIDC') on a lease for a period of 95 years. The lease expires in July 2100.
- iii. **OBPPL**: The leasehold land for Embassy Oxygen is taken from New Okhla Industrial Development Authority ('NOIDA') on lease for a lease period of 90 years. The lease expires in September 2097.
- iv. **ETPL**: The leasehold land for First International Financial Centre is taken from Mumbai Mahanagar Regional Development Authority ('MMRDA') on a lease for a period of 80 years. The lease expires in June 2088.
- v. **GSPL**: The leasehold land for Embassy Galaxy is taken from NOIDA on a lease for a period of 90 years. The lease expires in June 2095.
- vi. **IENMPL**: The leasehold land for Express Towers is taken from the Government of Maharashtra on a lease of 99 years (from 1963-64). The lease expires in August 2063. However, pursuant to recent Maharashtra State notification in March 2019, IENMPL made an application to the office of the Collector, Mumbai City, seeking conversion of the land on which the building known as "Express Towers" stands, from occupancy class II land that is leasehold land into occupancy class I land, that is, freehold land, by a letter dated April 1, 2019. Pursuant to various orders passed by the office of the Collector, IENMPL has made an aggregate payment of Rs.909.46 million towards regularization and conversion of the land. Subsequently, the Collector, Mumbai pursuant to its order dated August 23, 2019, after regularising the usage of the said Property, approved the conversion of such land from occupancy class II and leasehold land into occupancy class I land that is freehold land, under the Maharashtra Land Revenue (Conversion of Occupancy Class II and Leasehold Lands into Occupancy Class I Lands) Rules, 2019. Out of the aforementioned Rs.909.46 million, a sum of Rs. 756.41 million has been capitalized as a part of land and the balance has been capitalized towards building. Further, an amount of Rs. 10,446.41 million, being the carrying cost of such land, has been reclassified from leasehold to freehold land.
- vii. **QBPL**: The leasehold land for Embassy Quadron is taken from MIDC for a lease term of 95 years. As per the lease agreement the Company can renew the lease for a further period of 95 years. Further, the SPV acquired assets and liabilities of the Hotel Business and Commercial Business vide the duly registered Business Transfer Agreement (BTA) with Embassy One Developers Private Limited on 11 March 2019 for purchase of assets and liabilities of the Hotel Business and Commercial Business from Embassy One Developers Private Limited. Refer note 49.
- viii. Post acquisition of the SPV's, Embassy Office Parks Group has revisited the useful life of the investment properties and aligned the same across the Embassy Office Parks Group. The Embassy Office Parks Group has also aligned its method of depreciation to straight-line method across its SPV's.
- ix. Investment property comprises of commercial buildings and other assets forming part of the buildings, that is leased to third parties. The license agreement entered into with tenants may or may not contain an initial non-cancellable period. Subsequent renewals of these license agreements are negotiated with the tenants and historically the average renewal period ranges between three and five years.
- x. The investment property have been leased out to lessees / held for lease on operating lease basis.

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(all amounts in Rs. millions unless otherwise stated)



5 Investment property (continued)

- xii. The plant and machinery and furniture and fixtures are physically attached to the buildings and form an integral part thereof, hence they are considered as investment property.
- xiii. Additions to investment property and investment property under development include borrowing cost amounting to Rs. 579.19 million (31 March 2019: Nil) at a capitalisation rate which is the SPV specific "Weighted Average Borrowing Cost" (WABC).
- xiii. Amount recognised in statement of profit and loss for investment properties:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rental income	18,709.58	-
Less: Direct operating expenses arising from investment property that generated rental income during the period	(1,372.51)	-
Less: Direct operating expenses arising from investment property that did not generate rental income during the period	(709.46)	-
Less: Depreciation expense	(4,412.32)	-
Profit arising from investment properties before indirect expenses	12,215.29	-

- xiv. Refer Note 24 for information on charge created by the group on its investment property.
- xv. Refer Note 48 for disclosure of contractual commitments for purchase, construction or development of investment property or for repairs and maintenance of the same.
- xvi. Refer Note 56 for disclosure of assets acquired under lease.

xvii. **Fair value disclosures:**

Particulars	As at 31 March 2020
Fair value as at 31 March 2019	263,780.04
Fair value as at 31 March 2020	278,469.60

The fair value of investment property as at 31 March 2020 has been determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

The fair value measurement for all of the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used. The valuers have followed a Discounted Cash Flow method. The valuation model considers the present value of net cash flows to be generated from the respective properties, taking into account the expected rental growth rate, vacancy period, occupancy rate and lease incentive costs. The expected net cash flows are discounted using the risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

**6 Goodwill (refer note 2.1 b, note 49 and note 50)
As at 31 March 2020 and 31 March 2019**

SPV	Consideration transferred for business	Fair value of net assets	Goodwill on acquisition as at 31 March 2019	Impairment loss	Net carrying value as at 31 March 2020
MPPL	48,790.52	37,774.36	11,016.16	-	11,016.16
EOPPL	62,768.25	50,854.97	11,913.28	-	11,913.28
EEPL	732.79	464.95	267.84	-	267.84
UPPL	2,841.67	2,151.80	689.87	487.14	202.73
ETPL	12,138.78	9,239.55	2,899.23	-	2,899.23
GSPL	4,662.50	2,700.39	1,962.11	-	1,962.11
IENMPL	13,210.97	7,139.40	6,071.57	-	6,071.57
OBPPL	12,308.89	5,779.40	6,529.49	-	6,529.49
QBPPL	5,595.08	3,998.26	1,596.82	-	1,596.82
QBPL	13,689.26	9,201.53	4,487.73	922.71	3,565.02
VCPPPL	10,710.94	6,445.82	4,265.12	-	4,265.12
Total	187,449.65	135,750.43	51,699.22	1,409.85	50,289.37

Impairment testing for goodwill

Goodwill acquired through business combinations has been allocated to the Cash Generating Units ('CGU') as below for impairment testing: (Except for QBPL, each SPV is considered to be an independent CGU, as they are subject to different risk and return profiles on the basis of their customer base. Goodwill pertaining to QBPL has been further allocated to commercial CGU forming part of commercial segment and hotel CGU forming part of hospitality segment.)

CGU	Carrying amount prior to impairment *	Recoverable amount	Impairment Loss
MPPL	100,935.07	138,624.85	-
EOPPL	40,521.30	45,425.40	-
EEPL	9,210.13	10,335.64	-
UPPL	4,458.50	3,971.36	487.14
ETPL	12,962.48	13,783.25	-
GSPL	6,955.55	8,477.05	-
IENMPL	16,721.28	17,144.71	-
OBPPL	16,260.58	17,539.53	-
QBPPL	8,648.52	10,062.55	-
QBPL - Commercial Leasing Office	16,748.59	20,136.46	-
QBPL - Hotel	8,962.84	7,674.00	1,288.84
VCPPPL	15,533.12	16,119.13	-
Total	257,917.96	309,293.93	1,775.98

* The carrying amount also includes carrying value of intangibles with indefinite useful life amounting to Rs. 1,781.88 million as at March 31, 2020. Accordingly, the disclosures given in this note also covers the impairment testing relating to intangibles with indefinite useful lives.

During the year, management has estimated the recoverable amount of the CGUs based on a valuation determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE. The fair value measurement is a level 3 measurement on the fair value hierarchy. The valuation was done in accordance with discounted cash flow method.

As a result of the valuation, an impairment of Rs. 1,409.85 million is recognized in the Statement of Profit and Loss against Goodwill and an impairment of Rs. 366.13 million is recognized in the Statement of Profit and Loss against property, plant and equipment, totalling to Rs. 1,775.98 million as impairment loss. Impairment charge mainly relates to the hospitality segment and more specifically UPPL (Hilton Hotel), and hospitality segment of QBPL (Four Seasons). The Hotel CGU is composed mainly of property, plant and equipment. The impairment charge arose in the Hotel CGU due to slower ramp up of occupancy coupled with the current economic conditions due to Covid-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the "value in use" and the "fair value less cost to sell" in accordance with Ind AS 36.

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.

6 Goodwill (continued)

The recoverable amount was based on value in use calculation and was determined at the level of the CGUs. These calculations use cash flow projections over a defined period. Discount rate is based on the Weighted Average Cost of Capital (WACC) of the entity. In determining value in use for the CGUs, the key assumptions used are as follows:

Particulars	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate
Commercial			
MPPL	12.03%	13.00%	8.00%
EOPPL	12.03%	13.00%	8.25%
ETPL	12.03%	NA	7.75%
GSPL	12.03%	NA	8.25%
IENMPL	12.03%	NA	7.50%
OBPPL	12.03%	13.00%	8.25%
QBPPL	12.03%	NA	8.25%
QBPL - Commercial Leasing Office	12.03%	NA	7.50% to 8.25%
VCPPPL	12.03%	NA	8.00%
Hospitality			
UPPL	12.63%	NA	14.0x of EBITDA
QBPL - Hotel	12.63%	NA	14.0x of EBITDA
MPPL - Hotel	NA	13.60%	14.0x of EBITDA
Others			
EEPL	13.50%	NA	NA

The recoverable amount of the CGUs exceeds the carrying amount of the CGUs by Rs. 53,151.95 million. Following change in discount rate and capitalization rate (taken individually, assuming all other assumptions remain the same) would cause the recoverable amount of the identified CGUs to be equal to the carrying amount of the CGU.

Particulars	Discount rate - completed projects	Discount rate - under construction projects	Capitalization rate
Commercial			
MPPL	16.88%	17.85%	18.00%
EOPPL	13.60%	14.58%	9.75%
ETPL	13.15%	NA	9.00%
GSPL	15.00%	NA	12.75%
IENMPL	12.45%	NA	7.90%
OBPPL	13.28%	14.25%	9.75%
QBPPL	14.60%	NA	11.75%
QBPL - Commercial Leasing Office	13.60% to 16.10%	NA	9.25% to 15.75%
VCPPPL	12.70%	NA	8.70%
Hospitality			
UPPL **	NA	NA	NA
QBPL - Hotel **	NA	NA	NA
MPPL - Hotel	NA	18.45%	NA
Others			
EEPL	26.00%	NA	NA

** Sensitivity analysis is not disclosed since the carrying value and the recoverable amount are equal.

7 Intangible assets

Reconciliation of carrying amounts for the year ended 31 March 2020

Particulars	Power Purchase Agreement*	Right to use trade mark	Computer software	Total
Gross Block				
At 1 April 2018	-	-	-	-
Additions due to business combination *	3,348.00	1,647.91	22.87	5,018.78
At 31 March 2019	3,348.00	1,647.91	22.87	5,018.78
At 1 April 2019	3,348.00	1,647.91	22.87	5,018.78
Addition during the year	-	133.97	9.85	143.82
At 31 March 2020	3,348.00	1,781.88	32.72	5,162.60
Accumulated amortisation				
At 1 April 2018	-	-	-	-
Amortisation for the year	-	-	-	-
At 31 March 2019	-	-	-	-
At 1 April 2019	-	-	-	-
Amortisation for the year	145.56	-	15.68	161.24
At 31 March 2020	145.56	-	15.68	161.24
Carrying amount (net)				
As at 31 March 2019	3,348.00	1,647.91	22.87	5,018.78
As at 31 March 2020	3,202.44	1,781.88	17.04	5,001.36

* refer note 50

(this space is intentionally left blank)

8 Investment property under development (IPUD)

IPUD mainly comprises upcoming buildings and other infrastructure upgrades in various properties. The details are as follows:

SPV	Nature	As at	As at	As at
		31 March 2020	31 March 2019	1 April 2018
Base build				
MPPL	Front Parcel NXT block	-	1,680.97	-
MPPL	Other blocks	58.54	-	-
OBPL	Tower 2	-	1,099.28	-
OBPL	Tower 1	164.66	-	-
EOPPL	Hudson block	183.19	42.56	-
EOPPL	Ganges block	118.13	16.45	-
Infrastructure Upgrades				
MPPL	Flyover	629.48	71.53	-
MPPL	Master plan upgrade	335.14	593.14	-
EOPPL	Master plan upgrade	228.13	101.39	-
VCPPPL	Façade work	-	175.92	-
Others	Others	56.12	16.01	-
		1,773.39	3,797.25	-

9 Equity accounted investee

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Investment in joint venture			
Golflinks Software Park Private Limited	24,091.36	23,574.23	-
	24,091.36	23,574.23	-
Goodwill on acquisition included as a part of carrying cost	10,449.36	10,449.36	-
	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
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)	24,091.36	23,574.23	-

(all amounts in Rs. millions unless otherwise stated)

10 Non-current investments

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade, unquoted, at amortised cost			
Investment in preference shares			
Manyata Projects Private Limited *	-	156.98	-
15,698,440 (31 March 2019: 15,698,440) 0.01% optionally convertible redeemable preference shares of Rs 10 each, fully paid-up			
Less: Impairment	-	(156.98)	-
Non-trade investments measured at fair value through profit and loss			
Unquoted			
Investment in mutual funds **			
SBI Magnum Instacash Fund-Growth Option	-	313.96	-
IDFC Cash Fund - Growth Direct Plan	-	175.33	-
	-	489.29	-

* During the year ended 31 March 2020, these investments have been written off.

** These mutual fund balances are held as lien towards Debt Service Reserve requirement for debt taken

Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	-	489.29	-
Investments measured at amortised cost	-	-	-
Investments measured at fair value through profit or loss	-	489.29	-
Aggregate amount of impairment recognised	-	156.98	-

11 Current investments

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade, unquoted, at amortised cost			
Investment in debentures of joint venture (refer note 54) and (i) below	724.38	-	-
2,500 (31 March 2019: Nil) 8.5% debentures of Rs 1 million each [current portion]			
Non-trade investments measured at fair value through profit and loss			
Unquoted, Investment in mutual funds			
HDFC Liquid Fund - Growth Option	1,950.71	285.05	-
IDFC Cash Fund - Growth Option	390.14	-	-
ICICI Prudential Liquid Fund - Growth Option	1,350.76	285.61	-
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	-	-
SBI Magnum Instacash Fund - Growth Option	-	14.78	-
SBI Liquid Fund - Growth Option	-	722.39	-
SBI Magnum Insta Cash Fund - Growth Option	-	147.75	-
	12,273.59	1,455.58	-

- i) 2,500 (31 March 2019 : Nil) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of Rs.10,00,000 each. Outstanding as on 31 March 2020 Rs.724.38 million (31 March 2019:Nil).

