

Review Report

The Board of Directors

Embassy Office Parks Management Services Private Limited ("the Manager")

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

1st Floor, Embassy Point

150, Infantry Road

Bengaluru -560001

Introduction

1. We have reviewed the accompanying unaudited condensed consolidated interim Ind AS financial statements of Embassy Office Parks REIT (the "REIT"), its subsidiaries and a Joint venture (together referred as "the Group"), which comprise the unaudited condensed consolidated balance sheet as at June 30, 2021, the unaudited condensed consolidated statement of profit and loss, including other comprehensive income, unaudited condensed consolidated statement of Cash Flows and the unaudited condensed consolidated statement of changes in Unitholder's equity for the quarter ended June 30, 2021 and a summary of the significant accounting policies and select explanatory information (together hereinafter referred to as the "Condensed Consolidated Interim Ind AS Financial Statements").
2. The Condensed Consolidated Interim Ind AS Financial Statements are the responsibility of the Manager and has been approved by the Board of Directors of the Manager. The Condensed Consolidated Interim Ind AS Financial Statements are prepared in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder ("REIT Regulations"). Our responsibility is to issue a conclusion on the Condensed Consolidated Interim Ind AS Financial Statements based on our review.

Scope of Review

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

4. The Condensed Consolidated Interim Ind AS Financial Statements includes the financial information of the following entities:

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

Conclusion

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

Emphasis of Matter

6. We draw attention to note 44(iv) to the Condensed Consolidated Interim Ind AS Financial Statements which refers to the uncertainty in relation to two pending cases, as regards Property tax dues aggregating to Rs.3,418.89 million as at June 30, 2021 payable by MPPL, before judicial forums basis, previously raised demand notices by the local regulatory authority. Based on legal opinions obtained and pending outcome of such legal matter no provision has been made in these Condensed Consolidated Interim Ind AS Financial Statements. Our conclusion is not modified in respect to the above matter.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

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per Adarsh Ranka

Partner

Membership No.: 209567

UDIN: 21209567AAAAEY9230

Place: Bengaluru, India

Date: July 28, 2021

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



	Note	As at 30 June 2021 (Unaudited)	As at 31 March 2021 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	21,899.12	22,067.35
Capital work-in-progress	4	5,498.21	4,739.47
Investment property	5	271,409.87	272,345.76
Investment property under development	8	10,818.15	8,968.79
Goodwill	6	64,045.35	63,946.24
Other intangible assets	7	15,433.18	15,924.64
Equity accounted investee	9	24,057.80	24,118.57
Other financial assets	10	4,361.74	4,839.80
Deferred tax assets (net)	23	54.60	48.84
Non-current tax assets (net)	11	1,099.91	1,095.27
Other non-current assets	12	18,568.34	18,383.62
Total non-current assets		437,246.27	436,478.35
Current assets			
Inventories	13	10.17	10.80
Financial assets			
- Trade receivables	14	367.52	473.16
- Cash and cash equivalents	15A	6,738.22	9,174.78
- Other bank balances	15B	359.61	253.75
- Other financial assets	16	3,463.91	4,057.38
Other current assets	17	558.33	395.34
Total current assets		11,497.76	14,365.21
Total assets		448,744.03	450,843.56
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	18	288,262.11	288,262.11
Other equity	19	(20,590.59)	(17,331.44)
Total equity		267,671.52	270,930.67
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	20	64,679.68	106,023.33
- Lease liabilities		322.88	314.52
- Other financial liabilities	21	3,863.21	4,435.05
Provisions	22	5.00	5.79
Deferred tax liabilities (net)	23	53,032.07	53,296.43
Other non-current liabilities	24	515.58	685.26
Total non-current liabilities		122,418.42	164,760.38
Current liabilities			
Financial liabilities			
- Borrowings	25	43,987.04	199.58
- Lease liabilities		20.35	20.35
- Trade payables	26		
- total outstanding dues of micro and small enterprises		27.31	48.27
- total outstanding dues of creditors other than micro and small enterprises		109.66	392.62
- Other financial liabilities	27	12,967.51	12,517.90
Provisions	28	0.50	1.89
Other current liabilities	29	1,421.42	1,872.13
Current tax liabilities (net)	30	120.30	99.77
Total current liabilities		58,654.09	15,152.51
Total equity and liabilities		448,744.03	450,843.56

Significant accounting policies

2

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants

ICAI Firms registration number: 101049W/E300004

ADARSH RANKA Digitally signed by
ADARSH RANKA
Date: 2021.07.28
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per **Adarsh Ranka**
Partner

Membership number: 209567
Place: Bengaluru
Date: 28 July 2021

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

JITENDRA MOHANDAS S VIRWANI Digitally signed by
JITENDRA MOHANDAS VIRWANI
Date: 2021.07.28
12:07:39 +05'30'

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 28 July 2021

TUHIN ARVIND PARIKH Digitally signed by
TUHIN ARVIND PARIKH
Date: 2021.07.28
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Tuhin Parikh
Director
DIN: 00544890
Place: Portland, Maine
Date: 28 July 2021

Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Consolidated Statement of Profit and Loss
(all amounts in Rs. million unless otherwise stated)



	Note	For the quarter ended 30 June 2021 (Unaudited)	For the quarter ended 31 March 2021 (Audited)**	For the quarter ended 30 June 2020 (Unaudited)	For the year ended 31 March 2021 (Audited)
Income and gains					
Revenue from operations	31	7,376.43	7,386.59	5,162.26	23,603.20
Interest	32	236.98	250.93	284.59	971.20
Other income	33	54.01	65.35	45.47	214.06
Total Income		7,667.42	7,702.87	5,492.32	24,788.46
Expenses					
Cost of materials consumed	34	6.11	16.13	1.09	35.55
Employee benefits expense	35	53.15	58.37	59.71	225.48
Operating and maintenance expenses	36	122.61	147.36	54.11	413.81
Repairs and maintenance	38	722.71	781.84	285.74	1,794.20
Valuation expenses		4.39	2.66	2.21	8.45
Audit fees		15.62	13.70	10.39	49.26
Insurance expenses		30.75	27.75	14.29	81.90
Investment management fees		242.34	228.84	175.12	748.14
Trustee fees		0.74	0.70	0.79	2.95
Legal and professional fees		140.47	137.36	137.03	291.18
Other expenses	37	320.93	661.54	244.48	1,444.33
Total Expenses		1,659.82	2,076.25	984.96	5,095.25
Earnings before finance costs, depreciation, amortisation, impairment loss and tax		6,007.60	5,626.62	4,507.36	19,693.21
Finance costs	39	2,073.31	2,281.48	1,372.54	6,452.89
Depreciation expense	40	1,466.37	1,485.40	1,139.10	4,940.15
Amortisation expense	40	491.46	490.61	39.50	766.82
Impairment loss	3,5,6	-	988.96	-	988.96
Profit before share of profit of equity accounted investee and tax		1,976.46	380.17	1,956.22	6,544.39
Share of profit after tax of equity accounted investee		251.51	237.28	245.38	994.48
Profit before tax		2,227.97	617.45	2,201.60	7,538.87
Tax expense:					
Current tax	41	449.42	446.63	387.17	1,649.06
Deferred tax charge/ (credit)	41	(114.32)	(61.90)	(77.71)	(452.77)
Minimum alternate tax credit entitlement (MAT)	41	(156.18)	(234.81)	(150.25)	(640.95)
		178.92	149.92	159.21	555.34
Profit for the quarter/ year		2,049.05	467.53	2,042.39	6,983.53
Items of other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurements of defined benefit liability, net of tax		-	0.81	-	0.81
Total comprehensive income attributable to Unitholders for the quarter/ year		2,049.05	468.34	2,042.39	6,984.34
Earnings per Unit					
Basic, attributable to the Unitholders of the Trust		2.16	0.49	2.65	8.52
Diluted, attributable to the Unitholders of the Trust		2.16	0.49	2.65	8.52

** Refer note 55.

Significant accounting policies

2

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

**ADARSH
RANKA**

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ADARSH RANKA
Date: 2021.07.28
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per **Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: 28 July 2021

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)

**JITENDRA
MOHANDAS
S VIRWANI**

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JITENDRA
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Date: 2021.07.28
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Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 28 July 2021

**TUHIN
ARVIND
PARIKH**

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TUHIN ARVIND
PARIKH
Date: 2021.07.28
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Tuhin Parikh

Director

DIN: 00544890

Place: Portland, Maine

Date: 28 July 2021

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



	For the quarter ended 30 June 2021 (Unaudited)	For the quarter ended 31 March 2021 (Audited)**	For the quarter ended 30 June 2020 (Unaudited)	For the year ended 31 March 2021 (Audited)
Cash flow from operating activities				
Profit before share of profit of equity accounted investees and tax	1,976.46	380.17	1,956.22	6,544.39
Adjustments for non-cash and other adjustments:				
Depreciation expense	1,466.37	1,485.40	1,139.10	4,940.15
Amortisation expense	491.46	490.61	39.50	766.82
Assets no longer required, written off	-	1.16	4.19	1.16
Loss of sale of fixed assets	-	-	-	61.89
Allowance for credit loss	1.80	20.83	-	20.83
Liabilities no longer required written back	(4.84)	(0.08)	(4.59)	(4.68)
Profit on sale of mutual funds	(32.04)	(36.43)	(24.18)	(154.11)
Finance costs	2,073.31	2,281.48	1,372.54	6,452.89
Interest income	(236.98)	(221.30)	(272.97)	(871.21)
Fair value loss/(gain) on investment measured at FVTPL	-	-	3.00	3.00
Impairment loss recognised	-	988.96	-	988.96
Operating profits before working capital changes	5,735.54	5,390.80	4,212.81	18,750.09
Working capital adjustments				
- Inventories	0.63	(0.16)	0.50	2.02
- Trade receivables	115.09	(62.84)	0.59	(167.57)
- Loans and other financial assets (current and non-current)	929.77	308.71	(111.13)	(229.51)
- Other assets (current and non-current)	(178.40)	347.61	(49.64)	134.17
- Trade payables	(299.08)	280.68	(74.02)	177.28
- Other financial liabilities (current and non-current)	(185.16)	(418.05)	171.81	(216.60)
- Other liabilities and provisions (current and non-current)	(622.57)	188.01	87.74	811.60
Cash generated from operating activities before taxes	5,495.82	6,034.76	4,238.66	19,261.48
Taxes (paid)/ refunds received (net)	(433.15)	50.06	(252.46)	(556.54)
Cash generated from operating activities	5,062.67	6,084.82	3,986.20	18,704.94
Cash flow from investing activities				
(Investments)/ redemption of deposits with banks (net)	(62.08)	731.84	119.94	552.31
(Investments)/ redemption in mutual funds (net)	32.04	36.54	11,570.39	11,700.32
Repayment of investment in debentures	-	-	467.90	724.38
Payment for purchase of Investment Property, Property, Plant and Equipment and intangibles including Capital Work-in-progress and Investment Property under Development	(2,948.02)	(4,211.05)	(889.00)	(7,677.69)
Payment for acquisition of ETV business	-	(400.20)	-	(32,804.45)
Payment for acquisition of CAM business in EOPPL and MPPL	-	-	-	(4,730.21)
Dividend received	300.00	350.00	90.00	915.00
Interest received	235.85	214.77	276.30	907.03
Net cash flow generated from / (used in) investing activities	(2,442.21)	(3,278.10)	11,635.53	(30,413.31)
Cash flow from financing activities				
Interest paid	(1,180.67)	(1,340.36)	(284.35)	(3,698.75)
Repayments of borrowings	(5,177.41)	(26,365.58)	(48.29)	(40,451.82)
Proceeds from borrowings, (net of issue expenses)	6,609.43	28,762.40	340.15	44,303.50
Proceeds from issue of units	-	-	-	36,852.02
Transaction costs related to issue of units	-	(589.69)	-	(834.93)
Cash used in distribution to Unitholders	(5,308.37)	(4,312.52)	(5,316.59)	(18,370.92)
Payment of lease liabilities	-	(0.87)	-	(28.70)
Security deposits received	-	-	1.00	1.00
Net cash (used in) / generated from financing activities	(5,057.02)	(3,846.62)	(5,308.08)	17,771.40
Net increase/ (decrease) in cash and cash equivalents	(2,436.56)	(1,039.90)	10,313.65	6,063.03
Cash and cash equivalents at the beginning of the quarter/ year	9,174.78	10,214.68	3,111.75	3,111.75
Cash and cash equivalents at the end of the quarter/ year	6,738.22	9,174.78	13,425.40	9,174.78
Components of cash and cash equivalents (refer note 15A)				
Cash in hand	0.69	0.69	1.01	0.69
Balances with banks				
- in current accounts	6,705.11	9,068.79	5,992.02	9,068.79
- in escrow accounts	30.43	105.30	17.37	105.30
- in fixed deposits	1.99	-	7,415.00	-
	6,738.22	9,174.78	13,425.40	9,174.78

** Refer note 55.

Significant accounting policies (refer note 2)

In the previous year ended 31 March 2021, the Trust has issued 64,893,000 units through preferential allotment in exchange for acquisition of 40% stake in VTPL. The same has not been reflected in Consolidated Statement of Cash Flows since it was a non-cash transaction.

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

ADARSH RANKA
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Date: 2021.07.28 12:40:47 +05'30'

per **Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: 28 July 2021

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)

JITENDRA MOHANDA
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Date: 2021.07.28 12:08:41 +05'30'

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 28 July 2021

TUHIN ARVIND PARIKH
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Date: 2021.07.28 11:39:53 +05'30'

Tuhin Parikh

Director

DIN: 00544890

Place: Portland, Maine

Date: 28 July 2021

Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Consolidated Statement of Changes in Unitholder's Equity
(all amounts in Rs. million unless otherwise stated)



A. Unit Capital	No in Million	Amount
Balance as on 1 April 2020	771.67	229,120.96
Units issued during the year (refer Note 18)	176.23	59,999.35
Less: Issue expenses (refer Note 18)	-	(858.20)
Balance as at 31 March 2021	947.90	288,262.11
Balance as on 1 April 2021	947.90	288,262.11
Changes during the period	-	-
Balance as at 30 June 2021	947.90	288,262.11

B. Other equity	Retained Earnings
Balance as on 1 April 2020	(5,943.12)
Add: Profit for the year ended 31 March 2021	6,983.53
Add: Other Comprehensive Income for the year ended 31 March 2021	0.81
Less: Distribution to Unitholders during the year ended 31 March 2021*^	(18,372.66)
Balance as at 31 March 2021	(17,331.44)
Balance as on 1 April 2021	(17,331.44)
Add: Profit for the period ended 30 June 2021	2,049.05
Add: Other Comprehensive Income for the period ended 30 June 2021	-
Less: Distribution to Unitholders during the period ended 30 June 2021*^^	(5,308.20)
Balance as at 30 June 2021	(20,590.59)

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

^ The distribution for year ended 31 March 2021 does not include the distribution relating to the quarter ended 31 March 2021, as the same was paid subsequent to the year ended 31 March 2021.

^^ The distribution for quarter ended 30 June 2021 does not include the distribution relating to the quarter ended 30 June 2021, as the same will be paid subsequently.

As per our report of even date attached

for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firms registration number: 101049W/E300004

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ADARSH RANKA
Date: 2021.07.28
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per **Adarsh Ranka**

Partner

Membership number: 209567

Place: Bengaluru

Date: 28 July 2021

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Private Limited

(as Manager to Embassy Office Parks REIT)

JITENDRA MOHANDAS VIRWANI
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Date: 2021.07.28
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Jitendra Virwani

Director

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TUHIN ARVIND PARIKH
Date: 2021.07.28
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Tuhin Parikh

Director

DIN: 00544890

Place: Portland, Maine

Date: 28 July 2021

Embassy Office Parks REIT**Condensed Consolidated Financial Statements****Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016**

(all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016**Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016****(i) Embassy Office Parks REIT- Standalone**

Sl No	Particulars	For the quarter ended 30 June 2021
1	Cash flows received from SPVs/Holdcos and Investment Entity in the form of:	
	• Interest	1,821.86
	• Dividends (net of applicable taxes)	2,425.00
	• Repayment of Shareholder Debt (to the extent not repaid through debt or equity)	1,935.00
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-
2	Add: Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs/Holdcos/ Investment Entity 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) or any other relevant provisions of the REIT Regulations	-
3	Add: Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs /Holdcos/ Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) or any other relevant provisions of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-
4	Add: Any other income at the Embassy REIT level not captured herein	17.70
5	Less: Any other expense at the Embassy REIT level, and not captured herein (excluding acquisition related costs)	(16.49)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(0.74)
	• REIT Management Fees (to the extent not paid in Units)	(74.38)
	• Valuer fees	(4.40)
	• Legal and professional fees	(29.21)
	• Trademark license fees	(0.35)
	• Secondment fees	(0.40)
7	Less: Debt servicing (including principal, interest, redemption premium etc) of external debt at the Embassy REIT level, to the extent not paid through debt or equity	(717.82)
8	Less: Income tax (net of refund) and other taxes (if applicable) at the standalone Embassy REIT level	(6.13)
	Net Distributable Cash Flows at REIT level	5,349.64

Notes:

- The Board of Directors of the Manager to the Trust, in their meeting held on 28 July 2021, have declared distribution to Unitholders of Rs.5.64 per unit which aggregates to Rs.5,346.12 million for the quarter ended 30 June 2021. The distributions of Rs.5.64 per unit comprises Rs.1.13 per unit in the form of interest payment, Rs.2.51 per unit in the form of dividend and the balance Rs.2.00 per unit in the form of amortization of SPV debt.
- Interest accrued but not due on borrowings as at the quarter end are not considered for the purpose of distributions.
- NDCF for the quarter ended 30 June 2021 is computed in accordance with the revised NDCF framework. The Manager has made certain clarificatory amendments to the NDCF framework under the Distribution Policy to ensure that there is no ambiguity in computing the NDCF at Embassy REIT and SPV/Holdco level. The amended framework is approved by a special majority in the Unitholder's Meeting held on 8 July 2021 and is effective from 1 April 2021.

Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016



(all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

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

(i) Embassy Office Parks REIT- Standalone

SI No	Particulars	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
1	Cash flows received from SPVs and investment entity in the form of:			
	• Interest	1,852.56	1,709.81	7,077.90
	• Dividends (net of applicable taxes)	2,137.90	288.00	2,781.76
	• Repayment of Shareholder Debt	2,071.21	2,662.12	9,740.49
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-	-	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:			
	• Applicable capital gains and other taxes	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-
	• Directly attributable transaction costs	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-
4	Add: Any other income of the Trust and not captured herein	22.83	34.58	89.70
5	Less: Any other expense accruing at the Trust level and not captured herein	(31.65)	(20.83)	(93.56)
6	Less: Any fees, including but not limited to:			
	• Trustee fees	(0.74)	(0.80)	(2.95)
	• REIT Management Fees	(54.25)	(58.61)	(212.23)
	• Valuer fees	(2.65)	(2.21)	(8.45)
	• Legal and professional fees	(28.56)	(106.07)	(64.53)
	• Trademark license fees	(0.36)	(0.35)	(1.42)
	• Secondment fees	(0.36)	(0.35)	(1.42)
7	Less: Debt servicing			
	• Interest on external debt	(637.77)	-	(914.44)
	• Repayment of external debt	-	-	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(3.82)	(10.31)	(34.65)
	Net Distributable Cash Flows at REIT level	5,324.34	4,494.98	18,356.20

Notes:

1. Repayment of short-term construction debt given to SPVs and interest accrued but not due on borrowings as at the period/year end are not considered for the purpose of distributions.
2. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.
3. NDCF computed till 31 March 2021 is in accordance with the NDCF framework under the Distribution Policy as approved in the offer document by the unitholders.

Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Disclosure pursuant to SEBI circular No. CIR/MD/DF/146/2016
(all amounts in Rs. million unless otherwise stated)
Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/MD/DF/146/2016
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/MD/DF/146/2016
(ii) Calculation of net distributable cash flows at each Asset SPV and Hold Co

For the quarter ended 30 June 2021 for distribution																
Sl No	Particulars	ETPTL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	VTPL	EOVPL	SIPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone)	44.43	1,165.93	50.99	(101.63)	111.69	51.28	115.64	(19.41)	(331.32)	59.86	76.02	48.81	(273.70)	(25.86)	972.73
	(A)															
2	Adjustment: Add/(Less): Non-cash and other adjustments as per the Statement of Profit and Loss, including but not limited to: • Depreciation, amortisation and impairment • Assets written off or liabilities written back • Current tax charge as per statement of profit and loss • Deferred tax • MAT adjustments • Ind AS adjustments (straight lining, effective interest for finance costs, straight lining of security deposits etc) • Acquisition related costs	127.48	544.25	91.18	57.00 (4.84)	50.28	25.40	59.90	75.18	77.55	14.49	38.16	287.84	230.00	-	1,678.71 (3.04)
		-	-	-	-	-	-	-	-	-	-	-	1.80	-	-	(3.04)
		7.00	238.99	12.59	-	48.00	26.26	43.30	-	-	11.45	21.00	33.27	-	-	441.86
		(4.10)	54.45	20.75	(36.21)	(3.17)	0.68	(1.58)	(8.76)	(70.65)	4.57	(2.56)	22.84	-	3.34	(20.40)
		(7.00)	(126.47)	(12.16)	-	-	-	-	-	-	(10.55)	-	-	-	-	(156.18)
		10.44	35.19	-	-	13.96	2.32	7.50	18.58	(3.23)	0.23	19.07	11.29	-	(18.47)	96.88
3	Add: Interest on Shareholders Debt from Embassy REIT, charged to statement of profit and loss	117.64	856.49	184.87	54.78	2.08	61.37	96.64	211.01	390.46	80.85	129.33	700.86	-	-	2,901.66
4	Add/(Less): Loss/(gain) on sale of real estate investments, real estate assets or shares of SPVs/Holdcos or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of real estate investments, real estate assets or shares of SPVs/Holdcos or Investment Entity 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) or any other relevant provisions of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs/ Holdcos or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) or any other relevant provisions of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	32.81	(275.13)	13.73	5.78	6.05	18.58	55.26	(13.82)	16.94	20.75	22.51	468.78	44.52	276.68	693.44
8	Less: External debt repayment to the extent not repaid through debt or equity	-	-	-	-	-	-	-	-	-	-	-	(18.75)	-	-	(18.75)
9	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above): • Repayment of the debt in case of investments by way of debt • Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Less: Income tax (net of refund) and other taxes paid (as applicable)	(22.59)	(171.14)	(9.39)	(0.45)	(12.54)	(18.43)	(39.32)	6.57	(12.15)	(18.08)	(31.40)	(96.97)	(1.47)	-	(427.36)
	Total Adjustments (B)	261.68	1,156.63	301.57	76.06	104.66	116.18	221.70	288.76	398.92	103.71	196.11	1,410.96	273.05	276.83	5,186.82
	Net distributable Cash Flows at SPV Level C = (A+B)	306.11	2,322.56	352.56	(25.57)	216.35	167.46	337.34	269.35	67.60	163.57	272.13	1,459.77	(0.65)	250.97	6,159.55

- Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013.

Condensed Consolidated Financial Statements

Consolidated Consolidated Financial Statements
Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CTR/MD/DF/146/2016 (an amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEC's Circular No. CIR/IMD/DF/140/2010
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEC's circular No. CIR/IMD/DF/146/2016

(ii) Calculation of net distributable cash flows at each Asset SPV and Hold Co

For the quarter ended 31 March 2021 for distribution

Sl No	Particulars	EOPL**	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	ETPPL**	1.13	VTPL	EOVPL	SPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone)	122.54	925.90	82.72	(96.88)	102.48	40.86	127.61	(51.67)	(882.46)	67.76	30.03	1.13	(197.66)	(285.02)	54.63	41.97	
2	Adjustment:																	
	Add/(Less): Non-cash adjustments and taxes, including but not limited to:																	
	• Depreciation, amortisation and impairment	132.56	558.60	91.20	57.07	50.33	22.37	61.20	68.03	705.48	14.37	38.73	-	297.52	230.00	-	2,327.46	
	• Assets written off or liabilities written back	-	(24.61)	-	-	5.83	2.73	0.26	2.55	3.10	1.80	1.09	-	(5.30)	-	-	(12.55)	
	• Current tax charge as per statement of profit and loss	36.66	161.04	-	(2.15)	56.69	31.62	31.02	1.37	11.28	17.66	17.66	-	91.59	-	-	436.78	
	• Deferred tax	(0.32)	110.20	42.38	(35.67)	(3.31)	0.55	5.53	(9.07)	(128.50)	12.37	(12.85)	-	198.86	-	(82.90)	97.27	
	• MAT adjustments as per statement of profit and loss	9.19	(137.03)	-	-	-	-	-	-	(15.38)	-	-	-	(91.59)	-	-	(234.81)	
	• Ind AS adjustments not considered in any other item above	15.52	101.84	-	-	11.35	2.30	(22.51)	24.08	(2.78)	(2.95)	45.14	-	217.32	(2.95)	(23.30)	366.01	
3	Add: Interest on shareholders debt charged to statement of profit and loss	124.71	868.68	184.78	53.21	5.05	62.96	97.02	209.11	384.07	81.54	131.77	-	610.03	-	22.25	2,835.18	
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(2.98)	(306.24)	(38.90)	1.40	(36.94)	(20.18)	(21.62)	54.95	(68.75)	(36.60)	(50.53)	(0.27)	320.28	69.06	315.02	177.70	
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	-	-	-	-	-	-	-	-	-	-	-	(27.21)	-	-	(27.21)	
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(25.55)	(192.38)	(0.38)	(2.20)	(25.90)	(22.41)	(41.08)	(6.38)	127.19	(9.85)	34.53	-	221.40	(3.38)	0.24	53.85	
	Total Adjustments (B)	289.79	1,140.10	279.08	71.66	63.10	79.94	109.82	344.64	1,019.81	56.58	205.54	(0.27)	1,832.90	295.68	231.31	6,019.68	
	Net distributable Cash Flows C = (A+B)	412.33	2,066.00	361.80	(25.22)	165.58	120.80	237.43	292.97	137.35	124.34	235.57	0.86	1,635.24	10.66	285.94	6,061.65	

Repayment of borrowings at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

as at the year end are not constructed for the purpose of comparison of external debt, to the extent it is by way of re-instatement, repayment or other means, is not constructed for the purpose of computation of NPTEL.

NPTEL filed a composite scheme of arrangement (the "Scheme") pursuant to which EOPPL has demerged its commercial office business to EPTPL and merged the remaining business with MPPL. The effective date for the Scheme is 10 March 2021. For the purpose of NDCIF disclosure, management has presented the entire NDCIF pertaining to demerged undertaking upto 31 March 2021 under EOPPL.

- Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation.

- interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation.
- Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013.

Embassy Office Parks REIT

Condensed Consolidated Financial Statements

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

(all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

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

(ii) Calculation of net distributable cash flows at each Asset SPV and Hold Co

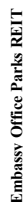
For the quarter ended 30 June 2020 for distribution

Sl No	Particulars	EOPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	VCPL	EPTPL	VTPL	EOVPL	SPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone)	122.64	966.80	(40.53)	(106.27)	110.03	43.85	107.62	12.50	(254.15)	65.03	5.64	(0.02)	-	-	1,033.14
	(A)															
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:															
	Adjustment:															
	• Depreciation, amortisation and impairment	91.59	382.92	86.30	55.45	50.35	22.25	62.91	69.67	75.06	14.34	35.77	-	-	-	946.61
	• Assets written off or liabilities written back	-	2.73	-	-	-	-	(3.13)	-	-	-	-	-	-	-	(0.40)
	• Current tax charge as per statement of profit and loss	43.38	201.63	-	0.33	44.80	22.83	40.41	6.62	-	12.77	0.56	-	-	-	373.33
	• Deferred tax	51.08	62.64	(15.32)	(37.66)	(3.36)	0.15	(2.39)	8.74	(50.56)	5.91	(3.91)	-	-	-	15.32
	• MAT adjustments as per statement of profit and loss	(43.75)	(88.91)	-	-	-	-	-	(6.62)	-	(10.97)	-	-	-	-	(150.25)
	• Ind AS adjustments not considered in any other item above	2.76	(96.55)	1.28	-	10.77	3.16	2.42	(23.82)	1.19	(10.38)	13.42	-	-	-	(95.75)
3	Add: Interest on shareholders debt charged to statement of profit and loss	136.93	733.48	187.65	53.78	9.43	70.58	103.90	117.88	379.91	89.74	140.17	-	-	-	2,023.45
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(18.60)	240.49	10.28	(28.80)	(4.01)	11.92	(0.91)	65.05	(34.10)	6.15	18.97	0.01	-	-	266.45
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(14.45)	(25.28)	-	-	-	-	(8.56)	-	-	-	-	-	-	(48.29)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(36.99)	(101.28)	9.12	0.04	(29.49)	(19.64)	(32.19)	21.40	(28.87)	(14.22)	(10.04)	-	-	-	(242.16)
	Total Adjustments (B)	226.40	1,322.70	254.03	43.14	78.49	111.25	171.02	250.36	342.63	93.34	194.94	0.01	-	-	3,088.31
	Net distributable Cash Flows C = (A+B)	349.04	2,289.50	213.50	(63.13)	188.52	155.10	278.64	262.86	88.48	158.37	200.58	(0.01)	-	-	4,121.45

* Repayment of borrowings at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt given to SPVs and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

- Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation.

- Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013.



Condensed Consolidated Financial Statements

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

(all amounts in Rs. million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/MD/DF/146/2016

Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular

ii) Calculation of net distributable cash flows at each Asset SPV and Hold Co

For the year ended 31 March 2021 pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016																	
Sl No	Particulars	EOPL**	MPPL	EEPL	UPPL	ETPL	GSPPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPPL	EPTPL**	VTPL	EOVPL	SPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone)	662.70	3,738.25	(20.07)	(417.47)	437.67	165.52	423.64	(64.43)	(1,701.99)	274.38	223.65	-	(197.66)	(285.02)	54.63	3,293.80
	(A)																
2	Adjustment:																
	Add/(Less): Non-cash adjustments and taxes, including but not limited to:																
	• Depreciation, amortisation and impairment	435.89	1,850.58	351.75	226.36	201.49	89.17	247.19	278.10	930.94	57.42	150.30	-	297.52	230.00	-	5,346.71
	• Assets written off or liabilities written back	22.18	(21.88)	-	-	5.83	2.73	(4.34)	3.61	3.10	1.80	1.09	-	(5.30)	-	-	8.82
	• Current tax charge as per statement of profit and loss	209.33	754.85	-	(1.82)	190.95	104.24	130.80	1.37	-	53.07	76.87	-	91.59	-	-	1,611.25
	• Deferred tax	108.98	372.34	3.15	(149.32)	(14.12)	1.03	14.65	(7.11)	(250.70)	-	(30.36)	-	198.86	-	(82.90)	194.15
	• MAT adjustments as per statement of profit and loss	(55.73)	(440.29)	-	-	-	-	-	-	(53.34)	-	-	-	(91.59)	-	-	(640.95)
	• Ind AS adjustments not considered in any other item above	19.94	(131.67)	-	-	-	44.65	(69.20)	(35.12)	0.78	(17.41)	104.02	-	217.32	-	(23.30)	121.81
3	Add: Interest on shareholders debt charged to statement of profit and loss	520.21	3,211.78	750.33	215.74	32.18	268.39	409.30	681.52	1,538.29	345.24	554.38	-	610.03	-	22.25	9,159.64
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(32.98)	(103.95)	19.22	(26.21)	(26.82)	19.30	23.63	94.66	(288.46)	(17.01)	(66.03)	0.01	320.28	69.06	315.02	299.72
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Less: External debt principal repayment *	-	(24.08)	(60.25)	-	-	-	-	(21.20)	-	-	-	-	(27.21)	-	-	(132.74)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/ capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(113.16)	(477.92)	4.77	(2.29)	(106.00)	(109.19)	(72.05)	74.09	86.64	(52.01)	26.96	-	221.40	(3.38)	0.24	(521.90)
	Total Adjustments (B)	1,114.66	4,989.76	1,068.97	262.46	328.16	387.47	679.98	1,069.92	2,020.59	347.41	817.23	0.01	1,832.90	295.68	231.31	15,446.51
	Net distributable Cash Flows C = (A+B)	1,777.36	8,728.01	1,048.90	(155.01)	765.83	552.99	1,103.62	1,005.49	318.60	621.79	1,040.88	0.01	1,635.24	10.66	285.94	18,740.31

* Repayment of borrowings at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions. Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

** EOPLPL filed a composite scheme of arrangement (the "Scheme") pursuant to which EOPLPL has demerged its commercial office business to EPTPL and merged the remaining business with MPPL. The effective date for the Scheme is 10 March 2021. For the purpose of NDCF disclosure, management has presented the entire NDCF pertaining to demerged undertaking upto 31 March 2021 under EOPLPL.

- Interest on external debt paid and capitalised to development work in progress, to the extent funded by debt, are not considered for NDCF computation.

- Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013.

1. Organisation structure

The interim condensed consolidated financial statements ('Condensed Consolidated Financial Statements') comprise condensed financial statements of Embassy Office Parks REIT (the 'Trust' or the 'Embassy REIT' or the 'REIT'), its subsidiaries namely Manyata Promoters Private Limited ('MPPL'), Umbel Properties Private Limited ('UPPL'), Embassy Energy Private Limited ('EEPL'), Galaxy Square Private Limited ('GSPL'), Quadron Business Park Private Limited ('QBPL'), Qubix Business Park Private Limited ('QBPL'), Oxygen Business Park Private Limited ('OBPPL'), Earnest Towers Private Limited ('ETPL'), Vikhroli Corporate Park Private Limited ('VCPPL'), Indian Express Newspapers (Mumbai) Private Limited ('IENMPL'), Embassy Pune Techzone Private Limited ('EPTPL'), Vikas Telecom Private Limited ('VTPL'), Embassy Office Ventures Private Limited ('EOVPL') and Sarla Infrastructure Private Limited ('SIPL') (individually referred to as 'Special Purpose Vehicle' or 'SPV' and together referred to as 'Embassy Office Parks Group') and a Joint Venture namely Golflinks Software Park Private Limited ('GLSP') (also referred to as the Investment Entity). The SPVs are Companies domiciled in India.

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

Embassy Property Developments Private Limited ('EPDPL') and BRE/Mauritius Investments ('BMI') (collectively known as the 'Sponsors' or the 'Co-Sponsors') have set up the Embassy Office Parks REIT as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and the Trust has been registered with SEBI as a Real Estate Investment Trust on 3 August 2017 under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. The Trustee to Embassy Office Parks REIT is Axis Trustee Services Limited (the 'Trustee') and the Manager for Embassy Office Parks REIT is Embassy Office Parks Management Services Private Limited (the 'Manager' or 'EOPMSPL').

The Units of the Trust were listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 1 April 2019.

Details of SPVs/ Subsidiary of REIT is provided below:

Name of the SPV	Activities	Shareholding (in percentage)
EOPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks holding company (Hold Co.) (upto 10 March 2021, refer note 54) for the Embassy Office Parks Group.	Embassy Office Parks REIT: Nil (100% upto 10 March 2021, (refer note 54))
MPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Manyata), located at Bangalore along with being an intermediate (Hold Co.) (from 10 March 2021, refer note 54) for the Embassy Office Parks Group.	Embassy Office Parks REIT: 100% from 10 March 2021 EOPPL: Nil from 10 March 2021 (refer note 54)
UPPL	Development, rental and maintenance of serviced residences (Hilton hotel).	Embassy Office Parks REIT: 100%
EEPL	Generation and supply of solar power mainly to the office spaces of Embassy Office Parks Group located in Bangalore.	MPPL: 80% (from 10 March 2021 refer note 54) Embassy Office Parks REIT: 20% EOPPL: Nil (80% upto 10 March 2021 refer note 54)
GSPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Galaxy), located in Noida.	Embassy Office Parks REIT: 100%
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Quadron Business Park), located in Pune and (Embassy one) located in Bangalore. Development, rental and maintenance of serviced residences (Hotel Four Seasons at Embassy One), located in Bangalore.	Embassy Office Parks REIT: 100%
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Qubix), located in Pune.	Embassy Office Parks REIT: 100%
OBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Oxygen), located in Noida.	Embassy Office Parks REIT: 100%
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	Embassy Office Parks REIT: 100%
VCPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy 247), located in Mumbai.	Embassy Office Parks REIT: 100%
IENMPL	Development and leasing of office space and related interiors and maintenance of such assets (Express Towers), located in Mumbai.	Embassy Office Parks REIT: 100%
EPTPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Tech Zone), located at Pune (from 10 March 2021) (refer note 54)	Embassy Office Parks REIT: 100% from 10 March 2021 (refer note 54) EOPPL: Nil from 10 March 2021

1. Organisation structure (continued)

Name of the SPV	Activities	Shareholding (in percentage)
EOVPL*	Hold Co of VTPL and Common area maintenance services of ETV, located in Bangalore (refer note 49).	Embassy Office Parks REIT: 100%
VTPL*	Development and leasing of commercial space and related interiors and maintenance of such assets "Embassy TechVillage" (ETV), located in Bangalore (refer note 49).	EOVPL: 60% Embassy Office Parks REIT: 40%
SIPL*	Development and leasing of commercial space and related interiors and maintenance of such assets (ETV Block 9), located in Bangalore (refer note 49).	Embassy Office Parks REIT: 100%

* together known as Embassy Tech Village assets (ETV assets/ ETV SPVs).

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

Name of the SPV	Activities	Shareholding (in percentage)
GLSP	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bangalore.	MPPL: 50% (from 10 March 2021, refer note 54) Kelachandra Holdings LLP (50%) EOPPL: Nil (50% upto 10 March 2021, refer note 54)

2. Significant accounting policies

2.1 Basis of preparation of Condensed Consolidated Financial Statements

The Interim Condensed Consolidated Financial Information (hereinafter referred to as the "Condensed Consolidated Financial Statements") of the Embassy Office Parks Group comprises the Consolidated Balance Sheet as at 30 June 2021, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Unitholders' Equity and a summary of significant accounting policies and other explanatory information for the quarter ended 30 June 2021. The Condensed Consolidated Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 28 July 2021. The Condensed Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time read including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated 29 December 2016 ("the REIT regulations"); Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. Also, refer Note 18(a) on classification of Unitholders fund.

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

Statement of compliance to Ind-AS

These Condensed Consolidated Financial Statements for the quarter ended 30 June 2021 are the financial statements of the Embassy Office Parks Group and have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

The Condensed Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the SPVs and the Trust used for the purpose of consolidation are drawn up to the same reporting date i.e. 30 June 2021.

