

## **Review Report**

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

### **Introduction**

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

### **Scope of Review**

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

## **Conclusion**

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Condensed Standalone Interim Ind AS Financial Statements have not been prepared in all material respects in accordance with the requirements of Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and the relevant requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with the SEBI Circular, to the extent applicable.

## **Other Matters**

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

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

per Adarsh Ranka  
Partner  
Membership No.: 209567

UDIN: 19209567AAAAFG1494

Place: Bangalore, India  
Date: November 11, 2019

**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 30 September 2019 (Unaudited)	As at 31 March 2019 (Audited)	As at 1 April 2018 (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Financial assets				
- Investments	3	187,449.64	187,449.64	-
- Loans	4	63,692.73	4,712.93	-
Non-current tax assets (net)	5	9.64	-	-
<b>Total non-current assets</b>		<b>251,152.01</b>	<b>192,162.57</b>	-
<b>Current assets</b>				
Financial assets				
- Investments	6	6,737.41	-	-
- Cash and cash equivalents	7	47.33	42,818.53	-
- Loans	8	700.00	-	-
- Other financial assets	9	6.98	-	-
Other current assets	10	50.12	-	-
<b>Total current assets</b>		<b>7,541.84</b>	<b>42,818.53</b>	-
<b>Total assets</b>		<b>258,693.85</b>	<b>234,981.10</b>	-
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Unit capital	11	229,120.96	229,039.26	-
Other equity	12	(1,473.20)	(94.47)	-
<b>Total equity</b>		<b>227,647.76</b>	<b>228,944.79</b>	-
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	13	30,879.90	-	-
<b>Total non-current liabilities</b>		<b>30,879.90</b>	-	-
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables	14			
- total outstanding dues of micro and small enterprises		-	-	-
- total outstanding dues of creditors other than micro and small enterprises.		49.48	-	-
- Other financial liabilities	15	116.71	6,036.31	-
<b>Total current liabilities</b>		<b>166.19</b>	<b>6,036.31</b>	-
<b>Total equity and liabilities</b>		<b>258,693.85</b>	<b>234,981.10</b>	-
<b>Significant accounting policies</b>	2			

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

As per our report of even date attached

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

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

Sd/-  
**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Bengaluru  
Date: 11 November 2019

Sd/-  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Bengaluru  
Date: 11 November 2019

Sd/-  
**Tuhin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: 11 November 2019

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 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019	For the quarter and half year ended 30 September 2018	For the half year ended 31 March 2019	For the year ended 31 March 2019 *
	( Unaudited )	( Unaudited )	( Unaudited )	(Unaudited refer Note 29)	(Unaudited refer Note 29)	( Audited )
<b>Income and gains</b>						
Dividend	112.12	-	112.12	-	-	-
Interest	2,121.99	1,832.12	3,954.11	-	-	-
Other income	51.88	10.18	62.06	-	-	-
<b>Total Income</b>	<b>2,285.99</b>	<b>1,842.30</b>	<b>4,128.29</b>	-	-	-
<b>Expenses</b>						
Valuation expenses	2.36	2.36	4.72	-	-	-
Audit fees	3.30	0.30	3.60	-	1.19	1.19
Insurance expenses	-	-	-	-	-	-
Management fees	61.45	42.00	103.45	-	-	-
Trustee fees	0.74	0.74	1.48	-	-	-
Legal and professional fees	3.59	11.14	14.73	-	-	-
Other expenses	3.17	-	3.17	-	93.28	93.28
	<b>74.61</b>	<b>56.54</b>	<b>131.15</b>	-	<b>94.47</b>	<b>94.47</b>
<b>Earnings/ (loss) before finance costs, depreciation, amortisation and income tax</b>						
Finance costs	2,211.38	1,785.76	3,997.14	-	(94.47)	(94.47)
Depreciation and amortisation expense	696.35	468.66	1,165.01	-	-	-
	-	-	-	-	-	-
<b>Profit/ (loss) before income tax</b>	<b>1,515.03</b>	<b>1,317.10</b>	<b>2,832.13</b>	-	<b>(94.47)</b>	<b>(94.47)</b>
<b>Tax expense:</b>						
Current tax	38.96	4.91	43.87	-	-	-
Deferred tax charge	-	-	-	-	-	-
	<b>38.96</b>	<b>4.91</b>	<b>43.87</b>	-	-	-
<b>Profit/ (loss) for the period / year</b>	<b>1,476.07</b>	<b>1,312.19</b>	<b>2,788.26</b>	-	<b>(94.47)</b>	<b>(94.47)</b>
<b>Items of other comprehensive income</b>						
Items that will not be reclassified subsequently to profit or loss						
- Remeasurements of defined benefit liability, net of tax						
	-	-	-	-	-	-
<b>Total comprehensive income for the period/ year</b>	<b>1,476.07</b>	<b>1,312.19</b>	<b>2,788.26</b>	-	<b>(94.47)</b>	<b>(94.47)</b>
<b>Earning per unit - refer Note 21</b>						
Basic	1.91	1.70	3.61	-	(5.22)	(5.22)
Diluted	1.91	1.70	3.61	-	(5.22)	(5.22)

**Significant accounting policies**

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

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

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

Sd/-  
**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Bengaluru  
Date: 11 November 2019

Sd/-  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Bengaluru  
Date: 11 November 2019

Sd/-  
**Tuhin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: 11 November 2019

