

**Transcript of the Fifth Annual Meeting of the Unitholders of Embassy Office Parks REIT held on July 12, 2023 at Grand Ballroom - 1, Hilton Convention Centre, Embassy Manyata Business Park, Hebbal, Outer Ring Road, Nagawara, Bengaluru 560 045, Karnataka, India and Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)**

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

We welcome you to the Fifth Annual Meeting of the Unitholders of Embassy REIT. I'm Shwetha Reddy, Head of Marketing and PR at Embassy REIT and your host for today's Meeting. We're hosting today's Meeting in a hybrid format. So, besides the Unitholders present with us live here at the venue, we also have participants joining us online through a video conferencing facility in accordance with the SEBI guidelines. First, a few instructions for our online participants. The video conferencing facility enabling virtual participation in this Fifth Annual Meeting opened 30 minutes prior to the schedule time and will be available for 15 minutes after the scheduled period ends. Unitholders can use this facility on a first come first served basis to join today's Meeting. Embassy REIT is also hosting this Fifth Annual Meeting live on its website at [www.embassyofficeparks.com](http://www.embassyofficeparks.com). We encourage all online participants to refer to the instructions provided in the notice convening the annual Meeting.

Please note that after the conclusion of the proceedings of the Fifth Annual Meeting, NSDL's portal will remain open for 15 minutes to enable the Unitholders to cast their e-votes. We will also host a question-and-answer session towards the end of the Meeting, and any of the Unitholders who wish to express their views or ask any query, may do so then. The Unitholders present in the room may pre-register the questions at the registration desk outside the room. Also, the Unitholders joining us virtually may ask their queries by clicking on the Q&A tab on their respective video conferencing screens. All Unitholders will need to mention their full name along with their DP ID and client ID or folio number along with their question. A relevant person from our team shall answer your query during the Q&A session.

Now let me take the opportunity to introduce you to your Board of Directors who are attending this Meeting today. Joining us from this conference room we have with us Mr. Jitu Virwani. He is a Non-Executive Director and Chairman on the Board of the Manager of Embassy REIT. He is also the Chairman and Managing Director of the Embassy Group of Companies. He has over 25 years of experience in the real estate and property development sector. He is a Fellow of the Royal Institute of Chartered Surveyors and a member of the Equestrian Federation of India.

Mr. Aditya Virwani, he is a Non-Executive Director on our Board. He is also the Chief Operating Officer of the Embassy Group and is on the board of several Embassy Group Companies.

Also joining us online we have with us, Mr. Vivek Mehra, who is an Independent Director on our Board and Chairperson of the Audit Committee. He was with PricewaterhouseCoopers for 19 years and retired as a Partner in 2016.

Mr. Anuj Puri is an Independent Director on our Board and Chairperson of the Investment Committee. He is a Fellow of the Royal Institution of Chartered Surveyors, and a fellow of the Indian Institute of Insurance Surveyors and Loss Assessors. He holds the title of Chartered Insurance practitioner from the Chartered Insurance Institute.

Dr. Punita Kumar-Sinha is an Independent Director on our Board and Chairperson of the Stakeholders' Relationship Committee. She is the founder of the Pacific Paradigm Advisors LLC. Previously she was a CIO for The India Fund, Inc. and The Asia Tigers Fund, Inc. She was also an MD at Oppenheimer Asset Management.

Mr. Robert Christopher is a Non-Executive Director on our Board. He has been with Blackstone since 2000 and is currently the Chairman of Asia Pacific and Head of Real Estate Asia for Blackstone

Mr. Tuhin Parikh is a Non-Executive Director on our Board. He has been with Blackstone since 2007 and is currently the Senior Managing Director and Head of Real Estate India for Blackstone.

The Management team of Embassy REIT also joins us for this Meeting. We have with us, Mr. Aravind Maiya, Chief Executive Officer, Mr. Abhishek Agrawal, Interim Chief Financial Officer, Mr. Ritwik Bhattacharjee, Chief Investment Officer and Ms. Vinitha Menon, Company Secretary and Compliance Officer.

The following key persons are also attending the Meeting- Mr. Bhavesh Vichare and Mr. Sameer Kabra attending virtually – both are representatives of Axis Trustee Services Limited, Trustee to Embassy REIT. Mr. Adarsh Ranka and Mr. Nikunj Shah, Partners – both present here, representing S.R. Batliboi and Associates LLP, Chartered Accountants, Statutory Auditors of Embassy REIT. Ms. Rupal Jhaveri practicing Company Secretary present here as a scrutinizer for this Annual Meeting. We will now play a short corporate video highlighting Embassy REIT's journey since listing. Can we have the video please.

*(Video playing)*

I will now handover the proceedings to Mr. Jitu Virwani, Chairman for today's Meeting.

**Mr. Jitendra Virwani - Chairman and Non-Executive Director of Embassy REIT:**

Good morning Unitholders . It gives me immense pleasure to welcome you all today to the Fifth Annual Meeting of the Unitholders of Embassy REIT. All reasonable efforts have been made by the Manager of the REIT to enable Unitholders to participate and vote on the items being considered in the Meeting. On behalf of the Board of Directors of Embassy REIT, I thank you all for taking out the time to join us today. Since we have the requisite quorum present to conduct the proceedings of the Meeting, I call the Meeting to order. Our Board of Directors are joining us today from various locations. Before we start the main proceedings of the Meeting, I would request my colleagues to introduce themselves along with the details of the location from which they're attending the Meeting.

**Dr. Punita Kumar-Sinha – Chairperson of the Stakeholders' Relationship Committee of Embassy REIT:**

*Good morning Unitholders. I am Punita Kumar-Sinha, an Independent Director of the Board and Chairperson of the Stakeholders' Relationship Committee. I am attending the Annual Meeting from Italy.*

**Aditya Virwani – Non-Executive Director of Embassy REIT:**

*Good morning, Unitholders. I am Aditya Virwani, a Non-Executive Director on the Board. I am attending the Annual Meeting from Bangalore.*

**Mr. Vivek Mehra – Chairperson of the Audit Committee and Risk Management Committee of Embassy REIT:**

*Good morning Unitholders. I am Vivek Mehra an Independent Director on the Board and Chairperson of the Audit Committee and Risk Management Committee. I am attending the Annual Meeting from London.*

**Anuj Puri – Chairperson of the Investment Committee of Embassy REIT:**

*Good morning Unitholders. I am Anuj Puri, an Independent Director on the Board and Chairperson of the*

*Investment Committee. I am attending the annual Meeting from Mumbai.*

**Robert Christopher Heady – Non-Executive Director of Embassy REIT:**

*Good morning Unitholders. I am Robert Christopher Heady, Non-Executive Director on the Board. I am attending the Annual Meeting from Hong Kong.*

**Tuhin Parikh – Non-Executive Director of Embassy REIT:**

*Good morning, Unitholders. I am a Non-Executive Director on the Board, attending the Annual Meeting from my office in Mumbai.*

**Mr. Jitendra Virwani - Chairman and Non-Executive Director of Embassy REIT:**

Thank you, Dr. Ranjan Pai, Independent Director has expressed his inability to attend the Meeting due to unavoidable circumstances and prior commitments.

The purpose of this Meeting is to give you, our Unitholders, an update on the key developments of Embassy REIT and to seek your approvals on the matters stated in the Notice of the Annual Meeting. This year marks Embassy REIT's fourth year anniversary since its listing in April 2019. As demonstrated by our results of 2023, the business is well positioned to benefit from the continued off-shoring demand in India, and we continue to invest and cater to this demand. As you may know, in April, we announced the appointment of Aravind Maiya as the CEO of Embassy REIT. Aravind played a pivotal role in the growth of Embassy REIT since its listing as a CFO and was instrumental in driving its success. I am delighted to welcome Aravind back. Under his leadership, we look forward for taking Embassy REIT to greater heights. I will now hand it over to Aravind to present our business highlights for the year and forward outlook and strategy.