The Condensed Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. ETV assets was acquired on 24 December 2020 by the Embassy REIT. The ETV assets have been consolidated from 31 December 2020, a date close to the acquisition date, as there are no significant transactions or events that have occurred between 24 December 2020 and 31 December 2020 and the effect thereof is not considered to be material to the results for the previous quarter and year ended 31 March 2021.

Basis of Consolidation

(i) Subsidiaries

The Embassy Office Parks Group consolidates entities which it owns or controls. The Condensed Consolidated Financial Statements comprise the financial statements of the Embassy Office Parks REIT and its subsidiary SPVs as disclosed in Note 1. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The procedure for preparing Condensed Consolidated Financial Statements of the Embassy Office Parks Group are stated below:

- The Condensed Consolidated Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 – Consolidated Financial Statements, to the extent applicable.
- Goodwill is recognised in the Condensed Consolidated Financial Statements at the excess of cost of investment over share of fair value of net assets acquired on the date of acquisition.
- The Condensed Consolidated financial statements of the Embassy Office Parks Group are consolidated on a line-by-line basis and intragroup balances and transactions for assets and liabilities, equity, income, expenses and cash flows between entities of the Embassy Office Parks Group are eliminated in full upon consolidation.
- Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the equity attributable to shareholders of the Company. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

2. Significant accounting policies

2.1 Basis of preparation of Condensed Consolidated Financial Statements (continued)

Basis of Consolidation (continued)

(ii) Interests in joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results of joint ventures are incorporated in these condensed consolidated financial statements using the equity method of accounting as described below:

Under the equity method of accounting, the investments are initially recognised at cost on the date of acquisition and adjusted thereafter to recognize the Embassy Office Parks Group's share of the post-acquisition profits or losses of the investee in profit and loss, and Embassy Office Parks Group's share of other comprehensive income of the investee in other comprehensive income.

Goodwill is calculated at excess of cost of investment over share of fair value of net assets acquired on the date of acquisition and is disclosed as an additional information in the Notes to the Condensed Consolidated Financial Statements.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When Embassy Office Parks Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, Embassy Office Parks Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between Embassy Office Parks Group and joint ventures are eliminated to the extent of Embassy Office Parks Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees are consistent with the policies adopted by the Embassy Office Parks Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the Embassy Office Parks Group's policy.

Basis of Business Combination

The Embassy Office Parks Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the condensed consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

The Embassy Office Parks Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. When the Embassy Office Parks Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values and no goodwill or deferred tax is recognised.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss, except for changes in fair value which are measurement period adjustments, wherein the change is adjusted with the asset/liability recognised at the acquisition date with corresponding adjustment to goodwill. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates subsequent its settlement is accounted for within equity.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in Unitholders' equity.

2.2 Summary of significant accounting policies

a) Functional and presentation currency

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

b) Basis of measurement

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

- Certain financial assets and liabilities (refer accounting policy regarding financial instrument): measured at fair values;
- Net defined benefit (asset)/ liability less present value of defined obligations: Fair value of plan assets less present value of defined benefit plan;
- The assets and liabilities of the SPVs on the date of acquisition have been accounted using their Fair value and the goodwill / capital reserve amount has been calculated accordingly; and
- Contingent consideration: measured at fair value.

c) Use of judgments and estimates

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

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

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

i) Business combinations

The Embassy Office Parks Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which substantive processes are acquired and, in particular, the extent of services provided by the subsidiary.

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Estimating the acquisition date fair value of the identifiable assets acquired, useful life thereof and liabilities assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the management. Changes in these judgments, estimates and assumptions can materially affect the results of operations.

ii) Impairment of goodwill and intangible assets with infinite useful life

For the purpose of impairment testing, goodwill and intangible assets with infinite useful life acquired in a business combination is, from the acquisition date, allocated to each of the Embassy Office Parks Group's cash-generating units that are expected to benefit from the combination. In performing such impairment assessments, management compared the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill and such intangible assets had been allocated with their respective 'value in use' computed based on discounted cash flow method, to determine if any impairment loss should be recognized. The discounted cash flow method involves estimating future cash flows, growth rates and discount rates which require significant management judgement - Note 2.2 (j)

iii) Classification of lease arrangements as finance lease or operating lease - Note 2.2 (r)

iv) Classification of assets as investment property or as property, plant and equipment - Notes 2.2 (f) and (g)

v) Significant judgement involved in the purchase price allocation of the assets acquired and liabilities assumed on account of Business Combination and deferred tax accounting on the resultant fair value accounting- Note on Basis of Business Combination and Note 2.2 (v) (ii)

vi) Judgements in preparing Condensed Consolidated Financial Statements - Note 2.1

vii) Classification of Unitholders' funds - Note 18(a).

2.2 Summary of significant accounting policies (continued)

c) Use of judgments and estimates (continued)

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment during quarter ended 30 June 2021 is included in the following notes:

- i) Fair valuation and disclosures and impairment of non-financial assets being investment properties and property plant and equipment - The fair value of investment properties and property, plant and equipment are reviewed regularly by management with reference to independent property valuations and market conditions existing at half yearly basis. The independent valuers are independent appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Judgment is also applied in determining the extent and frequency of independent appraisals.
Refer note 2.2 (j) as regards estimates and assumptions involved in impairment assessment of non-financial assets being investment properties and property plant and equipment.
- ii) Useful lives of Investment Property and Property, Plant and Equipment—Notes 2.2(f) and (g)
- iii) Valuation of financial instruments –Note 2.2 (l)
- iv) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(v)(ii). Further, significant judgements are involved in determining the provision for income taxes, including recognition of minimum alternate tax credit, in SPVs entitled for tax deduction under Section 80IAB of the Income Tax Act, 1961, wherein the tax deduction is dependent upon necessary details available for exempt and non-exempt income.
- v) Uncertainty relating to the global health pandemic on COVID-19: The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on revenue recognition, the carrying amounts of goodwill, investment property (including under development), property, plant and equipment, capital work in progress, equity accounted investee, intangible assets and receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group, and have compared the actual performance with the projections estimated during the last valuations and expects the carrying amount of these assets as reflected in the balance sheet as at 30 June 2021 will be recovered. The management has also estimated the future cash flows with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these condensed consolidated financial statements.

d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

The Group has net current liabilities of Rs.47,156.33 million as at 30 June 2021 mainly due to the maturity of Embassy REIT Series I, Non-Convertible debentures (NCD) 2019 in June 2022. Based on the Group's liquidity position including undrawn borrowing facilities as well as a low leverage of 23% net debt to Gross Asset Value, Management is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due.

2.2 Summary of significant accounting policies (continued)

e) Measurement of fair values

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

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

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

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

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

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

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

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

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

f) Investment property

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Embassy Office Parks Group and the cost of the item can be measured reliably. The cost of the assets not ready for their intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of such replaced position is derecognised.

Investment properties are depreciated on straight-line method over their estimated useful lives. However, where the management's estimate of the remaining useful life of the assets on a review subsequent to the time of acquisition is different, then depreciation is provided over the remaining useful life based on the revised useful life. The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Pursuant to this policy, Management's estimates of useful life of the following major assets under straight-line method are as follows:

Asset category	Estimated useful life (in years)
Buildings	60 years
Plant and Machinery	15 years
Furniture and Fixtures	12 years
Electrical Equipment	15 years
Leasehold land*	30 - 99 years based on the primary lease period

Pro-rata depreciation is provided on properties purchased or sold during the year.

*Upfront premium paid under lease-cum-sale agreements to acquire land where the Embassy Office Parks Group has an option to purchase the land at the end of/ during the lease term are not amortised over the lease period.

Investment property acquired on Business Combination is depreciated over the remaining useful life from the date of acquisition as certified by the technical valuer.

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Note: Plant and machinery, furniture and fixtures and electrical equipment which are physically attached to the building are considered as part of the investment property.

2.2 Summary of significant accounting policies (continued)

g) Property, plant and equipment and intangible assets

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of property, plant and equipment includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets. The cost of such assets not ready for their intended use are disclosed as capital work-in-progress.

Intangible assets are recorded at their acquisition cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Depreciation is provided on the straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment and intangibles as follows:

Asset category	Estimated useful life (in years)
Buildings	60 years
Plant and Machinery	15 years
Furniture and Fixtures	12 years
Electrical Equipment	15 years
Office Equipment	5 years
Computers	3 years
Computer Software	3 years
Operating Supplies	2-5 years
Vehicles	8 years

Upfront premium paid under lease-cum-sale agreements to acquire land where the Embassy Office Parks Group has an option to purchase the land at the end of/ during the lease term are not amortised over the lease period.

The useful lives of intangible assets are assessed as either finite or indefinite.

Right to use trademark: The earnings potential of trade name/ trademark can at times be substantial. A trademark is recognized on a reporting company's balance sheet as an intangible asset separate from goodwill because it satisfies either of the following two tests:

- It arises from legal rights (a trademark is essentially a bundle of rights)
- It is capable of being sold, transferred, and licensed separately from other assets of the acquiring company

The recognition of an acquired trademark is performed as part of a purchase price allocation, whereby a portion of the price paid by the acquirer for all of the acquired assets is assigned to the trademark using an acceptable valuation methodology.

The life of the Right to use trademark is considered indefinite because there is no foreseeable limit nor any specific covenant that limits the time period over which the asset is expected to generate net cash inflows for the SPVs.

Intangible assets comprising of Right to use trademark with indefinite useful lives are not amortised, but are tested for impairment annually, at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Power purchase agreement is one of the essential contracts required for a small power generating company with limited production capacity and marketability. Since sales with the customer take the form of a contract, the power purchase agreement meets the contractual criteria for recognition. This agreement provides ongoing and repeat business for the company and provides a platform for the company to reach profitability.

The initial useful life of the power purchase agreements is estimated to be 25 years based on the contract period and hence are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively.

CAM service rights are contract-based intangible assets, which represent the value of contractual rights that arise from contractual arrangements. An entity establishes relationships with its customers through certain contracts, these customer relationships arise from contractual rights. CAM service rights are recognised at their fair value as at the date of acquisition, these are subsequently amortised on a straight-line basis, over their estimated contractual lives.

Property, plant and equipment and Intangibles acquired on Business Combination, except right-to-use trademark, is depreciated over the remaining useful life from the date of acquisition as certified by the technical valuer.

When parts of an item of plant and equipment have different useful lives, they are treated as separate components and depreciated over their respective estimated useful lives.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Pro-rata depreciation is provided on all property, plant and equipment and intangible assets purchased or sold during the year.

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

2.2 Summary of significant accounting policies (continued)

h) Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Consolidated Statement of Profit and Loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

i) Inventory

Stores and operating supplies

Inventories which comprises food and beverages and operating supplies are valued at lower of cost or net realisable value. Cost of inventories comprises purchase price, costs of conversion and other incidental costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to sell.

j) Impairment of non-financial assets

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

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

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination. Goodwill is tested for impairment on an annual basis and more often, if there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

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

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

k) Foreign currency transactions

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

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

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

l) Financial instruments

i) Recognition and initial measurement

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

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

2.2 Summary of significant accounting policies (continued)

i) Financial instruments (continued)

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

2.2 Summary of significant accounting policies (continued)

l) Financial instruments (continued)

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

m) Compound financial instruments

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

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

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

n) Rental support

Rental supports that are an integral part of an acquisition transaction is treated as a deduction in the acquisition cost of such investment property. Where, the right to receive the rental support is spread over a period of time, the right to receive the rental support is reduced from the acquisition cost and is recognised as a financial asset at fair value and subsequently measured at amortised cost based on effective interest rate method.

2.2 Summary of significant accounting policies (continued)

o) Impairment of financial assets

Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

The Embassy Office Parks Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

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

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

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

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

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

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

p) Embedded derivatives

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

2.2 Summary of significant accounting policies (continued)

q) Financial guarantee contracts

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

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

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

r) Leases

Embassy Office Parks Group as a lessee

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

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

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

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

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

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

Embassy Office Parks Group as a lessor

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for other elements on the basis of their relative fair values.

ii. Assets held under leases

Leases in which the Embassy Office Parks Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term. The lease term is the non-cancellable period together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Embassy Office Parks Group is reasonably certain that the tenant will exercise that option. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Embassy Office Parks Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Embassy Office Parks Group's net investment in the leases.

iii. Initial direct costs

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

2.2 Summary of significant accounting policies (continued)

s) 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 from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

i) Rental income from investment properties

Rental income from property leased under operating lease is recognised in the statement of profit and loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. The lease term is the non-cancellable period together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Embassy Office Parks Group is reasonably certain that the tenant will exercise that option. Contingent rents are recognised as revenue in the period in which they are earned on a receipt basis.

ii) Income from finance lease

For assets let out under finance lease, the Group recognises a receivable at an amount equal to the net investment in the lease. Rentals received are accounted for as repayment of principal and finance income. Minimum lease payments receivable on finance leases are apportioned between the finance income and the reduction of the outstanding receivable. The finance income allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining net investment in the finance lease. Contingent rents are recorded as income in the periods in which they are earned.

iii) Revenue from Room Rentals

Revenue from room rentals are based on the occupancy charged on the basis of room rates which are contracted (exclusive of applicable taxes).

iv) Revenue from contract with customers

- a) Revenue from maintenance services is recognised as and when the services are rendered based on the terms of the contracts with the lessees.
- b) Revenue from Food, beverages and banquets
Revenue from food and beverages are recorded as and when food is served. Revenue generated from the banquet services offered are charged on the basis of cover charges per person which is billed (exclusive of applicable taxes) based on guaranteed covers if actual cover is less than contracted.
- c) Other operating income
Other operating income, including service charges on rooms and Food & Beverage (F&B) revenues and other hospitality-related operating income is recognised when the services are rendered and the same become chargeable. Revenue from other services is recognised on accrual basis as per the terms of the agreement.

v) Recognition of dividend and interest income

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

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

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

t) Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Embassy Office Parks Group makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit and loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Embassy Office Parks Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Embassy Office Parks Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

2.2 Summary of significant accounting policies (continued)

t) Employee benefits (continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Embassy Office Parks Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Embassy Office Parks Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Embassy Office Parks Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Assets or liabilities related to employee benefit arrangements acquired on Business Combination are recognised and measured in accordance with Ind AS 19 Employee Benefits.

u) 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.

Capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average borrowing costs (WABC). Capitalisation of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

v) Taxation

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

(i) Current tax:

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

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

(ii) Deferred tax:

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

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Embassy Office Parks Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

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

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

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

2.2 Summary of significant accounting policies (continued)

v) Taxation (continued)

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

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

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

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Embassy Office Parks Group will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax assets or liabilities acquired on Business Combination are recognised and measured in accordance with Ind AS 12 Income taxes.

w) Provisions and contingencies

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

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

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

x) Operating segments

An operating segment is a component of the Embassy Office Parks Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by a representative of the Embassy Office Parks Group, the Embassy Office Parks Group's Chief Operating Decision Maker ('CODM'), to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Net Operating Income ('NOI') is the key metric reported to the CODM for the purposes of assessment of the segment results. The same is defined as follows:

Commercial Offices segment:

NOI for commercial offices is defined as Revenue from operations (which includes (i) facility rentals, (ii) maintenance services income, (iii) income from finance lease, and (iv) other operating income for Commercial Offices) less Direct operating expenses (which includes (i) Operating and maintenance expenses including common area maintenance expenses (ii) property taxes, (iii) rent, and (iv) insurance).

Hospitality segment:

NOI for hospitality segment is defined as Revenue from operations (which includes (i) room rentals, (ii) sale of food and beverages, (iii) other operating income for hospitality less Direct operating expenses (which includes (i) cost of materials consumed, (ii) employee benefits expenses, (iii) Operating and maintenance expenses excluding property management fees, and (iv) Other expenses).

Other segment:

NOI for other segments is defined as Revenue from operations (which includes income from generation of renewable energy) less Direct operating expenses (which includes (i) Operating and maintenance and (ii) Other expenses).

Certain income (such as interest, dividend and other income) and certain expenses (such as Other expenses excluding Direct operating expenses, depreciation, amortization, impairment and finance cost) are not specifically allocable to segments and accordingly these expenses are adjusted against the total income of the Embassy Office Parks Group.

y) Errors and estimates

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

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

2.2 Summary of significant accounting policies (continued)

z) Cash and cash equivalents

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

aa) Distribution Policy:

Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to the Unitholders not less than ninety percent of the net distributable cash flows ('NDCF') of Embassy Office Parks REIT and the current policy of the Manager is to comply with such requirement. The NDCF is calculated in accordance with the REIT Regulations and in the manner provided in the NDCF framework defined by the Manager. The Manager has made certain clarificatory amendments to the NDCF framework under the Distribution Policy to ensure that there is no ambiguity in computing the NDCF at Embassy REIT and SPV/Holdco level. The amended framework is approved by a special majority in the Unitholder's Meeting held on 8 July 2021 and is effective from 1 April 2021.

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

- not less than 90% of the NDCF of the SPVs are required to be distributed to the Embassy Office Parks REIT, in proportion to its shareholding in the SPV, subject to applicable provisions of the Companies Act, 2013.

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

- The aforesaid net distributable cash flows are made available to Embassy Office Parks REIT in the form of (i) Interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the SPV's/Holding Company, (ii) Principal repayment of Shareholder Debt, (iii) Dividend declared by the SPVs/Holding Company and received by Embassy Office Parks REIT and (iv) Proceeds from sale of any Embassy REIT assets.

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

ab) Cash distribution to Unitholders

The Group recognises a liability to make cash distributions to Unitholders when the distribution is authorised and a legal obligation has been created. As per the REIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Manager. A corresponding amount is recognised directly in equity.

ac) Consolidated Statement of Cash flows

Consolidated Cash flows are reported using the indirect method, whereby Profit/ (loss) before share of profit of equity accounted investees and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Embassy Office Parks Group are segregated.

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

ad) Earnings per unit

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

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

ae) Earnings before finance costs, depreciation, amortisation, impairment loss and tax

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

2.2 Summary of significant accounting policies (continued)

a) Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 inter alia as follows:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements

These amendments are extensive and the Group has given effect to few of these relevant to the preparation of the Condensed Consolidated Financial Statements. Further, the Group will evaluate the same to give effect to them as required by law in the Annual financial statements.

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Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Notes to Accounts
(all amounts in Rs. million unless otherwise stated)

3 Property, plant and equipment

Reconciliation of carrying amounts for the quarter ended 30 June 2021

Particulars	Land-freehold (refer note 1)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Gross block (cost or deemed cost)										
As at 1 April 2020	6,540.07	7,067.88	7,142.28	485.98	448.94	18.46	17.89	10.83	40.41	21,772.74
Additions due to business combination*	2,110.78	-	-	-	-	0.50	2.37	-	4.90	2,118.55
Additions for the year	213.30	-	221.59	0.23	8.96	0.62	0.11	-	-	444.81
Reclassifications	(18.15)	-	18.15	-	-	-	-	-	-	-
As at 31 March 2021	8,846.00	7,067.88	7,382.02	486.21	457.90	19.58	20.37	10.83	45.31	24,336.10
As at 1 April 2021	8,846.00	7,067.88	7,382.02	486.21	457.90	19.58	20.37	10.83	45.31	24,336.10
Additions for the quarter	-	-	-	-	-	0.53	-	-	-	0.53
As at 30 June 2021	8,846.00	7,067.88	7,382.02	486.21	457.90	20.11	20.37	10.83	45.31	24,336.63
Accumulated depreciation and impairment										
As at 1 April 2020	84.00	365.24	430.82	84.47	69.73	11.33	10.97	10.83	6.42	1,073.81
Charge for the year	-	125.92	436.47	78.32	26.96	1.73	0.85	-	4.64	674.89
Impairment loss (refer note 6)	72.94	339.36	59.23	20.55	24.26	2.08	0.46	-	1.17	520.05
As at 31 March 2021	156.94	830.52	926.52	183.34	120.95	15.14	12.28	10.83	12.23	2,268.75
As at 1 April 2021	156.94	830.52	926.52	183.34	120.95	15.14	12.28	10.83	12.23	2,268.75
Charge for the quarter	-	30.34	111.15	18.75	6.48	0.17	0.68	-	1.19	168.76
As at 30 June 2021	156.94	860.86	1,037.67	202.09	127.43	15.31	12.96	10.83	13.42	2,437.51
Carrying amount (net)										
As at 31 March 2021	8,689.06	6,237.36	6,455.50	302.87	336.95	4.44	8.09	-	33.08	22,067.35
As at 30 June 2021	8,689.06	6,207.02	6,344.35	284.12	330.47	4.80	7.41	-	31.89	21,899.12

* Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 48 and 49.