**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 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019	For the quarter and half year ended 30 September 2018	For the half year ended 31 March 2019	For the year ended 31 March 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited refer Note 29)	(Unaudited refer Note 29)	(Audited)
<b>Cash flows from operating activities</b>						
<b>Profit/ (loss) before income tax</b>	1,515.03	1,317.10	2,832.13	-	(94.47)	(94.47)
<i>Adjustments:</i>						
Interest income	(2,121.99)	(1,832.12)	(3,954.11)	-	-	-
Net changes in fair value of financial assets	3.64	(9.42)	(5.78)	-	-	-
Dividend	(112.12)	-	(112.12)	-	-	-
Gain / (loss) on liquid mutual funds	(55.02)	-	(55.02)	-	-	-
Finance costs	696.35	468.66	1,165.01	-	-	-
<b>Operating cash flows before working capital changes</b>	<b>(74.11)</b>	<b>(55.78)</b>	<b>(129.89)</b>	<b>-</b>	<b>(94.47)</b>	<b>(94.47)</b>
Changes in:						
Other current assets	(23.68)	(26.44)	(50.12)	-	-	-
Other current and non-current liabilities and provisions	(42.02)	42.02	-	-	-	-
Other current financial liabilities	(28.39)	(32.92)	(61.31)	-	125.97	125.97
Other financial assets	(6.30)	-	(6.30)	-	-	-
Trade payables	49.18	0.30	49.48	-	-	-
<b>Cash (used in)/ generated from operation</b>	<b>(125.32)</b>	<b>(72.82)</b>	<b>(198.14)</b>	<b>-</b>	<b>31.50</b>	<b>31.50</b>
Income taxes paid, net	(47.75)	(5.76)	(53.51)	-	-	-
<b>Net cash (used in)/ generated from operating activities</b>	<b>(173.07)</b>	<b>(78.58)</b>	<b>(251.65)</b>	<b>-</b>	<b>31.50</b>	<b>31.50</b>
<b>Cash flow from investing activities</b>						
Loans given to subsidiaries (SPVs)	(1,890.00)	(64,675.60)	(66,565.60)	-	(4,681.93)	(4,681.93)
Loans repaid by subsidiaries (SPVs)	2,906.30	3,980.00	6,886.30	-	-	-
Investment in subsidiary (SPV)	-	(3,450.00)	(3,450.00)	-	-	-
Investment in debentures of joint venture	-	(2,500.00)	(2,500.00)	-	-	-
Redemption of debentures issued by joint venture	439.10	429.91	869.01	-	-	-
Interest received	2,121.31	1,832.12	3,953.43	-	-	-
Dividend received	112.12	-	112.12	-	-	-
Redemption / (Investments) in mutual funds, (net)	322.01	(5,367.63)	(5,045.62)	-	-	-
<b>Net cash generated from/(used in) investing activities</b>	<b>4,010.84</b>	<b>(69,751.20)</b>	<b>(65,740.36)</b>	<b>-</b>	<b>(4,681.93)</b>	<b>(4,681.93)</b>

Embassy Office Parks REIT

RN: IN/REIT/17-18/0001

Condensed Standalone Statement of Cash Flows ( continued )

(all amounts in Rs. million unless otherwise stated)



	For the quarter ended 30 September 2019 (Unaudited)	For the quarter ended 30 June 2019 (Unaudited)	For the half year ended 30 September 2019 (Unaudited)	For the quarter and half year ended 30 September 2018 (Unaudited refer Note 29)	For the half year ended 31 March 2019 (Unaudited refer Note 29)	For the year ended 31 March 2019 (Audited)
<b>Cash flow from financing activities</b>						
Proceeds from issue of units	-	-	-	-	47,499.96	47,499.96
Expenses incurred towards Initial Public Offering	(63.68)	(2,263.41)	(2,327.09)	-	-	-
Proceeds from Issue of Non-convertible debentures	-	30,000.00	30,000.00	-	-	-
Non-convertible debentures issue expenses (Net of reimbursements)	74.94	(360.05)	(285.11)	-	-	-
Distribution to unit holders	(4,166.99)	-	(4,166.99)	-	-	-
Security deposits given	-	-	-	-	(31.00)	(31.00)
<b>Net cash (used in)/generated from financing activities</b>	<b>(4,155.73)</b>	<b>27,376.54</b>	<b>23,220.81</b>	<b>-</b>	<b>47,468.96</b>	<b>47,468.96</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(317.96)</b>	<b>(42,453.24)</b>	<b>(42,771.20)</b>	<b>-</b>	<b>42,818.53</b>	<b>42,818.53</b>
Cash and cash equivalents at the beginning of the year / period	365.29	42,818.53	42,818.53	-	-	-
<b>Cash and cash equivalents at the end of the period/ year</b>	<b>47.33</b>	<b>365.29</b>	<b>47.33</b>	<b>-</b>	<b>42,818.53</b>	<b>42,818.53</b>
<b>Cash and cash equivalents comprise:</b>						
Cash on hand	-	-	-	-	-	-
Balances with banks						
- in current accounts	47.33	315.99	47.33	-	0.50	0.50
- in escrow accounts	-	49.30	-	-	42,818.03	42,818.03
<b>Cash and cash equivalents at the end of the period/ year (refer note 7)</b>	<b>47.33</b>	<b>365.29</b>	<b>47.33</b>	<b>-</b>	<b>42,818.53</b>	<b>42,818.53</b>

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.