**Mr. Aravind Maiya, Chief Executive Officer of Embassy REIT:**

Thank you, Jitu. Good morning, everyone and a warm welcome to the Fifth Annual Meeting of the Unitholders of Embassy REIT. For the next 10 to 15 minutes, I will take you through a presentation which covers how the year went by and how we see the year as we move ahead. Just to start with a slide which captures how the year went by in one single slide, we released about 5.1 million square feet last year, beating the guidance which we had given at the beginning of the year. We accelerated our organic growth by launching close to 7.9 million square feet of development which includes one of its kind 1.2 million square feet of redevelopment in Manyata, which increases the area by almost three times. We did a small acquisition of a property by name Embassy Hub in the northern part of Bangalore, which I believe will be very accurate to the Unitholders in the long term. Our balance sheet continues to be healthy at 28% leverage, and almost 60% of the debt carrying a fixed rate of interest. We have been pioneers in our industry in relation to our overall ESG program, which is evidenced by the fact that we are one of the largest world's GBC Platinum certified portfolio in the world.

Moving a little bit into what I believe is the heart of our business, which is leasing. As I mentioned, we did about 5.1 million square feet of leasing last year, which is the maximum we have done since the inception of this portfolio. But I would say there are three key messages over here – Number One, as you see over here, we did about 2 million square feet of new leasing, and 1.8 million square feet of re-leasing, but all at a healthy 16% to 17% renewal spreads. This means that even though the market has been a little soft, for best quality properties like ours, we are still able to lease it at the market rate. Number two, the 5.1 million square feet of lease up, we achieved over 100 deals. So, on average, it's around 40,000 to 50,000 square feet per deal, which is a little lower than what it used to be pre COVID. But more importantly, we

added 44 new occupiers to our portfolio, which is an increase of 25% on our customer base. And a lot of these are first time entrants to India, and we believe that as these companies grow in India, they will grow in our portfolio.

A lot of the Indian commercial office leasing over the last couple of years has been in relation to what is happening to the global captives and their growth story in India. Just to rattle out a few numbers, as per a recent NASSCOM report, the number of GCCs is expected to increase from 1600 to 1900 by 2025, with a market size of \$60 billion. As per EVA report, which went a little more into the future till 2030, the number of GCCs is expected to increase to 2500 from 1600 with a market size of \$110 billion and more importantly, with an employment of close to 45 lakhs from the current 90 lakhs. So that can speak about the amount of space they will need in the years to come. This is already being reflected in our portfolio when you see, because in FY 23, close to 70% of the new leasing was done to global captives. And today 55% of our portfolio is occupied by global captives.

We continue to grow organically as well as inorganically. As I mentioned, we have 7.9 million square feet of development in our portfolio. You will see some of the pictures over here. The top two pictures are actual pictures and the bottom two are new launches and you are seeing the perspectives over here. All these we believe will be very accurate to the Unitholders over the next few years as they are delivered.

In relation to inorganic growth, to talk a little bit more about Embassy Hub acquisition, which we did, we acquired a building which is 0.4 million square feet close to completion during the later part of this year, which is almost fully pre-leased to one tenant. We also acquired land on which we can develop 1 million square feet more. But what makes this acquisition even more exciting is the fact that this is located in the northern part of Bangalore, which I would say is the growth corridor for Bangalore. And secondly, we continue to retain what we call as the ROFO right, with Embassy Sponsor. The Embassy Sponsor continues to own rights over a larger parcel of land and as and when they develop that we have the right to acquire it, making this to be another total business ecosystem like some of our other parks in Bangalore.

As I mentioned, all our growth comes with a commitment to our planet, as well as communities. You will see some of the certifications and awards, which we have received for a portfolio over the years.

Just to round up last year in terms of some financial performance, our revenue increased by 15% and NOI and EBITDA increased by 11%. That is largely because of the 1.1 million square feet of build to suit the JP Morgan building, which we delivered last year, as well as the contracted escalations of close to 5%, which is there in built into our contracts year on year, as well as the new leasing at market spreads.

More importantly, we delivered distributions of around 2058 crores last year, and when you take the four years since listing, we have distributed 7800 crores, almost close to a billion dollars since listing. The fact that a vast majority of the four years since listing was spent post COVID, which I will say was a black swan even for our industry. We have continued to distribute, and our distributions have remained consistent year on year that speaks about the stability of this product.

So now the question is from here, where? As we look into the future, I would say there are two structural elements which work favorably for us. Number one, India continues to be the office to the world. That is because of the availability of talent at scale, as well as cost competitiveness. This is precisely the reason why we saw the growth in tech and IT industry over the last couple of decades. And we are seeing global captives growing for the same reason. And secondly, Bangalore has been the epicenter of growth and commercial real estate sector in India. When you see some of the numbers over here, 40% of India's experts come from Bangalore. One in three tech employees are located in Bangalore. Almost 50% of the

new captive setup last year was from Bangalore. And when you link this to the fact that over 70% of our portfolio is located in Bangalore, and more than 90% of the new development we are doing is in Bangalore, I can say that this is a very good recipe for success in the medium to long term.

It is very important to highlight some of the embedded growth levers which we have already in our portfolio, I would say there are three of them. Number one, we today have around close to 5 million square feet of vacant area. As in when we are able to lease this over the years, you will see an increase in cash flows leading to an increase in distributions. The contracted escalations of 5% per annum or 15% every three years, we have been able to achieve that even in the worst of times. And as and when the leases come of ultimate maturity, we are able to take the rentals up to market, which again increases the net operating income and in turn distributions.

We had the opportunity to grow inorganically as well. As we have done in the last couple of years through the large Embassy TechVillage acquisition, which increase the portfolio by close to 30%. We have the ROFO construct with our Sponsor. It works very well for the REIT because as a developer, the Sponsor is able to do the more risk-oriented ground up development, while offering these assets to the REIT as and when it reaches a reasonable amount of stabilization. We continue to look at opportunities to grow from third party acquisitions. And we believe we will be able to do those as and when the overall market stabilizes.

I will say this is a very important slide for the simple reason we are not just constructing standalone buildings. We are developing as we call total business ecosystems. Our parks include not just office buildings, it's a combination of retail, hotel, convention centers, food courts, sports zone, creche. This has been a real differentiator for us, which attracts top quality tenants to our portfolio.

All the growth which I spoke about, is supported by a very well capitalized balance sheet with 28% leverage, and a headroom to grow in the form of close to 10,000 crores of additional debt.

And lastly, we will continue to grow on a sustainable basis. We are backed by a well intense and well recognized 19 pillars of our ESG strategy, which has been well recognized by our occupiers, as well as our investors.

Just to sum it up, I would say that it has been pretty turbulent times for us as an industry. But I am very happy to say that we have emerged out of it much stronger. Our strategy to invest in total business ecosystems, as well as the organic and inorganic growth levers which I spoke about will ensure that we are able to deliver accurate of growth to our Unitholders . I thank you once again for being a part of this organization. Thank you for placing trust and faith in us as management. I am pretty sure that our 85,000 plus strong family will grow to many more lakhs and crores in the years to come. Thank you so much.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thank you, Aravind. We will now conduct the Q&A session for the next 30 minutes or so. We will first collate all the questions from our Unitholders present here as well as virtually and I will then invite the management team to answer them together. Please note that Embassy REIT may limit the number of Unitholders asking questions depending on the availability of time. We have already started receiving a few questions from our Unitholders through the live chat. Any other Unitholder joining us virtually, who wishes to ask questions may do so by clicking on the Q&A tab on the videoconference screens. I would now invite our Unitholders present in the room to please come up to the podium and ask their queries. Yes, sir, if you can please come up to the podium.