Notes:

- The solar plant has been constructed on 465.77 acres of land, the title for 364.72 acres is registered in name of the group and balance 101.05 acres is in the process of registration and is scheduled to be completion by 30 September 2021.
- Accumulated Depreciation as at 30 June 2021 includes impairment loss of Rs.886.18 million (31 March 2021: Rs.886.18 million).

4 Capital work-in-progress

Particulars	As at 30 June 2021	As at 31 March 2021
MPPL-Hilton Hotels (Front Parcel)*	5,258.38	4,509.34
VTPL-Hilton Hotels**	239.83	230.13
	5,498.21	4,739.47

* forms part of MPPL CGU

** forms part of ETV assets CGU

Note:

Borrowing cost capitalised

MPPL-Hilton Hotel (Front Parcel) and VTPL-Hilton Hotel are currently under development. The amount of borrowing cost capitalised during the quarter ended 30 June 2021 is Rs.83.25 million (31 March 2021: Rs.249.34 million). The rate used to determine the amount of borrowing costs eligible for capitalisation at a capitalisation rate which is the SPV specific "Weighted Average Borrowing Cost (WABC)".

Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Notes to Accounts
(all amounts in Rs. million unless otherwise stated)

5 Investment property

Reconciliation of carrying amounts for the quarter ended 30 June 2021

Particulars	Land-freehold	Land-leasehold (Refer notes)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Vehicle	Computer	Total
Gross block (cost or deemed cost)										
As at 1 April 2020	75,183.43	28,227.18	81,683.17	9,574.22	1,490.56	2,270.67	43.42	5.31	10.84	198,488.80
Additions due to business combination*	51,352.70	135.51	25,300.30	3,311.28	259.41	1,115.14	0.64	-	-	81,474.98
Additions for the year	33.10	7.95	800.75	230.42	59.74	52.42	19.68	-	1.16	1,205.22
Disposals	(21.74)	-	(21.25)	(19.93)	(50.68)	(13.23)	-	-	-	(128.83)
As at 31 March 2021	126,547.49	28,370.64	107,760.97	13,095.99	1,759.03	3,425.00	63.74	5.31	12.00	281,040.17
As at 1 April 2021	126,547.49	28,370.64	107,760.97	13,095.99	1,759.03	3,425.00	63.74	5.31	12.00	281,040.17
Additions for the quarter	111.00	-	117.38	21.97	102.83	8.54	-	-	-	361.72
As at 30 June 2021	126,658.49	28,370.64	107,878.35	13,117.96	1,861.86	3,433.54	63.74	5.31	12.00	281,401.89
Accumulated depreciation and impairment										
As at 1 April 2020	-	483.74	2,106.20	947.20	360.10	487.10	22.82	3.48	1.68	4,412.32
Charge for the year	-	360.92	2,239.82	1,086.54	240.15	331.07	4.76	0.55	1.45	4,265.26
Impairment loss (refer note 6)	12.80	-	15.78	2.83	0.03	0.25	0.01	0.01	-	31.71
Disposals	-	-	-	(2.71)	(8.89)	(3.28)	-	-	-	(14.88)
As at 31 March 2021	12.80	844.66	4,361.80	2,033.86	591.39	815.14	27.59	4.04	3.13	8,694.41
As at 1 April 2021	12.80	844.66	4,361.80	2,033.86	591.39	815.14	27.59	4.04	3.13	8,694.41
Charge for the quarter	-	90.23	674.09	341.94	76.07	112.64	1.97	0.32	0.35	1,297.61
As at 30 June 2021	12.80	934.89	5,035.89	2,375.80	667.46	927.78	29.56	4.36	3.48	9,992.02
Carrying amount (net)										
As at 31 March 2021	126,534.69	27,525.98	103,399.17	11,062.13	1,167.64	2,609.86	36.15	1.27	8.87	272,345.76
As at 30 June 2021	126,645.69	27,435.75	102,842.46	10,742.16	1,194.40	2,505.76	34.18	0.95	8.52	271,409.87

* Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 48 and 49.

Notes:

- EPITPL:** The leasehold land for Embassy Techzone is taken from Maharashtra Industrial Development Corporation (MIDC) on a lease for a period of 95 years. The lease expires in July 2100. Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the transfer for lease deeds of the leasehold land to EPITPL is in process (refer note 54).
- OBPPL:** The leasehold land for Embassy Oxygen is taken from New Okhla Industrial Development Authority (NOIDA) on a lease for a period of 90 years. The lease expires in September 2097.
- ETPL:** The leasehold land for First International Financial Centre is taken from Mumbai Mahanagar Regional Development Authority (MMRDA) on a lease for a period of 80 years. The lease expires in June 2088.
- GSPL:** The leasehold land for Embassy Galaxy is taken from NOIDA on a lease for a period of 90 years. The lease expires in June 2095.
- ENMPL:** The leasehold land for Express Towers is taken from the Government of Maharashtra on a lease of 99 years (from 1963-64).
- QBPL:** The leasehold land for Embassy Quadron is taken from MIDC for a lease term of 95 years. The lease expires in October 2100. As per the lease agreement the Company can renew the lease for a further period of 95 years.
- VTPL:** VTPL had earlier entered into lease-cum sale agreement for the land located in Embassy Tech Village with Karnataka Industrial Area Development Board (KIADB) for a period of 20 years commencing from 16 June 2006. As per the lease agreement KIADB shall sell the land to VTPL at any time during the tenure of the lease or on expiry of the lease period, if VTPL has performed all the conditions contained in the agreement and committed no breach thereof. VTPL had converted the leasehold land measuring 81.385 acres into a freehold land as per the sale deed entered with KIADB on 12 February 2018. Further, 35 guntas leasehold land is yet to be registered and is classified as a leasehold land and no depreciation has been charged on the same.
- Investment property comprises of commercial buildings and other assets forming part of the buildings, that is leased to third parties. The license agreement entered into with tenants may or may not contain an initial non-cancellable period. Subsequent renewals of these license agreements are negotiated with the tenants and historically the average renewal period ranges between three and five years.
- The investment property have been leased out to lessees / held for lease on operating lease basis.
- The plant and machinery and furniture and fixtures are physically attached to the buildings and form an integral part thereof, hence they are considered as investment property.
- Additions to investment property and investment property under development include borrowing cost amounting to Rs.179.85 million (31 March 2021: Rs.184.43 million) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).
- In accordance with Ind AS 116- Leases, investment property includes Right-of-Use (ROU) asset of Rs.303.23 million (31 March 2021: Rs.304.21 million) which is recorded under Land Leasehold. The corresponding lease liability amounting to Rs.343.24 million (31 March 2021: Rs.334.87 million) is recorded under other financial liabilities.
- Accumulated Depreciation as at 30 June 2021 includes impairment loss of Rs.31.71 million (31 March 2021: Rs.31.71 million).

6 Goodwill [refer note 2.1(b) and 49]

As at 30 June 2021

SPV	Goodwill as at 1 April 2021	Consideration transferred for business combination during the quarter	Fair value of net assets of business combination during the quarter/ adjustments	Goodwill on acquisitions during the quarter	Impairment loss for the quarter	Net carrying value as at 30 June 2021
MPPL	11,016.16	-	-	-	-	11,016.16
EPTPL (refer note 54)	11,913.28	-	-	-	-	11,913.28
EEPL	267.84	-	-	-	-	267.84
UPPL	131.89	-	-	-	-	131.89
ETPL	2,899.23	-	-	-	-	2,899.23
GSPL	1,962.11	-	-	-	-	1,962.11
IENMPL	6,071.57	-	-	-	-	6,071.57
OBPPL	6,529.49	-	-	-	-	6,529.49
QBPL	1,596.82	-	-	-	-	1,596.82
QBPL	3,198.66	-	-	-	-	3,198.66
VCPL	4,265.12	-	-	-	-	4,265.12
ETV assets (refer note 49)	14,094.07	-	99.11	-	-	14,193.18
	63,946.24	-	99.11	-	-	64,045.35

As at 31 March 2021

SPV	Goodwill as at 1 April 2020	Consideration transferred for business combination during the year	Fair value of net assets of business combination during the year	Goodwill on acquisitions during the year	Impairment loss for the year	Net carrying value as at 31 March 2021
MPPL	11,016.16	-	-	-	-	11,016.16
EPTPL (refer note 54)	11,913.28	-	-	-	-	11,913.28
EEPL	267.84	-	-	-	-	267.84
UPPL	202.73	-	-	-	70.84	131.89
ETPL	2,899.23	-	-	-	-	2,899.23
GSPL	1,962.11	-	-	-	-	1,962.11
IENMPL	6,071.57	-	-	-	-	6,071.57
OBPPL	6,529.49	-	-	-	-	6,529.49
QBPL	1,596.82	-	-	-	-	1,596.82
QBPL	3,565.02	-	-	-	366.36	3,198.66
VCPL	4,265.12	-	-	-	-	4,265.12
ETV assets (refer note 49)	-	57,565.47	43,471.40	14,094.07	-	14,094.07
	50,289.37	57,565.47	43,471.40	14,094.07	437.20	63,946.24

As a result of the valuation, during the previous year ended 31 March 2021 an impairment loss of Rs.437.20 million was recognized in the Statement of Profit and Loss against Goodwill, an impairment loss of Rs.520.05 million was recognized in the Statement of Profit and Loss against property, plant and equipment and an impairment loss of Rs.31.71 million was recognized in the Statement of Profit and Loss against investment property totalling to Rs.988.96 million as impairment loss. Impairment loss majorly relates to the hospitality segment and more specifically UPPL (Hilton Hotel), and hospitality segment of QBPL (Four Seasons Hotel) as well as Embassy One (Commercial segment) forming part of QBPL. The impairment loss arose in these CGUs due to slower ramp up of room occupancy, slower than anticipated lease-up coupled with the current economic conditions due to Covid-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the "value in use" and the "fair value less cost to sell" in accordance with Ind AS 36.

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

7 Other intangible assets

Reconciliation of carrying amounts for the quarter ended 30 June 2021

Particulars	CAM service rights	Power Purchase Agreement	Right to use trade mark	Computer software	Total
As at 1 April 2020	-	3,348.00	1,781.88	32.72	5,162.60
Additions due to business combination*	9,826.91	-	1,860.00	1.66	11,688.57
Addition during the year	-	-	-	1.53	1.53
As at 31 March 2021	9,826.91	3,348.00	3,641.88	35.91	16,852.70
As at 1 April 2021	9,826.91	3,348.00	3,641.88	35.91	16,852.70
Addition during the quarter	-	-	-	-	-
As at 30 June 2021	9,826.91	3,348.00	3,641.88	35.91	16,852.70
Accumulated amortisation					
As at 1 April 2020	-	145.56	-	15.68	161.24
Amortisation for the year	612.13	145.57	-	9.12	766.82
As at 31 March 2021	612.13	291.13	-	24.80	928.06
As at 1 April 2021	612.13	291.13	-	24.80	928.06
Amortisation for the quarter	454.32	35.96	-	1.18	491.46
As at 30 June 2021	1,066.45	327.09	-	25.98	1,419.52
Carrying amount (net)					
As at 31 March 2021	9,214.78	3,056.87	3,641.88	11.11	15,924.64
As at 30 June 2021	8,760.46	3,020.91	3,641.88	9.93	15,433.18

*Refer note 2.1 Basis for consolidation and note 48 and 49.

8 Investment property under development (IPUD)

IPUD mainly comprises upcoming buildings and other infrastructure upgrades in various properties. The details are as follows:

SPV/ Hold Co	Particulars	As at 30 June 2021	As at 31 March 2021
Base build			
SIPL	Block 9	4,480.71	3,794.98
VTPL	Block 8	461.66	429.47
EPTPL	Hudson block and Ganges block	1,129.04	816.34
OBPL	Tower 1	643.60	619.44
Infrastructure and Upgrade Projects			
MPPL	Flyover	1,574.26	1,311.14
MPPL	Master plan upgrade	1,404.15	1,091.40
VTPL	Master plan upgrade	69.79	48.15
EPTPL	Master plan upgrade	641.07	500.46
QBPL	Master plan upgrade	364.19	311.96
Multiple	Various	49.68	45.45
		10,818.15	8,968.79

9 Equity accounted investee

Particulars	As at 30 June 2021	As at 31 March 2021
Investment in joint venture		
Golflinks Software Park Private Limited	24,057.80	24,118.57
	24,057.80	24,118.57
Goodwill on acquisition included as a part of carrying cost	10,449.36	10,449.36
	As at 30 June 2021	As at 31 March 2021
Percentage ownership interest	50%	50%
Fair value of net assets on Purchase Price Allocation	26,247.74	26,247.74
Embassy Office Parks Group's share of net assets (50%)	13,123.87	13,123.87
Carrying amount of interest (including goodwill)	24,057.80	24,118.57

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10 Other non-current financial assets

Particulars	As at 30 June 2021	As at 31 March 2021
Unsecured, considered good		
Fixed deposits with banks*	784.34	846.16
Unbilled revenue	797.36	832.37
Security deposits		
- related party (refer note 47)	4.30	4.30
- others	832.97	830.88
Receivable under finance lease	1,132.77	1,246.09
Receivable for sale of co-developer rights	810.00	1,080.00
	4,361.74	4,839.80
* Includes fixed deposits held as lien against debt taken and margin money for bank guarantee	784.34	846.16

11 Non-current tax assets (net)

Particulars	As at 30 June 2021	As at 31 March 2021
Advance tax, net of provision for tax	1,099.91	1,095.27
	1,099.91	1,095.27

12 Other non-current assets

Particulars	As at 30 June 2021	As at 31 March 2021
Unsecured, considered good		
Advance paid for co-development of property, including development rights on land (refer note 47 and 53)	14,230.11	13,863.03
Other capital advances		
- related party (refer note 47)	300.01	274.23
- others	3,070.73	3,294.28
Balances with government authorities	191.44	189.97
Paid under protest to government authorities (refer note 44)	713.77	702.44
Prepayments	62.28	59.67
	18,568.34	18,383.62

13 Inventories (valued at lower of cost and net realisable value)

Particulars	As at 30 June 2021	As at 31 March 2021
Stock of consumables	10.17	10.80
	10.17	10.80

14 Trade receivables

Particulars	As at 30 June 2021	As at 31 March 2021
Unsecured		
Considered good *	367.52	473.16
Credit impaired	48.82	56.21
Less: Allowances for impairment losses	(48.82)	(56.21)
	367.52	473.16

*Includes trade receivables from related parties amounting to Rs.208.30 million (31 March 2021: Rs.327.53 million) (refer note 47).

15A Cash and cash equivalents

Particulars	As at 30 June 2021	As at 31 March 2021
Cash on hand	0.69	0.69
Balances with banks		
- in current accounts*	6,705.11	9,068.79
- in escrow accounts		
- Balances with banks for unclaimed distributions	1.83	2.00
- Others^	28.60	103.30
- in deposit accounts with original maturity of less than three months	1.99	-
	6,738.22	9,174.78

* Balance in current accounts includes cheques on hand as at 30 June 2021 amounting to Rs.356.25 million (31 March 2021: Rs.763.77 million).

^ Includes unspent Corporate Social Responsibility (CSR) balances amounting to Rs.4.50 million (31 March 2021: Rs.38.56 million) which has been deposited in separate escrow accounts.

15B Other bank balances

Particulars	As at 30 June 2021	As at 31 March 2021
Balances with banks		
- in fixed deposit accounts with original maturity greater than three months and maturity less than twelve months from the reporting date*	359.61	253.75
	359.61	253.75
*Deposit for availing letter of credit facilities	359.61	253.75

16 Other current financial assets

Particulars	As at 30 June 2021	As at 31 March 2021
<i>Unsecured, considered good</i>		
Interest accrued but not due		
- on fixed deposits	0.09	0.50
- on statutory deposits	19.56	21.49
- on others	3.91	4.61
Security deposits	1.13	1.03
Unbilled revenue (refer note 47)	293.92	443.03
Unbilled maintenance charges	229.21	224.61
Receivable under finance lease	437.80	427.74
Receivable for rental support from a related party (refer note 47)	839.06	1,108.78
Receivable for sale of co-developer rights	1,455.37	1,632.97
Other receivables		
- related parties (refer note 47)	183.86	185.99
- others	-	6.63
	3,463.91	4,057.38

17 Other current assets

Particulars	As at 30 June 2021	As at 31 March 2021
<i>Unsecured, considered good</i>		
Advance for supply of goods and rendering of services		
- to related parties (refer note 47)	20.74	2.67
- to others	17.51	21.68
Balances with government authorities	116.31	237.71
Prepayments	398.52	123.18
Other advances	5.25	10.10
	558.33	395.34

18 Unit Capital

Unit Capital	No in Million	Amount
As at 1 April 2020	771.67	229,120.96
Units issued during the year	176.23	59,999.35
Less: Issue expenses (refer note below)	-	(858.20)
Closing balance as at 31 March 2021	947.90	288,262.11
As at 1 April 2021	947.90	288,262.11
Changes during the quarter	-	-
Closing balance as at 30 June 2021	947.90	288,262.11

Note:

During the previous year ended 31 March 2021 estimated issue expenses pertaining to further issue of units (Institutional Placement and Preferential Allotment) were reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation. The issue expenses included payments to auditor of Rs.51.55 million (excluding applicable taxes).

(a) Terms/ rights attached to Units

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

Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to Unitholders not less than 90% of the net distributable cash flows of Embassy Office Parks REIT for each financial year. Accordingly, a portion of the Unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December 2016 and No. CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the Unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 26 December 2016 dealing with the minimum disclosures for key financial statements. Consistent with Unitholders' funds being classified as equity, the distributions to Unitholders is presented in Statement of Changes in Unitholders' Equity and not as finance cost. In line with the above, the dividend payable to Unitholders is recognised as liability when the same is approved by the Manager.

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

Name of the Unitholder	As at 30 June 2021		As at 31 March 2021	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	12.18%	115,484,802	12.18%
SG Indian Holding (NQ) Co I Pte Limited	88,333,166	9.32%	88,333,166	9.32%
BRE Mauritius Investments	83,730,208	8.83%	83,730,208	8.83%

(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 issued an aggregate of 613,332,143 Units of Rs.300.00 each for consideration other than cash from the date of incorporation till 30 June 2021.

Further, during the year ended 31 March 2021, the Trust has issued 111,335,400 Units at a price of Rs.331.00 per Unit through an Institutional Placement. The Trust also made Preferential allotment of 64,893,000 Units at Rs.356.70 per Unit to acquire 40% equity interest of VTPL held by third party shareholders.