Interest Rate : 8.50% p.a. on monthly outstanding balance.

Security : The debentures are secured by first ranking exclusive security interest over Torrey Pines building.

Redemption : Debentures shall be redeemed in 16 monthly instalments (principal and interest) of Rs. 160.00 million each and 17th instalment of Rs. 98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	12,273.59	1,455.58	-
Investment measured at amortised cost	724.38	-	-
Investment measured at fair value through profit and loss	11,549.21	1,455.58	-

Non-current financial assets

12 Loans

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Security deposits			
- related party (refer note 54)	10.50	-	-
- others	658.21	583.63	-
	668.71	583.63	-

13 Other financial assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Fixed deposits with banks*	670.06	2,144.06	-
Unbilled revenue (refer note 54)	506.91	-	-
Interest accrued but not due			
- from fixed deposits	2.96	8.90	-
Receivable under finance lease	8.61	63.58	-
	1,188.54	2,216.54	-
	670.06	2,098.06	-

* Includes fixed deposits held as lien against debt taken and margin money for bank guarantee

14 Non-current tax assets (net)

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Advance tax, net of provision for tax	1,554.70	1,418.90	-
	1,554.70	1,418.90	-

15 Other non-current assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Advance paid for co-development of property, incl development rights on land (refer note 54) *	13,998.26	8,774.00	-
Other capital advances			
- related party (refer note 54)	222.56	340.32	-
- others	1,333.74	1,073.62	-
Balances with government authorities	164.03	237.68	-
Paid under protest to government authorities (refer note 48)	676.26	674.51	-
Prepayments	80.79	90.56	-
	16,475.64	11,190.69	-

* Advance paid for co-development of property, includes borrowing cost amounting to Rs. 344.42 million (31 March 2019: Nil) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).

16 Inventories (valued at lower of cost and net realisable value)

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Stock of consumables	12.82	5.42	-
	12.82	5.42	-

17 Trade receivables

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured</i>			
Considered good *	242.25	335.86	-
Credit impaired	16.02	42.58	-
Less: Allowances for impairment losses	(16.02)	(42.58)	-
	242.25	335.86	-

*Includes trade receivables from related parties amounting to Rs. 57.03 million (31 March 2019: 10.56 million) (Refer Note 54)

18 Loans

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Security deposits			
- related party (refer note 54)	50.00	953.64	-
- others	1.49	2.32	-
	51.49	955.96	-

19A Cash and cash equivalents

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Cash on hand	1.12	0.48	-
Balances with banks			
- in current accounts*	3,225.16	3,449.14	-
- in escrow accounts			
- Balances with banks for unclaimed distributions	0.26	-	-
- Others**	2.62	45,580.11	-
- in deposit accounts with original maturity of less than three months	20.00	583.02	-
	3,249.16	49,612.75	-

* Balance in current accounts includes cheques on hand as at 31 March 2020 amounting to Rs. 2,121.94 million (31 March 2019: Rs. Nil).

** Represents balance Nil (31 March 2019: Rs. 42,818.03 million) from proceeds of initial public offer of REIT Units (Total proceeds Rs. 47,499.96 million). As at 31 March 2019, this amount held in the Escrow account could be withdrawn for specific purposes.

19B Other bank balances

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Balances with banks			
- in fixed deposit accounts with original maturity greater than three months and maturity less than twelve months from the reporting date	169.79	1,455.99	-
	169.79	1,455.99	-
Deposit for availing letter of credit facilities	169.79	750.17	-
Deposit lien marked towards the performance guarantee of EEPL	-	1.00	-

20 Other financial assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Interest accrued but not due			
- on fixed deposits	7.53	21.63	-
- on statutory deposits	40.39	31.97	-
- on others	4.35	2.03	-
Unbilled revenue (refer note 54)	256.91	192.33	-
Unbilled maintenance charges	59.45	71.54	-
Receivable under finance lease	16.88	73.94	-
Other receivables			
- related parties (refer note 54)	7.94	225.22	-
- others	6.01	131.55	-
	399.46	750.21	-

21 Other current assets

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Advance for supply of goods and rendering of services			
- to related parties (refer note 54)	2.78	-	-
- to others	51.32	22.08	-
Balances with government authorities	149.93	212.65	-
Prepayments	134.21	85.66	-
Other advances	12.98	2.11	-
	351.22	322.50	-

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22 Unit Capital

Unit Capital	No in Million	Amount
As at 1 April 2018	-	-
Units issued during the year		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	158.33	47,499.96
- in exchange for equity interest in SPVs (refer note iii below)	613.34	183,999.64
Less: Issue expenses (refer note below)	-	(2,460.34)
Closing balance as at 31 March 2019	771.67	229,039.26
As at 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
Closing balance as at 31 March 2020	771.67	229,120.96

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital as at 31 March 2019 in accordance with Ind AS 32 - Financial Instruments: Presentation. Further, during the year ended 31 March 2020, excess provision no longer payable, has been reversed amounting to Rs. 81.70 million.

(a) Terms/ rights attached to Units

- (i) The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Units is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Board of Directors of the Investment Manager approves dividend distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays dividends in Indian Rupees.

Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to Unitholders not less than 90% of the net distributable cash flows of Embassy Office Parks REIT for each financial year. Accordingly, a portion of the Unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December 2016 and No. CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the Unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 26 December 2016 dealing with the minimum disclosures for key financial statements. Consistent with Unitholders' funds being classified as equity, the distributions to Unitholders is presented in Statement of Changes in Unitholders' Equity and not as finance cost. In line with the above, the dividend payable to Unitholders is recognised as liability when the same is approved by the Investment Manager.

- (ii) Initial Public Offering of 158,333,200 Units for cash at price of Rs. 300 per Unit aggregating to Rs. 47,499.96 million.
- (iii) Embassy Office Parks REIT acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of Rs. 300 each as per the table below.

Name of the SPV	Number of Units allotted for acquiring all the equity interest held in the SPVs				
	Embassy Sponsor	Blackstone Sponsor	Blackstone Sponsor Group (excluding Blackstone Sponsor)	Other shareholders in the SPVs	Total
MPPL	2,924,450	93,610,755	-	66,099,872	162,635,077
UPPL	6,725,285	-	-	2,746,948	9,472,233
EEPL	1,221,322	-	-	1,221,322	2,442,644
IENMPL	-	-	32,536,562	-	32,536,562
VCPPPL	-	-	35,703,128	-	35,703,128
ETPL	-	-	39,446,986	1,015,611	40,462,597
EOPPL	104,613,745	-	104,613,746	-	209,227,491
QBPL	-	-	45,630,850	-	45,630,850
QBPPPL	-	-	18,650,260	-	18,650,260
OBPPL	-	-	41,029,647	-	41,029,647
GSPL	-	-	15,541,654	-	15,541,654
Total number of Units issued	115,484,802	93,610,755	333,152,833	71,083,753	613,332,143

(b) Unitholders holding more than 5 percent Units in the Trust

Name of the Unitholder	As at 31 March 2020		As at 31 March 2019	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Pvt Ltd.	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Ltd.	104,094,966	13.49%	104,094,966	13.49%
BRE Mauritius Investments	93,610,755	12.13%	93,610,755	12.13%
Veeranna Reddy	65,472,582	8.48%	65,472,582	8.48%
BRE/ Mauritius Investments II	45,630,850	5.91%	45,630,850	5.91%
India Alternate Property Limited	39,446,986	5.11%	39,446,986	5.11%

- (c) The Trust has not allotted any fully paid-up units by way of bonus shares nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further, the Trust has not issued any units for consideration other than cash from the date of incorporation till the balance sheet date, except as disclosed above.

23 Other Equity*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
<i>Reserves and Surplus</i>			
Retained earnings	(5,943.12)	(94.47)	-
	(5,943.12)	(94.47)	-

*Refer Consolidated Statement of Changes in Unitholders' Equity for detailed movement in other equity balances.

Retained earnings

The cumulative gain or loss arising from the operations which is retained by the Embassy Office Parks REIT is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit/(loss) after tax is transferred from the Statement of Profit and Loss to the retained earnings account.

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24 Borrowings

Particulars	As at	As at	As at
	31 March 2020	31 March 2019 **	1 April 2018
Secured			
Non-convertible debentures			
- Embassy REIT Series I NCD 2019 - Tranche I (refer note i)	32,351.16	-	-
- Embassy REIT Series I NCD 2019 - Tranche II (refer note i)	6,667.66	-	-
Terms loans			
- from banks (refer note iii)	10,978.43	41,269.59	-
- from financial institutions	-	16,850.86	-
- vehicle loans	30.60	42.02	-
Overdraft facility (Asset backed debt)	-	3,514.31	-
Deferred payment liability (refer note ii)	6,142.66	6,354.83	-
Obligation under finance lease	-	1.68	-
	56,170.51	68,033.29	-

Notes:

- (i) In May 2019, the Trust issued 30,000 (31 March 2019: Nil) listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019 (Tranche I), debentures having face value of Rs. 1 million each amounting to Rs. 30,000.00 million with an Internal Rate of Return (IRR) of 9.4% and will mature on 2 June 2022. In November 2019, the Trust further issued 6,500 such debentures (Tranche II) with an Internal Rate of Return (IRR) of 9.05% and with same terms and conditions as Tranche I.

The Tranche I and Tranche II NCD described above were listed on the Bombay Stock Exchange on 15 May 2019 and 28 November 2019 respectively.

Security terms

The NCD's are secured against each of the following in favor of the Security Trustee (holding for the benefit of the Debenture Trustee and ranking pari passu inter se the Debenture Holders):

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase I) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park".
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 SPV's".
3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables of the Trust.
4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.
5. A negative pledge on all assets of each secured SPV except MPPL.

Redemption terms:

1. These debentures are redeemable by way of bullet payment on 2 June 2022.
2. Tranche I debentures have a redemption premium of 9.4% IRR compounded annually and Tranche II debentures have a redemption premium of 9.05% IRR compounded annually.
3. In case of downgrading of credit rating, the IRR shall increase by 0.25% - 1.25% over and above the applicable IRR calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the IRR shall restore/decrease by 0.25% - 1.00% over and above the applicable IRR calculated from the date of change of rating.
4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between May 2021 to May 2022) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures being redeemed.

Disclosure required under SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018

1. Details of non-convertible debentures are as follows:-

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019	Secured	-	-	2 June 2022	2 June 2022

2. Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to Embassy REIT Series I NCD 2019.
3. Other requirements as per Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

Particulars	As at 31 March 2020
Asset cover ratio (refer a below)	17.32%
Debt -equity ratio (refer b below)	0.26
Debt-service coverage ratio (refer c below)	4.55
Interest-service coverage ratio (refer d below)	5.10
Net worth (refer e below)	223,177.84

Formulae for computation of ratios are as follows basis condensed consolidated financial statements:-

- a) Asset cover ratio = Total borrowings*/ Gross asset value as computed by independent valuers
 - b) Debt equity ratio = Total borrowings*/ Unitholders' Equity*
 - c) Debt Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax / [Finance cost (net of capitalisation and excluding interest on lease deposit and interest on lease liability) + Principal repayments made during the year]
 - d) Interest Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax / Finance cost (net of capitalisation and excluding interest on lease deposit and interest on lease liability)
 - e) Net worth = Unit capital + Other equity
- * Total borrowings = Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings
Unitholder's Equity = Unit Capital + Other equity

24 Borrowings (continued)

(ii) Deferred payment liability

EEPL SPV has entered into a deferred payment agreement with IL&FS Solar Power Limited for Rs. 6,853.90 million (as at 31 March 2020: Rs. 7,278.74 million, 31 March 2019: Rs. 6,994.93 million), for the purpose of financing the construction and development of a solar photovoltaic electricity generation facility with a minimum capacity of 100 MW AC. The debt carries interest at an IRR of 12.72% with a fixed EMI.

Security terms

1. Exclusive first charge by way of deposit of title deeds on the project land in accordance with the mortgage documentation.
2. Charge over the entire moveable properties (both present and future) of the Embassy Energy SPV, in relation to the project (including without limitation all tangible and intangible assets).
3. The above deferred payment liability is also secured by a guarantee given by EOPPL, SPV 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 Feb 2033. Pursuant to mutual agreement with IL & FS Solar Power Limited, only 50% of EMI are payable to them till the registration of agreed 465.77 acres of land is completed in favor of Embassy Energy SPV. As at end of 31 March 2020, the land registered is 254.47 acres. The company has accordingly paid 50% of principal and interest and the balance is withheld.

In accordance with the deferred payment agreement, the Group issued a prepayment offer to IL&FS Solar Power Limited ('lender') in respect of outstanding debt amounting to Rs. 7,278.74 million as of March 31, 2020. 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 it has been classified as non-current liability.

(iii) (a) HSBC Limited [balance as at 31 March 2020: Rs. 3,361.58 million (31 March 2019: Rs Nil)]

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 31 March 2020
Repayable in 36 monthly instalments. The debt carries interest of MCLR + 0.35%	3,361.58

(b) State Bank of India [balance as at 31 March 2020: Rs. 4,381.10 million (31 March 2019: Rs Nil)]

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 31 March 2020
Repayable by way of single bullet repayment in 18 months from date of commercial operations but not later than September 30, 2023. The debt carries interest of MCLR + 1.25%	4,381.10

(c) HSBC Limited [balance as at 31 March 2020: Rs. 3,389.99 million (31 March 2019: Rs Nil)]

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.