**Mr. Manoj Nath – Unitholder:**

Hello, respected Chairman sir, and all the Directors and all the fellow Unitholders . I am Manoj Nath, an ex-member of Mangalore Stock Exchange and I am a Unirholder with my folio number being 11218169. So, I am glad to see the very transparent and exhaustive narrative that you have given and appreciate the time taken to come up with a 570 pages of the Annual Report. I congratulate the management. So, on making like, you know, truly a Real Estate Investment Trust as what SEBI was calling with the transparent mode. So now we will come to the negative factors what, I mean, Unitholders from the date of issue of INR 350 or some price or since IPO, now, even today, the unit price is quoted less than the Net Asset Value of around INR 394. It is stagnant even the last year and also this year. So, and I mean, the problem is the market is always you know, the market looks ahead, what is the earnings per share, so in the case of per unit. So, it has been constantly at the INR 300 issue price, at 30,000 crores our capital assume to say I am comfortable with crores, I am not comfortable with millions. So, that is what your balance sheet was quoting. So, basically the earnings are not that great. So, the main factor is you are, I mean, fully bent on the office cluster.

So, what I suggest maybe it will work out or you can at work out I mean it is your idea and the perception, hospitals and hotel management these are the untapped areas because at one point you say that you have got about two lakh, I mean, employees working under your roof. So, I mean at any point of time going from I mean anybody getting into some problem with the health issues going to the nearest is, I think, is Aster or something like that. So, golden hour is only about half an hour, 30 minutes. I think 30 minutes will go from the campus to the gate it will get exhausted. So, this is one area and hospital also is very lucrative business. In fact, you can see the quoted shares are quoting a very high premiums like you know, Apollo and all these companies. So, either way the joint venture or you say no, I mean, you get a lot of spaces which are lying vacant. So, these basically hospitals and mixed sized hotels, maybe 5000-7000 range. So, there is enough potential to make these. So, there is no big, I mean, very big convention center which can carry 2000-2500 with, what do you call, the parking area. So, within the city not necessarily it could be outside also. So, these are the drawback with the Bangalore what is I mean, hurting the Bangalore growth as a Silicon Valley, I mean, lacking the basic infrastructure. So, these are the three areas so a company should concentrate, because at the end of the day, so these are like you know, plug and play people, I don't say the plug and play. So, the people who are coming to invest or have the offices like 230 plus you're telling, so, they look at the human resource how much cheaper it is there. The moment it becomes costly or moment it become irrelevant or unemployable or maybe technologies like you can say Machine Learning or robot, AI, whatever they take place. So, they will just vanish and they'll close the shops. In fact, even today Mphasis is only in the Bagmane Tech Park, you know, paying about 60-70-80 rupees per square foot rent. So, why it is become, we as a landlord, we are looking at whether they will pay 100 rupees something like that or 150 rupees something like that, but they at their level what it costs to the, you know, at the end of the day for a product they need to sell in the market. So, because of that consider the dependence in the office cluster. I mean to some extent, now it is at 35% we brought down to maybe about 15-20% so that is a main. And because of all this finance cost is huge, maybe around 890 crores or something like that. So, these are the main areas of concern.

And the main thing that what I was saying, AM, Annual General Meeting is Annual General Meeting only. It was coming Annual Meeting. I don't know when this translation has taken place. Maybe COVID has brought one word down, Annual General Body Meeting, AGM, Annual General Meeting. It has become AM in all the wordings. So please correct yourself and maybe this becomes a tradition or convention. Okay, I will leave it. Okay, thank you, sir.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thank you, sir.

**Mr. Krishna Murthy – Unitholder:**

Good morning. I'm Krishna Murthy. Thank you, Chairman. I have only one thing to understand, while mindscape and other REITs, mostly work on capital, so we are leveraging 28%. The finance cost may come to eight, eight and a half percent, whereas, the return will be two, two and a half percent. So, it is a capital diminishing proposition. So, I just want to understand how we are, okay over a period of time will the office values appreciate than we would be able to get. So, what is the thinking of the management on the leveraging because most of the REITs have very less leverage. So, Embassy is a higher leverage. So, unit cost will come down obviously, maybe over a period of time it will increase. I just want to understand, so what is the thinking of the management on the leveraging? Thank you so, very much.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thank you, sir. Please, please come.

**Mr. Subramanyam MC – Unitholder:**

Good morning to all. I'm Subramanyam MC, my folio number is 30214831156530. Actually, I need not talk anything about the accounts or anything by seeing the strength of this company, this transparent video, this one, actually my mouth is shutting. I need not tell anything, because the situations, the COVID situations, all other things prevailing in the country that made any company to show a greater performance. I am confident that this company will show better performance in the future years, I know that. But the only thing is your current liabilities are more than the current assets. That's the only disappointing statement. Current liabilities should not be more than the current assets, which damages the current ratio. Well, while borrowing from the banks, they will see the current ratio and EPS, everything's and ROE also. So, those things you have to take much care. And first of all, actually, I would like to thank the company and management for having conducted this Meeting physically because no other company, except this one, one company has conducted this physical Meeting, this is the second company which is conducting, ABB is the first company which has conducted the Meeting physically. This is a second company I congratulate and thank the management for having conducted the Meeting physically. Okay, thank you.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thank you, Sir.

**Mr. Subramanyam MC – Unitholder:**

Sir, one minute, but the timings this 9:30 is too early, sir. Because people coming from faraway places, it gets very difficult because myself I am coming from 40 kilometers, Banashankari I came. I left my house by 7am, sir. Okay, please change the timings at least by 11 or 11:30 followed by lunch, okay?

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thank you. Any further questions from the audience? Okay, then if you have already sent that is fine, but if you would like to ask a question again, please feel free.

**Mr. Aditya K – Unitholder:**

Hi, good morning to all of you. My name is Aditya K. From what I understand is the net asset value, fair value per unit is around INR 396 or something, the latest one. I'm really baffled by the way the stock price is falling. In the same period as Embassy has been falling, Sensex and some realty stocks have been shooting up. So that's very baffling.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thank you. Any further questions? While our team collates the questions received virtually, we will play a short video showcasing our ESG program.

*Video playing*

**Ms. Shwetha Reddy – Head Marketing & PR of Embassy REIT:**

The 1<sup>st</sup> question is on the stock price. We have received this question from Mr. Aditya K and Mr. Anand Shah. The question is, what is the reason for the consistent decline in the stock price for Embassy REIT? How do the payouts compare against other products like FD?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you. I will request Ritwik to take this question.

**Mr. Ritwik Bhattacharjee – Chief Investment Officer of Embassy REIT:**

Sure, thank you Aravind. Good morning all Unitholders and it's a pleasure to see people in this room. This is the reason why we have gone ahead and actually conducted this in person, to take questions, to converse with you, to have a dialogue with you on the structure, on the sector and talk about, both the product, the stock price and everything else in the most transparent manner. So I think from our perspective, we are as baffled as you are to the performance of the stock, relative to how strong this company actually is. But I think there are a couple of reasons for that and am not going to talk about where the stock should be and clearly we have certain views on it but if you look at the fundamentals underlying this business as both the Chairman as well as Aravind pointed out, this product has completely transformed the capital markets in India. If you think about the growth levers, the way that we have made commercial real estate an asset that all of you as Unitholders own right now, you own real estate, you own real estate that is professionally managed that gives you, has given you 8000cr. of distribution since listing through a pandemic. It has been able to sort of give you the ownership of world class office assets that companies like JP Morgan, like the global company, tenants that we talk about that are in our portfolio, the 230 occupiers, you are now owners of that alongside us and our fundamental focus in this is to deliver growth to you. The distributions that we give you quarter after quarter, points to how stable this business is. The leverage that we spoke about, there was a question on leverage talking about sort of why is leverage so high. In our view, the leverage is actually very very conservative. We cannot go more than 49pc. We have very comfortable thinking about leverage, just in the 30pc, just to fund the growth. All of this points to a very healthy business in an environment where unfortunately the stock price has not performed. We admit that. We recognize that. There are some macro factors that are contributing to this. There has clearly been a lot of global volatility, office globally has performed very poorly compared to office in India, no.1. The interest rate environment has been very difficult for most companies yet we have contained, we have maintained a very prudent sort of balance sheet and if you look at our results, year after year, we have consistently leased buildings. We have brought development online in a timely manner, we have brought growth and we have distributed 8000cr. For a real estate company in this country, that is practically unheard of. That is what we will continue doing and over time, I think our advice to all our Unitholders who are worried about the stock price is that,



have the patience to stay with us. We understand your frustration, we know that this is something that doesn't match the reality. We think that the stock should be at the intrinsic value but all our growth levers as Aravind pointed out are something that we will continue to deliver every day. We will continue to work on developing and making sure that we can fund what we currently own, we will buy future growth and we will continue distributing to the Unitholders and over time, we are confident that the stock will re-rate to levels above what it currently is.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