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

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

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

Sd/-  
**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Bengaluru  
Date: 11 November 2019

Sd/-  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Bengaluru  
Date: 11 November 2019

Sd/-  
**Tuhin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: 11 November 2019

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



**A. Unit Capital**

<b>Balance as on 1 April 2018</b>	-
Add: Units issued during the year - refer Note: 11	231,499.60
Less: Issue expenses	(2,460.34)
<b>Balance as at 31 March 2019</b>	<b>229,039.26</b>
<b>As at 1 April 2019</b>	229,039.26
Add: Reversal of issue expenses no longer payable	81.70
<b>Balance as at 30 September 2019</b>	<b>229,120.96</b>

**B. Other equity**

<b>Particulars</b>	<b>Retained Earnings</b>
<b>Balance as on 1 April 2018</b>	-
Profit/ (loss) for the year	(94.47)
<b>Balance as at 31 March 2019</b>	<b>(94.47)</b>
Balance as on 1 April 2019	(94.47)
Profit for the half-year ended 30 September 2019	2,788.26
Less : Distribution to unitholders for the quarter ended 30 June 2019*	(4,166.99)
<b>Balance as at 30 September 2019</b>	<b>(1,473.20)</b>

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

As per our report of even date attached

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

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

Sd/-  
**Adarsh Ranka**  
Partner  
Membership number: 209567  
Place: Bengaluru  
Date: 11 November 2019

Sd/-  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Bengaluru  
Date: 11 November 2019

Sd/-  
**Tuhin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: 11 November 2019

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 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019
		(Unaudited)	(Unaudited)	(Unaudited)
1	Cash flows received from SPVs and investment entity in the form of:			
	• Interest	2,121.29	1,819.29	3,940.58
	• Dividends (net of applicable taxes)	112.12	-	112.12
	• Repayment of Shareholder Debt	2,495.40	2,409.91	4,905.31
	• 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	54.26	13.60	67.86
5	Less: Any other expense at the Trust level, and not captured herein	(3.17)	-	(3.17)
6	Less: Any fees, including but not limited to:			
	• Trustee fees	(0.74)	(0.74)	(1.48)
	• REIT Management Fees	(61.45)	(42.00)	(103.45)
	• Valuer fees	(2.36)	(2.36)	(4.72)
	• Legal and professional fees	(5.47)	(11.44)	(16.91)
	• Trademark license fees	(0.71)	-	(0.71)
	• Secondment fees	(0.71)	-	(0.71)
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)	(47.75)	(5.76)	(53.51)
	<b>Net Distributable Cash Flows</b>	<b>4,660.71</b>	<b>4,180.50</b>	<b>8,841.21</b>

**Notes:**

- The Board of Directors of the Manager to the Trust, in their meeting held on 11 November 2019, have declared distribution to unitholders of Rs 6 per unit which aggregates to Rs 4630 million for the quarter ended 30 September 2019. The distributions of Rs 6 per unit comprises Rs 2.7 per unit in the form of interest payment, Rs. 0.14 per unit in the form of dividend and the balance Rs 3.16 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 5.40 per unit for the quarter ended 30 June 2019 the cumulative distribution for half year ended 30 September 2019 aggregates to Rs. 11.40 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  
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: 11 November 2019

Sd/-  
**Jitendra Virwani**  
Director  
DIN: 00027674  
Place: Bengaluru  
Date: 11 November 2019

Sd/-  
**Tuhin Parikh**  
Director  
DIN: 00544890  
Place: Mumbai  
Date: 11 November 2019



## **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) (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')

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

<b>Name of the SPV</b>	<b>Activities</b>	<b>Shareholding (in percentage) upto 21 March 2019</b>	<b>Shareholding (in percentage) from 22 March 2019</b>
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% Pramsagar 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%

## **2. Significant accounting policies**

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

The Interim Condensed Standalone Financial Statements ('Condensed Standalone Financial statements') of the Trust comprises the Standalone Balance Sheet as at 30 September 2019, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flow, the Statement of Net Distributable Cashflows for the quarter and half year ended 30 September 2019, the Standalone Statement of Changes in Unitholder's Equity and a summary of significant accounting policies and select explanatory information for the half year ended 30 September 2019. The Condensed Standalone Financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 11 November 2019.

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 read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circular"); Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI Circular.

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

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

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

These Condensed Standalone Financial Statements for the quarter and half year ended 30 September 2019 are the financial statements of the Embassy Office Parks REIT and have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), to the extent not inconsistent with SEBI Circular.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

**e) Measurement of fair values**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**g) Foreign currency transactions**

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

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

liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

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

**h) Financial instruments**

**i) Recognition and initial measurement**

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

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

**ii) Classification and subsequent measurement**

*Financial assets*

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

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

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

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

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

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

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the



Embassy Office Parks REIT may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets: Business model assessment*

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

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

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

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

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

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

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

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

A prepayment feature is consistent with the solely payment of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount

or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets: Subsequent measurement and gains and losses*

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

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

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

**iii) Derecognition**

*Financial assets*

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

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

*Financial liabilities*

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

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

**iv) Offsetting**

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

**i) Compound financial instruments**

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

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

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

**j) Impairment of financial assets**

*Financial assets*

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

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

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

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

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

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

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

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

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

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

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

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

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

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

**k) Embedded derivatives**

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

**l) Financial guarantee contracts**

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

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

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

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

**Embassy Office Parks REIT as a lessee**

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

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

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

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

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

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

#### **Embassy Office Parks REIT as a lessor**

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

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

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

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

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

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

#### **Transition to Ind AS 116**

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

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

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

**n) Revenue recognition**

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

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

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

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

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

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

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

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

**p) Borrowing costs**

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

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

**q) Taxation**

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

(i) Current tax:

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

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

(ii) Deferred tax:

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

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

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

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

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

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

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



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

**r) Provisions and contingencies**

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

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

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

**s) Operating segments**

The objectives of 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 the Embassy Office Parks REIT operates in India only, hence no separate geographical segment is disclosed.