Extension of equitable mortgage over underlying Tower 2 & Tower 3 building of Embassy Oxygen situated at Plot No. 7, Sector 144, Noida Uttar Pradesh India.

Repayment and interest terms	As at 31 March 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

(iv) Changes in liabilities arising from financing activities:

	As at 31 March 2020	As at 31 March 2019
Opening financial liability	79,110.54	-
Add: Acquired on business combination	-	79,110.54
Add: Proceeds from borrowings (net off issue expenses)	48,947.26	-
Less: Repayments of borrowings	(73,462.66)	-
Less: Interest paid	(1,562.48)	-
Add: Lease liability w.r.t. Right-to-use for land during the year	312.10	-
Less: Finance lease payments	(20.37)	-
Add: Finance cost (including capitalised interest)	4,459.37	-
Closing financial liability	57,783.76	79,110.54

** Balances as at 31 March 2019 includes certain borrowings secured by way of assignment/ charge/ hypothecation/ mortgage of certain project receivables, underlying land, building and movable property, plant and equipment and investment property for certain SPVs. These borrowings have been settled during the year ended 31 March 2020.

25 Other financial liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Lease deposits (refer note 54)	2,360.50	2,734.68	-
Lease liability (refer note 56)	302.58	-	-
Payable for purchase of fixed assets	455.57	46.36	-
	3,118.65	2,781.04	-

26 Deferred tax liabilities (net)

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Minimum Alternate Tax credit entitlement	(4,015.29)	(3,009.06)	-
Deferred tax liabilities (net) (refer note 57)	44,422.67	44,433.45	-
	40,407.38	41,424.39	-

27 Provisions

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Provision for employee benefits *			
- gratuity	5.25	3.01	-
- compensated absences	-	2.07	-
	5.25	5.08	-

* refer note 55.

28 Other non-current liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Deferred lease rental	378.21	611.63	-
Advances from customers	8.49	30.51	-
	386.70	642.14	-

29 Borrowings*

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
<i>Secured:</i>			
Loans repayable on demand			
- construction loan from financial institution	-	2,344.63	-
Other short-term borrowings			
- lease rental discounting loan from bank	-	826.46	-
	-	3,171.09	-

* Balances as at 31 March 2019 includes certain loans/ borrowings secured by way of assignment/ charge/ hypothecation/ mortgage of certain project receivables, underlying land, building and movable property, plant and equipment and investment property for certain SPVs. These loans have been settled during the year ended 31 March 2020.

30 Trade payables

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Trade payable			
- total outstanding dues to micro and small enterprises	2.48	-	-
- total outstanding dues other than micro and small enterprises	136.33	408.16	-
- to related parties (refer note 54)	115.94	13.71	-
	254.75	421.87	-

31 Other financial liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Current maturities of long-term debt			
- from banks	154.25	5,335.61	-
- from financial institutions	-	1,930.45	-
- deferred payment liability	1,136.08	640.10	-
Security deposits			
- related party (refer note 54)	185.00	185.00	-
Lease deposits	7,137.07	6,017.42	-
Book overdraft	137.41	-	-
Capital creditors for purchase of fixed assets			
- to related party (refer note 54)	14.73	50.94	-
- to others	975.66	451.15	-
- Lease liability (refer note 56)	20.35	-	-
Unclaimed dividend for 2019-20	0.26	-	-
Other liabilities			
- to related party (refer note 54)	172.62	186.87	-
- to others	629.36	5,981.13	-
	10,562.79	20,778.67	-

32 Provisions

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Provision for employee benefits *			
- gratuity	0.03	1.73	-
- compensated absences	2.34	1.28	-
	2.37	3.01	-

* refer note 55.

33 Other current liabilities

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Unearned income	44.09	43.68	-
Advances received from customers (refer note 54)	291.43	183.63	-
Statutory dues	193.92	212.86	-
Deferred lease rentals	252.14	268.67	-
	781.58	708.84	-

34 Current tax liabilities (net)

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Provision for income-tax, net of advance tax	34.51	33.58	-
	34.51	33.58	-

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35 Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Facility rentals	16,689.99	-
Income from finance lease	2.28	-
Room rentals	647.40	-
Revenue from contracts with customers		
Maintenance services	1,777.43	-
Sale of food and beverages	391.89	-
Income from generation of renewable energy	1,566.25	-
Other operating income		
- hospitality	103.40	-
- others	270.58	-
	21,449.22	-

Note:

Contract balances

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	242.25	335.86
Unbilled maintenance	59.45	71.54

36 Interest income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
- on debentures (Refer note 54)	73.72	-
- on fixed deposits with bank	139.80	-
- on security deposits	46.86	-
- on other statutory deposits	21.77	-
- on Income-tax refund	26.31	-
- others	168.89	-
	477.35	-

37 Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net changes in fair value of financial assets	18.45	-
Liabilities no longer required written back	13.29	-
Profit on sale of mutual funds	359.96	-
Miscellaneous	121.30	-
	513.00	-

38 Cost of materials consumed

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchases	126.34	-
Add: Increase/(decrease) in inventory	(7.40)	-
	118.94	-

39 Employee benefits expense *

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	295.88	-
Contribution to provident and other funds	17.62	-
Staff welfare	63.67	-
	377.17	-

* refers to employee benefits expense of the hospitality segment (also refer note 53)

40 Operating and maintenance expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel (net)	609.16	-
Operating consumables	18.30	-
	627.46	-

41 Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Property tax (net)	704.01	-
Rates and taxes	37.90	-
Marketing and advertising expenses	77.31	93.28
Assets and other balances written off	11.16	-
Allowances for credit loss	0.85	-
Reversal of impairment on investments	(156.98)	-
Investments written off	156.98	-
Bank charges	19.42	-
Brokerage and commission	24.10	-
Net changes in fair value of financial assets	25.16	-
Travel and conveyance	25.78	-
Corporate Social Responsibility (CSR)	85.91	-
Miscellaneous expenses	234.73	-
	1,246.33	93.28

42 Repairs and maintenance

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Repairs and maintenance		-
- common area maintenance	735.75	-
- buildings	76.19	-
- machinery	253.51	-
- others	149.93	-
	1,215.38	-

43 Finance costs (net of capitalisation) #

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense		
- on borrowings from banks and financial institutions	310.15	-
- on deferred payment liability	840.19	-
- on lease deposits	312.09	-
- on lease liabilities	31.20	-
- accrual of premium on redemption of debentures *	2,309.91	-
	3,803.54	-

* relates to accrual of premium on redemption of Tranche I and Tranche II of Embassy REIT Series I NCD 2019

Gross interest expense is Rs. 4,771.46 million and interest capitalised is Rs. 967.92 million for the year ended 31 March 2020.

44 Depreciation and amortisation

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment	707.68	-
Depreciation of investment property	4,412.32	-
Amortisation of intangible assets	161.24	-
	5,281.24	-

45 Tax expense*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax**	1,361.39	-
Deferred tax charge	(11.27)	-
Minimum Alternate Tax credit entitlement (MAT)***	(1,050.12)	-
	300.00	-

* refer note 57.

** includes dividend distribution tax of Rs. 22.83 million payable by SPVs on dividend distributed to Embassy Office Parks Group for the year ended 31 March 2020. Also includes current tax adjustments relating to earlier years of Rs. 42.32 million (31 March 2019: Nil)

*** including MAT credit entitlement relating to earlier years of Rs. 373.69 million (31 March 2019: Nil).

(all amounts in Rs. millions unless otherwise stated)

46 Earnings Per Unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the year attributable to Unitholders by the weighted average number of units outstanding during the year. Diluted EPU amounts are calculated by dividing the profit attributable to Unitholders by the weighted average number of units outstanding during the year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital. The Units of the Trust were allotted on 22 March 2019 and 27 March 2019.

The following reflects the profit and unit data used in the basic and diluted EPU computation

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit after tax for calculating basic and diluted EPU	7,655.34	(94.47)
Weighted average number of Units (No. in millions)	771.67	18.10
Earnings Per Unit		
- Basic (Rupees/unit)	9.92	(5.22)
- Diluted (Rupees/unit)*	9.92	(5.22)

* The Trust does not have any outstanding dilutive units

47 Management Fees

Property Management Fee

Pursuant to the Investment Management Agreement dated 12 June 2017 as amended, Investment Manager is entitled to fees @ 3% of the 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 Investment Manager to undertake the services provided to the Embassy REIT and its SPVs. Property Management fees for the year ended 31 March 2020 amounts to Rs. 486.13 million (31 March 2019: Rs Nil). There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

REIT Management Fees

Pursuant to the Investment Management Agreement dated 12 June 2017, as amended, Investment Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the REIT and its investments. REIT Management fees accrued for the year ended 31 March 2020 amounts to Rs. 214.81 million (31 March 2019: Rs Nil). There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

Secondment fees

Pursuant to the Secondment Agreement dated 11 March 2019, Investment Manager is entitled to fees of Rupees One Lakh (Rs. 1,00,000) per month in respect certain employees of Investment Manager being deployed to the Embassy office Parks REIT in connection with the operation and management of the assets of the Embassy REIT. Secondment Fees for the year ended 31 March 2020 amounts to Rs. 1.42 million (31 March 2019: Rs Nil). There are no changes during the year in the methodology for computation of secondment fees paid to Investment Manager.

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48 Commitments and contingencies

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (Refer note i)	11,088.92	5,369.00	-
Contingent liabilities			
Claims not acknowledged as debt in respect of Income Tax matters (Refer note ii)	425.41	390.03	-
Claims not acknowledged as debt in respect of Service Tax matters (Refer note iii)	730.10	598.90	-
Claims not acknowledged as debt in respect of Property Tax matters (Refer note iv)	3,313.08	3,212.76	-
Others (Refer notes v and vi)			

Based on management's best estimate the Group has provided for any claims during the year. The Group will continue to monitor developments to identify significant uncertainties and change in estimates, if any, in future period.

Notes:

i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for

SPV	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
MPPL	9,519.23	3,859.26	-
OBPPL	51.78	893.77	-
EOPPL	1,423.43	424.23	-
Others	94.48	191.74	-
	11,088.92	5,369.00	-

ii) Claims not acknowledged as debt in respect of Income Tax matters

SPV	As at	As at	As at
	31 March 2020	31 March 2019	1 April 2018
MPPL	8.50	0.28	-
EOPPL	224.29	172.28	-
QBPL	77.60	145.57	-
QBPPL	3.76	3.76	-
OBPPL	72.82	-	-
IENMPL	38.44	68.14	-
	425.41	390.03	-

MPPL: (a) The SPV has received Section 153A assessment orders for AY 2009-10 to 2015-16 making additions under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing taxable income under the Income tax Act. The SPV has received demand orders to pay a sum of Rs. 8.22 million for the assessment period. Appeals were filed before CIT(A) challenging the assessment orders. As at 31 March 2020 the CIT(A) has dismissed the appeals for AY 2009-10, 2011-12 and 2012-13 upholding the assessment additions made. MPPL intends to challenge the same and file an appeal before Income-tax Appellate Tribunal [ITAT], within the stipulated time. Accordingly, the SPV has disclosed Rs.8.22 million (31 March 2019: Nil) as contingent liability.

(b) The SPV was originally assessed u/s. 143(3) for AY 2009-10 apart from the assessment u/s. 153A as disclosed above in (a) for disallowance under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing the taxable income under the Income tax Act. The SPV has received outstanding demand orders to pay a sum of Rs 0.28 million. As at 31 March 2020 the appeal against order of ITAT is pending for hearing before Hon'ble High Court of Karnataka. Accordingly, the SPV has disclosed Rs. 0.28 million (31 March 2019: Rs. 0.28 million) as contingent liability.

EOPPL: (a) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2016-17 and received assessment order dated 31.12.2018 with additions made u/s.14A of the Income Tax Act with demand order of Rs 172.28 million. The SPV has filed an appeal against the assessment order at the CIT(A) and has paid Rs. 14.06 million under protest with balance demand stayed. Accordingly, the SPV has disclosed Rs. 172.28 million (31 March 2019: Rs. 172.28 million) as contingent liability.

(b) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2017-18 and received assessment order dated 24.12.2019 with additions made u/s.14A of the Income Tax Act read with rule 8D of the Income-tax Rules and addition to the income based on reconciliation differences between Form 26AS and the books of accounts. Aggrieved by the assessment order, the SPV has filed an appeal with CIT(A). Accordingly, the SPV has disclosed Rs. 52.01 million (31 March 2019: Rs. Nil) as contingent liability.

QBPL: (a) The SPV was assessed under section 143(3) of the Income Tax Act and has received a demand notice of Rs 71.71 million for AY 2010-11, on account of disallowance of the deduction under section 80IAB for certain incomes as claimed by the SPV. The CIT(A) has passed necessary order upholding the stand of the Assessing Officer. The SPV thereafter filed an appeal with ITAT against the said order of CIT(A). The ITAT has disposed the appeal in favour of the SPV. Income tax Department has moved to Hon'ble High Court of Mumbai against the ITAT order. Accordingly, the SPV has disclosed the above demand of Rs.71.71 million (31 March 2019: Rs. 71.00 million) as a contingent liability.

(b) The SPV was assessed for AY 2014-15 u/s. 143(3) of the Income Tax Act and certain additions were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs.5.89 million was received. While the said demand has been paid, the SPV has contested this demand and filed an appeal with CIT(A) against the said order. Accordingly, the SPV has disclosed the above demand of Rs. 5.89 million (31 March 2019: Rs. 5.89 million) as a contingent liability.

(c) The SPV had received an assessment order u/s.143(3) of the Act for Assessment year 2012-13 wherein the assessing officer has raised a demand of Rs.68.68 million, which was mainly on account of income from leasing of immovable property which has been treated as 'income from house property', as against the head 'profits and gains from business or profession' as declared by the SPV in its tax returns. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal in favour of the SPV. Accordingly the SPV has disclosed Rs. Nil (31 March 2019 Rs.68.68 million) as a contingent liability.