And if I can just add-on, a lot of the stock price is also driven by what's happening globally and the sentiments around commercial real estate globally but India is a different environment. In the process, there has been evolution of our shareholder book as well, where there is a lot of domestic institutions coming and buying stock. That's no.1. No.2, just to reiterate, this is a cash product and for us, we are committed to increasing the distributions over a period of time for which what is important is, we continue to lease, lease well, increase the occupancy, grow the organic developments which we are doing and at a right point in time grow inorganically as well as the capital market stabilizes. So as Ritwik said, , it's our sincere request to all Unitholders is to have patience in us. We are fully committed to delivering our cash flows.

**Mr. Jitendra Virwani – Chairman & Non-Executive Director, Embassy REIT:**

Also to further add is that, I think the leverage question is more that, probably ours is the only REIT which has actually grown in terms of square footage also. The acquisition of Embassy Tech Village actually took the leverage a little high and if I am not wrong, the numbers of Embassy Tech Village has been one of the best investments that REIT has done in its acquisition. So REIT is not only about getting return but also if you start looking at REIT in a way that how much each REIT grows, growth being a very important factor in the long run as you see that, in our presentation, there is a lot of under construction which will start paying over time. And yes of course, right now, office is a bad word globally but India has always been different and personally in my career, every time there is a crisis in the world, the office market in India actually moves up and this is exactly where it's kind of hitting. So I think we should be patient and I think we as a management have to do a lot to educate the retail investor because still we see in the market lot of standalone buildings being sold at a much lower return than what REIT is giving and people still believe in owning a document which says a particular square feet is in their name rather than buying a REIT unit which is actually the most sensible thing to do, in fact in terms of taxation also. So I think it's a new product and it's taking its time and as Aravind mentioned, we were hit by covid. I think in the long run, somebody else also mentioned the value which is not being reflected in the price of the unit. So I think all this will come in good time. But for us, at the management is to continue running the company with clean and transparency, corporate governance and continue being no.1 in this area as we have been for the last so many years. Thank you.

**Ms. Shwetha Reddy – Head Marketing & PR of Embassy REIT:**

Thank you. Our next question is from Unitholder, Ms. Anju B. The question is, what are the key drivers for Indian office leasing demand?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you, Shweta. So let me take that. As I did mention one of the key drivers for office leasing, what's been there for last couple of years and what we are seeing in the years to come is the growth and global capitals. Just to repeat some of the numbers, last year close to 100 new capitals were set up in FY23 and as per reports, close to 115-120 new capitals are being set-up in our country on a yearly basis. This we believe will continue to drive the office leasing demand in the short and medium term. Having said that, what is to be taken note of is, while these capitals are growing, a lot of these are also jobs that are getting

migrated from different countries to India. So, while that's happening, they are also conscious of the fact that they do not want to enter into large lease contracts immediately. So that's the reason why as I did mention, you are seeing small lease take-ups of 40-50 thousand square feet but with a clear visibility of what we see coming in the next 6-9 months. Just to give some examples, one of our tenants in Manyata Tech Park started with a small base and over the years has grown close to 10,000 employees and close to 7 lakh square feet in the park. Another example is, the way JP Morgan has grown, again a global capital, they took 1.1mn square feet and they have committed to another 5,50,000 square feet more. We believe from a capital's point of view over the next 6-9 months, we should see a bigger trend emerging. The 2<sup>nd</sup> part of the story is around Tech ITITS. You would have seen that, that industry is facing a bit of a pressure in terms of their margin and overall business growth. That somewhere gets reflected in our business as well because they have not been growing with us. Having said that, what I would say, trends to watch out for, these businesses have grown their employee headcounts significantly over the last 2-3yrs. but they have not been able to get their people back to office. Their return to office still ranges from say 25-35pc. It has been, I would say more of an employee market in the past but we see those trends changing a bit to employer market so I would just say that this is something to watch out for because these industries have also grown in terms of their headcount. We will have to be a little bit more patient with them to see how they evolve in terms of their space take-up in the years to come.

**Ms. Shwetha Reddy – Head Marketing & PR of Embassy REIT:**

Thank you. The next question is from Unitholder, Mr. Venkatesh R. The question is, how does your REIT compare against the other listed Indian REITs?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you. Let me start and then Ritwik you can chip in. The way I would like to address this is, instead of necessarily comparing, I would say that each of the REITs have their own strengths and uniqueness but let me speak about Embassy REIT. We are pretty proud to say that we have probably the 3 best parks in India, which is Embassy Manyata, Embassy Tech Village and Embassy Golf Links. All the 3 parks are located in the best market in India, which is Bangalore. We have some of the best occupiers. Close to 50pc of our tenants are Fortune 500 companies. We have a track record of distributing for the last 4yrs., close to a billion dollars as we did mention. We have a very wide Unitholder base. It comprises of foreign capital, domestic capital and more importantly the retail Unitholder base which has grown significantly from around 4000, 4yrs. back to close to 85000 and lastly as I did mention, we are well placed in terms of our growth levers, the organic as well inorganic which I mention. Ritwik, anything to add on?

**Mr. Ritwik Bhattacharjee – Chief Investment Officer of Embassy REIT:**

Ya. I will just add one point. I think, this entire REIT sector now has 4 REITs, probably around 85mn square feet of office assets and we have obviously got the new retail REIT that listed last month. It's a great accomplishment for India, for the Indian capital markets but I think it still goes back to one thing. None of this would be possible without Embassy REIT having listed first. We listed first because we had the best assets in India's best office market and that really paved the way through a pandemic to allow 2 other office REITs to list at a time when office was not struggling worldwide and then obviously the performance of all these structures together paved the way for the new REIT to list. So I think from our perspective, while it's not sort of a competitive environment, it's very important for all the structures to co-exist to allow Unitholders like yourselves to have choices, to understand sort of how the structure works across different markets, gives you the ability to invest based on your asset allocation, what your return profile is and you just can't have one REIT in the market. But I think, what's important is that, we as a management team focus on the quality. We have always prided ourselves on being the largest of REIT in the best possible markets and we always look to differentiate ourselves from other competitors and from other products as well, and driving

value to yourselves as Unitholders . But it's very important for us to make sure that we give you the option to invest in our quality product and give our tenants the option to also invest in quality products and quality markets.

**Ms. Shwetha Reddy – Head Marketing & PR of Embassy REIT:**

The next question is from Unitholder Mr. Malav Shedalal. The question is, when will REIT instruments be eligible for availing loans from banks and NBFCs?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you. Can I please request Abhishek to take this question?

**Mr. Abhishek Agrawal – Interim Chief Financial Officer of Embassy REIT:**

So this topic is actually very important for us also. We have been meeting the regulator and doing a lot of policy advocacy. Currently we see that banks are not allowed to lend at the REIT level but they continue to lend at the SPV levels which are companies. So we continue to do the policy advocacy and see when this can be possible.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

And if I can just add on, we are in constant touch with Reserve Bank and while they have allowed it, for InVITs they do have some concerns on why they don't want to allow it to REIT but we have been constantly speaking and addressing to them. But what is still good for us is banks can lend to SPV level, so it's not that we don't have access to banks at all.