**t) Errors and estimates**

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

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

**u) Cash and cash equivalents**

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

**v) Cash distributions to unit holders**

The Embassy Office Parks REIT recognizes a liability to make cash distributions to unit holders 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 unit holders of the REIT by the weighted average number of units outstanding during the reporting period. The number of units used in computing diluted earnings/ (loss) per unit comprises the weighted average units considered for deriving basic earnings/ (loss) per unit and also the weighted average number of units which could have been issued on the conversion of all dilutive potential units.

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

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

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

Non-current assets

3 Non-current investments

Particulars	As at 30 September 2019	As at 31 March 2019	As at 1 April 2018
<b>Trade, unquoted, Investments in subsidiaries (at cost) (refer note i below)</b>			
- 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	-
- 405,940,204 (31 March 2019: 405,940,204) equity shares of Umbel Properties Private Limited of Rs.10 each, fully paid up	2,841.67	2,841.67	-
- 1,999 (31 March 2019: 1,999) equity shares of Embassy Energy Private Limited of Rs.10 each, fully paid up	732.79	732.79	-
	<b>187,449.64</b>	<b>187,449.64</b>	-

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

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

Name of Subsidiary	As at 30 September 2019	As at 31 March 2019	As at 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 30 September 2019	As at 31 March 2019	As at 1 April 2018
<b>Unsecured, considered good</b>			
Loan to subsidiaries- refer Note 23	63,661.23	4,681.93	-
Security deposits			
- others	31.50	31.00	-
	<b>63,692.73</b>	<b>4,712.93</b>	-

Security: Unsecured

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

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

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

5 Non-current tax assets (net)

Particulars	As at	As at	As at
	30 September 2019	31 March 2019	1 April 2018
Advance tax, net of provision for tax	9.64	-	-
	<b>9.64</b>	-	-

6 Current investments

Particulars	As at	As at	As at
	30 September 2019	31 March 2019	1 April 2018
<b>Non-trade, Unquoted, Investment in mutual funds</b>			
Aditya Birla Sunlife Liquid Fund - Growth Option	411.47	-	-
HDFC Liquid Fund-Growth Option	34.08	-	-
ICICI Prudential Liquid Fund-Growth Option	350.00	-	-
IDFC Cash Fund - Growth Direct Plan	2,252.96	-	-
Axis Liquid Fund - Growth Plan	2,057.91	-	-
<b>Trade, unquoted investments measured at amortised cost</b>			
- Investment in Debentures - (refer note (i) below)			
- of a joint venture entity - refer Note 23, 25 and 26	1,630.99	-	-
2,500 (31 March 2019: Nil) 8.5% debentures of Rs 1 million each (current portion).			
	<b>6,737.41</b>	-	-
<b>Investment measured at amortised cost</b>	<b>1,630.99</b>	-	-
<b>Investment measured at fair value through profit or loss</b>	<b>5,106.42</b>	-	-
<b>Investments measured at fair value through other comprehensive income</b>	-	-	-
<b>Aggregate amount of impairment recognised</b>	-	-	-

- i 1. 2500 (31 March 2019 : Nil) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of Rs.10,00,000.00 each. Outstanding as on 30 September 2019 Rs.1,630.99 million (31 March 2019:Nil).
2. Interest Rate : 8.50% p.a. on monthly outstanding balance.
3. Security : The debentures are secured by first ranking exclusive security interest over Torrey Pines building.
4. Redemption : Debentures shall be redeemed in 16 monthly instalment (principal and interest) of Rs. 160.00 million each and 17th instalment of Rs. 98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

7 Cash and cash equivalents

Particulars	As at	As at	As at
	30 September 2019	31 March 2019	1 April 2018
Cash on hand	-	-	-
Balances with banks			
- in current accounts	47.33	0.50	-
- in escrow accounts*	-	42,818.03	-
	<b>47.33</b>	<b>42,818.53</b>	-

\* Represents the balance Rs.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).

8 Loans

Particulars	As at	As at	As at
	30 September 2019	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Loan to subsidiaries- refer Note 23	700.00	-	-
	<b>700.00</b>	-	-

**Security:** Unsecured

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

**Repayment:** Bullet repayment 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).

9 Other financial assets

Particulars	As at	As at	As at
	30 September 2019	31 March 2019	1 April 2018
Interest accrued but not due- refer Note 23	0.68	-	-
Other receivables	6.30	-	-
	<b>6.98</b>	-	-

10 Other current assets

Particulars	As at	As at	As at
	30 September 2019	31 March 2019	1 April 2018
<i>Unsecured, considered good</i>			
Advance for supply of goods and rendering of services	-	-	-
Balances with government authorities	48.64	-	-
Prepaid expenses- refer Note 23	1.48	-	-
	<b>50.12</b>	-	-

## 11 Unit Capital

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

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital as at 31 March 2019 in accordance with Ind AS 32 Financial Instruments: Presentation. Further, during the half year ended 30 September 2019, excess provision no longer payable, has been reversed amounting to Rs.81.70 million.