48 Commitments and contingencies (continued)

QBPL: The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2015-16 and certain addition were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs.3.76 million was received. While the said demand has been paid, the SPV has contested this demand and filed an appeal with CIT(A) against the said order. Accordingly, the SPV has disclosed the above demand of Rs. 3.76 million (31 March 2019: Rs. 3.76 million) as a contingent liability.

OBPPL: (a) The SPV had been assessed u/s. 143(3) of the Act and received a tax demand notice of Rs. 69.83 million for Assessment Year 2011-12 wherein the Assessing Officer had disallowed the profit earned by the SPV on transfer of the land at a value which was in excess of its fair value and claimed as deduction under Section 80IAB. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal in favour of the SPV. Income Tax Department filed an appeal with ITAT against the order of CIT(A). Accordingly, the SPV has disclosed the above demand of Rs. 69.83 million (31 March 2019: Nil) as a contingent liability.

(b) The SPV has received an assessment order for AY 2017-18 wherein TDS credit has not being given in respect of merged entities. Subsequently, the SPV has filed an appeal against the assessment order with CIT(A). Accordingly, the SPV has disclosed Rs. 2.99 million (31 March 2019: Rs. Nil) as contingent liability.

IENMPL: (a) The SPV had received an assessment order u/s 147 r/w. s. 143(3) of Income Tax Act 1961 for the AY 2009-10 for disallowance of unrealized rent claimed against income from House Property resulting in tax demand of Rs. 2.92 million. 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 against the SPV. The SPV filed an appeal with ITAT against the order of CIT(A) which during the year was dismissed by ITAT. Accordingly, the SPV has disclosed Rs. Nil (31 March 2019: Rs. 4.05 million) as contingent liability.

(b) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2010-11 with disallowance of municipal tax paid, claimed against Income from House property, disallowance of management fees and section 14A additions made, resulting in tax demand of Rs. 12.12 million. The SPV filed an appeal before CIT(A) which was dismissed by the CIT(A). The SPV filed an appeal with ITAT against the order of CIT(A) which during the year was dismissed by ITAT. Accordingly, the SPV has disclosed Rs. Nil (31 March 2019: Rs.12.11 million) as contingent liability.

(c) The SPV was reassessed u/s 147 read with section 143(3) of Income-tax Act, 1961 for the AY 2010-11 and addition on account of unexplained cash deposits was made u/s.69A of the Act, resulting in tax demand of Rs. 2.98 million. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.2.98 million (31 March 2019: Rs. Nil) as contingent liability.

(d) 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. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs.12.14 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.12.14 million (31 March 2019: Rs.13.43 million) as contingent liability.

(e) 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. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of Rs.14.07 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed Rs.14.07 million (31 March 2019: Rs 20.42 million) as contingent liability.

(f) The SPV received a tax demand notice of Rs.5.48 million for Assessment Year 2013-14 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 filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal against the SPV. The SPV filed an appeal with ITAT against the order of CIT(A), however has recorded the liability. Accordingly, the SPV has disclosed Rs. Nil (31 March 2019: Rs 5.48 million) as contingent liability.

(g) The SPV received a tax demand notice of Rs.9.25 million for Assessment Year 2014-15 wherein the Assessing Officer had disallowed municipal tax paid claimed against Income from House property additions made u/s. 14A of the Income tax Act read with Rule 8D of the Income Tax Rules. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. Accordingly, the SPV has disclosed Rs.9.25 million (31 March 2019: Rs.12.65 million) as contingent liability.

iii) Claims not acknowledged as debt in respect of Service Tax and Value Added Tax matters

SPV	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
MPPL	573.90	522.04	-
ETPL	64.73	12.30	-
G SPL	23.99	1.02	-
VC PPL	40.66	40.66	-
UPPL	26.82	22.88	-
	730.10	598.90	-

MPPL: (a) The SPV had received Order-in-original dated 23 December 2015 with a demand to pay a sum of Rs. 522.04 million (including interest and penalty) from the Commissioner of Central Excise Bangalore-V Commissionerate towards incorrectly availed Cenvat credit during the period 1 April 2006 to 31 March 2012. Appeal has been filed before CESTAT dated 18 April 2016. As at 31 March 2020 the appeal is still pending before CESTAT and the amount of Rs 522.04 million (31 March 2019: Rs.522.04 million) is disclosed as contingent liability.

(b) The SPV had received an order dated 26 May 2011 from Assistant Commissioner of Commercial Taxes for rejecting the refund of Rs. 51.86 million towards incorrectly availed VAT credit during the period 1 April 2009 to 31 March 2010. Appeal was filed before KAT which allowed the refund in part. The SPV approached Hon'ble High Court of Karnataka which quashed the order passed by KAT and granted full refund. The State of Karnataka has filed an appeal in the Supreme Court against the High Court order. Accordingly, a sum of Rs 51.86 million (31 March 2019: Rs. Nil) has been disclosed as contingent liability.

ETPL: (a) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata for the period 2012-13 in respect of non-registration and non-payment of service tax under the category of 'Builder's Special Services' and not 'Construction of Immovable Property' service with regard to installation of parking equipment which is taxable as a service leading to ineligibility of abatement of Rs. 10.01 million, irregular availment of credit of Rs 6.87 million and non-payment of service tax Rs 0.96 million (along with penalty of equal amount). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of Rs 1.33 million to stay the recovery of the balance amount. The same has been paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the aforementioned demand and penalty amount of Rs 35.68 million (31 March 2019: Rs. 10.00 million) has been disclosed as a contingent liability.

(b) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata demanding Rs 2.30 million in respect of denial of credit on construction of building and various other activities which has been utilized against output service of 'Renting of Immovable Property' service for the period 2013-14 (along with penalty of equal amount). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of Rs 0.2 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the year ended 31 March 2019 the SPV has received favorable order and the said demand was annulled; however, the Assistant Commissioner (T&R) had filed an appeal against the Order to Central Excise and Service Tax Appellate Tribunal. The appeal has been dismissed by the CESTAT. Accordingly, the SPV has disclosed demand and penalty amount of Rs. Nil as at 31 March 2020 (31 March 2019: Rs. 2.30 million) as contingent liability.

(c) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata in January 2020, demanding Rs 14.52 million in respect of denial of input tax credit during construction period for the financial years 2014-15 to 2016-17 (along with penalty of equal amount). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of Rs 1.09 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the year ended 31 March 2020, the SPV has disclosed the demand and penalty amount of Rs. 29.05 million (31 March 2019: Rs. Nil) as contingent liability.

48 Commitments and contingencies (continued)

GSPL: a) The SPV had received an Order-in-Original passed by the Ld. Commissioner, Customs, Central Excise and Service Tax Commissionerate, Noida demanding Rs 11.99 million (along-with penalty of equal amount) in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of Rs 0.90 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the previous year FY 17-18, the Company had received a favorable order and the said demand was annulled; however, the Commissioner Excise has filed an appeal against the Order to Hon'ble High Court of Allahabad. Accordingly, the SPV has disclosed the demand and penalty amount of Rs. 23.99 million (31 March 2019: Rs. Nil) as contingent liability.

b) The SPV had received an Order-in-Original passed by the Deputy Commissioner, Service Tax, Division - III, Noida, demanding Rs 1.02 million in respect of denial of CENVAT credit utilised on the basis of photocopy of invoices for the AY 2014-15. Against the aforesaid Order, the SPV has filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit Rs 0.08 million to stay the recovery of the balance amount. The SPV paid full demand of Rs. 1.02 million under protest. During the year ended 31 March 2020, this matter has been settled under Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019. Accordingly an amount of Rs. Nil (31 March 2019: Rs. 1.02 million) is disclosed as contingent liability.

VCPL: The SPV has received a show cause cum demand notice issued by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Bombay related to period from 1 April 2012 to 31 March 2015, demanding Rs 29.91 million along-with penalty of Rs. 10.75 million in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of Rs 2.01 million to stay the recovery of the balance amount. The same was paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the said demand of Rs. 40.66 million (31 March 2019: Rs. 40.66 million) has been disclosed as contingent liability.

UPPL: (a) The SPV had received show cause notices dated 3 July 2015 for demand on irregular cenvat credit availed for Rs 23.04 million relating to period from 1 April 2011 to 31 March 2016. Responses have been filed in August 2017 and is pending before the Commissioner of Service Tax. Accordingly, the aforementioned demand of Rs. 23.04 million (31 March 2019: Rs. 22.88 million) is disclosed as contingent liability.

(b) The SPV had received show cause notices dated 9 April 2019 for demand of Rs 3.78 million relating to period from 1 April 2014 to 30 June 2017 with respect to payment of salary and bonus to certain employees of the SPV which has not been considered as Management fees. Responses have been filed and is pending before the Deputy Commissioner of Service Tax. Accordingly, the aforementioned demand of Rs. 3.78 million (31 March 2019: Nil) is disclosed as contingent liability.

iv) Claims not acknowledged as debt in respect of Property Tax matters

SPV	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
MPPL	3,313.08	3,212.76	-
	3,313.08	3,212.76	-

MPPL: (a) The SPV has received a demand order dated 5 October 2015 to pay a sum of Rs. 2,739.49 million (including interest and penalty) towards the difference in property tax payable by the SPV, which difference arose on account of classification of the property under different schedules for the purpose of computing property taxes, for the period 2008-09 to 2015-16. The SPV is contesting that the concerned property being an industrial estate that has been developed as special economic zone must be classified as category XIV as per the notification issued under Karnataka Municipal Corporation Act, 1976 (the Act) and Bruhat Bengaluru Mahanagar Palike Property Tax Rules, 2009 (Rules). Whereas, the Assistant Revenue Officer has been considering the concerned property under category VIII as per the notification issued under the Act and Rules. The SPV filed a writ petition against the demand order which has been dismissed by the Hon'ble High Court of Karnataka. The said court upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of writ petition, MPPL has filed an appeal before the aforementioned court and the same has been admitted by the court on 27 June 2016. The Hon'ble High Court restrained BBMP from taking any coercive action against the SPV and also directed BBMP to allow the SPV to make payment of property tax for the assessment year 2016-17. The matter is currently pending and as of the date of these financial statements, no further developments have taken place. SPV has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability. The SPV paid Rs 646.69 million (31 March 2019: Rs. 646.69 million) under protest against the above demand.

(b) The SPV has also received a demand order dated 9 October 2017 to pay a sum of Rs. 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, Bangalore objecting the total survey report and property tax assessment notice arising therefrom. A new demand notice dated 17 January 2019 was issued to pay a sum of Rs. 860.39 million towards the differential property tax for the period 2008-09 to 2017-18. The SPV, has submitted a letter to the Joint Commissioner dated 29 March 2019, referring to the appeals preferred by the SPV and had paid a sum of Rs. 286.80 million towards property tax demanded under protest. SPV has obtained external legal opinion on this matter which indicates that the SPV has a fair chance of success and the actual liability for payment is subject to final decision in the appeal pending before Joint Commissioner. Accordingly, net contingent liability of Rs 573.59 million (31 March 2019: Rs. 473.27 million) has been disclosed.

v) Others: tax matters pertaining to equity accounted investee company

(a) GLSP (50% equity accounted investee - joint venture) Income Tax matters:

(a) GLSP has received a Tribunal order for AY 2007-08 to 2013-14 upholding the taxability of interest income basis information in the Annual Information Return (for AY 2007-08 only), upholding the disallowance on interest paid towards loans allegedly used for on-lending to certain parties and remanding the issue of disallowance on interest paid towards such loans. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all relevant years put together is Rs 907.40 million. GLSP has filed an appeal before the Hon'ble High Court of Karnataka on these matters. GLSP has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability.

(b) GLSP has received a Tribunal order for AY 2005-06 to 2007-08, remanding back the case to CIT(A) with respect to the issue of disallowance on interest paid towards loans allegedly used for on-lending to certain parties. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all relevant years put together is Rs 15.40 million and accordingly the same is disclosed as a contingent liability by GLSP.

(c) GLSP has received a CIT(A) order for AY 2014 -15, with respect to the issue of disallowance on interest paid towards loans allegedly used for on-lending to certain parties. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount is Rs 252.04 million. GLSP has filed an appeal before the ITAT on these matters and accordingly the same is disclosed as a contingent liability.

(d) During the year ended 31 March 2020, GLSP has received assessment order for AY 2017-18 for disallowance under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules, Disallowance of claim under section 80G of the Income Tax Act and addition to the income based on differences between Form 26AS and the books of accounts. GLSP has filed an appeal against the assessment order with CIT(A). Accordingly, GLSP has disclosed Rs. 2.83 million (31 March 2019 : Rs. Nil) as contingent liability.

(b) GLSP (50% equity accounted investee - joint venture) Service Tax matters :

(a) GLSP has received show cause notice and order-in-original dated 14 August 2011 and 11 December 2011 to pay a sum of Rs. 111.86 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period 1 April 2009 to 31 March 2011. Appeal has been filed before CESTAT. As at 31 March 2020 the appeal is pending before CESTAT for hearing and accordingly the same is disclosed as a contingent liability by GLSP.

(b) GLSP has received an Order-in-Original dated 31 August 2010 to pay a sum of Rs. 90.49 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period June 2007 to March 2009. Appeal was filed before CESTAT and a favorable order was received by the entity. Commissioner of Service Tax has filed an appeal before Hon'ble High Court of Karnataka and their application is pending for acceptance and accordingly the same is disclosed as a contingent liability by GLSP.

48 Commitments and contingencies (continued)

vi) Other matters

(a) **VCPL** (Forfeiture of security deposit matters): Orange Business Services India Technology Private Limited, earlier known as Equant Technologies Services (India) Private Limited ("Equant") had filed a summary suit bearing No. 388 of 2012 with the Hon'ble Bombay High Court alleging that the SPV incorrectly terminated the letter of intent dated July 18, 2008 executed between the SPV and Equant for renting premises in Embassy 247 Park pursuant to which Equant paid to the SPV a security deposit of Rs. 40.32 million, which was withheld by the SPV on account of breach of agreed terms of the said letter of intent. The matter is currently under adjudication.