**Ms. Shwetha Reddy – Head Marketing & PR of Embassy REIT:**

The next question is from Mr. Chandramuli Jaganathan. The question is, what is the expected NDCF growth with occupancy going up? Any update about the Chennai ROFO acquisition?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Can I please request Ritwik to take this?

**Mr. Ritwik Bhattacharjee – Chief Investment Officer of Embassy REIT:**

Ya, I think just on giving guidance on growth right now, we take that in totality and at this point in time, clearly given where should the office market is globally, we refrained from actually giving guidance simply because there have a couple of global factors that have affected, the overall sort of sector as a whole. But I think what we have tried to do is, every time we come into earnings which again is coming up, we take the guidance aspect and giving you as best view of the business as possible. So at the time, we actually come into earnings, we will have sort of a further update on that entire process of how or what the PU looks like, what growth is. But rest assured, from our perspective, the DPU is something, growing distribution is first and foremost on our minds. Over the last few years, unfortunately that is something, that while we have distributed, there are clearly macro factors that have impacted it but going forward, we always sort of make sure that we are constantly trying to optimize the businesses, run the business to put distribution in Unitholder 's hand and grow those distributions.

On Chennai ROFO, I think we will have, we are always evaluating the ROFO and the entire acquisition process. The capital markets for the REIT and overall has not been conducive to funding an acquisition. The way acquisitions work, as I also pointed out is when you buy an asset, you must fund it from external sources, either using equity or debt. I think at the right time, given where market conditions have been globally, I think it has been very difficult to sit and raise capital at attractive terms. So managing our cost of

capital so that we can actually distribute and provide growth is obviously our no.1 priority. So at this point in time, that is not something that we have been able to do with the Chennai asset. Over time, as we evaluate, we will have further updates for you.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you, Ritwik.

**Ms. Shwetha Reddy – Head Marketing & PR of Embassy REIT:**

The next question is from Manjunath. The question is, are we looking to expand our hospital and hotel management business?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you for your question. Let me take the hotels part first. We already own 4 hotels, close to 1000 rooms across Bangalore and we continue to construct 520 rooms in our Embassy Tech Village. As we did mention, hotels are a very significant amenity to our parks. This gives a lot of value to our occupiers and helps us in leasing to better occupiers. So, we will stay invested in hotels but more as an amenity in our existing parks. In relation to the hospitality sector, specifically hospitals, our point of view is that it is a completely different set of business requiring different skill sets. We are more into, as we mentioned into commercial real estate and other amenities. So as of today, we are not necessarily looking at growing into hospitals. And lastly, just a small point on this annual general Meeting, annual Meeting, Vinita, I think you can address but I think it's the wording that is used more in the REIT regulations, calling annual Meeting and annual general Meeting.

**Ms. Shwetha Reddy – Head Marketing & PR of Embassy REIT:**

Thank you Aravind. The next question is from Unitholders atinder Singh. The question is, markets seem to be concerned about commitment of sponsors to the REIT. A clearer communication on this would greatly help.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you. Can I just request Jitu to take this question.

**Mr. Jitendra Virwani – Chairman & Non-Executive Director, Embassy REIT:**

So firstly, I want to address that the Embassy Group and the Virwani Family is fully committed to the REIT. There is no change in our stand. As far as our shareholding, what is the question?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Terms of your commitment.

**Mr. Jitendra Virwani – Chairman & Non-Executive Director, Embassy REIT:**

So like I said, the commitment is there. Like Ritwik mentioned and Aravind mentioned, market has not been very conducive for Embassy to put some more assets right now. With the stock price and the way the market is looking at it, so I think that it's in the interest of the REIT that we have constrained from putting anymore further Embassy assets into the REIT at this moment. It will happen over time. As far as shareholding is concerned, it is true that we did reduce our debt at Embassy level by selling some of the REIT units but that's to make a stronger Embassy and a stronger sponsor for the future and it is aligned with that. So going ahead, now we would be in fact looking to increase our equity in the stake as and when time and opportunity comes by. I hope that answers the question.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you, Jitu. Tuhin, if you can add on to this, if you have anything.

**Mr. Tuhin Parikh – Non-Executive Director, Embassy REIT :**

We are committed to the long term, growth and alignment product and therefore we are fully aligned with all the shareholders to ensure that there is long term valuation because it is in our interest as much.

**Ms. Shwetha Reddy – Head Marketing & PR of Embassy REIT:**

Thank you Tuhin. The next question is from Mr. Harsha. The question is, please comment on the revised taxation of REITs.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you. Can I request Abhishek to take this?

**Mr. Abhishek Agrawal – Interim Chief Financial Officer of Embassy REIT:**

So the distribution that we gave, it actually comprises of 3 components. 1<sup>st</sup> one is dividend which is totally tax free in the hands of the Unitholder. The 2<sup>nd</sup> one is interest which is taxable in the hands of the Unitholder. And the 3<sup>rd</sup> one is, repayment of debt. Now post this budget change, this component is not taxable in the hands of the Unitholder at the time of receipt. What it will actually have an impact is, it will go and reduce the cost of acquisition which is your cost price, and it will be taxed as capital gain at the time of sale.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you.

**Ms. Shwetha Reddy – Head Marketing & PR of Embassy REIT:**

The next question is on the theme – leverage and liability. The question is asked by Mr. Subramaniam MC and Mr. Krishnamurthy. The question is, why are the current liabilities more than the current assets? Are we comfortable with our debt levels as it is higher than peers? Does the company face any issue while re-financing any loans? Do we have to always re-finance loans until the property is sold?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you. Why don't I start and then Abhishek and Ritwik, you can add on? In terms of debt levels, as Jitu did mention, we are today at around 28pc. Very important to highlight that we are AAA rated REIT, which is the highest level of rating possible. So from a lender's point of view, they are extremely comfortable lending to us as REIT. From a comparison point of view, I think the leverage range is from 18-19pc for one of the REITs to 33-34pc for the other REIT, which is much higher. But on an overall basis, I think from a Unitholder point of view, what you should look at is, what is the rating level because as long as the rating is highest, which means that the leverage levels are comfortable, no.1. Our lenders are comfortable lending money and we get the financing at the most competitive rate. When you look at our loan book, our average cost is around close to 7pc which is probably the lowest when you look at the real estate industry. So just to sum it up, I would say that we are pretty comfortable with where we are in relation to our leverage levels. Abhishek, you want to take the current liabilities.

**Mr. Abhishek Agrawal – Interim Chief Financial Officer of Embassy REIT:**

We see that the current liability today as on 31<sup>st</sup> March is more than the current asset which is primary because there are a couple of NCDs which have come up for maturity in the later part of the year. Because

of that, we have to disclose it as current liability. Having said that, because of our triple A stable rating and access to various debt pools now, we are confident that we are able to refinance these loans when it moves to non-current liabilities.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Just adding on sir, what happens is that, even if we take a let's say 5yr. loan. When it reaches the last year, when it's up for re-financing, that gets shown as current liability in the financials. So we would have taken a long term loan but in the last year, of course it ends up being a current liability but as Abhishek mentioned, there is zero risk of this getting refinanced.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

That's why it ends up coming under current liability and also another point that I can add on is, the lease deposits which are given by our occupiers are also shown as current liabilities, but these are occupiers not going for the next 3-5-10 yrs. So in reality, these are not repaid in the next 12 months. But because of the financial disclosure norms, it is shown as current liability.