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

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

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

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

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

Name of the SPV	Number of Units allotted for acquiring all the equity interest held in the SPVs				
	Embassy Sponsor	Blackstone Sponsor	Blackstone Sponsor group (excluding Blackstone Sponsor)	Minority shareholders in the SPVs	Total
MPPL	2,924,450	93,610,755	-	66,099,872	162,635,077
UPPL	6,725,285	-	-	2,746,948	9,472,233
EEPL	1,221,322	-	-	1,221,322	2,442,644
IENMPL	-	-	32,536,562	-	32,536,562
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
<b>Total number of Units issued</b>	<b>115,484,802</b>	<b>93,610,755</b>	<b>333,152,833</b>	<b>71,083,753</b>	<b>613,332,143</b>

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

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

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

## 12 Other Equity

Particulars	As at	As at	As at
	30 September 2019	31 March 2019	1 April 2018
Retained earnings *	2,693.79	(94.47)	-
Less : Distribution to unit holders	(4,166.99)	-	-
	<b>(1,473.20)</b>	<b>(94.47)</b>	-

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

### Retained earnings \*

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

## 13 Borrowings

Particulars	As at	As at	As at
	30 September 2019	31 March 2019	1 April 2018
<b>Secured</b>			
30,000 (31 March 2019 : Nil) EMBASSY REIT Series I NCD 2019 , face value of Rs.1,000,000 each (net of issue expenses, at amortised cost)	30,879.90	-	-
	<b>30,879.90</b>	-	-

### Note:

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

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

### Security terms

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

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

### Redemption terms:

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

### 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 "Provisional 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 and for the half year ended 30 September 2019
Asset cover ratio (refer a below)	9.62%
Debt -equity ratio (refer b below)	0.14
Debt-service coverage ratio (refer c below)	3.43
Interest-service coverage ratio (refer d below)	3.43
Net worth (refer e below)	227,647.76

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

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

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

**Current liabilities**

**14 Trade payables**

Particulars	As at 30 September 2019	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 23	48.29	-	-
- to others	1.19	-	-
	<b>49.48</b>	<b>-</b>	<b>-</b>

**15 Other financial liabilities**

Particulars	As at 30 September 2019	As at 31 March 2019	As at 1 April 2018
Other liabilities			
- to related party*	63.50	462.98	-
- to others**	53.21	5,573.33	-
	<b>116.71</b>	<b>6,036.31</b>	<b>-</b>

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

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

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**16 Interest Income**

	For the quarter ended 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019	For the quarter and half year ended 30 September 2018	For the half year ended 31 March 2019	For the year ended 31 March 2019
<b>Particulars</b>						
Interest income						
- on fixed deposits	-	12.84	12.84	-	-	-
- on debentures (refer note 23)	40.90	50.09	90.99	-	-	-
- on inter corporate deposit (refer note 23)	2,081.09	1,769.19	3,850.28	-	-	-
	<b>2,121.99</b>	<b>1,832.12</b>	<b>3,954.11</b>	-	-	-

**17 Other income**

	For the quarter ended 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019	For the quarter and half year ended 30 September 2018	For the half year ended 31 March 2019	For the year ended 31 March 2019
<b>Particulars</b>						
Gain / (loss) on liquid mutual funds *	51.38	9.42	60.80	-	-	-
Miscellaneous	0.50	0.76	1.26	-	-	-
	<b>51.88</b>	<b>10.18</b>	<b>62.06</b>	-	-	-

\* Includes net changes in fair value of mutual funds for quarter ended 30 September 2019 of Rs. (3.64) million and for half year ended 30 September 2019 Rs. 5.78 million.

**18 Other expenses**

	For the quarter ended 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019	For the quarter and half year ended 30 September 2018	For the half year ended 31 March 2019	For the year ended 31 March 2019
<b>Particulars</b>						
Bank charges	0.02	-	0.02	-	-	-
Rates and taxes	0.14	-	0.14	-	-	-
Travelling and conveyance	0.17	-	0.17	-	-	-
Printing and stationery	0.10	-	0.10	-	-	-
Selling and marketing expenses	2.30	-	2.30	-	93.28	93.28
Miscellaneous expenses	0.44	-	0.44	-	-	-
	<b>3.17</b>	-	<b>3.17</b>	-	<b>93.28</b>	<b>93.28</b>

**19 Finance costs**

	For the quarter ended 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019	For the quarter and half year ended 30 September 2018	For the half year ended 31 March 2019	For the year ended 31 March 2019
<b>Particulars</b>						
Interest expense						
- Accrual of premium on redemption of debentures	696.35	468.66	1,165.01	-	-	-
	<b>696.35</b>	<b>468.66</b>	<b>1,165.01</b>	-	-	-

Note: The debentures will be redeemed on 02 June 2022. (Refer note 13)

**20 Tax expense**

	For the quarter ended 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019	For the quarter and half year ended 30 September 2018	For the half year ended 31 March 2019	For the year ended 31 March 2019
<b>Particulars</b>						
Current tax	38.96	4.91	43.87	-	-	-
	<b>38.96</b>	<b>4.91</b>	<b>43.87</b>	-	-	-



**21 Earnings Per Unit (EPU)**

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

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

Particulars	For the quarter ended 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019	For the quarter and half year ended 30 September 2018	For the half year ended 31 March 2019	For the year ended 31 March 2019
Profit/ (loss) after tax for calculating basic and diluted EPU	1,476.07	1,312.19	2,788.26	-	(94.47)	(94.47)
Weighted average number of Units (No. in million)	771.67	771.67	771.67	-	18.10	18.10
Earnings Per Unit						
- Basic (Rupees/unit)	1.91	1.70	3.61	-	(5.22)	(5.22)
- Diluted (Rupees/unit)	1.91	1.70	3.61	-	(5.22)	(5.22)