(b) **EEPL** : SPV received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on 28 February 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent company of IL&FS Solar Power Limited ('ISPL'), which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorized as operational debts) aggregating up to Rs. 1,008.10 million are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the subcontractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated 1 March 2019, refuted all such claims inter alia on the basis that the payments are due from ISPL (and/ or its parent entity) to the sub-contractor and not from EEPL, and therefore the sub-contractor has no claim against EEPL. By its letters dated 18 March 2019, the subcontractor has responded to the letter from EEPL, denying all statements made by EEPL and reiterating that the unpaid amounts are due from EEPL. The sub-contractor has thereafter filed an application under Section 9 of the Code before the Bangalore bench of National Company Law Tribunal claiming debt of Rs. 997.59 million and interest thereon against EEPL. During the quarter, the third party sub-contractor vide a letter dated 2 January 2020 served the notice of hearing in the captioned matter for initiation of insolvency proceedings under section 9 of the IBC before the NCLT, Bengaluru pursuant to its order dated December 16, 2019. The petitioner has filed a claim as an operational creditor of IEDCL for an amount of Rs. 1,008.10 million dues to the sub-contractor. The matter is in the preliminary hearing stage before the NCLT, Bengaluru and pending resolution. SPV intends to contest the claim before NCLT. SPV based on the external legal opinion obtained on this matter has disclosed the same as a contingent liability.

EEPL : The Karnataka Electricity Regulatory Commission, Bengaluru (KERC) has issued orders in 2005, 2008 and 2014 granting exemption to all solar power generators in Karnataka that achieved commercial operation date between April 1, 2013 and March 31, 2018 from paying certain charges such as payment of wheeling and banking charges, cross subsidy surcharges, transmission losses and wheeling losses for a period of ten years from the date of commissioning. KERC has issued an order dated 14 May 2018 withdrawing the aforementioned exemption available to Karnataka's power generators, including EEPL.

The SPV commissioned the solar plant during the FY 2017-2018 and as per the previous Regulation, the charges did not apply to the SPV for a period of 10 years. The SPV filed a writ petition with the Hon'ble High Court of Karnataka challenging the KERC Order and obtained an interim Stay Order dated 24 May 2018. BESCOM filed preliminary statement of objections and also filed application seeking recalling of interim order. The application seeking recalling of interim order was rejected. The Hon'ble High Court passed the judgment on 13 March 2019 allowing the Writ Petition and quashed the order dated 14 May 2018 passed by KERC. The SPV has filed the Caveat Petition for receiving notifications in case any suit / appeal is filed by any of the parties to the said petition. KERC has filed a common writ appeal against the order dated 13 March 2019. However, EEPL has not been made a party to the said appeal. In the event an adverse order is passed in the said appeal, EEPL may also be affected.

EEPL : The Karnataka Electricity Regulatory Commission has issued an order in 2018 pursuant to which banking facilities available to non-renewable energy certificate based renewable energy generators were reduced from a period of one year to six months, and restrictions were imposed on the extent of banked energy which could be withdrawn during the peak time of day. EEPL filed a writ petition against the Karnataka Electricity Regulatory Commission and others before the Hon'ble High Court of Karnataka. The Hon'ble High Court of Karnataka pursuant to an order dated August 9, 2018 granted an interim stay on the commission's order. Pursuant to an order dated July 24, 2019, the Hon'ble High Court of Karnataka has allowed the writ petition and quashed the order dated January 09, 2018 issued by the Karnataka Electricity Regulatory Commission with a direction to Karnataka Electricity Regulatory Commission to reconsider the matter. However, KERC has filed a common Writ Appeal against EEPL and others before the Division Bench of High Court and is currently pending disposal.

(c) **MPPL** : SPV has filed a writ petition in 2015 against the BBMP and others seeking to inter-alia, quash (i) a circular from 2014 re-fixing the improvement charges under the Karnataka Municipal Corporations Act, 1976, and the Karnataka Municipal Corporations (Recovery of Improvement Expenses) Rules, 2009, and (ii) a notice from 2015 demanding payment of betterment charges of Rs.127.9 million. In 2016, the Hon'ble High Court of Karnataka has granted an interim stay on the impugned circular and notice.

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49 Business Transfer Agreement (BTA) between QBPL and EODPL

During the year ended 31 March 2019, QBPL had entered into Business Transfer Agreement (BTA) with EODPL on 11 March 2019 and completed the purchase of the assets and liabilities for Hospitality segment and Commercial offices segment from EODPL as per the BTA.

QBPL borrowed Rs. 4,681.93 millions from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired and purchase consideration amounting to Rs. 1,402.19 millions has been recognised as goodwill as at 31 March 2019.

During the year ended 31 March 2020, goodwill amounting to Rs. 922.71 million pertaining to hospitality division of Embassy Quadron has been impaired. Refer note 6 for further details.

Particulars	Hotel Business	Commercial Business	Total
Tangible assets acquired	7,982.42	4,148.00	12,130.42
Other current assets			134.32
Total			12,264.74
Liabilities assumed			
Loan from banks			(8,961.78)
Other current liabilities			(23.22)
Total			(8,985.00)
Fair value of net assets taken over			3,279.74
Less: BTA consideration			(4,681.93)
Goodwill on acquisition			1,402.19

50 Business Combination

Embassy Office Parks REIT has acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of Rs. 300 each amounting to Rs 183,888.64 millions and by assuming liability towards purchase of equity interest in IENMPL amounting to Rs. 3,450 million (paid subsequently on 2 April 2019). The accounting for the business combination has been done in accordance with Ind AS-103 "Business Combination". Refer Note 2.1 "Basis of Business Combination" for more details.

Entity	Fair value of assets acquired	Fair value of liabilities assumed	Deferred tax liability on fair valuation of assets acquired and liabilities assumed	Fair value of net assets taken over	Purchase consideration	Goodwill on consolidation
EOPPL(Refer note i below)	66,677.98	7,268.06	8,554.93	50,854.99	62,768.25	11,913.26
EEPL	2,149.42	1,488.28	196.19	464.95	732.79	267.84
MPPL	77,213.62	27,492.06	11,947.20	37,774.36	48,790.52	11,016.16
UPPL	5,208.49	2,571.62	485.07	2,151.79	2,841.67	689.88
QBPL (Refer note ii below)	27,074.33	14,476.40	1,994.19	10,603.74	13,689.26	3,085.52
QBPPPL	9,279.40	3,494.06	1,787.09	3,998.25	5,595.08	1,596.83
GSPL	6,233.07	2,875.44	657.25	2,700.38	4,662.50	1,962.12
OBPPPL	13,652.04	6,382.50	1,490.14	5,779.40	12,308.89	6,529.49
ETPL	10,642.16	1,329.82	72.79	9,239.55	12,138.78	2,899.23
VCPPPL	13,114.17	5,468.05	1,200.31	6,445.81	10,710.94	4,265.13
IENMPL (Refer note iii below)	15,103.00	5,003.61	2,960.00	7,139.39	13,210.97	6,071.58
Total	246,347.68	77,849.90	31,345.16	137,152.61	187,449.65	50,297.03

Note:

- Purchase consideration amounting to Rs. 71,078.44 millions is towards issue of 209,227,490 units at Rs. 300 each. Further, an amount of Rs. 8,310.19 millions is paid by SPV before the date of acquisition by Embassy Office Parks REIT, towards equity investment in MPPL of Rs. 8,309.11 million, in EEPL of Rs. 1 million and in GLSP of Rs. 0.08 million.
- During the year ended 31 March 2019, QBPL had entered into Business Transfer Agreement (BTA) with EODPL on 11 March 2019 and completed the purchase of the assets and liabilities for Hospitality segment and Commercial offices segment from EODPL as per the BTA. QBPL borrowed Rs. 4,681.93 million from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired (Rs 3,279.74 million) and purchase consideration (Rs 4,681.93 million) amounting to Rs. 1,402.19 million has been recognised as goodwill as at 31 March 2019. This transaction is not a part of the goodwill on consolidation as shown in the table above.
- Purchase consideration includes assumption of liability of Rs. 3,450 million towards one of the erstwhile shareholders of the SPV. The liability has been settled in cash on 2 April 2019.
- During the year ended 31 March 2020, goodwill amounting to Rs. 487.14 million pertaining to UPPL has been impaired. Refer note 6 for further details.

50 Business Combination (continued)

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired are as follows :

Particulars	Valuation methodology
Property, plant and equipment and Investment property	Fair values have been determined by independent external property valuers, having appropriately recognised professional qualification and recent experience in the location and category of the properties being valued. The valuers have followed "Direct comparison approach" for land except Umbel where the valuers have followed "Residual Approach", "Depreciated replacement cost approach" for the built up component, plant and machinery, capital work-in-progress and other assets and "Discounted cashflow method" for co-development. Direct comparison approach involves comparing to similar properties that have actually been sold in an arms length transaction or are offered for sale. The Residual Method is based on the assumption that the development is complete as on the date of valuation and value of the subject property is assessed by subtracting revenues from the development expenses as well as the developer margin. Depreciated replacement cost approach considers the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The Discounted Cash Flow Methodology is based upon an estimation of future results. The methodology begins with a set of assumptions as to the projected income and expenses of the property. This methodology use market derived assumptions, including discount rates, obtained from analysed transactions.
Right-to-use trademark	The fair value of the acquired right to use trademark was established using "Relief from royalty" method. It is a methodology that assumes that if a corporation owns a trademark, then it is relieved from paying a royalty, so a hypothetical royalty payment can be estimated.
Power purchase agreement	The fair value of the power purchase agreement was established using the "Multi-period excess earnings method (MEEM)". In MEEM method, value is estimated as the present value of the benefits anticipated from ownership of the asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits.
Other assets other than those mentioned above	Book values as on the date of acquisition have been considered as fair values.
Liabilities	Liabilities includes loans and borrowings, trade payables and provision for employee benefits. Book values as on the date of acquisition have been considered as fair values.

Goodwill is attributable due to the acquisition price being dependent on the overall property valuation assuming a discounted cash flow method computed using future cashflows and other relevant assumptions as compared with the individual assets recorded at their fair values computed basis comparable approach or depreciated replacement cost basis. The acquisition was done on 22 March 2019 and thus goodwill was not assessed for impairment as at 31 March 2019. Goodwill has been tested for impairment as at 31 March 2020. Refer Note 6 for details on impairment testing.

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51 Financial instruments - Fair values

A The carrying value and fair value of financial instruments by categories are as below:

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	31 March 2020	31 March 2020	31 March 2019	31 March 2019
Financial assets				
Amortised cost				
Loans	720.20	-	1,539.59	-
Trade receivables	242.25	-	335.86	-
Cash and cash equivalents	3,249.16	-	49,612.75	-
Other bank balances	169.79	-	1,455.99	-
Other financial assets	1,588.00	-	2,966.75	-
Investments in debentures	724.38	-	-	-
Fair value through profit and loss				
Investments in mutual funds	11,549.21	11,549.21	1,944.87	1,944.87
Total assets	18,242.99	11,549.21	57,855.81	1,944.87
Financial liabilities				
Amortised cost				
Borrowings (including current maturities of long-term debt) - floating rates	11,163.28	-	72,115.61	-
Borrowings (including current maturities of long-term debt) - Fixed rates	46,297.56	46,243.74	6,994.93	6,994.93
Lease deposits	9,497.57	-	8,752.11	-
Trade payables	254.75	-	421.87	-
Other financial liabilities	2,893.54	-	6,901.45	-
Total liabilities	70,106.70	46,243.74	95,185.97	6,994.93

The fair value of cash and cash equivalents, fixed deposits, trade receivables, investment in debentures, borrowings at floating rates, lease deposits, trade payables, loans and other financial assets and liabilities approximate their carrying amounts and hence the same has not been disclosed in the table above.

B. Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2020	11,549.21	11,549.21	-	-
Investment in mutual funds	31 March 2019	1,944.87	1,944.87	-	-

Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the years ended 31 March 2020 and 31 March 2019.

Determination of fair values

Fair values of financial assets and liabilities have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

- 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.

51 Financial instruments - Fair values (continued)

C. Financial risk management

The Group has exposure to following risks arising from financial instruments:

- market risk
- credit risk
- liquidity risk

Risk management framework

The Board of Directors of the Manager of Embassy Office Parks Group has overall responsibility for the establishment and oversight of the Embassy Office Parks Group's risk management framework. The Embassy Office Parks Group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The Board of Directors of the Managers of Embassy Office Parks Group oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

a. Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

i. Currency risk

The Group operates only in India. The management has assessed that its exposure to currency risk is insignificant.

ii. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates.

Exposure to interest rate risk:

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows :

Particulars	As at	As at
	31 March 2020	31 March 2019
Variable-rate instruments:		
Financial liabilities		
Borrowings (Non-current and current)	11,163.28	72,115.61
Variable rate instruments exposed to interest rate risks	11,163.28	72,115.61

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 1% (100 basis points) in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	+ 1%	- 1%	+ 1%	- 1%
Borrowings	(37.21)	37.21	(721.16)	721.16

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

iii. Price risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices of investments. The Group has no material exposure to equity securities price risk and is not exposed to commodity risk. The Group's exposure to price risk arises from investments held by the Group in mutual funds and classified in the balance sheet as fair value through statement of profit and loss. The fair value of these investments is marked to an active market. The financial assets carried at fair value by the Group are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Mutual funds price risk sensitivity analysis

The Group's exposure to price risk arises from investments held by the group in mutual funds and classified in the balance sheet as fair value through statement of profit and loss.