**Ms. Shwetha Reddy – Head Marketing & PR of Embassy REIT:**

The next question is again from Unitholder Mr. Malav Shedalal. The question is, do you have clarity on the Desh Bill allowing partial denotification of SEZ buildings?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

I would say that, we have been waiting for clarity on this for a very long time. It is still work in progress, that's what we can say. We have been in constant touch with the regulators including a discussion which happened a couple of weeks back. We know that it's at an advanced stage. Final discussions are happening between 2 ministries – commerce and finance. We are equally keen as much as you to ensure this amendment comes through as soon as possible but having said that, we are trying to control what is within our.....what we can control which is we are ensuring that the new buildings which we are developing, they are all non SEZs, no.1. No.2, whichever is a full building which is getting vacant, we are going ahead and we are de-notifying that because that's already available. We have already de-notified a building in Pune. We are close to de-notifying a building in Bangalore, so we will continue to do that and we will continue to lease the non-SEZ space while of course getting clarity on this floor by floor de-notification is extremely important not only for us but for the entire industry.

**Ms. Shwetha Reddy – Head Marketing & PR of Embassy REIT:**

Thanks Aravind. The next question is from Unitholder Mr. Dilip. There are 3 questions. I will just go one by one. The 1<sup>st</sup> question is, there is an ongoing merger with India Bulls real estate with Embassy. How does this affect Embassy REIT?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Jitu, can I request you to take this?

**Mr. Jitendra Virwani – Chairman & Non-Executive Director, Embassy REIT:**

Today's Meeting is about Embassy REIT and you know we like to limit all our comments as far as Embassy REIT is concerned and as we may be saying that REIT is basically an asset owned company, and it runs completed. Office space is kept separately. The India Bulls and Embassy merger is an ongoing process, which is our assets should be developed in the future and greenfield projects and that has no relation to the REIT which is separate from it and in the long run the REIT might only benefit because if these two

companies merge and, you know, there are new projects which are conceived from these companies they will automatically as Embassy being on both sides would be offered to the REIT. So, if it happens the REIT would benefit from new projects and new completed assets. And if it doesn't happen, it doesn't affect the REIT at all because REIT anyway would buy only completed assets from whoever it buys, not necessarily being only an Embassy company. I hope that answers the question.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thanks, Jitu. The second part of the question again from Mr. Dilip. Embassy Group has a stake in WeWork India, does this stake involve the REIT?

**Mr. Jitendra Virwani – Chairman & Non-Executive Director, Embassy REIT:**

So, the Embassy Group actually got involved with WeWork being a flexible office because we saw in the long run that flexible office would be complementary to our traditional business and it's proven in that fact in the last six years of WeWork's existence in lots of ways. I guess the Embassy REIT benefits from WeWork in terms of energizing some of the buildings which we newly take up and which makes more clients come in who originally probably start with us in a smaller WeWork and then grow in the REIT portfolio. And we have quite a few examples, Commonwealth being one of the most biggest example. So, anything which Embassy does, it is related to office field and is ineffectively connected. And, yeah, I mean, I think both companies benefit from each other; Embassy REIT and WeWork does also benefit from the REIT. I wouldn't just say that the REIT benefits or it's either way.

And as you are all aware, in every quarter the take up of flexi space has been going up in terms of percentage. If I'm not mistaken, last quarter, I think, it's about 30% of the leasing which has been done in the market and so naturally WeWork being an Embassy company, it's aligned more to take space from the REIT which benefits the REIT in terms of occupancy. Thank you.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

And if I can add on from Embassy REIT point of view, WeWork is another occupier for us. It's approximately around 2% of our overall portfolio but, as Jitu mentioned, it's a very important occupier because what happens is a lot of new startups come and take small space in WeWork but as they grow and expand, they naturally grow into our parks because that is much more easier and convenient for them. So, I would say it's a very good occupier to have from an Embassy REIT point of view.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thanks, Aravind. The next question again is from Mr. Dilip. The question is, is there any plan to enter other Indian growth cities apart from Bangalore like Pune or Mangalore?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you. Can I request to Ritwik to take this?

**Mr. Ritwik Bhattacharjee - Chief Investment Officer, Embassy Office Parks REIT:**

Yeah, sure. From our perspective, so our markets just so that you understand, we are anchored by Bangalore, which is India's best office market. 75% of our value sits here and I'll explain why Bangalore matters so much to us. It's a strategic weapon for us. We are in Pune as well; a market that we obviously do see growth in. We're in Mumbai and we're in the national capital region as well.

Now, for us growth has to come from India's gateway cities and so also obviously we have evaluated Chennai, we think about Hyderabad as being a market and the reason we think about these markets is

because that's where the art tenants, the GCC's that we spoke about, the world's biggest and best companies are always looking for talent. They will hire talent in cities where there has to be a very stable ecosystem, an education system where the migration of people looking for work, for a young population like India's that's looking for work, in these kinds of companies that's educated and where they go the companies will go to hire. So, that's effectively how we think about positioning our product for these companies. At this point in time, that demand lies in the Gateway six cities of India primarily. So, that's Bangalore, Bombay, we're looking at Noida, Pune, then obviously Hyderabad and Chennai and Bangalore for us, frankly, is the reason why it matters so much is because it perfectly encapsulates everything I just spoke about where there is great education institutions, there are lots of companies here looking for young, vibrant talent and there is an ecosystem around the young population that's also looking for work. The cutting edge work gets done for these companies, these global companies in this market. There's an 11% vacancy rate. Half the Global Captive Centres have set up shop in Bangalore and that will continue to grow as India continues to grow. So, we like to be selective about the markets that we're in. We are very prudent about allocating capital. Remember, if we go in somewhere and we start building, there's something else that we have to sacrifice in the short term. We want to be very careful about, especially in this interest rate environment, you think about what you can build, how you build it, what is the strategic outlook. So, at this point in time we'll stick to the markets that we currently have and continue to selectively add assets and, obviously, then opportunistically think about growth in other markets.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you, Ritwik.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thank you. The next question is from Unitholder Ms. Rupali Haider. Question is, what is the future plan in setting more hotels and IT hubs as it is a very profitable business?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

I think I kind of answered it. Our strategy around hotels is that it's a great amenity to have in our park, so we will look at hotels. Similarly, we will continue to develop hotels where required in large tech parks. But as we speak now, it's unlikely that we would undertake standalone hotel developments.

**Mr. Jitendra Virwani – Chairman & Non-Executive Director, Embassy REIT:**

Yeah, like Aravind mentioned, hotel is an amenity. So, if you look hotel per se itself, an office contributes much more revenue to the company but the hotels we've seen our track record with the first Hilton and Golf Links that it enhances our rents. So, the rents or the office space moves up, which is... So, let's say example, in a park like this where we have about close to 15 million square feet and we have two hotels but these hotels engineer the rise in rents of the balance 14-15 million square feet of office space. So, it's kind of an amenity and we would continue to do this because it's a safer option as far as REIT is concerned because we have a lot of captive and over the years we have some sort of a science that, you know, as so many million square feet can support so many rooms in that location and, I think, that's what it is.

And just for your information, this hotel where we are placed today is, actually, even though the Manyata Park is, I think today, at what 40% occupancy but still the hotels are doing well. So, only once the park occupancy moves up further, I think, the hotels will further do well. But we will continue to do these in our large parks where we have more than like 3 million square feet of office space leased out.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you, Jitu.



**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thanks, Jitu. The next question is from Mr. Satinder Singh from Eon Infotech. The question is, what is management's analysis of the challenges and the plans for each of the four parks that need to step up its occupancy - Tech Zone, Quadron, Oxygen and Embassy One.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you. Let me take this. Let me take the easier ones first. I think starting with, two of them are in Pune - Tech Zone and Quadron. Tech Zone, I would say, has reasonable amount of traction. It's in the Phase-1 of Hinjewadi. We've done a couple of things. One, we have de-notified one of the new constructions into non-SEZ, so we are already seeing traction over there and the balance space which is SEZ is relatively smaller. There is potential demand from our existing occupiers for growing. So, I would say in the short term to medium term this should get addressed.