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## 22 Commitments and contingencies

### a. Contingent liabilities

Particulars	As at 30 September 2019	As at 31 March 2019	As at 1 April 2018
Bank guarantees	20.00	20.00	-

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

### b. Statement of capital and other commitments

Particulars	As at 30 September 2019	As at 31 March 2019	As at 1 April 2018
Capital and other commitments	-	-	-

*(this space is intentionally left blank)*

**23 Related party disclosures**

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

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

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

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

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

Embassy Property Developments Private Limited  
Embassy One Developers Private Limited  
D M Estates Private Limited  
Embassy Services Private Limited  
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 Narayan Kaimal - CFO (w.e.f 6 August 2018)  
Periasamy Ramesh - Company Secretary (w.e.f 7 January 2019)

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

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

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

Embassy One Developers Private Limited  
Embassy Shelters Private Limited  
Mac Charles (India) Limited

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23 Related party disclosures

(ii) Transactions during the period / year

Particulars	For the quarter ended 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019	For the quarter and half year ended 30 September 2018	For the half year ended 31 March 2019	For the year ended 31 March 2019
<b>Unsecured loans given to</b>						
Quadron Business Park Private Limited	180.00	7,329.00	7,509.00	-	4,681.93	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	-	779.30	779.30	-	-	-
Vikhroli Corporate Park Private Limited	-	4,726.70	4,726.70	-	-	-
Galaxy Square Private Limited	-	2,549.80	2,549.80	-	-	-
Umbel Properties Private Limited	-	1,795.20	1,795.20	-	-	-
Indian Express Newspapers (Mumbai) Private Limited	810.00	2,954.00	3,764.00	-	-	-
Embassy Energy Private Limited	400.00	-	400.00	-	-	-
<b>Short term construction loan given</b>						
Manyata Promoters Private Limited	-	3,050.00	3,050.00	-	-	-
Oxygen Business Park Private Limited	500.00	-	500.00	-	-	-
<b>Investment in debentures</b>						
Golflinks Software Parks Private Limited	-	2,500.00	2,500.00	-	-	-
<b>Redemption of investment in debentures</b>						
Golflinks Software Parks Private Limited	439.10	429.91	869.01	-	-	-
<b>Unsecured loans repaid by</b>						
Embassy Office Parks Private Limited	450.00	110.00	560.00	-	-	-
Manyata Promoters Private Limited	1,120.00	1,250.00	2,370.00	-	-	-
Qubix Business Park Private Limited	65.00	80.00	145.00	-	-	-
Oxygen Business Park Private Limited	17.00	60.00	77.00	-	-	-
Earnest Towers Private Limited	129.30	190.00	319.30	-	-	-
Galaxy Square Private Limited	70.00	90.00	160.00	-	-	-
Indian Express Newspapers (Mumbai) Private Limited	25.00	200.00	225.00	-	-	-
Umbel Properties Private Limited	50.00	-	50.00	-	-	-
Vikhroli Corporate Park Private Limited	130.00	-	130.00	-	-	-
<b>Short term construction loan repaid by</b>						
Manyata Promoters Private Limited	750.00	2,000.00	2,750.00	-	-	-
Oxygen Business Park Private Limited	100.00	-	100.00	-	-	-
<b>Investment in equity shares of SPVs</b>						
Embassy Office Parks Private Limited	-	-	-	-	62,768.25	62,768.25
Manyata Promoters Private Limited	-	-	-	-	48,790.52	48,790.52
Quadron Business Park Private Limited	-	-	-	-	13,689.26	13,689.26
Oxygen Business Park Private Limited	-	-	-	-	12,308.89	12,308.89
Earnest Towers Private Limited	-	-	-	-	12,138.78	12,138.78
Vikhroli Corporate Park Private Limited	-	-	-	-	10,710.94	10,710.94
Qubix Business Park Private Limited	-	-	-	-	5,595.08	5,595.08
Galaxy Square Private Limited	-	-	-	-	4,662.50	4,662.50
Umbel Properties Private Limited	-	-	-	-	2,841.67	2,841.67
Indian Express Newspapers (Mumbai) Private Limited	-	-	-	-	13,210.97	13,210.97
Embassy Energy Private Limited	-	-	-	-	732.79	732.79

23 Related party disclosures

(ii) Transactions during the period / year

Particulars	For the quarter ended 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019	For the quarter and half year ended 30 September 2018	For the half year ended 31 March 2019	For the year ended 31 March 2019
<b>Margin money kept on behalf of Trust</b>						
Embassy Office Parks Management Services Private Limited	-	-	-	-	20.00	20.00
<b>Secondment fees</b>						
Embassy Office Parks Management Services Private Limited	0.35	0.35	0.71	-	-	-
<b>Management fees</b>						
Embassy Office Parks Management Services Private Limited	61.45	42.00	103.45	-	-	-
<b>Trademark license fees</b>						
Embassy Shelters Private Limited	0.35	0.35	0.71	-	-	-
<b>Trustee fee expenses</b>						
Axis Trustee Services Limited	0.74	0.74	1.48	-	-	-
<b>Miscellaneous Expenses</b>						
Mac Charles (India) Limited	0.48	-	0.48	-	-	-
<b>Travelling and conveyance</b>						
Quadron Business Park Private Limited	0.02	-	0.02	-	-	-
<b>Initial receipt from Co-sponsor - received / (repaid)</b>						
Embassy Property Development Private Limited	-	-	-	-	0.50	0.50
<b>Interest received</b>						
Quadron Business Park Private Limited	378.43	363.62	742.04	-	-	-
Embassy Office Parks Private Limited	179.84	180.56	360.41	-	-	-
Manyata Promoters Private Limited	885.74	612.58	1,498.31	-	-	-
Qubix Business Park Private Limited	97.53	98.01	195.54	-	-	-
Oxygen Business Park Private Limited	130.74	119.75	250.49	-	-	-
Earnest Towers Private Limited	18.31	24.02	42.33	-	-	-
Vikhroli Corporate Park Private Limited	148.92	145.69	294.61	-	-	-
Galaxy Square Private Limited	77.35	78.59	155.94	-	-	-
Umbel Properties Private Limited	56.56	55.33	111.89	-	-	-
Indian Express Newspapers (Mumbai) Private Limited	106.99	91.05	198.03	-	-	-
Embassy Energy Private Limited	0.68	-	0.68	-	-	-