Particulars	As at	As at
	31 March 2020	31 March 2019
Increase by 1% (100 basis points)	115.49	19.45
Decrease by 1% (100 basis points)	(115.49)	(19.45)

b. Credit risk

Credit risk is the potential financial loss resulting from the failure of tenants or counterparties of the Group to settle its financial and contractual obligations, as and when they fall due.

The Group has an established process to evaluate the creditworthiness of its tenants and prospective tenants to minimise potential credit risk. Credit evaluations are performed by the Group before lease agreements are entered into with prospective tenants. Security in the form of bankers' guarantees or cash security deposits are obtained upon the commencement of the lease.

The Group establishes an allowance account for impairment that represents its estimate of losses in respect of trade and other receivables. The main component of this allowance is estimated losses that relate to specific tenants or counterparties.

The allowance account is used to provide for impairment losses. Subsequently when the Group is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

Cash at bank and fixed deposits are placed with financial institutions which are regulated and have low or no risk.

As at the reporting date, there is no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Balance Sheet.

51 Financial instruments - Fair values (continued)

i. Expected credit loss (ECL) assessment for customers/ tenants as at 31 March 2020 and 31 March 2019

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (including but not limited to past payment history, security by way of deposits, external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Gross carrying amount	Provision amount	Gross carrying amount	Provision amount
Up to 180 days	238.48	-	321.27	7.06
More than 180 days	19.79	16.02	57.17	35.52
	258.27	16.02	378.44	42.58

The movement in the allowance for impairment in respect of trade receivables is as follows:-

As at	
31 March 2020	
Amount as at 1 April 2019	42.58
Amount written off	(12.01)
Net measurement of loss allowance	(14.55)
Balance as at 31 March 2020	16.02

ii. Loans: Security deposits

Risk assessment		Year ended	Estimated gross carrying amount	Expected probability of default	ECL	Carrying amount, net of provision
Loss at 12 months ECL	Risk same since initial recognition	As at 31 March 2020	720.20	-	-	720.20
		As at 31 March 2019	1,539.59	-	-	1,539.59

iii. Cash and bank balances

The Group holds cash and cash equivalents of Rs. 3,249.16 million as at 31 March 2020 (31 March 2019: Rs. 49,612.75 million) and fixed deposits with bank of Rs. 839.85 million (31 March 2019: Rs. 3,600.05 million). The cash and cash equivalents and fixed deposits with bank are mainly held with scheduled banks which are highly regulated. The Group considers that its cash and cash equivalents and fixed deposits with bank have low credit risk based on the external credit ratings of counterparties.

iv. Other Financial Assets

The Group considers that its other financial assets which mainly represents unbilled revenue with its tenants and have low credit risk based on its nature and other security available.

c. Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The Group monitors rolling forecasts of its liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by CODM. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to liquidity risk

The table below details the Group's remaining contractual maturity for its non-derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Particulars	Carrying value as at 31 March 2020	Contractual cash flows				
		Within 1 year	1-3 years	3-5 years	More than 5 yrs	Total
Borrowings	57,460.84	2,251.67	55,100.28	8,579.79	10,517.04	76,448.78
Trade payables	254.75	254.75	-	-	-	254.75
Lease deposits - Current and non-current	9,497.57	2,070.42	3,109.64	4,053.75	1,083.48	10,317.29
Lease Liability	322.93	20.36	40.72	40.72	10,618.82	10,720.62
Other financial liabilities - non current	455.57	-	455.57	-	-	455.57
Other financial liabilities - current	2,115.04	2,115.06	-	-	-	2,115.06
	70,106.70	6,712.26	58,706.21	12,674.26	22,219.34	100,312.07

Particulars	Carrying value as at 31 March 2019	Contractual cash flows				
		Within 1 year	1-3 years	3-5 years	More than 5 yrs	Total
Borrowings	79,110.55	8,506.71	19,261.22	18,074.92	45,788.82	91,631.67
Trade payables	421.87	421.87	-	-	-	421.87
Lease deposits - Current and non-current	8,752.11	6,017.42	1,541.84	1,003.43	480.95	9,043.64
Other financial liabilities - non current	46.36	-	46.36	-	-	46.36
Other financial liabilities - current	6,855.08	6,855.08	-	-	-	6,855.08
	95,185.97	21,801.08	20,849.42	19,078.35	46,269.77	107,998.62

52 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital structure mainly constitutes equity in the form of unit capital and debt. The projects are initially funded through construction financing arrangements. On completion, these borrowings are restructured into lease-rental discounting arrangements or debentures. The Group's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Group monitors capital using a ratio of 'Net debt' to 'Gross asset value (GAV)' of all SPV's including fair value of its 50% investment in Golflinks Software Park Private Limited. For this purpose, Net debt is defined as Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings - Cash and other balances - investments in mutual funds (net of NDCF to be distributed for the recent quarter). The Group's adjusted Net debt to GAV ratio as at 31 March 2020 is as follows:

Particulars	31 March 2020	31 March 2019
Net debt	47,809.68	-
GAV	331,682.60	-
Net debt to GAV	14.41%	-

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53 Operating segments

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker ('CODM') evaluates the Embassy Office Parks' performance and allocates resources based on an analysis of various performance indicators by operating segments. The accounting principles used in the preparation of the condensed consolidated financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the significant accounting policies.

Operating segments of Embassy Office Parks Group are (i) Commercial Offices, (ii) Hospitality and (iii) Other segments. Other segments comprise Generation of Renewable Energy. Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment.

Net Operating Income ('NOI') is the key metric reported to the CODM for the purposes of assessment of the segment results. The same is defined as follows:

a) Commercial Offices segment:

NOI for commercial offices is defined as Revenue from operations (which includes (i) facility rentals, (ii) maintenance services income, (iii) income from finance lease, and (iv) other operating income for Commercial Offices) less Direct operating expenses (which includes (i) Operating and maintenance expenses including common area maintenance expenses (ii) property taxes, (iii) rent, and (iv) insurance).

b) Hospitality segment:

NOI for hospitality segment is defined as Revenue from operations (which includes (i) room rentals, (ii) sale of food and beverages, (iii) other operating income from hospitality) less Direct operating expenses (which includes (i) cost of materials consumed, (ii) employee benefits expenses, (iii) Operating and maintenance expenses excluding property management fees, and (iv) Other expenses).

c) Other segment:

NOI for other segments is defined as Revenue from operations (which includes income from generation of renewable energy) less direct operating expenses (which includes (i) Operating and maintenance expenses and (ii) Other expenses).

Certain income (such as interest, dividend and other income) and certain expenses (such as Other expenses excluding Direct operating expenses, depreciation, amortization, impairment and finance cost) are not specifically allocable to segments and accordingly these expenses are adjusted against the total income of the Embassy Office Parks Group.

Further, the information relating to segment assets and segment liabilities are not regularly provided to CODM for review and hence the same is not disclosed.

Particulars	Commercial Offices		Hospitality		Other Segments		Total	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	18,709.58	-	1,173.39	-	1,566.25	-	21,449.22	-
Identifiable operating expenses	(2,081.97)	-	(1,067.99)	-	(129.72)	-	(3,279.68)	-
Net Operating Income (segment results for the year)	16,627.61	-	105.40	-	1,436.53	-	18,169.54	-
Other operating expenses							(1,513.12)	(94.47)
Interest, dividend and other income							990.35	-
Earnings before finance costs, depreciation, amortisation, impairment loss and tax							17,646.77	(94.47)
Share of profit after tax of equity accounted investees							1,169.33	-
Depreciation and amortisation expenses							(5,281.24)	-
Impairment loss (Refer note 6)							(1,775.98)	-
Finance costs							(3,803.54)	-
Profit/ (loss) before tax							7,955.34	(94.47)
Tax expense							(300.00)	-
Other Comprehensive Income							0.16	-
Total comprehensive income/(loss) for the year							7,655.50	(94.47)

53 Operating segments (continued)

An analysis of SPV wise Segment Revenues and Segment Results is given below

For the year ended 31 March 2020

Particulars	Trust	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPL	IENMPL	EPTPL	Total
Segment Revenue:														
Commercial Office Segment	-	8,794.81	1,497.83	-	-	870.47	925.64	1,379.28	904.16	1,472.01	1,375.32	1,490.06	-	18,709.58
Hospitality Segment	-	-	-	825.62	-	-	-	-	-	347.77	-	-	-	1,173.39
Others	-	-	-	-	1,566.25	-	-	-	-	-	-	-	-	1,566.25
Total	-	8,794.81	1,497.83	825.62	1,566.25	870.47	925.64	1,379.28	904.16	1,819.78	1,375.32	1,490.06	-	21,449.22
Net Operating Income (segment results)														
Commercial Office Segment	-	8,225.28	1,411.28	-	-	661.53	841.45	1,054.29	752.21	1,177.72	1,176.47	1,327.38	-	16,627.61
Hospitality Segment	-	-	-	323.92	-	-	-	-	-	(218.52)	-	-	-	105.40
Others	-	-	-	-	1,436.53	-	-	-	-	-	-	-	-	1,436.53
Total	-	8,225.28	1,411.28	323.92	1,436.53	661.53	841.45	1,054.29	752.21	959.20	1,176.47	1,327.38	-	18,169.54

For the year ended 31 March 2019

Particulars	Trust	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPL	IENMPL	EPTPL	Total
Segment Revenue:														
Commercial Office Segment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospitality Segment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Income (segment results)														
Commercial Office Segment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospitality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Information about major customers

Revenue from operations from customers amounting to 10% or more of the segment revenue is as follows (at SPV level):

Segment	Commercial Offices										Hospitality		Other Segments
	MPPL	EOPPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPL	IENMPL	EPTPL	UPPL	QBPL	EEPL
Number of customers	2	2	3	3	4	1	3	2	2	0	0	0	3
Amount	3,032.51	613.51	836.89	726.71	1,107.79	228.02	1,400.62	301.90	537.44	-	-	-	1,414.07

Embassy Office Parks REIT
Consolidated Financial Statements
Notes to Accounts

(all amounts in Rs. millions unless otherwise stated)



54 Related party disclosures

I. List of related parties

A. Parties to Embassy Office Parks REIT

Embassy Property Developments Private Limited - Co-Sponsor
 BRE/ Mauritius Investments - Co-Sponsor
 Embassy Office Parks Management Services Private Limited - Investment Manager or Manager
 Axis Trustee Services Limited - Trustee

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

Embassy One Developers Private Limited
 D M Estates Private Limited
 Embassy Services Private Limited
 Golfinks Properties Private Limited

BRE/ Mauritius Investments - Co-Sponsor

SG Indian Holding (NQ) Co. I Pte. Limited
 SG Indian Holding (NQ) Co. II Pte. Limited
 SG Indian Holding (NQ) Co. III Pte. Limited
 BRE/Mauritius Investments II
 BREP NTPL Holding (NQ) Pte Limited
 BREP VII NTPL Holding (NQ) Pte Limited
 BREP Asia SBS NTPL Holding (NQ) Limited

BREP VII SBS NTPL Holding (NQ) Limited
 BREP GML Holding (NQ) Pte Limited
 BREP VII GML Holding (NQ) Pte Limited
 BREP Asia SBS GML Holding (NQ) Limited
 BREP VII SBS GML Holding (NQ) Limited
 BREP Asia SG Oxygen Holding (NQ) Pte Limited
 BREP VII SG Oxygen Holding (NQ) Pte Limited

BREP Asia SBS Oxygen Holding (NQ) Limited
 BREP VII SBS Oxygen Holding (NQ) Limited
 BREP Asia HCC Holding (NQ) Pte Limited
 BREP VII HCC Holding (NQ) Pte Limited
 BREP Asia SBS HCC Holding (NQ) Limited
 BREP VII SBS HCC Holding (NQ) Limited
 India Alternate Property Limited

BREP Asia SG Indian Holding (NQ) Co II Pte. Limited
 BREP VII SG Indian Holding (NQ) Co II Pte. Limited
 BREP Asia SBS Holding-NQ CO XI Limited
 BREP VII SBS Holding-NQ CO XI Limited

Directors & KMPs of the Investment Manager (Embassy Office Parks Management Services Private Limited)

Directors

Jitendra Virwani
 Tuhin Parikh
 Vivek Mehra
 Ranjan Ramdas Pai
 Anuj Puri (w.e.f 6 August 2018)
 Punita Kumar Sinha (w.e.f 6 August 2018)
 Robert Christopher Heady (w.e.f 6 August 2018)
 Aditya Virwani (w.e.f 6 August 2018)
 Asheesh Mohta - Director (w.e.f: 28 June 2019, alternate to Robert Christopher Heady)

KMPs

Michael David Holland - CEO (w.e.f 6 August 2018)
 Rajesh Kaimal - CFO (w.e.f 6 August 2018)
 Ramesh Periasamy - Company Secretary (w.e.f 7 January 2019)

B. Joint Venture

Golfink Software Parks Private Limited

C. Other related parties with whom the transactions have taken place during the year

Vikas Telecom Private Limited
 Dynasty Properties Private Limited
 Snap Offices Private Limited
 (formerly known as Stylus Commercial Services Private Limited)
 Synergy Property Development Services Private Limited (Upto 5 November 2019) *
 Embassy Industrial Parks Private Limited
 Golfinks Embassy Management Services LLP
 Golfinks Park Management Services LLP
 Wework India Management Private Limited
 Embassy Shelters Private Limited
 Manyata Builders Private Limited
 Manyata Projects Private Limited
 FIFC Condominium

Reddy Veeranna Constructions Private Limited
 Embassy Construction Private Limited
 Mac Charles (India) Limited
 Lounge Hospitality LLP
 EPDPL Coliving Operation LLP
 EPDPL Coliving Private Limited
 Embassy Projects Private Limited

