

Reference	EOP/ESG/BP/01	Version: August 06, 2018
Policy Title	Borrowing Policy	
Entity	Embassy Office Parks Management Services Private Limited (“ Company ”/ “ Manager ”) in its capacity as the Manager of Embassy Office Parks Real Estate Investment Trust (“ Embassy REIT ”)	

Revision History		
Version #	Version Date	Change Type
V1	August 06, 2018	Created

Document Review Cycle			
#	Effective Date	Next review date	Policy Owner
1	August 06, 2018	Q4 Board Meeting Date of the Manager of every Financial Year	Chief Financial Officer

Applicability	This document applies to the Manager, in relation to the borrowings and indebtedness of the Embassy REIT, its special purpose vehicles (“ SPVs ”), Holding Company (“ Holdco ”), Golflinks Software Park Private Limited (“ Investment Entity ”).		
Introduction & Purpose	(a)	Pursuant to the Investment Management Agreement dated June 12, 2017, Embassy Office Parks Management Services Private Limited (“ Manager ”) has been empowered by the Embassy REIT to borrow monies on behalf of the Trust, its SPVs, Holdco and the Investment Entity, in its capacity as Manager of the Trust in order to meet any liabilities, for undertaking any investments/acquisitions or meet any other obligations of the Trust its SPVs, Holdco and the Investment Entity.	
	(b)	This policy is framed in accordance with Securities and Exchange Board of India (Real Estate Investment Trust) Regulations, 2014, as amended, including any guidelines, circulars, notifications and clarifications framed or issued thereunder (“ REIT Regulations ”) to outline the process for borrowing monies in relation to the Trust.	
Key Terms	(a)	The Manager shall ensure that all funds borrowed in relation to the Embassy REIT are in compliance with the REIT Regulations.	
	(b)	The Manager may cause the Embassy REIT to borrow or incur financial indebtedness for the	
	(c)	purpose of the Embassy REIT and subject to requisite approval of the board of directors of the Manager, the Investment Committee of the Manager or such committee of the board of directors of the Manager as may be constituted in this regard and the unitholders of the Embassy REIT (“ Unitholders ”) in accordance with the REIT Regulations.	
	(d)	The Manager shall ensure that if the value of funds borrowed from related parties in a fiscal, exceeds 10% of the total consolidated borrowings of the Embassy REIT, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any related party, in accordance with Regulation 22 of the REIT Regulations and the request for such approval shall be accompanied by a transaction document.	
	(e)	The Embassy REIT (acting through its Manager) shall be permitted to borrow monies through any permitted means, by any instrument, in Indian or foreign currency, as permitted by applicable law, including as prescribed by the Reserve Bank of India. In case the Embassy REIT issues debt securities, the same shall	

	<p>be listed on a recognized stock exchange and it shall comply with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) dated 13th April, 2018 issued by Securities and Exchange Board of India (“SEBI”).</p> <p>In accordance with Regulation 20(3) of the REIT Regulations, if the aggregate consolidated borrowings and deferred payments of the Embassy REIT, net of cash and cash equivalents exceed 25% of the value of the Embassy REIT’s assets, for any further borrowing, (a) credit rating shall be obtained from a credit rating agency registered with SEBI; and (b) approval from Unitholders shall be obtained in the manner specified under Regulation 22 of the REIT Regulations.</p>
	<p>(f) The Embassy REIT (acting through its Manager) also has the power to create, mortgage or secure any of its assets or provide guarantees/ indemnities in order to borrow funds. However, the Manager shall not be allowed to create any obligation which would allow the liabilities to extend beyond the assets held by the Embassy REIT and in accordance with Regulation 20(2) of the REIT Regulations, the aggregate consolidated borrowings and deferred payments of the Embassy REIT, Holdco, SPVs and the Investment Entity, net of cash and cash equivalents shall never exceed 49% of the value of the Embassy REIT assets.</p>
	<p>(g) If either of the conditions (as specified above) in relation to the aggregate consolidated borrowings of the Embassy REIT are breached on account of market movements of the price of the underlying assets or securities, the Manager shall inform the trustee of the Embassy REIT at the earliest and ensure that such condition is satisfied within six months of the breach, in accordance with the REIT Regulations.</p>
	<p>(h) The Manager shall disclose to the designated stock exchanges, details of the additional borrowing, at the level of the Investment Entity or Holdco or SPVs or Embassy REIT, resulting in such borrowing exceeding 5 per cent of the value of Embassy REIT assets during the year.</p>
	<p>(i) Any such obligation will not allow the Manager to make the liabilities of the Embassy REIT or its Unitholders unlimited.</p>
	<p>(j) In addition to the above, any borrowing by the SPVs, Holdco or the Investment Entity will be in accordance with the conditions prescribed under applicable law</p>
	<p>(k) Any variation to the Borrowing Policy shall be only with the approval of the Unitholders.</p>
	<p>Notwithstanding the above, the Borrowing Policy will stand amended to the extent of any change in applicable law, including any amendment to the REIT Regulations, without any action from the Manager or approval of the Unitholders.</p>