19 Other Equity*

Particulars	As at 30 June 2021	As at 31 March 2021
Reserves and Surplus		
Retained earnings	(20,590.59)	(17,331.44)
	(20,590.59)	(17,331.44)

*Refer Consolidated Statement of Changes in Unitholders' Equity for detailed movement in other equity balances.

Retained earnings

The cumulative gain or loss arising from the operations which is retained by the Embassy Office Parks REIT is recognized and accumulated under the heading of retained earnings. At the end of the period, the profit/(loss) after tax is transferred from the Statement of Profit and Loss to the retained earnings account.

20 Non-current Borrowings

Particulars	As at 30 June 2021	As at 31 March 2021
Secured		
Non-convertible debentures		
36,500 (31 March 2021: 36,500) Embassy REIT Series I, Non-Convertible debentures (NCD) 2019, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) [refer note (i) below and note 25]		
- Embassy REIT Series I NCD 2019 - Tranche I (refer note i)	-	35,503.62
- Embassy REIT Series I NCD 2019 - Tranche II (refer note i)	-	7,276.40
15,000 (31 March 2021: 15,000) Embassy REIT Series II, Non-Convertible debentures (NCD) 2020, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) [refer note (ii) below]		
- Embassy REIT Series II NCD 2020 - Tranche A (refer note ii)	7,393.78	7,382.15
- Embassy REIT Series II NCD 2020 - Tranche B (refer note ii)	7,443.68	7,437.51
26,000 (31 March 2021: 26,000) Embassy REIT Series III, Non-Convertible debentures (NCD) 2021, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) [refer note (iii) below]	25,743.66	25,719.40
Terms loans		
- from banks (refer note iv)	24,098.56	22,701.75
- vehicle loans	-	2.50
	64,679.68	106,023.33

Notes:

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

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

Security terms

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

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase I) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park". The above charge excludes L1 - Office block, consisting of 4,77,949 sq.ft of super built up area along with the undivided share of the lands and future development / construction on Blocks designated as F1 and L4 that MPPL may undertake in the Project "Embassy Manyata Business Park" along with the remaining undivided share of such land.
2. A sole and exclusive first ranking pledge created by the Embassy REIT over their total shareholding in the SPV's namely QBPPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by the Embassy REIT over identified bank accounts and receivables of the Trust.
4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.
5. A negative pledge on all assets of each secured SPV except MPPL.

Redemption terms:

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

Since these debentures are due for maturity in the next twelve months, they have been disclosed as current maturities of long term debt under short-term borrowings (refer note 25).

20 Non-current Borrowings (continued)

- (ii) In September 2020, the Trust issued 7,500 listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series II NCD 2020 (Tranche A), debentures having face value of Rs.1 million each amounting to Rs.7,500.00 million with a coupon rate of 7.25% p.a. payable quarterly. In October 2020, the Trust further issued 7,500 such debentures (Tranche B), with a coupon rate of 6.70% p.a. payable quarterly and with same terms and conditions as Tranche A. The Tranche A and Tranche B NCD described above were listed on the Bombay Stock Exchange on 17 September 2020 and 05 November 2020 respectively.

Security terms

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

1. A sole and exclusive first ranking charge by way of mortgage created by EPTPL on the constructed buildings and related parcels identified as Block 2, Block 3, Food court, Block 6, Block 1, Block 11 and Block 5, having an aggregate leasable area of 2,00,674 square meters and forming part of the development known as Embassy Tech Zone together with portion of land admeasuring 96,630 square meters on which the aforesaid buildings are constructed out of the aggregate area of land measuring 67.45 acres equivalent to 2,72,979 sq. mtrs.
2. A sole and exclusive first ranking pledge created by the Embassy REIT over the shareholding in the SPV's namely IENMPL and EPTPL together known as "secured SPVs" along with shareholder loans given to these SPVs.
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by EPTPL over identified bank accounts and receivables.
5. A Corporate Guarantee issued by each of EPTPL and IENMPL.

Redemption terms:

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

- (iii) In January 2021, the Trust issued 26,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series III NCD 2021 debentures having face value of Rs.1 million each amounting to Rs.26,000.00 million with an coupon rate of 6.40% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 19 January 2021.

Security terms

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

1. A first ranking charge by way of mortgage created by VTPL on the constructed buildings and related parcels identified as Block 1A, Block 2 and Block 7B, having an aggregate leasable area of 3,43,772 square meters and forming part of the development known as Embassy TechVillage together with portion of land admeasuring 101,859 square meters on which the aforesaid buildings are constructed.
2. A first ranking pari passu pledge created by the Embassy REIT, MPPL and EOVP over their shareholding in the SPV's namely EEPL and VTPL respectively together known as "Secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by VTPL over identified bank accounts and receivables.
5. A corporate guarantee issued by each of VTPL and EEPL.

Redemption terms:

1. Interest is payable on the last day of each financial quarter in a year until the Scheduled Redemption Date
2. These debentures will be redeemed on the expiry of 37 months from the Date of Allotment for the Debentures at par on 15 February 2024.
3. In case of downgrading of credit rating, the coupon rate shall increase by 0.25% - 1.00% over and above the applicable coupon rate calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the coupon rate shall restore/decrease by 0.25% - 1.00% over and above the coupon rate calculated from the date of change of rating.
4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between July 2023 to January 2024) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures being redeemed.

20 Non-current Borrowings (continued)

(iv) (a) Lender 1 [balance as at 30 June 2021: Rs.2,242.44 million (31 March 2021: Rs.1,725.80 million)]

1. First ranking mortgage over leasehold rights of 6.63 acres of Block M3 land and building being constructed thereon situated at Embassy Manyata Bengaluru.
2. First ranking mortgage over 1.77 acres of Block F1 land and any future construction thereon situated at Embassy Manyata Business Park.
3. Debt service reserve account to be maintained equal to three months interest on outstanding loan.
4. Keepwell Undertaking from Embassy Office Parks REIT.

Repayment and interest terms	As at	As at
	30 June 2021	31 March 2021
Repayable as bullet payment at the end of 36 months from first disbursement i.e., by March 2024. The loan carries an interest rate of 6M MCLR plus spread of 0.90% pa, currently 8.15%	2,242.44	1,725.80

(b) Lender 2 [balance as at 30 June 2021: Rs.2,231.78 million (31 March 2021: Nil)]

1. Exclusive charge on mortgage of undivided share of land and building thereon (Office Tower – 1 and Office Tower -2 at NXT Block) situated at Front Parcel of Embassy Manyata, Bengaluru.
2. Exclusive charge over the entire lease rental receivables from tenants, security deposits payable and current assets pertaining to buildings (Office Tower – 1 and Office Tower -2 at NXT Block) situated at Embassy Manyata, Bengaluru.
3. Exclusive charge on the Escrow Account established and maintained pursuant to Escrow Agreement of the Borrower.
4. Debt service reserve account to be maintained equal to three months debt servicing requirement on the outstanding amount under the Facility.

Repayment and interest terms	As at	As at
	30 June 2021	31 March 2021
Repayable in 144 monthly instalments with Nil moratorium, from the date of drawdown. The loan carries an interest rate of 3M I-MCLR plus Nil spread, currently 7.10% p.a.	2,231.78	-

(c) Lender 3 [balance as at 30 June 2021: Rs.3,002.82 million (31 March 2021: Nil)]

1. Exclusive charge on mortgage of undivided share of land and building thereon (Hilton Hotel, Hilton Garden Inn and Convention Centre) situated at Front Parcel of Embassy Manyata, Bengaluru.
2. Exclusive charge over current assets and fixed and moveable assets pertaining to buildings (Hilton Hotel, Hilton Garden Inn and Convention Centre) situated at Embassy Manyata, Bengaluru.
3. Exclusive charge on the Escrow Account established and maintained pursuant to Escrow Agreement of the Borrower.
4. Keepwell Undertaking from Embassy Office Parks REIT.

Repayment and interest terms	As at	As at
	30 June 2021	31 March 2021
Repayable in 120 monthly instalments from the date of drawdown, with moratorium till 30 September 2023. The loan carries an interest rate of 1-Year I-MCLR plus spread of 0.40%, currently 7.70% p.a.	3,002.82	-

(d) Lender 4 [balance as at 30 June 2021: Nil (31 March 2021: Rs.5,180.28 million)]

1. First ranking exclusive mortgage of undivided share of land admeasuring 8.26 acres (Front Parcel) situated at Embassy Manyata, Bengaluru.
2. First charge over entire cash flows, receivable, book debts, and revenues from the projects to be constructed at the land admeasuring 8.26 acres (Front Parcel) situated at Embassy Manyata, Bengaluru.
3. First charge on the Trust and Retention Account and other accounts established and maintained pursuant to Trust and Retention Account Agreement.
4. A corporate guarantee issued by Embassy Office Parks REIT.

Repayment and interest terms	As at	As at
	30 June 2021	31 March 2021
Repayable by way of single bullet repayment in 18 months from date of commercial operations but not later than 30 September 2023. The debt carries interest of MCLR + 1.25%. The loan has been foreclosed in the month of June 2021.	-	5,180.28

(e) Lender 5 and 6 [balance as at 30 June 2021: Rs.14,883.18 million (31 March 2021: Rs.14,648.63 million)]

1. First pari passu charge on Mortgage of parcel 5 land measuring 14.56 acres and buildings with 2.43 million square feet of office and amenity buildings at Embassy Tech Village, Bengaluru.
2. First charge by way of hypothecation of the receivables of the above Buildings of Embassy Tech Village, Bengaluru.
3. Fixed deposit equal to the amount specified in sanction letter as debt service reserve account to be kept with lien marked in favour of bank during the tenure of the loan.

Name of the lender	Repayment and interest terms	As at	As at
		30 June 2021	31 March 2021
Lender 5	Repayable in structured monthly instalments with no moratorium, interest rate of lender's 3M MCLR + Nil, currently 7.15% pa	7,442.46	7,198.66
Lender 6	Repayable in structured monthly instalments with no moratorium, interest rate of 3 months T-Bill rate + applicable spread, currently 7.03% p.a.	7,440.72	7,449.97

20 Non-current Borrowings (continued)

(f) Lender 7 [balance as at 30 June 2021: Rs.244.25 million (31 March 2021: Rs.94.01 million)]

Exclusive mortgage of undivided share of land of 3.24 acres and building being constructed thereon (Tower 1) situated at Embassy Oxygen, Noida.

Repayment and interest terms	As at	As at
	30 June 2021	31 March 2021
Repayable in 4 quarterly instalments after moratorium of 4 quarters from date of drawdown. The debt carries interest of MCLR + Nil, currently 7.3% p.a.	244.25	94.01

(g) Lender 8 [balance as at 30 June 2021: Rs.1,626.54 million (31 March 2021: Rs.1,178.21 million)]

1. Exclusive mortgage of land admeasuring 8.00 acres and building constructed thereon situated at Block 9, Embassy TechVillage, Bengaluru.

2. Exclusive charge on the receivables, cash flows, moveable assets of SIPL in relation to the Project.

3. Exclusive charge on the Escrow Account established and maintained pursuant to Escrow Agreement and Current account of SIPL.

Repayment and interest terms	As at	As at
	30 June 2021	31 March 2021
Repayable by way of single bullet repayment on 3 February 2023. The debt carries interest of 6M MCLR + 0.55%, currently 7.9% p.a.	1,626.54	1,178.21

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21 Other non-current financial liabilities

Particulars	As at 30 June 2021	As at 31 March 2021
Lease deposits (refer note 47)	3,355.13	4,155.40
Capital creditors for purchase of fixed assets	508.08	279.65
	3,863.21	4,435.05

22 Provisions

Particulars	As at 30 June 2021	As at 31 March 2021
Provision for employee benefits		
- gratuity	5.00	5.79
	5.00	5.79

23 Deferred tax

Deferred tax Assets (net)

Particulars	As at 30 June 2021	As at 31 March 2021
Minimum Alternate Tax credit entitlement	-	5.05
Deferred tax assets (net)	54.60	43.79
	54.60	48.84

Deferred tax liabilities (net)

Particulars	As at 30 June 2021	As at 31 March 2021
Minimum Alternate Tax credit entitlement	(4,764.26)	(4,586.33)
Deferred tax liabilities (net)	57,796.33	57,882.76
	53,032.07	53,296.43

24 Other non-current liabilities

Particulars	As at 30 June 2021	As at 31 March 2021
Deferred lease rental	496.70	666.38
Advances from customers	18.88	18.88
	515.58	685.26

25 Short-term borrowings

Particulars	As at 30 June 2021	As at 31 March 2021
Current maturities of long-term debt		
Secured		
Non-convertible debentures		
36,500 (31 March 2021: 36,500) Embassy REIT Series I, Non-Convertible debentures (NCD) 2019, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) [refer note 20(i) and (i) below]		
- Embassy REIT Series I NCD 2019 - Tranche I	36,336.32	-
- Embassy REIT Series I NCD 2019 - Tranche II	7,444.97	-
Terms loans		
- from banks and financial institutions	145.75	139.58
Unsecured		
- debentures [refer note (ii) below and note 47]	60.00	60.00
	43,987.04	199.58

- (i) Since these debentures are due for maturity in the next twelve months, they have been disclosed as current maturities of long term debt under short-term borrowings.
- (ii) In October 2020, pursuant to the Business Transfer Agreement with Embassy Services Private Limited (refer note 48) EPTPL has issued 100,000 unlisted, unrated, unsecured, redeemable and non-convertible debentures to ESPL having face value of Rs.100 each amounting to Rs.10.00 million with no interest rate attached. Further, MPPL has also issued 500,000 unlisted, unrated, unsecured, redeemable and non-convertible debentures to ESPL having face value of Rs.100 each amounting to Rs.50.00 million with same terms and conditions as EPTPL debentures.

Security terms

The NCD's rank pari passu with all other unsecured and unsubordinated debt of EPTPL and MPPL.

Redemption terms:

These debentures will be redeemed on the expiry of the tenure of 13 months in a single instalment for an aggregate redemption amount equal to the face value of all the NCDs (matures on November 2021).

26 Trade payables

Particulars	As at 30 June 2021	As at 31 March 2021
Trade payable		
- total outstanding dues to micro and small enterprises (refer note 47)	27.31	48.27
- total outstanding dues of creditors other than micro and small enterprises		
- to related parties (refer note 47)	30.09	139.46
- to others	79.57	253.16
	136.97	440.89

27 Other current financial liabilities

Particulars	As at 30 June 2021	As at 31 March 2021
Security deposits		
- related party (refer note 47)	80.00	80.00
Lease deposits (refer note 47)	9,091.99	8,406.20
Capital creditors for purchase of fixed assets		
- to related party (refer note 47)	147.55	60.47
- to others	2,035.51	2,423.50
Unclaimed dividend	1.83	2.00
Contingent consideration (refer note 49 and 47)	350.00	350.00
Other liabilities		
- to related party (refer note 47)	314.68	240.96
- to others	945.95	954.77
	12,967.51	12,517.90

28 Provisions

Particulars	As at 30 June 2021	As at 31 March 2021
Provision for employee benefits		
- gratuity	0.07	0.03
- compensated absences	0.43	1.86
	0.50	1.89

29 Other current liabilities

Particulars	As at 30 June 2021	As at 31 March 2021
Unearned income	13.25	65.50
Advances received from customers (refer note 47)	436.29	520.53
Advance compensation received from related party (refer note 47)	252.73	559.19
Statutory dues	189.82	237.95
Deferred lease rentals	529.33	488.96
	1,421.42	1,872.13

30 Current tax liabilities (net)

Particulars	As at 30 June 2021	As at 31 March 2021
Provision for income-tax, net of advance tax	120.30	99.77
	120.30	99.77

31 Revenue from operations

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Facility rentals	5,518.90	5,498.84	4,217.87	18,475.61
Income from finance lease	46.51	51.26	0.07	51.33
Room rentals	23.95	39.50	12.47	99.08
Revenue from contracts with customers				
Maintenance services	1,197.25	1,126.61	338.58	2,547.77
Sale of food and beverages	18.81	55.22	4.22	118.86
Income from generation of renewable energy	382.67	416.10	404.94	1,548.26
Other operating income				
- hospitality	4.37	7.16	1.26	13.51
- others (refer note 53)	183.97	191.90	182.85	748.78
	7,376.43	7,386.59	5,162.26	23,603.20

32 Interest income

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
- on debentures (refer note 47)	-	-	6.04	7.29
- on fixed deposits	12.23	13.84	94.19	195.18
- on security deposits	1.11	1.08	1.71	4.82
- on other statutory deposits	4.60	3.88	4.50	15.42
- on income-tax refund	8.27	29.63	11.62	99.99
- others	210.77	202.50	166.53	648.50
	236.98	250.93	284.59	971.20

33 Other income

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Liabilities no longer required written back	4.84	0.08	4.59	4.68
Profit on sale of mutual funds	32.04	36.43	24.18	154.11
Profit on sale of fixed assets	-	12.72	-	12.72
Miscellaneous	17.13	16.12	16.70	42.55
	54.01	65.35	45.47	214.06

34 Cost of materials consumed

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Purchases	6.74	20.33	0.59	37.57
Add: Increase/(decrease) in inventory	(0.63)	(4.20)	0.50	(2.02)
	6.11	16.13	1.09	35.55

35 Employee benefits expense *

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Salaries and wages	45.60	46.96	54.48	189.07
Contribution to provident and other funds	3.12	5.10	0.19	15.07
Staff welfare	4.43	6.31	5.04	21.34
	53.15	58.37	59.71	225.48

* majorly refers to employee benefits expense of the hospitality segment.

36 Operating and maintenance expenses

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Power and fuel (net)	121.51	144.96	54.11	407.10
Operating consumables	1.10	2.40	-	6.71
	122.61	147.36	54.11	413.81

37 Other expenses

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Property tax (net)	253.58	240.10	179.13	766.67
Rates and taxes*	11.95	264.10	16.08	306.39
Marketing and advertising expenses	8.43	28.79	19.64	84.90
Assets and other balances written off	-	1.16	4.19	1.16
Loss on sale of fixed assets	-	-	-	61.89
Allowances for credit loss	1.80	20.83	-	20.83
Bad debts written off	-	-	-	2.73
Bank charges	1.70	1.13	0.71	8.20
Brokerage and commission	0.63	1.79	0.58	3.27
Net changes in fair value of financial assets	-	-	3.00	3.00
Travel and conveyance	1.97	0.73	2.56	9.12
Corporate Social Responsibility (CSR) expenses	8.84	75.15	0.01	93.72
Miscellaneous expenses	32.03	27.76	18.58	82.45
	320.93	661.54	244.48	1,444.33

*Quarter and year ended 31 March 2021 includes provision for stamp duty amounting to Rs.229.44 million in relation to the composite scheme of arrangement involving MPPL, EOPPL and EPTPL. Also refer note 54.

38 Repairs and maintenance

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Repairs and maintenance				
- common area maintenance (refer note 48)	576.02	604.22	175.05	1,282.00
- buildings	45.28	71.51	15.49	126.56
- machinery	71.11	92.29	63.52	282.05
- others	30.30	13.82	31.68	103.59
	722.71	781.84	285.74	1,794.20

39 Finance costs (net of capitalisation)

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Interest expense				
- on borrowings from banks and financial institutions	339.17	592.96	189.71	1,016.44
- on deferred payment liability	-	-	205.79	477.76
- on lease deposits	135.58	152.91	75.88	377.62
- on lease liabilities	8.37	14.32	5.83	40.64
- on Non convertible debentures				
- Embassy REIT Series II and Series III NCD	717.82	637.76	-	914.43
Accrual of premium on redemption of debentures (Embassy REIT Series I NCD)	872.37	883.53	895.33	3,626.00
	2,073.31	2,281.48	1,372.54	6,452.89

Gross interest expense is Rs.2,336.42 million and interest capitalised is Rs.263.10 million respectively for the quarter ended 30 June 2021.