54 **Related party disclosures (contd.)**

II. **Related party transactions**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Property Management fees		
Embassy Office Park Management Services Private Limited	486.13	-
REIT Management fees		
Embassy Office Park Management Services Private Limited	214.81	-
Purchase of intangible assets		
Embassy Office Park Management Services Private Limited	8.84	-
Purchase of Investment Property		
Reddy Veeranna Constructions Private Limited	4.51	-
Common area maintenance		
Embassy Services Private Limited	561.43	-
Golflinks Embassy Business Park Management Services LLP	24.11	-
FIFC Condominium	67.01	-
Repairs and maintenance - building		
FIFC Condominium	6.13	-
Business consultancy services (capitalised)		
Embassy Property Developments Private Limited	124.90	-
Income from generation of renewable energy from the tenants of		
Vikas Telecom Private Limited	377.32	-
Embassy Property Developments Private Limited	87.55	-
Dynasty Properties Private Limited	39.32	-
Golflinks Software Park Private Limited	224.87	-
Security Deposit given/(repaid) to/(by) related party		
Embassy Property Developments Private Limited	(991.50)	-
Capital advances paid		
Embassy Property Developments Private Limited (refer note below)	4,884.97	-
Reddy Veeranna Constructions Private Limited	4.02	-
FIFC Condominium	9.71	-
Rental and maintenance income		
Wework India Management Private Limited	108.85	-
Snap Offices Private Limited	36.85	-
Interest income		
Golflinks Software Park Private Limited	72.19	-
Embassy Services Private Limited	3.63	-
Embassy Property Development Private Limited	160.47	-
Reddy Veeranna Construction Private Limited	1.53	-

54 **Related party disclosures (contd.)**

II. **Related party transactions**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Other operating income		
Embassy Property Developments Private Limited	215.88	-
Income from management fees		
Golflinks Software Park Private Limited	45.00	-
Project management consultancy fees (capitalised)		
Synergy Property Development Services Private limited	91.53	-
Amount paid for civil works (capitalised)		
Synergy Property Development Services Private limited	539.28	-
Power and fuel expenses		
Embassy Services Private Limited	117.51	-
Reversal of impairment on investments		
Manyata Projects Private Limited	(156.98)	-
Investments written off		
Manyata Projects Private Limited	156.98	-
Legal and professional charges		
Embassy Services Private Limited	48.44	-
Security charges		
Embassy Services Private Limited	12.94	-
Trademark and license fees		
Embassy Shelters Private Limited	1.42	-
Purchase of consumables		
Embassy One Developers Private Limited	16.81	-
Rates and taxes		
Embassy One Developers Private Limited	2.06	-
Revenue - Room rentals, sale of food and beverages		
Jitendra Virwani	2.34	-
Embassy Property Developments Private Limited	5.25	-
Embassy One Developers Private Limited	1.96	-
Vikas Telecom Private Limited	0.31	-
JV Holding Private Limited	0.04	-
Others	4.99	-
Investment in debentures		
Golflinks Software Parks Private Limited	2,500.00	-
Redemption of investment in debentures		
Golflinks Software Parks Private Limited	1,775.62	-
Secondment fees		
Embassy Office Parks Management Services Private Limited	1.42	-
Trustee fees		
Axis Trustee Services Limited	2.96	-

54 **Related party disclosures (contd.)**

II. **Related party transactions**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Miscellaneous expenses		
Mac Charles (India) Limited	0.48	-
Business Promotion expenses		
Lounge Hospitality LLP	0.06	-
Reimbursement of expenses (received)/ paid		
Embassy Services Private Limited	29.77	-
Embassy One Developers Private Limited	(6.26)	9.54
Embassy Office Parks Management Services Private Limited	53.87	157.50
Initial refundable receipt from Co-sponsor - received / (repaid)		
Embassy Property Development Private Limited	(0.50)	0.50
Issue of Unit capital (in exchange of the Investment in equity shares of SPVs)		
Embassy Property Development Private Limited	-	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	135.39
BRE/ Mauritius Investments	-	28,083.23
India Alternate Property Limited	-	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	12.10
BRE/Mauritius Investments II	-	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	13.36
BREP GML Holding (NQ) Pte. Limited.	-	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	17.54
BREP VII SBS GML Holding (NQ) Limited	-	5.01
Margin money kept on behalf of Trust		
Embassy Office Parks Management Services Private Limited	-	20.00

54 **Related party disclosures (contd.)**

III. **Related party balances**

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Security deposits			
Embassy Property Developments Private Limited	-	953.64	-
Embassy Services Private Limited	60.50	-	-
Advance from Customers			
Wework India Management Private Limited	1.92	-	-
Trade payables			
Embassy Services Private Limited	91.74	-	-
Embassy Office Parks Management Service Private Limited	4.66	13.71	-
Golflinks Embassy Business Park Management services LLP	2.01	-	-
FIFC Condominium	17.53	-	-
Unbilled revenue			
Vikas Telecom Private Limited	25.05	-	-
Embassy Property Developments Private Limited	8.92	-	-
Dynasty Properties Private Limited	3.73	-	-
Golflinks Software Parks Private Limited	24.12	-	-
Other current financial assets - other receivables from related party			
Embassy Property Developments Private Limited	-	225.22	-
Manyata Builders Private Limited	5.63	-	-
Embassy One Developers Private Limited	2.31	-	-
Other current financial liabilities			
Embassy Property Developments Private Limited	-	19.33	-
Embassy One Developers Private Limited	0.05	9.54	-
Embassy Services Private Limited	115.48	-	-
Embassy Office Parks Management Services Private Limited	56.14	158.00	-
FIFC Condominium	0.95	-	-
Current liabilities - payable for purchase of fixed assets			
Embassy Property Developments Private Limited	14.73	20.94	-
Reddy Veeranna Constructions Private Limited	-	30.00	-
Other non-current assets - capital advance			
Embassy Shelters Private Limited	206.34	340.32	-
Reddy Veeranna Constructions Private Limited	6.51	-	-
FIFC Condominium	9.71	-	-
Other current assets - Advance for supply of goods and rendering of services			
FIFC Condominium	2.78	-	-
Other non-current assets - advance paid for purchase of development rights on a land and purchase of land			
Embassy Property Developments Private Limited (refer note below)	13,998.26	8,774.00	-
Trade receivables			
Embassy Property Developments Private Limited	51.48	-	-
Embassy One Developers Private Limited	1.20	-	-
Golflinks Embassy Business Park Management Services LLP	1.86	-	-
Wework India Management Private Limited	0.17	-	-
Others	2.32	10.56	-
Lease deposits			
Wework India Management Private Limited	7.20	7.20	-
Snap Offices Private Limited	4.82	-	-

54 **Related party disclosures (contd.)**

III. **Related party balances**

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Investment in Debentures			
Golflinks Software Parks Private Limited	724.38	-	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Private Limited	-	20.00	-
Corporate guarantee/ letter of undertaking received for loan taken			
Embassy Property Developments Private Limited	-	2,300.00	-
Initial refundable receipt from co-sponsor			
Embassy Property Developments Private Limited	-	0.50	-
Other current financial liabilities - Security deposit			
Vikas Telecom Private Limited	105.00	105.00	-
Golflinks Software Parks Private Limited	80.00	80.00	-

Notes:

Manyata Promoters Private Limited ('MPPL') and Embassy Property Developments Private Limited ('EPDPL') entered into a co-development agreement whereby EPDPL shall develop 1 msf M3 Block A bare shell building to be handed over to MPPL by agreed delivery date for a consideration of Rs. 6,550 million to EPDPL, of which Rs. 6,269.20 million has already been paid as of 31 March 2020. The carrying cost in the consolidated financial statements of the above advance is Rs. 9,403.11 million as at 31 March 2020 which includes one time fair valuation gain on purchase price allocation on acquisition by the REIT (Refer Note 50).

During the year ended March 31, 2020, to further consolidate/ expand 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 2023 for a consideration of Rs. 6,767 million to EPDPL, of which Rs. 4,255.85 million has already been paid as of March 31, 2020. As per terms of both of these co-development agreements, consideration is contingent on pre-defined leasing timelines and Net Operating Income. Further, EPDPL is liable to pay a compensation for any delay in delivery beyond agreed date of respective blocks. MPPL has also appointed EPDPL as the development manager, to convert the bare shell buildings to warm shell and obtain the occupancy certificate for the buildings by agreed timeline for an agreed consideration. Further, interest as agreed and approved by the Board of MPPL is payable by EPDPL to MPPL upto the date of completion of the M3 Block B. The Group has obtained two independent valuation reports as required by the REIT regulations for acquisition and the average of the two valuations amounts to Rs. 8,728.62 million (including conversion of bare shell to warm shell). No fees or commission is payable to any associate of the related party in relation to the transaction.

55 Employee benefits

I Defined contribution plan

The Group has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is as under:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Employer's contribution to Provident Fund	12.80	-
Employer's contribution to Employee State Insurance Corporation	2.00	-
Expense recognised during the year	14.80	-

II Defined benefit plan

A Gratuity:

In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the number of years of employment with the Group.

a. Reconciliation of the net defined benefit obligations

(i) Change in projected benefit obligation:

Particulars	As at 31 March 2020	As at 31 March 2019
Obligations at beginning of the year	4.80	-
Current service cost	2.04	-
Interest on defined benefit obligation	0.23	-
Past service cost	0.27	-
Benefits settled	(1.84)	-
Actuarial (gains)/ losses on obligations - due to experience variance	(0.57)	-
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	0.41	-
Actuarial (gains)/ losses on obligations - due to change in demographic assumptions	-	-
Projected benefit obligations acquired as part of business combination	-	4.80
Obligations at the end of year	5.34	4.80

(ii) Change in plan assets:

Particulars	As at 31 March 2020	As at 31 March 2019
Plan assets at year beginning, at fair value	0.06	-
Expected return on plan assets (estimated)	-	-
Actuarial gain / (loss)	-	-
Interest on plan assets	0.00	-
Contributions	-	-
Benefits settled	-	-
Plan assets acquired as part of business combination	-	0.06
Plan assets at end of the year, at fair value	0.06	0.06

(iii) Net defined benefit obligations recognised in balance sheet:

Closing obligations	5.34	4.80
Closing fair value of plan assets	(0.06)	(0.06)
	5.28	4.74

Liability recognized in the balance sheet

Net liability:	5.28	4.74
Non-current	5.25	3.01
Current	0.03	1.73

As at 31 March, 2020, discontinuance liability of the Group towards gratuity is Rs. 9.58 million.

55 Employee benefits (continued)

b. (i) Expense recognized in statement of profit and loss:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Service cost	2.04	-
Interest cost	0.23	-
Past service cost	0.27	-
Net gratuity cost	2.54	-

(ii) Remeasurements recognized in other comprehensive income:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	0.41	-
Actuarial (gains)/ losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/ losses on obligations - due to experience variance	(0.57)	-
	(0.16)	-

c. Other disclosures

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	5.30% to 6.85%	7.50%
Salary increase	5.00%	5.00%
Attrition rate	2% to 5%	2% to 5%
Retirement age	58 years to 60 years	60 years

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Rs in millions	
	For the year ended 31 March 2020	
	Increase	Decrease
Discount rate (50 basis points movement)	(0.27)	0.47
Employee attrition rate (50 basis points movement)	(0.39)	0.85
Future salary growth (50 basis points movement)	0.48	(0.28)

Particulars	Rs in millions	
	For the year ended 31 March 2019	
	Increase	Decrease
Discount rate (50 basis points movement)	(1.89)	(1.41)
Future salary growth (50 basis points movement)	(1.41)	(1.90)

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

(iii) The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

(iv) The expected future cash flows in respect of gratuity:

Projected benefits payable in future years from the reporting date	As at	As at
	31 March 2020	31 March 2019
1st following year	0.10	-
2nd to 5th year	1.42	-
6th to 10th year	1.76	-
Beyond 10 years	14.56	-

55 Employee benefits (continued)

B Compensated absences:

The compensated absences cover the Group's liability for earned leave which are classified as other long-term benefits. According to the Group's policy on compensated absences, employees can encash their accumulated leave balance based on their last drawn gross salary.

(i) Liability recognized in the balance sheet

	As at 31 March 2020	As at 31 March 2019
Non-current	-	2.07
Current	2.34	1.28
Total	2.34	3.35

(ii) Expense recognized in statement of profit and loss:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Compensated absence expense	0.28	-
	0.28	-

Other disclosures

Other disclosures are not provided for compensated absences, since the amount of provision for compensated absences is immaterial for the Group.

C Risk exposure:

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

i. Liquidity Risk: The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

ii. Change in bond yields: Plan assets, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

iii. Inflation risks: Gratuity payments are based on last drawn salary of the employee. Increase in inflation will increase the future salary of employees, thus resulting in increase in projected benefit obligations.

iv. Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/ fall in interest rate.

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(all amounts in Rs. millions unless otherwise stated)

56 Transition to Ind AS 116

On transition, the Embassy Office Parks Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date. The Embassy Office Parks Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets.

On transition, the Embassy Office Parks Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability measured on the transition date. Accordingly, a right-of-use asset of Rs. 312.10 million and a corresponding lease liability of Rs. 312.10 million has been recognised. The principal portion of the lease payments have been disclosed under cash flows from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flows from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Impact of application of Ind AS 116 on consolidated balance sheet (increase/(decrease)):

	As at 31 March 2020
Assets	
Right-of-use assets	308.15
Total assets	308.15
Equity	
Retained earnings	(14.79)
Total equity	(14.79)
Liabilities	
Lease liabilities	322.93
Deferred tax liabilities	7.39
Total liabilities	330.32

Impact of application of Ind AS 116 on statement of profit and loss (increase/(decrease) in profit):

	Year ended 31 March 2020
Increase in Depreciation	(3.95)
Increase in Interest on lease liabilities	(31.20)
Decrease in Rental expenses	20.36
Impact on Profit before tax	(14.79)

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

A. Group as a lessor

The Embassy Office Parks Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease in a joint venture. The Embassy Office Parks Group accounted for its leases in accordance with Ind AS 116 from the date of transition. The Group does not have any significant impact on account of sub-lease on the application of this standard.

i. Operating leases

The Embassy Office Parks REIT Group is primarily engaged in the business of development and lease of office space and related interiors. The Group leases out its Investment property on operating leases basis.