23 Related party disclosures

(ii) Transactions during the period / year

Particulars	For the quarter ended 30 September 2019	For the quarter ended 30 June 2019	For the half year ended 30 September 2019	For the quarter and half year ended 30 September 2018	For the half year ended 31 March 2019	For the year ended 31 March 2019
<b>Interest received on debentures</b>						
Golflinks Software Parks Private Limited	40.89	50.09	90.99	-	-	-
<b>Reimbursement of expenses</b>						
Embassy Office Parks Private Limited	-	-	-	-	174.79	174.79
Manyata Promoters Private Limited	-	-	-	-	5.96	5.96
Qubix Business Park Private Limited	-	-	-	-	9.33	9.33
Oxygen Business Park Private Limited	-	-	-	-	9.11	9.11
Earnest Towers Private Limited	-	-	-	-	3.96	3.96
Vikhroli Corporate Park Private Limited	-	-	-	-	7.65	7.65
Quadron Business Park Private Limited	-	-	-	-	7.90	7.90
Galaxy Square Private Limited	-	-	-	-	9.10	9.10
Umbel Properties Private Limited	-	-	-	-	10.30	10.30
Embassy Energy Private Limited	-	-	-	-	6.15	6.15
Indian Express Newspapers (Mumbai) Private Limited	-	-	-	-	20.19	20.19
Embassy One Developers Private Limited	-	-	-	-	9.54	9.54
Embassy Office Parks Management Services Private Limited	47.70	-	47.70	-	157.50	157.50
<b>Dividend Received</b>						
Embassy Energy Private Limited	6.00	-	6.00	-	-	-
Indian Express Newspapers (Mumbai) Private Limited	7.87	-	7.87	-	-	-
Oxygen Business Park Private Limited	98.25	-	98.25	-	-	-
<b>Deposits paid on behalf of Trust</b>						
Embassy Office Parks Private Limited	-	-	-	-	31.00	31.00
<b>Issue of Unit capital</b>						
Embassy Property Development Private Limited	-	-	-	-	34,645.44	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	-	-	-	31,228.49	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	-	-	-	20.24	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	-	-	-	135.39	135.39
BRE/ Mauritius Investments	-	-	-	-	28,083.23	28,083.23
India Alternate Property Limited	-	-	-	-	11,834.10	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	-	-	-	7,770.49	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	-	-	-	1,941.58	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	-	-	-	38.24	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	-	-	-	10.66	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	-	-	-	8,548.39	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	-	-	-	2,130.08	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	-	-	-	20.36	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	-	-	-	12.10	12.10
BRE/Mauritius Investments II	-	-	-	-	13,689.26	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	-	-	-	4,454.94	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	-	-	-	1,112.97	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	-	-	-	21.13	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	-	-	-	6.04	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	-	-	-	9,798.86	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	-	-	-	2,448.42	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	-	-	-	48.25	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	-	-	-	13.36	13.36
BREP GML Holding (NQ) Pte. Limited.	-	-	-	-	3,712.50	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	-	-	-	927.45	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	-	-	-	17.54	17.54
BREP VII SBS GML Holding (NQ) Limited	-	-	-	-	5.01	5.01