40 Depreciation and amortisation

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Depreciation of property, plant and equipment	168.76	169.74	166.95	674.89
Depreciation of investment property	1,297.61	1,315.66	972.15	4,265.26
Amortisation of intangible assets	491.46	490.61	39.50	766.82
	1,957.83	1,976.01	1,178.60	5,706.97

41 Tax expense

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Current tax	449.42	446.63	387.17	1,649.06
Deferred tax charge/ (credit)	(114.32)	(61.90)	(77.71)	(452.77)
Minimum Alternate Tax credit entitlement (MAT)	(156.18)	(234.81)	(150.25)	(640.95)
	178.92	149.92	159.21	555.34

42 Earnings Per Unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the quarter/ year attributable to Unitholders by the weighted average number of units outstanding during the quarter/ year. Diluted EPU amounts are calculated by dividing the profit attributable to Unitholders 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 potential dilutive instruments into unit capital.

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

	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Profit after tax for calculating basic and diluted EPU	2,049.05	467.53	2,042.39	6,983.53
Weighted average number of Units (No. in million)*	947.90	947.90	771.67	819.60
Earnings Per Unit				
- Basic (Rupees/unit)	2.16	0.49	2.65	8.52
- Diluted (Rupees/unit)**	2.16	0.49	2.65	8.52

* The weighted average number of units for the year ended 31 March 2021 have been computed prorata basis 111.34 million units issued by way of institutional placement and 64.89 million units issued by way of preferential allotment on 22 December 2020 and 24 December 2020 respectively.

** The Trust does not have any outstanding dilutive instruments.

43 Management Fees

Property Management Fee

Pursuant to the Investment Management Agreement dated 12 June 2017 as amended, Manager is entitled to fees @ 3% of the collection of Facility Rentals per annum of the relevant property in respect to operations, maintenance, administration and management of the Holdco or the SPV, as applicable. The fees has been determined to meet the ongoing costs of the Manager to undertake the services provided to the Embassy REIT and its SPVs. Property Management fees for the quarter ended 30 June 2021 amounts to Rs.167.96 million. There are no changes during the period in the methodology for computation of fees paid to Manager.

REIT Management Fees

Pursuant to the Investment Management Agreement dated 12 June 2017, as amended, Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the REIT and its investments. REIT Management fees accrued for the quarter ended 30 June 2021 amounts to Rs.74.38 million. There are no changes during the period in the methodology for computation of fees paid to Manager.

Secondment fees

Pursuant to the Secondment Agreement dated 11 March 2019, Manager is entitled to fees of Rs.0.10 million per month in respect certain employees of Manager being deployed to the Embassy office Parks REIT in connection with the operation and management of the assets of the Embassy REIT. Secondment Fees for the quarter ended 30 June 2021 amounts to Rs.0.39 million. There are no changes during the period in the methodology for computation of secondment fees paid to Manager.

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44 Commitments and contingencies

Particulars	As at 30 June 2021	As at 31 March 2021
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (refer note i)	10,944.48	11,968.87
Contingent liabilities		
Claims not acknowledged as debt in respect of Income Tax matters (refer note ii)	359.00	440.27
Claims not acknowledged as debt in respect of Indirect Tax matters (refer note iii)	769.80	769.80
Claims not acknowledged as debt in respect of Property Tax matters (refer note iv)	3,418.89	3,418.89
Others (refer notes v and vi)		

Based on management's best estimate and basis expert opinion obtained by the Group, no provisions have been made for above claims as at 30 June 2021. The Group will continue to monitor developments to identify significant uncertainties and change in estimates, if any, in future period.

Notes:

i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for

SPV	As at 30 June 2021	As at 31 March 2021
MPPL	6,736.52	7,194.03
VTPL	1,056.39	1,099.60
OBPPL	785.99	848.10
EPTPL	1,306.15	1,391.46
SIPL	937.69	1,256.41
Others	121.74	179.27
	10,944.48	11,968.87

ii) Claims not acknowledged as debt in respect of Income Tax matters

SPV	As at 30 June 2021	As at 31 March 2021
MPPL	-	8.22
EPTPL	246.44	246.44
QBPL	71.71	77.60
QBPPL	3.76	3.76
OBPPL	-	69.83
IENMPL	9.25	9.25
VTPL	27.84	25.17
	359.00	440.27

MPPL: The SPV has received Section 153A assessment orders for AY 2009-10 to 2015-16 making additions under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing taxable income under the Income tax Act. The SPV has received demand orders to pay a sum of Rs.8.22 million for the assessment period. Appeals were filed before CIT(A) challenging the assessment orders. The CIT(A) had dismissed the appeals for AY 09-10, 11-12 and 12-13 upholding the assessment additions made. SPV has challenged the CIT(A) orders and filed appeals before Income-tax Appellate Tribunal [ITAT]. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the applications for settling these litigations. The final settlement order from the Designated Authority has been received with the disputed tax demand and claims being settled. The SPV has therefore disclosed Rs. Nil (31 March 2021: Rs.8.22 million) as contingent liability.

EPTPL: a) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2016-17 and received assessment order dated 31 December 2018 with additions made u/s.14A of the Income Tax Act with a tax demand of Rs.172.28 million. The SPV has filed an appeal against the assessment order at the CIT (A) and has paid Rs.14.06 million under protest with balance demand stayed. Accordingly, the SPV has disclosed Rs.172.28 million (31 March 2021: Rs.172.28 million) as contingent liability.

b) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2017-18 and received assessment order dated 24 December 2019 with additions made u/s.14A of the Income Tax Act read with rule 8D of the Income-tax Rules and addition to the income based on reconciliation differences between Form 26AS and the books of accounts. Aggrieved by the assessment order, the SPV has filed an appeal with CIT(A). Accordingly, the SPV has disclosed Rs.74.17 million (31 March 2021: Rs.74.17 million) as contingent liability.

44 Commitments and contingencies (continued)

ii) Claims not acknowledged as debt in respect of Income Tax matters (continued)

QBPL: a) The SPV was assessed under section 143(3) of the Income Tax Act and has received a demand notice of Rs.71.71 million for AY 2010-11, on account of denial of benefit under section 80IAB for certain incomes as claimed by the SPV. The CIT(A) has passed necessary order upholding the stand of the Assessing Officer. The SPV thereafter filed an appeal with ITAT against the said order of CIT(A). The ITAT has disposed the appeal in favour of the SPV. Subsequent to this, Income tax Department has moved to Hon'ble High Court of Mumbai against the ITAT order. Accordingly, the SPV has disclosed the above demand of Rs.71.71 million (31 March 2021: Rs.71.71 million) as a contingent liability.

b) The SPV was assessed for AY 2014-15 u/s. 143(3) of the Income Tax Act with disallowance of loan processing fees which was accepted by the SPV. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of Rs.5.89 million was received. While the said demand has been paid, the SPV has contested this demand and filed an appeal with CIT(A) against the said order. Pursuant to the dispute resolution scheme of settling the pending litigations under the Direct Tax Vivad-Se-Vishwas Act, 2020, the SPV has filed the applications for settling these litigations. The final settlement order from the Designated Authority has been received with the disputed tax demand and claims being settled. The SPV has therefore disclosed Rs. Nil (31 March 2021: Rs.5.89 million) as a contingent liability.

QBPL: The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2015-16 with 14A disallowance, certain expense disallowances and short grant of TDS credit resulting in demand of Rs.3.76 million. An appeal against the assessment order was filed before CIT(A) and the same is in the process of hearing. Penalty proceedings have been initiated. Accordingly, the SPV has disclosed the above demand of Rs.3.76 million (31 March 2021: Rs.3.76 million) as a contingent liability.

OBPPL: The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2011-12 and received a tax demand notice of Rs.69.83 million for Assessment Year 2011-12 wherein the Assessing Officer had disallowed the profit earned by the SPV on transfer of the land at a value which was in excess of its fair value and claimed as deduction under Section 80IAB. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal in favour of the SPV. Income Tax Department filed an appeal with ITAT against the order of CIT(A) and the same has been disposed in favour of SPV during the quarter ended 30 June 2021 by the ITAT. Accordingly, the SPV has disclosed Rs. Nil (31 March 2021: Rs.69.83 million) as a contingent liability.

IENMPL: The SPV received a tax demand notice of Rs.9.25 million for Assessment Year 2014-15 wherein the Assessing Officer had disallowed municipal tax paid claimed against Income from House property and additions made u/s.14A of the Income tax Act read with Rule 8D of the Income Tax Rules. The SPV contested the said demand and has filed an appeal with the CIT(A) against the said order. Accordingly, the SPV has disclosed Rs.9.25 million (31 March 2021: Rs.9.25 million) as contingent liability.

VTPL: (a) The SPV was reassessed u/s. 153C read with 143(3) of the Income Tax Act, 1961 for the AY 2003-04 and 2004-05. Certain additions u/s. 68 were made and tax demand of Rs.25.17 million was raised. The SPV filed an appeal against the demand order before CIT(A) which was upheld in favour of SPV quashing the demand raised. Aggrieved by the CIT(A) order, Income Tax Department filed an appeal before ITAT, Delhi which was dismissed and resultantly the income tax department filed an appeal before Hon'ble High Court of Karnataka which was also dismissed for want of jurisdiction. The Income tax department has now preferred an appeal before the Hon'ble High Court of Delhi. Accordingly, the SPV has disclosed Rs.25.17 million (31 March 2021: Rs.25.17 million) as contingent liability.

(b) The SPV was assessed u/s. 143(3) of the Income Tax Act, 1961 for AY 2018-19 with additions made u/s. 69C and u/s. 14A and a tax demand of Rs.2.67 million was raised and a stay application has been filed with the Assessing Officer. The SPV has preferred an appeal against the assessment order before the CIT(A). The SPV has therefore disclosed Rs.2.67 million (31 March 2021: Nil) as contingent liability.

iii) Claims not acknowledged as debt in respect of Indirect Tax matters

SPV	As at	As at
	30 June 2021	31 March 2021
MPPL	605.50	605.50
ETPL	64.73	64.73
GSPL	23.99	23.99
VCPL	40.66	40.66
UPPL	30.61	30.61
VTPL	4.31	4.31
	769.80	769.80

MPPL: (a) The SPV had received Order-in-original dated 23 December 2015 with a demand to pay a sum of Rs.522.04 million (including interest and penalty) from the Commissioner of Central Excise Bangalore-V Commissionerate towards incorrectly availed Cenvat credit during the period 1 April 2006 to 31 March 2012. Appeal has been filed before CESTAT dated 18 April 2016. The appeal is still pending before CESTAT and the amount of Rs.522.04 million (31 March 2021: Rs.522.04 million) is disclosed as contingent liability.

(b) The SPV had received an order dated 26 May 2011 from Assistant Commissioner of Commercial Taxes for rejecting the refund of Rs.51.86 million towards incorrectly availed VAT input credit during the period 1 April 2009 to 31 March 2010. Appeal was filed before Karnataka Appellate Tribunal (briefly "KAT") which allowed the refund in part. The SPV approached Hon'ble High Court of Karnataka which quashed the order passed by KAT and granted full refund. The State of Karnataka has filed an appeal in the Supreme Court against the High Court order. Accordingly, a sum of Rs.51.86 million (31 March 2021: Rs.51.86 million) has been disclosed as contingent liability.

(c) The Customs department issued demand notice to the Oil Suppliers of the SPV with a demand of Rs.31.60 million for the period 1 April 2015 to 15 February 2016 denying duty benefit on the procurement of diesel. The Oil Suppliers have subsequently raised the demand on the SPV. Consequently, SPV preferred an appeal before the SEZ commissioner which was rejected by the Commissioner and aggrieved by the order, SPV filed a Writ Petition before the Hon'ble High Court of Karnataka and obtained an Interim stay order from the Court on 9 February 2017 which is still in force. Accordingly, a sum of Rs.31.60 million (31 March 2021: Rs.31.60 million) has been disclosed as contingent liability.

44 Commitments and contingencies (continued)

iii) Claims not acknowledged as debt in respect of Indirect Tax matters (continued)

ETPL: (a) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata for the period 2012-13 in respect of non-registration and non-payment of service tax under the category of 'Builder's Special Services' and not 'Construction of Immovable Property' service with regard to installation of parking equipment which is taxable as a service leading to ineligibility of abatement of Rs.10.01 million, irregular availment of credit of Rs.6.87 million and non-payment of service tax of Rs.0.96 million (along with penalty of equal amount). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of Rs.1.33 million to stay the recovery of the balance amount. The same has been paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the demand and penalty amount of Rs.35.68 million (31 March 2021: Rs.35.68 million) has been disclosed as a contingent liability.

(b) SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata in January 2020, demanding Rs.14.52 million in respect of denial of input tax credit during construction period for the financial years 2014-15 to 2016-17 (along with penalty of equal amount). Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a pre-deposit of Rs.1.09 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. Accordingly, the SPV has disclosed the demand and penalty amount of Rs.29.05 million (31 March 2021: Rs.29.05 million) as contingent liability.

GSPPL: The SPV had received an Order-in-Original passed by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Noida for the period FY 2007-08 to 2010-11 demanding Rs.11.99 million (along-with penalty of equal amount) in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of Rs.0.90 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the previous year FY 17-18, the SPV had received a favourable order and the said demand was annulled and the pre-deposit has been refunded; however, the Commissioner Excise has filed an appeal against the Order to Hon'ble High Court of Allahabad. Accordingly, the SPV has disclosed the demand and penalty amount of Rs.23.99 million (31 March 2021: Rs.23.99 million) as contingent liability.

VCPL: The SPV has received an order issued by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Bombay demanding Rs.29.91 million along-with penalty of Rs.10.75 million in respect of inclusion of notional interest accrued on security deposit in the taxable value for the period FY 2012-2013 to 2014-2015. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of Rs.2.24 million to stay the recovery of the balance amount. The same was paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the said demand of Rs.40.66 million (31 March 2021: Rs.40.66 million) has been disclosed as contingent liability.

UPPL: a) The SPV had received show cause notices dated 3 July 2015 for demand due to irregular cenvat credit availed for Rs.23.04 million relating to period from 1 April 2011 to 31 March 2016. Responses have been filed and is pending before the Commissioner of Service Tax. Accordingly, the aforementioned demand of Rs.23.04 million (31 March 2021: Rs.23.04 million) is disclosed as contingent liability.

b) The SPV had received show cause notices dated 9 April 2019 for demand of Rs.3.78 million relating to period from 1 April 2014 to 30 June 2017 with respect to payment of salary and bonus to certain employees of the SPV which has not been considered as Management fees. The Deputy Commissioner of Service Tax has disposed off the submissions made in the current quarter and passed an order demanding the tax dues along with interest and penalty aggregating to Rs.7.57 million. Aggrieved by the order, the SPV has preferred and appeal before the Commissioner of Appeals with pre-deposit of Rs.0.28 million. Accordingly, the aforementioned demand of Rs.7.57 million (31 March 2021: Rs.7.57 million) is disclosed as contingent liability.

VTPL: The Customs department issued demand notice to the Oil Suppliers of the SPV with a demand of Rs.4.31 million for the period 1 April 2015 to 15 February 2016 denying duty benefit on the procurement of diesel. The Oil Suppliers have subsequently raised the demand on the SPV. Consequently, SPV preferred an appeal before the SEZ commissioner which was rejected by the Commissioner and aggrieved by the order, SPV filed a Writ Petition before the Hon'ble High Court of Karnataka and obtained an Interim stay order from the Court on 9 February 2017 which is still in force. Accordingly, a sum of Rs.4.31 million (31 March 2021: Rs.4.31 million) has been disclosed as contingent liability.

44 Commitments and contingencies (continued)

iv) Claims not acknowledged as debt in respect of Property Tax matters

SPV	As at 30 June 2021	As at 31 March 2021
MPPL	3,418.89	3,418.89
	3,418.89	3,418.89

MPPL: (a) The SPV has received a demand order dated 5 October 2015 to pay a sum of Rs.2,739.49 million (including penalty and interest upto June 2016) towards the difference in property tax payable by the SPV, which difference arose on account of classification of the property under different schedules for the purpose of computing property taxes, for the period 2008-09 to 2015-16. The SPV is contesting that the concerned property being an industrial estate that has been developed as special economic zone must be classified as category XIV as per the notification issued under Karnataka Municipal Corporation Act, 1976 ('the Act') and Bruhat Bengaluru Mahanagar Palike Property Tax Rules, 2009 ('Rules'). Whereas, the Assistant Revenue Officer has been considering the concerned property under category VIII as per the notification issued under the Act and Rules. The SPV filed a writ petition against the demand order which has been dismissed by the Hon'ble High Court of Karnataka. The said court upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of writ petition, MPPL has based on external legal opinion filed an appeal before the aforementioned court and the same has been admitted by the court on 27 June 2016. The Hon'ble High Court restrained BBMP from taking any coercive action against the SPV and also directed BBMP to allow the SPV to make payment of property tax for the assessment year 2016-17. The matter is currently pending and as of the date of these financial statements, no further developments have taken place. Accordingly, this has been disclosed as a contingent liability. The SPV paid Rs.646.69 million (31 March 2021: Rs.646.69 million) under protest against the above demand.

(b) The SPV has also received demand notices dated 9 October 2017 to pay a sum of Rs.760.07 million including penalty as of that date towards the differential property tax based on the total survey report for certain blocks for the period 2008-09 to 2017-18. An appeal had been filed before the Joint Commissioner, BBMP, Bytarayanapura, Bangalore ("Joint Commissioner") objecting the total survey report and property tax assessment notice arising therefrom. New demand notices dated 17 January 2019 were issued to pay a sum of Rs.860.39 million (including penalty) towards the differential property tax for the period 2008-09 to 2017-18 and interest upto the date of payment as per the demand notices. The SPV submitted a letter to the Joint Commissioner dated 29 March 2019 referring to the appeals preferred by the SPV and had paid a sum of Rs.286.80 million towards property tax demanded under protest. An order was passed by the Joint Commissioner dismissing the appeal preferred by the SPV. Against the order passed by the Joint Commissioner, MPPL has, based on external legal opinion, filed a writ petition before the Hon'ble High Court of Karnataka on 3 August 2020 on various grounds, inter alia, that the rates BBMP has relied on to calculate property tax in the said demand notices dated 9 October 2017 has been already challenged in a writ appeal filed by the SPV and pending before Hon'ble High Court of Karnataka as mentioned in note iv(a) above. Additionally new notices dated 24 July 2019 and 18 March 2021 were issued to pay a sum of Rs.78.56 million (including penalty) and Rs.27.25 million (including penalty) towards the differential property tax for the year 2018-19 and 2019-20 respectively and the SPV has paid Rs.35.26 million towards property tax demanded under protest. However, BBMP vide notice dated 17 June 2021 have returned the demand draft amount of Rs.9.08 million (differential property tax for the year 2019 -20 paid) requesting payment of interest and penalty along with the differential tax amounting to Rs.27.25 million (including penalty). Accordingly, a net contingent liability of Rs.679.40 million (31 March 2021: Rs.679.40 million) has been disclosed in these financial statements.

v) Others: tax matters pertaining to equity accounted investee company

(a) GLSP (50% equity accounted investee - joint venture) Income Tax matters:

During the year ended 31 March 2020, GLSP has received assessment order for AY 2017-18 for disallowance under section 14A of Income Tax Act read with rule 8D of the Income-tax Rules, disallowance of claim under section 80G of the Income Tax Act and addition to the income based on differences between Form 26AS and the books of accounts. GLSP has filed an appeal against the assessment order with CIT(A). Accordingly, GLSP has disclosed Rs.2.83 million (31 March 2021: Rs.2.83 million) as contingent liability.