Rental income from non-cancellable leases is recognized on a straight line basis over the term of the relevant lease. For more details on accounting as a lessor, refer note 2.2 (q).

The table below provides details regarding the lease payments as at March 31, 2020 on an undiscounted basis:

Particulars	As at	As at
	31 March 2020	31 March 2019
Not later than one year	7,265.96	5,678.21
Later than one year but within five years	12,176.48	11,214.99
Later than five years	952.53	104.66
	20,394.97	16,997.86

The Embassy Office Parks REIT Group has entered into operating lease agreements with its lessees. The total lease rental income recognised in the Consolidated Statement of Profit and Loss for the year ended 31 March 2020 is Rs. 16,689.99 million (31 March 2019: Nil).

56 Transition to Ind AS 116 (continued)

ii. Finance leases

The Embassy Office Parks Group has provided fit-outs to the tenants through finance leases. The total finance income on net investment in lease recognised in the Consolidated Statement of Profit and Loss for the year ended 31 March 2020 is Rs. 2.28 million (31 March 2019: Nil). The future minimum lease receipts in respect of non-cancellable lease for fit outs given on finance lease are as follows:

Particulars	As at 31 March 2020		
	Minimum lease payments	Unearned Finance Income	Present value of minimum lease payments
Not later than one year	27.01	10.13	16.88
Later than one year but within five years	14.10	5.49	8.61
Later than five years	-	-	-
	41.11	15.62	25.49

Particulars	As at 31 March 2019		
	Minimum lease payments	Unearned Finance Income	Present value of minimum lease payments
Not later than one year	86.73	12.79	73.94
Later than one year but within five years	68.69	5.11	63.58
Later than five years	-	-	-
	155.42	17.90	137.52

B. Group as a lessee

The details of the right-of-use assets (capitalised under leasehold land) held by the Group is as follows:

	Balance as on transition date (1 April 2019)	Depreciation for the year	Carrying amount as at 31 March 2020
Leasehold land	312.10	3.95	308.15
Total	312.10	3.95	308.15

Rental expense recorded for short-term leases was Nil for the year ended 31 March 2020.

Refer Statement of Cash Flow for total cash outflow on account of lease payments during the year ended 31 March 2020.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	As at 31 March 2020	As at 31 March 2019
Not later than one year	20.36	-
Later than one year but within three years	40.72	-
Later than three years but within five years	40.72	-
Later than five years	10,618.82	-

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

57 Deferred tax assets, deferred tax liabilities and tax expense

(a) Deferred tax balances

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Deferred tax liabilities on</i>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	(39,277.12)	(45,597.80)
Share of profit from equity accounted investee	(5,491.62)	-
Fair valuation of financial assets	-	(11.11)
Impact of financial assets and liabilities carried at amortised cost	(3.57)	-
Unbilled revenue	(179.58)	(82.54)
Fair valuation of security deposit (net of deferred income on security deposit)	(2.94)	(3.89)
Tax impact of difference in carrying amount and tax base of other assets	(737.32)	-
Others	1.38	(37.43)
<i>Deferred tax assets on</i>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	0.80	33.74
Fair valuation of security deposit (net of deferred income on security deposit)	5.01	19.14
Deferred tax on acquisition	-	96.46
Unabsorbed depreciation and carry forward losses	1,163.12	1,114.92
Tax impact of other consolidation adjustments	71.89	-
Others	27.30	35.07
<i>Minimum Alternate Tax credit entitlement</i>	4,015.29	3,009.06
Net Deferred Tax Asset / (Liability)	(40,407.38)	(41,424.39)

(b) The unrecognised deferred tax assets amounts to Nil. (31 March 2019: Rs. 33.89 million).

(c) Reconciliation of Effective Tax Rate

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit Before Tax	7,955.34	(94.47)
Enacted tax rate	29.12%	35.88%
Income tax on accounting profits	2,316.60	(33.89)
Reconciliation items:		
Effect of Non-deductible expenses	2,341.42	-
Effect of exempt income and tax holidays	(4,422.48)	-
Adjustment for tax of prior years	(117.29)	-
Impact of difference in tax rate of SPV's	859.98	-
Deductions allowed under income tax laws but not debited to Statement of profit and loss	(339.78)	-
Expenses disallowed in prior years and allowed in current year in various SPV's under tax laws	34.80	-
Tax impact of share of profit from equity accounted investee	(340.51)	-
Tax impact of consolidation adjustments	(431.22)	-
Impact of deferred tax not recognised on goodwill impairment loss as per Ind AS requirement	410.55	-
Dividend distribution tax paid by SPV's presented as current tax expense in consolidated financial statements pursuant to Ind AS requirements	22.83	-
Unrecognised deferred tax asset	-	33.89
Other Adjustments	(34.89)	-
Tax expense at effective income tax rate	300.00	-

58 Details of utilisation of proceeds of IPO are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2019	Unutilised amount as at 31 March 2019	Actual utilisation upto 31 March 2020	Unutilised amount as at 31 March 2020
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of the Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes including issue expenses	5,718.07	-	5,718.07	5,718.07	-
Total	47,500.00	4,681.93	42,818.07	47,500.00	-

59 Details of utilisation of proceeds of issue of Embassy REIT Series I NCD 2019 are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2020	Unutilised amount as at 31 March 2020
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs and granting of shareholder debt	35,550.00	35,550.00	-
General purposes including issue expenses	950.00	950.00	-
Total	36,500.00	36,500.00	-

60 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 19 May 2020, have declared distribution to Unitholders of Rs. 6.89 per unit which aggregates to Rs. 5,316.77 million for the quarter ended 31 March 2020. The distributions of Rs. 6.89 per unit comprises Rs. 2.49 per unit in the form of interest payment, Rs. 0.23 per unit in the form of dividend and the balance Rs. 4.17 per unit in the form of amortization of SPV debt.

Along with distribution of Rs. 13,504.15 million/ Rs. 17.50 per unit for the nine-months ended 31 December 2019, the cumulative distribution for the year ended 31 March 2020 aggregates to Rs. 18,820.92 million/ Rs. 24.39 per unit.

- 61 The REIT acquired the SPVs by issuing units to the erstwhile shareholders of the SPVs on 22 March 2019. The results of the SPVs have been consolidated accordingly from such date and hence the numbers for the previous year ended 31 March 2019 are not comparable.

The consolidated financial statements of the Embassy Office Parks Group for the year ended 31 March 2019 have been audited by a firm of chartered accountants other than S R Batliboi & Associates LLP.

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)

Sd/-

Adarsh Ranka

Partner

Membership number: 209567

Place: Bengaluru

Date: 19 May 2020

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 19 May 2020

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Mumbai

Date: 19 May 2020

Embassy Office Parks REIT Announces Results for Fourth Quarter and Fiscal Year FY2019-20 Distributes ₹18,821 million in first full year since listing

Bengaluru, India, May 19, 2020

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) (**'Embassy REIT'**), India's first listed REIT and the largest in Asia by area, reported results today for the fourth quarter and full year ended March 31, 2020.

The Board of Directors of Embassy Office Parks Management Services Private Limited (**'EOPMSPL'**), Manager to Embassy REIT, at its Board Meeting held earlier today, declared a distribution of ₹5,317 million or ₹6.89 per unit for 4Q FY2020. The cumulative distribution for FY2020 totals ₹18,821 million or ₹24.39 per unit. The record date for the 4Q FY2020 distribution is May 28, 2020 and the distribution will be paid on or before June 3, 2020.

Michael Holland, Chief Executive Officer, said, "We are very pleased with our strong business performance in fiscal 2019-20. Since Embassy REIT listed in April 2019, we have delivered a total return of c.25%. Our fourth quarter income and distribution payout once again illustrate the stability and resilience of Embassy REIT delivering cash flows that are backed by the covenants of our 160+ largely multinational occupier base.

While the COVID-19 pandemic has resulted in an uncertain near-term outlook for many businesses worldwide, we are uniquely positioned to weather this pandemic-induced storm with our best-in-class office portfolio and strong balance sheet. While demand is likely to moderate considerably through 2020, we believe that in this environment, Grade-A supply will reduce considerably over the medium term, consolidation in the office market will continue and high-quality institutional landlords, such as Embassy REIT, will gain market share."

Financial Highlights for the Fourth Quarter and Fiscal Year

- Revenue from Operations for 4Q FY2020 grew year-on-year by c.8% to ₹5,434 million and cumulatively grew year-on-year by c.14% for FY2020
- Net Operating Income for 4Q FY2020 grew year-on-year by c.10% to ₹4,618 million and cumulatively grew year-on-year by c.15% for FY2020
- Distribution for 4Q FY2020 of ₹5,317 million or ₹6.89 per unit, representing c.100% payout ratio and full year cumulative distribution totals ₹18,821 million or ₹24.39 per unit representing c.99.8% payout ratio
- Strong balance sheet with ample liquidity and low leverage of c.15% Net Debt to TEV as of March 31, 2020, existing cash and undrawn committed facilities totals ₹13.5 billion and only c.1.3% of total debt matures in the next two years

Business Highlights for the Fourth Quarter and Fiscal Year

- Achieved overall occupancy of c.92.8% on c.26.2 msf operating office portfolio, with same-store occupancy of c.94.5% considering March 2019 as base year
- Leased c.389k sf new area during the fourth quarter, with full year lease-up of c.2.4 msf being the highest absorption in previous 5 years
- Re-leased c.1.1 msf during the year at c.53% releasing spread, renewed an additional c.600k sf at c.19% renewal spread, illustrating the embedded growth in our portfolio
- Delivered c.1.4 msf new office buildings within existing campuses during the year, c.62% of these new completions already committed

COVID-19 Update

- Activated our business continuity plan on March 4, 2020, and our centralized taskforce focused on ensuring safe workspaces, on-premise health screenings, and business continuity for occupiers
- Our properties remained open to support core business functions of our occupiers throughout the national lockdown within the parameters laid out by the government
- Rent collections from office occupiers remained strong at c.92% for the month of April 2020
- Halted all construction activity and hotel operations to comply with government directives during the lockdown. We will resume these activities once the government eases lockdown restrictions

Vikaash Khdloya, Deputy CEO and COO, said, "Our fourth quarter operating performance was resilient, led by business continuity support for our occupiers and employee wellness support. We would like to thank all our employees, the civic authorities, and healthcare professionals who continue to work tirelessly during this challenging period. Our immediate focus remains ensuring the health and safety of all our stakeholders as they return to work in our parks."

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the fourth quarter and annual results and performance, that includes (i) audited condensed standalone and audited condensed consolidated financial statements for the quarter and financial year ended March 31, 2020, (ii) an earnings presentation covering 4Q FY2020 and full year FY2020 results, and (iii) supplemental operating and financial data book that is in line with leading reporting practices across global REITs. All these materials are available in the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Embassy REIT will host a conference call on May 19, 2020 at 18:30 hours Indian Standard Time to discuss the 4Q FY2020 results. A replay of the call will be available till June 2, 2020 on the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Disclaimer

This press release is prepared for general information purposes only. The information contained herein is based on management information and estimates. It is only current as of its date, has not been independently verified and may be subject to change without notice. Embassy Office Parks Management Services Private Limited ("the **Manager**") in its capacity as the Manager of the Embassy Office Parks REIT ("**Embassy REIT**"), and Embassy REIT make no representation or warranty, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness and completeness of the content hereof. Each recipient will be solely responsible for its own assessment of the market and the market position of Embassy REIT.

This press release contains forward-looking statements based on the currently held beliefs, opinions and assumptions of the Manager. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Embassy REIT or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, including the impact of COVID-19 on us, our occupiers and the Indian and global economies, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Manager disclaims any obligation to update these forward-looking statements to reflect future events or developments or the impact of events which cannot currently be ascertained, such as COVID-19. In addition to statements which are forward looking by reason of context, the words 'may', 'will', 'should', 'expects', 'plans', 'intends', 'anticipates', 'believes', 'estimates', 'predicts', 'potential' or 'continue' and similar expressions identify forward-looking statements.

This press release also contains certain financial measures which are not measures determined based on GAAP, Ind-AS or any other internationally accepted accounting principles, and the recipient should not consider such items as an alternative to the historical financial results or other indicators of the Embassy REIT's cash flow based on Ind-AS or IFRS. These non-GAAP financial measures, as defined by the Manager, may not be comparable to similarly titled measures as presented by other REITs due to differences in the way non-GAAP financial measures are calculated. Even though the non-GAAP financial measures are used by management to assess the Embassy REIT's financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of the Embassy REIT's financial position or results of operations as reported under Ind-AS.

Investors should also take note that Embassy REIT was listed on April 1, 2019 and the Embassy REIT assets were acquired between March 22, 2019 to March 25, 2019. Accordingly, the comparative quarterly and financial year financial information has been prepared by comparing unaudited combined financial statements for the quarter ended March 31 2019 and audited combined financial statements for the financial year ended March 31, 2019 (assuming that the Embassy REIT held the REIT assets in its present form as of April 1, 2018) as against audited condensed consolidated financial statements for the quarter and financial year ended March 31, 2020.

About Embassy REIT

Embassy Office Parks is India's first and only listed REIT. Embassy REIT comprises c.26.2 msf of completed and operational commercial properties across India. With approximately 7.1 msf of on-campus development in the pipeline, the total portfolio spans c.33.3 msf across seven Grade A office parks and four city-center office buildings in India's best performing office markets of Bengaluru, Mumbai, Pune and the National Capital Region (NCR). The portfolio is home to over 160 blue chip corporate occupiers, and comprises 78 buildings with strategic amenities, including two completed hotels, two under-construction hotels, and a 100MW(AC) solar park that supplies renewable energy to park occupiers.

For more information please contact:

Ritwik Bhattacharjee
Head of Investor Relations
Email: ir@embassyofficeparks.com
Phone: +91 80 3322 2222