23 Related party disclosures

(iii) Closing balances

Particulars	As at 30 September 2019	As at 31 March 2019	As at 1 April 2018
<b>Unsecured loan receivable (non-current)</b>			
Quadron Business Park Private Limited	12,190.93	4,681.93	-
Embassy Office Parks Private Limited	5,298.30	-	-
Manyata Promoters Private Limited	26,053.10	-	-
Qubix Business Park Private Limited	3,034.90	-	-
Oxygen Business Park Private Limited	3,953.30	-	-
Earnest Towers Private Limited	460.00	-	-
Vikhroli Corporate Park Private Limited	4,596.70	-	-
Galaxy Square Private Limited	2,389.80	-	-
Umbel Properties Private Limited	1,745.20	-	-
Indian Express Newspapers (Mumbai) Private Limited	3,539.00	-	-
Embassy Energy Private Limited	400.00	-	-
<b>Short term construction loan</b>			
Manyata Promoters Private Limited	300.00	-	-
Oxygen Business Park Private Limited	400.00	-	-
<b>Investment in Debentures (current)</b>			
Golflinks Software Parks Private Limited	1,630.99	-	-
<b>Investment in equity shares of subsidiary</b>			
Embassy Office Parks Private Limited	62,768.25	62,768.25	-
Manyata Promoters Private Limited	48,790.52	48,790.52	-
Quadron Business Park Private Limited	13,689.26	13,689.26	-
Oxygen Business Park Private Limited	12,308.89	12,308.89	-
Earnest Towers Private Limited	12,138.78	12,138.78	-
Vikhroli Corporate Park Private Limited	10,710.94	10,710.94	-
Qubix Business Park Private Limited	5,595.08	5,595.08	-
Galaxy Square Private Limited	4,662.50	4,662.50	-
Umbel Properties Private Limited	2,841.67	2,841.67	-
Indian Express Newspapers (Mumbai) Private Limited	13,210.97	13,210.97	-
Embassy Energy Private Limited	732.79	732.79	-
<b>Interest accrued but not due</b>			
Embassy Energy Private Limited	0.68	-	-
<b>Pre-paid expenses</b>			
Axis Trustee Services Limited	1.48	-	-
<b>Other Liabilities</b>			
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	8.52	20.19	-
Embassy One Developers Private Limited	-	9.54	-
Embassy Office Parks Management Services Private Limited	54.28	157.50	-
Embassy Shelters Private Limited	0.71	-	-
<b>Trade Payables</b>			
Embassy Office Parks Management Services Private Limited	47.81	-	-
Mac Charles (India) Limited	0.48	-	-
<b>Liability towards margin money kept on behalf of Trust</b>			
Embassy Office Parks Management Services Private Limited	20.00	20.00	-
<b>Initial refundable receipt from Co-sponsor</b>			
Embassy Property Development Private Limited	-	0.50	-

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)



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

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2019	Unutilised amount as at 31 March 2019	Actual utilisation upto 30 September 2019	Unutilised amount as at 30 September 2019
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of the Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes including issue expenses	5,718.07	-	5,718.07	5,718.07	-
<b>Total</b>	<b>47,500.00</b>	<b>4,681.93</b>	<b>42,818.07</b>	<b>47,500.00</b>	<b>-</b>

25 Financial instruments :

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	30 September 2019	30 September 2019	31 March 2019	31 March 2019
<b>Financial assets</b>				
<b>Fair value through profit and loss</b>				
Investments in mutual funds	5,106.42	5,106.42	-	-
<b>Amortised cost</b>				
Investments	1,630.99	-	-	-
Loans	64,392.73	-	4,712.93	-
Cash and cash equivalents	47.33	-	42,818.53	-
Other financial assets	6.98	-	-	-
<b>Total assets</b>	<b>71,184.45</b>	<b>5,106.42</b>	<b>47,531.46</b>	<b>-</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Borrowings	30,879.90	-	-	-
Other financial liabilities	116.71	-	6,036.31	-
Trade payables	49.48	-	-	-
<b>Total liabilities</b>	<b>31,046.09</b>	<b>-</b>	<b>6,036.31</b>	<b>-</b>

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

**Fair value hierarchy**

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

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

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

b) **Financial instruments**

Quantitative disclosures fair value measurement hierarchy for assets :

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value:</b>					
<b>FVTPL financial investments:</b>					
Investment in mutual funds	30 September 2019	5,106.42	5,106.42	-	-
Investment in mutual funds	31 March 2019	-	-	-	-

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

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

d) **Determination of fair values**

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

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

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



**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)

**26 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 30 September 2019	Unutilised amount as at 30 September 2019
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	29,150.00	29,150.00	-
General purposes including issue expenses	850.00	850.00	-
<b>Total</b>	<b>30,000.00</b>	<b>30,000.00</b>	<b>-</b>

27 The Condensed Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards 34 "Interim Financial Reporting" read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), to the extent not inconsistent with SEBI Circular. Accordingly, Embassy Office Parks REIT has prepared condensed standalone financial statements which comply with Ind AS applicable for half year ended 30 September 2019, together with the comparative period data as at and for the year ended 31 March 2019, as described in the summary of significant accounting policies. In preparing these condensed standalone financial statements, Embassy Office Parks REIT's opening balance sheet was prepared as at 1 April 2018, which is the date of transition to Ind AS. Further, the accompanying Condensed Standalone Financial Statements half year ended 30 September 2019 may require adjustment before constituting the final Ind AS financial statements as of and for the year ending 31 March 2020.

**28 Distributions**

The Board of Directors of the Manager has declared a distribution per unit of Rs 6 to the Unitholders of the REIT for the second quarter 1 July 2019 to 30 September 2019 in their Board meeting held on 11 November 2019. The distributions of Rs 6 per unit comprises Rs 2.7 per unit in the form of interest payment, Rs. 0.14 per unit in the form of dividend and the balance Rs 3.16 per unit in the form of amortization of SPV debt.

Along with distribution of Rs. 5.40 per unit for the quarter ended 30 June 2019 the cumulative distribution for half year ended 30 September 2019 aggregates to Rs. 11.40 per unit.

29 The figures for the corresponding quarter and half year ended 30 September 2018 and comparative half year ended 31 March 2019, as reported in these Condensed Standalone Financial Statements have been compiled by the management and approved by the Board of Directors to give a true and fair view of the results in accordance with Ind AS. This information has not been subject to any limited review or audit.

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

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

Firm's registration number: 101049W/E300004

for and on behalf of the Board of Directors of

**Embassy Office Parks Management Services Private Limited**

(as Manager to the Embassy Office Parks REIT)

Sd/-

**Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: 11 November 2019

Sd/-

**Jitendra Virwani**

Director

DIN: 00027674

Place: Bengaluru

Date: 11 November 2019

Sd/-

**Tuhin Parikh**

Director

DIN: 00544890

Place: Mumbai

Date: 11 November 2019