(b) GLSP (50% equity accounted investee - joint venture) Service Tax matters:

a) GLSP has received show cause notice and order-in-original dated 14 August 2011 and 11 December 2011 to pay a sum of Rs.111.86 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period 1 April 2009 to 31 March 2011. Appeal has been filed before CESTAT. As at 30 June 2021 the appeal is pending before CESTAT for hearing and accordingly the same is disclosed as a contingent liability by GLSP.

b) GLSP has received an Order-in-Original dated 31 August 2010 to pay a sum of Rs.90.49 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period June 2007 to March 2009. Appeal was filed before CESTAT and a favourable order was received by the entity. Commissioner of Service Tax has filed an appeal before Hon'ble High Court of Karnataka and the matter is taken up for hearing by the Court and accordingly the same is disclosed as contingent liability by GLSP.

44 Commitments and contingencies (continued)

vi) Other matters

- (a) **VCPL (Forfeiture of security deposit matters):** Orange Business Services India Technology Private Limited, earlier known as Equant Technologies Services (India) Private Limited ("Equant") had filed a summary suit bearing No. 388 of 2012 with the Hon'ble Bombay High Court alleging that the SPV incorrectly terminated the letter of intent dated July 18, 2008 executed between the SPV and Equant for renting premises in Embassy 247 Park pursuant to which Equant paid to the SPV a security deposit of Rs.40.32 million, which was withheld by the SPV on account of breach of agreed terms of the said letter of intent. The matter is currently under adjudication.
- (b) **EEPL:** SPV received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on 28 February 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent company of IL&FS Solar Power Limited ("ISPL"), which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorized as operational debts) aggregating up to Rs.1,008.10 million (including interest up to October 2018) are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the subcontractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated 1 March 2019, refuted all such claims inter alia on the basis that the payments are due from ISPL (and/ or its parent entity) to the sub-contractor and not from EEPL, and therefore the sub-contractor has no claim against EEPL. By its letters dated 18 March 2019, the subcontractor has responded to the letter from EEPL, denying all statements made by EEPL and reiterating that the unpaid amounts are due from EEPL. The sub-contractor has thereafter filed an application under Section 9 of the Code before the Bangalore bench of National Company Law Tribunal claiming debt of Rs.1082.50 million (including interest up to September 2019) against EEPL. During the previous year ended 31 March 2020, the third party sub-contractor vide a letter dated 2 January 2020 served the notice of hearing in the captioned matter for initiation of insolvency proceedings under section 9 of the IBC before the NCLT, Bengaluru pursuant to its order dated 16 December 2019. The petitioner has filed a claim as an operational creditor of IEDCL for an amount of Rs. 1082.50 million (including interest up to September 2019) due to him. The matter is listed for hearing on 2 August 2021 in respect of admission before the NCLT, Bangalore. The SPV intends to contest the claim before NCLT. SPV based on the external legal opinion obtained on this matter has disclosed the same as a contingent liability.
- EEPL:** The Karnataka Electricity Regulatory Commission, Bengaluru (KERC) has issued orders in 2005, 2008 and 2014 granting exemption to all solar power generators in Karnataka that achieved commercial operation date between 1 April 2013 and 31 March 2018 from paying certain charges such as payment of wheeling and banking charges, cross subsidy surcharges, transmission losses and wheeling losses for a period of ten years from the date of commissioning. KERC has issued an order dated 14 May 2018 withdrawing the aforementioned exemption available to Karnataka's power generators, including EEPL. The SPV commissioned the solar plant during the FY 2017-2018 and as per the previous Regulation, the charges did not apply to the SPV for a period of 10 years. The SPV filed a writ petition with the Hon'ble High Court of Karnataka challenging the KERC Order and obtained an interim Stay Order dated 24 May 2018. BESCOM filed preliminary statement of objections and also filed application seeking recalling of interim order. The application seeking recalling of interim order was rejected. The Hon'ble High Court passed the judgment on 13 March 2019 allowing the Writ Petition and quashed the order dated 14 May 2018 passed by KERC. The SPV has filed Caveat Petition for receiving notifications in case any suit / appeal is filed by any of the parties to the said petition. KERC has filed a common writ appeal against the order dated 13 March 2019 against EEPL and Others. However, Electricity Supply Companies (ESCOMS) have also filed Writ Appeals against some of the petitioners, but no appeal has been filed against EEPL, in the event an adverse order is passed in the said appeal made by ESCOMS, EEPL may also be affected.
- (c) **MPPL:** SPV has filed a writ petition in 2015 against the BBMP and others seeking to inter-alia, quash (i) a circular from 2014 re-fixing the improvement charges under the Karnataka Municipal Corporations Act, 1976, and the Karnataka Municipal Corporations (Recovery of Improvement Expenses) Rules, 2009, and (ii) a notice from 2015 demanding payment of betterment charges of Rs.127.90 million. In 2016, the Hon'ble High Court of Karnataka has granted an interim stay on the impugned circular and notice.
- (d) **VTPL:** SPV has received a demand note dated 14 August 2020 and 29 September 2020 from the Bangalore Water Supply and Sewerage Board for a payment of total charges amounting to Rs.138.64 million in relation to issuance of a no-objection certificate (NOC) for a proposed project commercial building on land parcel. SPV has filed a writ petition before the High Court of Karnataka against the State of Karnataka, Bangalore Water Supply and Sewerage Board and others challenging inter-alia, the government order dated 12 February 2016 and the demand note issued against the SPV and seeking to, inter-alia, (i) quash the demand notice dated 14 August 2020 and 29 September 2020; and (ii) issuance of NOC to SPV. SPV has obtained an ad-interim direction from the High Court of Karnataka on 17 November 2020 wherein the court has granted stay of demand notice on 14 August 2020 and 29 September 2020 limited to advance probable prorata charges and beneficiary charges and has further instructed the SPV to pay the prescribed fee for issuance of NOC. Pursuant to the same, SPV has made payments on 29 December 2020 and 30 December 2020 amounting to Rs.17.91 million towards NOC charges and treated water charges and the balance amount of Rs.120.73 million towards advance probable prorata charges and BCC charges have been stayed by the Hon'ble High Court of Karnataka have been shown as contingent liability (31 March 2021: Rs.120.73 million). Additionally, SPV has received the NOCs dated 30 December 2020 from BWSSB with respect to the above.

45 Financial instruments - Fair values

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	30 June 2021	30 June 2021	31 March 2021	31 March 2021
Financial assets				
Amortised cost				
Trade receivables	367.52	-	473.16	-
Cash and cash equivalents	6,738.22	-	9,174.78	-
Other bank balances	359.61	-	253.75	-
Other financial assets	7,825.65	-	8,897.18	-
Total assets	15,291.00	-	18,798.87	-
Financial liabilities				
Amortised cost				
Borrowings (including current maturities of long-term debt) - floating	24,244.31	-	22,843.83	-
Borrowings (including current maturities of long-term debt) - fixed rates	84,422.41	85,786.36	83,379.08	84,630.97
Lease deposits	12,447.12	-	12,561.60	-
Trade payables	136.97	-	440.89	-
Contingent consideration	350.00	350.00	350.00	350.00
Other financial liabilities	4,376.83	-	4,376.22	-
Total liabilities	125,977.64	86,136.36	123,951.62	84,980.97

The fair value of cash and cash equivalents, fixed deposits, trade receivables, borrowings at floating rates, lease deposits, trade payables, loans and other financial assets and liabilities approximate their carrying amounts and hence the same has not been disclosed in the table above.

B. Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements.

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

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the quarter ended 30 June 2021 and year ended 31 March 2021.

Determination of fair values

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

- The fair value of mutual funds are based on price quotations at reporting date.
- The fair values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.
- The fair values of borrowings at fixed rates are considered to be equivalent to present value of the future contracted cashflows discounted at the current market rate. The fair value has been categorised as Level 3 Fair value.
- The fair values of contingent consideration is valued based on the present value of expected payments, discounted using a risk-adjusted discount rate.

46 Operating segments

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker ('CODM') evaluates the Embassy Office Parks' performance and allocates resources based on an analysis of various performance indicators by operating segments. The accounting principles used in the preparation of the Condensed Consolidated Financial Statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the significant accounting policies.

Operating segments of Embassy Office Parks Group are (i) Commercial Offices, (ii) Hospitality and (iii) Other segments. Other segments comprise Generation of Renewable Energy. Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment.

Net Operating Income ('NOI') is the key metric reported to the CODM for the purposes of assessment of the segment results. The same is defined as follows:

a) Commercial Offices segment:

NOI for Commercial Offices is defined as revenue from operations (which includes (i) facility rentals, (ii) maintenance services income, (iii) income from finance lease, and (iv) other operating income for Commercial Offices) less direct operating expenses (which includes (i) operating and maintenance expenses including common area maintenance expenses (ii) property taxes, (iii) rent, and (iv) insurance).

b) Hospitality segment:

NOI for hospitality segment is defined as revenue from operations (which includes (i) room rentals, (ii) sale of food and beverages, (iii) other operating income from hospitality) less direct operating expenses (which includes (i) cost of materials consumed, (ii) employee benefits expenses, (iii) operating and maintenance expenses excluding property management fees, and (iv) Other expenses).

c) Other segment:

NOI for other segments is defined as revenue from operations (which includes income from generation of renewable energy) less direct operating expenses (which includes (i) operating and maintenance expenses and (ii) other expenses).

Certain income (such as interest, dividend and other income) and certain expenses (such as Other expenses excluding Direct operating expenses, depreciation, amortisation, impairment loss and finance cost) are not specifically allocable to segments and accordingly these expenses are adjusted against the total income of the Embassy Office Parks Group.

Further, the information relating to segment assets and segment liabilities are not regularly provided to CODM for review and hence the same is not disclosed.

Particulars	Total			
	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Revenue from operations	7,376.43	7,386.59	5,162.26	23,603.20
Identifiable operating expenses	(1,163.49)	(1,225.78)	(593.72)	(3,279.73)
Net Operating Income (segment results for the quarter/ year)	6,212.94	6,160.81	4,568.54	20,323.47
Other operating expenses	(496.33)	(850.47)	(391.24)	(1,815.52)
Interest, dividend and other income	290.99	316.28	330.06	1,185.26
Earnings before finance costs, depreciation, amortisation, impairment loss and tax	6,007.60	5,626.62	4,507.36	19,693.21
Share of profit after tax of equity accounted investees	251.51	237.28	245.38	994.48
Depreciation and amortisation expenses	(1,957.83)	(1,976.01)	(1,178.60)	(5,706.97)
Impairment loss (refer note 6)	-	(988.96)	-	(988.96)
Finance costs	(2,073.31)	(2,281.48)	(1,372.54)	(6,452.89)
Profit before tax	2,227.97	617.45	2,201.60	7,538.87
Tax expense	(178.92)	(149.92)	(159.21)	(555.34)
Other Comprehensive Income	-	0.81	-	0.81
Total comprehensive income for the quarter/year	2,049.05	468.34	2,042.39	6,984.34

Particulars	Commercial Offices			
	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Revenue from operations	6,946.63	6,868.60	4,739.37	21,823.48
Identifiable operating expenses	(999.97)	(1,032.13)	(433.47)	(2,577.83)
Net Operating Income (segment results for the quarter/ year)	5,946.66	5,836.47	4,305.90	19,245.65

Particulars	Hospitality			
	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Revenue from operations	47.13	101.89	17.95	231.46
Identifiable operating expenses	(131.92)	(165.76)	(129.39)	(575.22)
Net Operating Income (segment results for the quarter/ year)	(84.79)	(63.87)	(111.44)	(343.76)

Particulars	Other Segment			
	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Revenue from operations	382.67	416.10	404.94	1,548.26
Identifiable operating expenses	(31.60)	(27.89)	(30.86)	(126.68)
Net Operating Income (segment results for the quarter/ year)	351.07	388.21	374.08	1,421.58

Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Notes to Accounts
(all amounts in Rs. million unless otherwise stated)

46 Operating segments (continued)

An analysis of CGU wise Segment Revenues and Segment Results is given below

For the quarter ended 30 June 2021

Particulars	REIT	MPPL	EPTPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	VCPL	IENMPL	ETV	Total
Segment Revenue:													
Commercial Office Segment	-	2,968.90	393.83	-	-	198.80	247.42	347.05	181.24	311.65	372.95	1,722.19	6,946.63
Hospitality Segment	-	-	-	20.48	-	-	-	-	26.65	-	-	-	47.13
Others	-	-	-	-	382.67	-	-	-	-	-	-	-	382.67
Total	-	2,968.90	393.83	20.48	382.67	198.80	247.42	347.05	207.89	311.65	372.95	1,722.19	7,376.43
Net Operating Income (segment results)													
Commercial Office Segment	-	2,523.09	338.66	-	-	173.32	225.09	283.98	125.11	274.46	342.90	1,488.88	5,946.66
Hospitality Segment	-	-	-	(27.52)	-	-	-	-	(57.27)	-	-	-	(84.79)
Others	-	-	-	-	351.07	-	-	-	-	-	-	-	351.07
Total	-	2,523.09	338.66	(27.52)	351.07	173.32	225.09	283.98	67.84	274.46	342.90	1,488.88	6,212.94

For the quarter ended 31 March 2021

Particulars	REIT	MPPL	EOPPL**	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	VCPL	IENMPL	ETV	Total
Segment Revenue:													
Commercial Office Segment	-	2,867.99	373.40	-	-	210.21	251.16	348.53	198.09	316.51	378.25	1,708.28	6,868.60
Hospitality Segment	-	-	-	39.32	-	-	-	-	62.57	-	-	-	101.89
Others	-	-	-	-	416.10	-	-	-	-	-	-	-	416.10
Total	-	2,867.99	373.40	39.32	416.10	210.21	251.16	348.53	260.66	316.51	378.25	1,708.28	7,386.59
Net Operating Income (segment results)													
Commercial Office Segment	-	2,414.11	309.09	-	-	177.23	239.71	279.58	136.81	272.45	349.64	1,474.25	5,836.47
Hospitality Segment	-	-	-	(19.12)	-	-	-	-	(44.75)	-	-	-	(63.87)
Others	-	-	-	-	388.21	-	-	-	-	-	-	-	388.21
Total	-	2,414.11	309.09	(19.12)	388.21	177.23	239.71	279.58	92.06	272.45	349.64	1,474.25	6,160.81

** Refer note 54.

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Embassy Office Parks REIT
Condensed Consolidated Financial Statements
Notes to Accounts
(all amounts in Rs. million unless otherwise stated)

46 Operating segments (continued)

An analysis of CGU wise Segment Revenues and Segment Results is given below

For the quarter ended 30 June 2020

Particulars	REIT	MPPL	EOPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	VCPL	IENMPL	ETV	Total
Segment Revenue:													
Commercial Office Segment	-	2,462.90	331.90	-	-	205.59	261.47	363.82	212.43	277.77	256.94	366.55	4,739.37
Hospitality Segment	-	-	-	16.36	-	-	-	-	-	1.59	-	-	17.95
Others	-	-	-	-	404.94	-	-	-	-	-	-	-	404.94
Total	-	2,462.90	331.90	16.36	404.94	205.59	261.47	363.82	212.43	279.36	256.94	366.55	5,162.26
Net Operating Income (segment results)													
Commercial Office Segment	-	2,323.75	322.35	-	-	168.49	231.73	299.97	179.91	235.96	210.12	333.62	4,305.90
Hospitality Segment	-	-	-	(32.83)	-	-	-	-	-	(78.61)	-	-	(111.44)
Others	-	-	-	-	374.08	-	-	-	-	-	-	-	374.08
Total	-	2,323.75	322.35	(32.83)	374.08	168.49	231.73	299.97	179.91	157.35	210.12	333.62	4,568.54

For the year ended 31 March 2021

Particulars	REIT	MPPL	EOPL**	UPPL	EEPL	GSPL	ETPL	OBPL	QBPL	VCPL	IENMPL	ETV	Total
Segment Revenue:													
Commercial Office Segment	-	10,802.17	1,407.91	-	-	803.26	1,025.77	1,435.74	873.31	1,006.97	1,321.66	1,438.41	21,823.48
Hospitality Segment	-	-	-	99.75	-	-	-	-	-	131.71	-	-	231.46
Others	-	-	-	-	1,548.26	-	-	-	-	-	-	-	1,548.26
Total	-	10,802.17	1,407.91	99.75	1,548.26	803.26	1,025.77	1,435.74	873.31	1,138.68	1,321.66	1,438.41	23,603.20
Net Operating Income (segment results)													
Commercial Office Segment	-	9,719.10	1,271.12	-	-	679.97	936.78	1,139.71	751.09	794.49	1,169.44	1,309.70	19,245.65
Hospitality Segment	-	-	-	(114.56)	-	-	-	-	-	(229.20)	-	-	(343.76)
Others	-	-	-	-	1,421.58	-	-	-	-	-	-	-	1,421.58
Total	-	9,719.10	1,271.12	(114.56)	1,421.58	679.97	936.78	1,139.71	751.09	565.29	1,169.44	1,309.70	20,323.47

** Refer note 54.

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47 Related party disclosures

I. List of related parties

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor
Embassy One Developers Private Limited
D M Estates Private Limited
Embassy Services Private Limited
Golflinks Properties Private Limited

BRE/ Mauritius Investments - Co-Sponsor

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

Directors & KMPs of the Manager (Embassy Office Parks Management Services Private Limited)

Directors

Jiendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri
Punita Kumar Sinha
Robert Christopher Hedy
Aditya Virwani

Michael David Holland - CEO
Rajesh Kaimal - CFO (upto 19 May 2020)
Aravind Maiya - CFO (from 19 May 2020)
Ramesh Periasamy - Compliance Officer and Company Secretary (Upto 6 August 2020)
Deepika Srivastava - Compliance Officer and Company Secretary (From 7 August 2020)

KMPs

Michael David Holland - CEO
Rajesh Kaimal - CFO (upto 19 May 2020)
Aravind Maiya - CFO (from 19 May 2020)
Ramesh Periasamy - Compliance Officer and Company Secretary (Upto 6 August 2020)
Deepika Srivastava - Compliance Officer and Company Secretary (From 7 August 2020)

Asheesh Molta (alternate to Robert Christopher Hedy)

B. Joint Venture

Golfink Software Parks Private Limited

C. Other related parties with whom the transactions have taken place during the period

Dynasty Properties Private Limited
Snap Offices Private Limited
EPDPL Coliving Private Limited
Embassy Industrial Parks Private Limited
Golflinks Embassy Management Services LLP
Wework India Management Private Limited
Embassy Shelters Private Limited
FIFC Condominium
Palcidium Security Services LLP
Technique Control Facility Management Private Limited
HVS Anarock Hotel ADV Services Private Limited

*together known as BREP entities.