Second one, let me take Embassy One. Again, an easy one to take which is located in Bangalore but small property 2,50,000 square feet but as we speak it's almost 60% taken up and there is a good amount of traction. As we've been saying since listing, this is a premium asset, so we don't mind taking some time to lease this to ensure we get the best of occupiers to this. I think, again, this is a building which we are not too concerned about and should get taken up.

Then we come to two last properties - Quadron as well as Oxygen. Firstly, both these assets put together is approximately, I would say, a little less than 5% of the total asset value of REIT. So, not very, very significant, number one. Number two, from a Quadron point of view the reality is this is in Phase 2 in Hinjewadi, a little too...All the traction in Pune in the last few years has been towards the eastern side but we did visit recently to the city. Couple of points to highlight over here, one eastern side while there has been a lot of growth, there's a lot of supply as well coming. Towards the center part of Pune, there is no empty space left. What that means is over a period of time the demand has to come towards the western side, Hinjewadi, which is where we are. But Quadron is at the end of Hinjewadi. The second point is, there is a Metro being built out which is expected to be completed in the next 18 months or so. So, there is a lot of traffic issue there but the way to look at it is we are long term owners of these assets, so we will be patient. Over the next 18 months as the infrastructure builds out and also we spent close to 30 crores in refurbishing this entire park, so I would say this is one of the best parks which is located there. We as management will continue to stay patient on this asset and over the next few months to let's say 1.5 years this should get taken up.

It's a similar story with Oxygen. Little distant but there is a decent amount of traction which is building up. Both these assets, I think, the summary is we will continue to do the hard work, continue to keep upgrading our parks and in the medium term they should get taken up.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thanks, Aravind. I think, with that, we've reached the end of Q&A. Thank you all. I trust that we've responded to all your questions. In case we haven't been able to answer any question due to time considerations, you are welcome.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Shweta, we have one more Unitholder with a question.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Yes Sir.

**Mr. R. Murlidhar – Unitholder:**

I would like to ask one question.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Please, Sir. You can use the podium there.

**Mr. R. Murlidhar – Unitholder:**

First of all, I apologize for the delay in attending this Meeting. Mr. Chairman, members of the Board, dear shareholders, ladies and gentlemen, I am R. Murlidhar and my folio number is 12035127. The very purpose of my coming late is that the Meeting has started at half past nine, I feel because I have been coming from...lot of people are coming from far off places and you know the Bangalore traffic. Probably, you know, if you are just postponing this timing by 12.30pm or 1 o'clock, it will be very easy for us to reach. This is very important fact. Morning I left my house around 6o'clock and I reached here around 10am-10.15am. Though I wanted to attend that Meeting at 9.30am I left my house at 6o'clock. People are coming from 40-50 kilometers away from here, please consider this postponing of your timings to 12.30pm in the interest of the shareholders. Thank you very much.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thank you.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Sir, if I can say, we sincerely apologize for the inconvenience caused. We take all of this feedback seriously and we will address this in the upcoming AGMs. Thank you, Sir.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thank you, Sir

**Mr. S. Ashok Chakraborty – Unitholder :**

Good afternoon. Good afternoon to the Board and to all my co fellow shareholders and to everyone, Sir. Sir, my name is S. Ashok Chakraborty. I'm very glad and feeling happy to attend this Meeting, Sir. And in this regard, I thank the Board for being conducted this hybrid Meeting called video cum physical Meeting and I'm very thankful to you once again, Sir. In this connection, small clarifications. I refer page number 242 and request to you clarify reasons and already they might have been clarified but I could not understand this. Under 'Current Liabilities', it has gone up nearly to 43,500 million and at the same time there is a column called 'Investments' of 8157 million. Here it is showing borrowings of 43,000 and investments of 8000 million and simultaneously or maybe because of that interest on borrowings has gone up by nearly 90% to 3245 million as per page number 128.

Just now you clarified the reason for the market price even though it is lesser than NAV but what I personally feel is even the average market price, if you compare it for the last one year or some time, now it is quoting very, very less rates, Sir. Here I am not saying anything about the management but what I'm saying is it may not be wrong to expect for the Unitholders to get market price at least of the NAV or more than NAV. In this regard what I'm saying is, you have clarified about market price but what I'm requesting you is I

request the management to examine market oriented measures in this regard which includes to reduce negative other equity. I think negative other equity also has gone up, Sir.

In this regard one more small request is, many Hotel Corporates are offering discount coupons to shareholders, example Indian Hotels. So, what I'm requesting please consider the issue of discount coupons of Hilton Hotels or other hotels to enhance the occupancy ratio and also to see that it will, what you call it, encourage your market price also, Sir. In this connection, I also inform the shareholders and this forum, recently in the last week, I am privileged to see the ET Now presentation of Mr. Anuj Puri about Hilton Hotels and it was very happy and very, very well presented, Sir, and I'm thanking for that. And I request you to consider what is possible, Sir. Thank you.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thank you, Sir.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you, Sir. Can I request Abhishek to take the three questions around Balance Sheet and interest?

**Mr. Abhishek Agrawal - Interim Chief Financial Officer, Embassy REIT:**

Thank you, Aravind. So, Sir, on your first question regarding the Current Liability and Current Asset and the investment, so if you see in the Current Liability portion whatever is coming as borrowings those, as we explained earlier, are the current maturity of long-term borrowings. Basically, these were long term debentures, which is now coming up for maturity in the latter half of the year which is around Q3 and Q4. Hence, we have disclosed it as 'Current Liability'. We are confident because of the reasons mentioned earlier that we will be able to refinance these loans and then we will take a long-term loan when it moves to Non-Current Liability.

In respect of your question regarding investment, which is coming in the Balance Sheet, these are basically investment which we had done during Q1 of the last year where we had invested in the debentures of a joint venture entity which was actually used to acquire the assets by the joint venture entity.

Now, on the Finance Cost that you were mentioning on page number 128, if you see the Finance Cost has actually increased by 147 crores from 828 crores to 976 crores. This cost actually increased because of two reasons. One, during the last year and current year we have actually delivered 2 hotels, completed 2 buildings and we are also constructing, as Aravind mentioned earlier, 7.9 million square feet of office. So, for this, we had taken a loan for which this capitalization has now reduced because of the capitalization of the asset. So, borrowing cost capitalization has reduced, hence the borrowing cost. Also, the interest rate has increased, as you know, during the last year.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you, Abhishek. If I can just take one more point on the market related measures. I'll look at that point a little differently and say, Sir, that we as an organization are committed to increasing the retail Unitholder base. We have undertaken some measures around retail awareness, going to different cities to spread the message around this product, what is REIT and how it is beneficial to retail Unitholders . We'll continue to do that during the later part of the year.

And, lastly, we take on board your suggestions, Sir, around hotel coupons. We'll see what we can do in future. Thank you.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Any more questions from the audience? Please Sir. Can you give him the mic? Just get, get it to him.

**Speaker Unitholder:**

Sorry. Very quickly regarding the market sentiment, isn't changing the CEO every year affect the market sentiment?

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Jitu, you want to take this?

**Mr. Jitendra Virwani – Chairman & Non-Executive Director, Embassy REIT:**

So, I don't think we've changed the CEO every year but you know...I mean, I think, it's a more positive for the REIT. I mean Vikaash anyway, actually, I'd like to take this opportunity to thank Vikaash for his contribution to the REIT and also he spent 12 years between Blackstone and the Embassy REIT. So, I think, it was just his personal decision to move on. And I think, you know, we are very happy to have Aravind, who was earlier the CFO of the REIT and as the management, as Board of directors we feel that Aravind will really take the REIT to greater heights. So, I don't think that that has anything to do with the market but it's just been that, you know, office space in America has been a little down and most of our investors are funds from America. So, that's why the outlook towards office space a little different.

Three weeks back Aditya and me were in Singapore and Meeting a lot of P's and all the P's who have their investment committees in America are actually constrained of investing in office space, but all the Asian companies are actually looking to invest a lot in office space and, generally, as you can see on the ground and the results over here there's a huge growth. So, I think the market sentiment has nothing to do with the management. We have a really strong 110-member team.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Yeah, 120 odd.

**Mr. Jitendra Virwani – Chairman & Non-Executive Director, Embassy REIT:**

120-member team who is committed and as you can see from the presentation that all the governance involved, all the compliance done in the REIT. It's world class. So, I think, we probably maybe in the next AGM which will start at 12o'clock maybe it will be better for you to notice what we do.

**Mr. Aravind Maiya - Chief Executive Officer of Embassy REIT:**

Thank you, Jitu.

**Ms. Shwetha Reddy – Head of Marketing and PR of Embassy REIT:**

Thank you. And, yes, thank you again for being here and you're please welcome to get in touch with us at the Investor Relations Department of Embassy REIT at [ir@embassyofficeparks.com](mailto:ir@embassyofficeparks.com) and we will obviously respond to all of you.

I would now pass it over to Ms. Vinitha Menon, our Compliance Officer and Company Secretary, to take over compliance matters and resolutions.

**Ms. Vinitha Menon - Company Secretary & Compliance Officer, Embassy REIT:**

Thank you, Shweta. Good morning, Unitholders. Pursuant to the SEBI circular dated January 12, 2023 REITs are allowed to hold an Annual Meeting through other audio visual mode without the physical presence of Unitholders at a common venue. In order to enable the Unitholders to avail the benefit of physical participation, we are conducting this Annual Meeting through physical presence at this venue and also through video conferencing mode in compliance with the SEBI circular dated January 12th, 2023.

In compliance with the provisions of SEBI REIT regulations, we have extended remote E-voting facility through NSDL to the Unitholders to transact the business set out in the notice of Annual Meeting. The said facility was available from Saturday, July 8th from 9a.m. to Tuesday, July 11th 5p.m.

We have received resolutions for representations from 216 corporate entities holding 31,846,344 REIT units representing 33.59% of Embassy's REIT's total voting power.

The relevant documents for inspection, as mentioned in the notice of the Annual Meeting, shall remain open and accessible to the Unitholders for inspection during the course of this Meeting. The Unitholders can also request for an extract of the same by sending a request mentioning their name, Demat account number and mobile number to [secretarial@embassyofficeparks.com](mailto:secretarial@embassyofficeparks.com).

The notice dated June 14, 2023 convening this Fifth Annual Meeting along with the audited standalone financial statements and audited consolidated financial statements of Embassy REIT as it and for the financial year ended March 31st, 2023 together with the report of the auditors and report of the performance of Embassy REIT has been made available to you in advance of this Meeting. With your and chairman's permission, I shall take them as read.

The Auditor's report did not have any qualifications. With the concurrence of the Unitholders and the Chairman, I shall take the same as read.

Ms. Rupal D. Jhaveri, Practicing Company Secretary, has been appointed as a scrutinizer for scrutinizing the remote E-voting facility as well as the E-voting at this Annual Meeting in a fair and transparent manner.

Unitholders who have not cast their votes by availing the remote E-voting facility and who are present in the Meeting physically or virtually will have an opportunity to cast their votes through an electronic voting system. Unitholders may, please, note that there will be no voting by show of hands. Unitholders present virtually and who have not yet cast their vote can do so through the electronic voting system in the manner described in the notice of the Annual Meeting. Unitholders present physically can use the E-voting desk which is set up outside the hall.

The results would be declared after considering the E-voting during the Annual Meeting and the remote E-voting already done. The results will be submitted to the Stock Exchanges within two working days of the conclusion of this Meeting and the relevant resolutions will be deemed to be passed on the date of this Meeting subject to the receipt of requisite quorum, requisite number of votes in favor of the relevant resolutions. The results declared along with the scrutinizer's report would be placed on the websites of Embassy REIT and NSDL. The recorded transcript of this Meeting shall also be made available on our website.

With your permission, I now take up the resolutions which require Unitholders approval. I request one of the Unitholders to propose Item Number One and another Unitholder to second it.

**Mr. Manjunath - Unitholder:**

*Manjunath.*

**Mr. Ashok Chakraborty - Unitholder:**

*Ashok Chakraborty.*

**Ms. Vinitha Menon - Company Secretary & Compliance Officer, Embassy REIT:**

Thank you.

Item Number One of the notice to be passed with simple majority relating to the consideration, approval and adoption of the audited standalone financial statements and audited consolidated financial statements of Embassy REIT as it and for the financial year ended March 31<sup>st</sup>, 2023 together with the report of the statutory auditors thereon and the report of the performance of Embassy REIT. The text of the resolutions along with the notes is provided in the notice circulated to Unitholders .

I request one of the Unitholders to propose Item Number Two.

**Mr. Ashok Chakraborty - Unitholder:**

Ashok Chakraborty.

**Ms. Vinitha Menon - Company Secretary & Compliance Officer, Embassy REIT:**

And another Unitholder to second it.

**Mr. Manjunath - Unitholder:**

Manjunath

**Ms. Vinitha Menon - Company Secretary & Compliance Officer, Embassy REIT:**

Thank you. Item Number Two of the notice to be passed with simple majority relating to the consideration, approval and adoption of the valuation report issued by IVAS Partners represented by Mr. Manish Gupta, Partner, for the valuation of Embassy REIT's portfolio as at March 31<sup>st</sup>, 2023 with value assessment services provided by CBRE South Asia Private Limited. The text of the resolutions with the notes is provided in the notice circulated to the Unitholders .

I request one of the Unitholder to propose Item Number Three.

**Mr. Aditya K - Unitholder:**

*Aditya K*

**Ms. Vinitha Menon - Company Secretary & Compliance Officer, Embassy REIT:**

And another Unitholder to second it.

**Sachin - Unitholder:**

*Sachin*

**Ms. Vinitha Menon - Company Secretary & Compliance Officer, Embassy REIT:**

Thank you. Item Number Three of the notice to be passed with simple majority relating to the consideration and approval for the appointment of the Valuer and Value Assessment Service Provider for the financial years 2023-24 to 2026-27. The text of the resolutions, the notes and the brief profile of the Valuer and Value Assessment Service Provider is provided in the notice circulated to Unitholders .

I now request Mr. Jitu Virwani, the Chairman of today's Annual Meeting, for his concluding remarks.

**Mr. Jitendra Virwani – Chairman & Non-Executive Director, Embassy REIT:**

With this, the Fifth Annual Meeting of the Embassy REIT comes to a conclusion. I want to thank all the Unitholders for their presence and involvement. My sincere thanks to the Board of Directors and the management team and to all the Unitholders present here today in the room and virtually and also to those who couldn't join us today but thanks for being part of our journey. We remain fully committed to the business and to deliver to our Unitholders .

I now authorize Mrs. Vinitha Menon, Company Secretary, to conduct the voting procedure and conclude the Meeting.

Unitholders who are present in the Meeting and who have not yet cast their votes can do so now by availing the remote E-voting facility. The E-voting facility will remain open for the next 15 minutes.

The requisite quorum was present throughout the Meeting. The results of the Annual Meeting will be announced by the Embassy REIT on or before July 14, 2023. Thank you, everyone. Have a wonderful day.

*(E-voting commences)*

**Ms. Vinitha Menon - Company Secretary & Compliance Officer, Embassy REIT:**

Voting desk is set up outside the hall. We have also commenced the high tea in the refreshment area outside the hall.

*(E-voting in progress)*

**Ms. Vinitha Menon - Company Secretary & Compliance Officer, Embassy REIT:**

I would like to thank all Unitholders for joining today's Meeting. This concludes today's Fifth Annual Meeting of Embassy REIT. Thank you.

**END OF TRANSCRIPT**