BREPRE VII SG Oxygen Holding (NQ) Pte Limited
BREPRE VII SBS NTPL Holding (NQ) Limited
BREPRE GML Holding (NQ) Pte Limited
BREPRE VII GML Holding (NQ) Pte Limited
BREPRE Asia SBS GML Holding (NQ) Limited
BREPRE VII SBS GML Holding (NQ) Limited
BREPRE Asia SG Oxygen Holding (NQ) Pte Limited

BREPRE Asia SBS Oxygen Holding (NQ) Limited
BREPRE VII SBS Oxygen Holding (NQ) Limited
BREPRE VII SBS Holding-NQ Co XI Limited
BREPRE Asia HCC Holding (NQ) Pte Limited
BREPRE VII HCC Holding (NQ) Pte Limited
BREPRE Asia SG Indian Holding (NQ) Co II Pte. Limited
BREPRE Asia SBS HCC Holding (NQ) Limited

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

Mac Charles (India) Limited
Lounge Hospitality LLP
EPDPL Coliving Operation LLP
Embassy Projects Private Limited
Anarock Retail Advisors Private Limited
Sarla Infrastructure Private Limited (upto 24 December 2020)
Vikas Telecom Private Limited (upto 24 December 2020)
BREPRE VII SBS Holding-NQ IV Co Ltd (Cayman)*
BREPRE Asia SBS Holding-NQ Co IV Ltd (Cayman)*
BREPRE Asia SG India Holding (NQ) Co I Pte Ltd*
BREPRE VII SG India Holding (NQ) Co I Pte Ltd*

Embassy Real Estate and Development Services Private Limited
JV Holding Private Limited
VTV Infrastructure Management Private Limited
Golflinks Embassy Business Park Management Services LLP
Babblers Marketing Private Limited

47 **Related party disclosures (continued)**

II Related party transactions during the quarter/ year

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Acquisition of Common Area maintenance services business from				
Embassy Services Private Limited	-	-	-	4,730.21
Business acquisition of ETV assets from				
Embassy Property Developments Private Limited	-	-	-	6,870.02
BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd	-	-	-	8,736.46
BREP VII SG Indian Holding (NQ) Co I Pte. Ltd	-	-	-	2,182.64
BREP Asia SBS Holding-NQ Co IV Ltd. (Cayman)	-	-	-	41.46
BREP VII SBS Holding-NQ IV Co Ltd (Cayman)	-	-	-	11.84
Non-Convertible Debentures issued to				
Embassy Services Private Limited	-	-	-	60.00
Property Management fees				
Embassy Office Park Management Services Private Limited	167.96	174.60	116.51	535.92
REIT Management fees				
Embassy Office Park Management Services Private Limited	74.38	54.25	58.61	212.23
Purchase of Investment Property				
Babbler Marketing Private Limited	53.83	73.06	-	77.11
Brokerage paid (capitalised)				
Anarock Retail Advisors Private Limited	-	-	-	8.00
Common area maintenance				
Embassy Services Private Limited	157.27	144.99	130.93	532.45
Golflinks Embassy Business Park Management Services LLP	5.81	4.74	6.39	18.97
FIFC Condominium	15.00	8.01	17.12	59.43
Paledium Security Services LLP	20.61	17.31	-	39.13
Technique Control Facility Management Private Limited	163.69	155.57	-	219.07
Repairs and maintenance- building				
Embassy Services Private Limited	-	23.83	-	23.83
Technique Control Facility Management Private Limited	0.28	-	-	-
Paledium Security Services LLP	-	0.83	-	0.83
Repairs and maintenance - plant and machinery				
Embassy Services Private Limited	0.01	0.11	-	0.41
Paledium Security Services LLP	(0.01)	1.72	-	1.72
Technique Control Facility Management Private Limited	(2.52)	10.95	-	11.04
Repairs and maintenance - others				
Embassy Services Private Limited	0.05	-	-	-
Technique Control Facility Management Private Limited	0.12	-	-	-
Business consultancy services (capitalised)				
Embassy Property Developments Private Limited	137.80	77.11	12.69	128.05
Embassy Services Private Limited	5.17	14.43	-	24.20
Reimbursement of tenant improvements				
Wework India Management Private Limited	-	-	65.72	65.72
Income from generation of renewable energy from the tenants of				
Vikas Telecom Private Limited	-	-	71.06	198.49
Embassy Property Developments Private Limited	-	-	6.72	6.72
Dynasty Properties Private Limited	-	-	1.79	1.79
Golflinks Software Park Private Limited	62.90	66.64	50.01	233.68
Security deposits received				
Wework India Management Private Limited	-	-	105.44	105.44
Advance compensation received from related party				
Embassy Property Development Private Limited	-	-	-	559.19

47 **Related party disclosures (continued)**

II Related party transactions during the quarter/ year

Particulars	For the quarter ended 30 June 2021	For the quarter ended 31 March 2021	For the quarter ended 30 June 2020	For the year ended 31 March 2021
Capital advances paid/ (refunded)				
Embassy Property Developments Private Limited	367.08	344.39	68.34	(135.24)
FIFC Condominium	-	4.19	-	8.37
Babbler Marketing Private Limited	25.77	61.59	-	124.11
Rental and maintenance income				
Wework India Management Private Limited	154.39	150.48	19.87	234.21
FIFC Condominium	1.26	5.03	-	5.03
Embassy Services Private Limited	6.05	-	-	-
Snap Offices Private Limited	10.83	13.30	9.27	41.03
Interest income				
Golflinks Software Park Private Limited	-	-	6.04	7.29
Sarla Infrastructure Private Limited	-	-	-	4.76
Embassy Property Developments Private Limited	180.38	178.42	158.72	611.82
Other operating income				
Embassy Property Developments Private Limited	171.60	171.60	171.60	686.40
Golflinks Software Park Private Limited	11.25	11.25	11.25	45.00
Power and fuel expenses				
Embassy Services Private Limited	12.08	18.83	10.42	68.89
Legal and professional charges				
Embassy Services Private Limited	5.74	6.46	5.90	22.70
HVS Anarock Hotel ADV Services Private Limited	-	0.70	-	0.70
Security charges				
Embassy Services Private Limited	6.02	1.89	4.78	16.23
Trademark and license fees				
Embassy Shelters Private Limited	0.35	0.36	0.35	1.42
Revenue - Room rentals, sale of food and beverages				
Jitendra Virwani	1.71	0.58	0.01	1.71
Embassy Property Developments Private Limited	0.57	0.51	-	0.87
Others	3.30	2.68	0.05	3.67
Redemption of investment in debentures				
Golflinks Software Parks Private Limited	-	-	467.90	724.38
Secondment fees				
Embassy Office Parks Management Services Private Limited	0.39	0.36	0.35	1.42
Trustee fees				
Axis Trustee Services Limited	0.74	0.74	0.74	2.96
Reimbursement of expenses (received)/ paid				
Embassy Services Private Limited	-	21.40	0.34	20.50
FIFC Condominium	-	5.70	-	5.70
Embassy One Developers Private Limited	(1.87)	1.26	(1.29)	(12.60)
Embassy Office Parks Management Services Private Limited	1.07	1.04	1.09	1.63
Miscellaneous expenses				
Lounge Hospitality LLP	2.50	-	-	-

47 Related party disclosures (continued)

III. Related party balances

Particulars	As at 30 June 2021	As at 31 March 2021
Short-term borrowings		
Embassy Services Private Limited	60.00	60.00
Other non-current financial assets - security deposits		
VTV Infrastructure Management Private Limited	4.30	4.30
Advance from customers		
Wework India Management Private Limited	45.56	139.12
Snap Offices Private Limited	0.78	-
Trade payables		
Embassy Services Private Limited	9.69	106.68
Embassy Property Developments Private Limited	0.10	0.10
Embassy Real Estate and Development Services Private Limited	-	0.11
VTV Infrastructure Management Private Limited	5.30	13.03
Technique Control Facility Management Private Limited	6.44	28.95
Embassy Office Parks Management Service Private Limited	-	14.02
Lounge Hospitality LLP	9.19	-
Golflinks Embassy Business Park Management services LLP	5.81	5.52
Unbilled revenue		
Golflinks Software Parks Private Limited	19.54	24.38
Other current financial assets - other receivables from related party		
Embassy Property Developments Private Limited	180.37	178.39
Embassy One Developers Private Limited	2.82	1.22
FIFC Condominium	0.67	6.38
Other current financial liabilities		
Embassy Services Private Limited	115.67	79.81
Technique Control Facility Management Private Limited	109.89	78.44
Embassy Office Parks Management Services Private Limited	62.78	52.87
Paledium Security Services LLP	13.79	10.23
Embassy One Developers Private Limited	2.08	-
Embassy Shelters Private Limited	0.35	-
Lounge Hospitality LLP	2.50	-
Mac Charles (India) Limited	5.16	-
Axis Trustee Services Limited	0.74	-
FIFC Condominium	0.31	0.61
VTV Infrastructure Management Private Limited	1.41	19.00
Contingent consideration payable		
Embassy Property Developments Private Limited	350.00	350.00
Other current financial liabilities - Security deposits		
Golflinks Software Parks Private Limited	80.00	80.00
Current liabilities - Capital creditors for purchase of fixed assets		
Embassy Property Developments Private Limited	140.24	41.23
Embassy Services Private Limited	3.28	11.43
Others	4.03	7.81

47 Related party disclosures (continued)

III. Related party balances

Particulars	As at 30 June 2021	As at 31 March 2021
Other current liabilities-Advance compensation received		
Embassy Property Developments Private Limited	252.73	559.19
Other non-current assets - capital advance		
Embassy Shelters Private Limited	206.35	206.35
Embassy Property Developments Private Limited	20.76	20.76
FIFC Condominium	18.07	18.08
Babbler Marketing Private Limited	54.83	29.04
Other current assets - Advance for supply of goods and rendering of services		
FIFC Condominium	8.57	2.67
Embassy Office Park Management Services Private Limited	7.86	-
Embassy Services Private Limited	4.31	-
Other non-current assets - advance paid for co-development of property, including development rights on land		
Embassy Property Developments Private Limited (refer note 53)	14,230.11	13,863.03
Receivable for rental support from a related party*		
Embassy Property Developments Private Limited	839.06	1,108.78
Trade receivables		
Embassy Property Developments Private Limited	171.73	171.90
FIFC Condominium	3.09	-
VTV Infrastructure Management Private Limited	5.82	88.05
Golflinks Embassy Business Park Management Services LLP	1.72	1.71
Wework India Management Private Limited	25.09	64.43
Others	0.85	1.44
Lease deposits		
Wework India Management Private Limited**	112.64	112.64
Snap Offices Private Limited	4.82	4.82

*Represents rental support provided by Embassy Sponsor to SIPL as part of ETV Asset acquisition starting quarter ended 31 March 2021 until the quarter ending 31 March 2022.

**MPPL has provided a guarantee to a tenant (sub-lessee) of Wework India Management Private Limited (Wework), for the security deposits paid by the sub-lessee to Wework. This guarantee has been provided based on the specific request of the sub-lessee and is backed by an independent bank guarantee received by MPPL for a similar amount and duration on behalf of Wework.

48 Business Transfer Agreement (BTA) between MPPL, EOPPL and ESPL

On 22 October 2020, MPPL and EOPPL had entered into Business Transfer Agreement (BTA) with ESPL for acquisition of the Common Area Maintenance (CAM) services for Embassy Manyata and Embassy TechZone for a total consideration of Rs.4,730.21 million.

The acquisition cost of Rs.4,730.21 million was funded through coupon bearing debt obtained by Embassy Office Parks Group. The consideration for the aforesaid acquisition, is paid in the form of assumption and repayment of identified liabilities of ESPL and issuance of unlisted, unsecured, redeemable non-convertible debentures of MPPL and EOPPL to ESPL. The acquisition was completed on 28 October 2020. Details of assets acquired and liabilities assumed have been provided below:

Particulars	CAM services operations		Total
	MPPL	EOPPL	
Assets acquired			
Intangible assets acquired [CAM service rights]	3,808.59	925.72	4,734.31
Fair value of other assets acquired	94.07	6.35	100.42
Total			4,834.73
Liabilities assumed			
Other current liabilities	94.02	10.50	104.52
Total			104.52
Fair value of net assets acquired			4,730.21
Less: Consideration	3,808.64	921.57	4,730.21
Goodwill/ Capital reserve on acquisition			-

Embassy office parks group has obtained two independent valuation reports as required by the REIT regulations for the above acquisition and the average of the two valuations amounts to Rs.5,179 million. Acquisition consideration is at 8.5% discount to average of two independent valuation reports. No fees or commission is payable to any associate of the related party in relation to the transaction. All the material conditions and obligations for the transaction have been complied.

49 Business Combination

During the previous year ended 31 March 2021, the Trust acquired Embassy Tech Village by acquiring all of the equity interest in VTPL, EOVL and SIPL (ETV Assets) held by the Embassy Sponsor, BREP entities and certain other third party shareholders. The acquisition of equity interest in EOVL (which in turn holds 60% equity interest in VTPL) and SIPL has been completed with issue proceeds received of Rs.36,852.02 million, by issue of 111,335,400 Units at a price of Rs.331.00 per Unit through the Institutional Placement.

The acquisition of balance 40% equity interest in VTPL is completed through Preferential issue of 64,893,000 Units at a price of Rs.356.70 per unit to the third party shareholders aggregating to Rs.23,147.33 million.

The accounting for the business combination has been done in accordance with Ind AS-103 "Business Combination". Refer Note 2.1 "Basis of Business Combination" for more details.

Entity	Fair value of investment property, investment property under development, property, plant and equipment and capital work-in-progress acquired	Fair value of other assets acquired	Fair value of liabilities assumed	Deferred tax liability on fair valuation of assets acquired and liabilities assumed	Fair value of net assets taken over	Purchase consideration	Goodwill on consolidation
ETV Assets	93,906.90	11,509.99	47,521.41	14,424.08	43,471.40	57,565.47	14,094.07

Notes:-

- The Purchase consideration for SIPL includes a contingent consideration of Rs.350.00 million which shall be payable to the Embassy Sponsor in cash subject to certain conditions and timeline agreed between the parties.
- Embassy Office Parks Group has obtained two independent valuation reports as required by the REIT regulations for the ETV assets and the average of the two valuations for the enterprise value amounts to Rs.102,555 million. Acquisition consideration is at 4.6% discount to average of two independent valuation reports. No fees or commission is payable to any associate of the related party in relation to the transaction. All the material conditions and obligations for the transaction have been complied.
- The Goodwill of Rs.14,094.07 million mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values as well as the requirement to recognise deferred tax liability of Rs.14,424.08 million, calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases. Goodwill is attributable due to the acquisition price being dependent on the overall property valuation assuming a discounted cash flow method computed using future cashflows and other relevant assumptions as compared with the individual assets recorded at their fair values computed basis comparable approach or depreciated replacement cost basis. Goodwill is allocated entirely to the ETV assets CGU. Goodwill is not deductible for tax purposes.
- During the quarter ended 30 June 2021, the fair value of other assets acquired has been revised by Rs.99.11 million based on the new information obtained about facts and circumstances that existed as at the acquisition date. Accordingly, the above amount has been adjusted with Goodwill in the quarter ended 30 June 2021 with a corresponding impact in the fair value of the asset taken over.
- The valuation techniques used for measuring the fair value of material assets acquired and liabilities assumed are as follows:

Particulars	Valuation methodology
Property, plant and equipment and Investment property	Fair values have been determined by independent external property valuers, having appropriately recognised professional qualification and recent experience in the location and category of the properties being valued. The valuers have followed "Direct comparison approach" for land, "Depreciated replacement cost approach" for the built up component, plant and machinery, capital work-in-progress and other assets. Direct comparison approach involves comparing to similar properties that have actually been sold in an arms length transaction or are offered for sale. Depreciated replacement cost approach considers the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The methodology begins with a set of assumptions as to the projected income and expenses of the property. This methodology use market derived assumptions, including discount rates, obtained from analysed transactions.
Right-to-use trademark	The fair value of the acquired right to use trademark was established using "Relief from royalty" method. It is a methodology that assumes that if a corporation owns a trademark, then it is relieved from paying a royalty, so a hypothetical royalty payment can be estimated.
CAM service rights	The fair value of the CAM service rights was established using the "Multi-period excess earnings method (MEEM)". In MEEM method, value is estimated as the present value of the benefits anticipated from ownership of the asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits.
Assets other than those mentioned above	Book values as on the date of acquisition corresponds to the fair values which have been considered to be fully recoverable.
Contingent consideration	Contingent consideration payable are estimated based on the terms of the sale contract, the entity's knowledge of the business and how the current economic environment is likely to impact it. The fair value of contingent consideration is valued based on the present value of expected payments, discounted using a risk-adjusted discount rate. In relation to SIPL it is probable that the consideration of Rs.350 million will be paid in future to the Embassy Sponsor in cash and hence the entire payable of Rs.350 million has been considered as contingent consideration.
Liabilities	Liabilities includes loans and borrowings, trade payables and provision for employee benefits. Book values as on the date of acquisition corresponds to the fair values.

50 Details of utilisation of proceeds of Institutional placement are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021	Actual utilisation upto 30 June 2021	Unutilised amount as at 30 June 2021
Funding of consideration for the acquisition of the ETV SPVs, including subscription to Class A equity shares in EOVP, payment of consideration to the BREP Entities and the Embassy Sponsor	34,068.14	34,068.14	-	-	-
Debt funding to the ETV SPV's for partial or full repayment or pre-payment of bank/financial institution debt and settlement of certain liabilities	1,550.00	1,550.00	-	-	-
Issue expenses	750.00	750.00	-	-	-
General purposes	483.88	84.93	398.95	-	398.95
Total	36,852.02	36,453.07	398.95	-	398.95

51 Details of utilisation of proceeds of issue of Embassy REIT Series III NCD 2021 are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021	Actual utilisation upto 30 June 2021	Unutilised amount as at 30 June 2021
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	24,500.00	24,500.00	-	-	-
General purposes including issue expenses and granting of shareholder debt including construction and development and/or working capital requirements at the underlying SPVs	1,500.00	613.52	886.48	886.48	-
Total	26,000.00	25,113.52	886.48	886.48	-

52 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 28 July 2021, have declared distribution to Unitholders of Rs.5.64 per unit which aggregates to Rs.5,346.12 million for the quarter ended 30 June 2021. The distributions of Rs.5.64 per unit comprises Rs.1.13 per unit in the form of interest payment, Rs.2.51 per unit in the form of dividend and the balance Rs.2.00 per unit in the form of amortization of SPV debt.

53 Advance paid for co-development of property, including development rights of land (M3 Block A & B)

Block A

Manyata Promoters Private Limited ('MPPL') and Embassy Property Developments Private Limited ('EPDPL') entered into a co-development agreement on 8 March 2017 whereby EPDPL shall develop 1 msf M3 Block A bare shell building within Embassy Manyata campus and shall hand over to MPPL by agreed delivery date for a consideration of Rs.6,510 million to EPDPL, of which Rs.6,460.96 million has already been paid as of 30 June 2021 (31 March 2021: Rs.6,093.89 million). Further, MPPL has appointed EPDPL as the development manager, to convert the bare shell buildings to warm shell for a development management fee of Rs.40 million to EPDPL along with an estimated cost of such conversion from bare shell to warm shell of Rs.1,706 million, of which Rs.40 million towards development management fees has already been paid as of 30 June 2021 and no amounts have been paid towards the warm shell conversion. In summary, EPDPL shall develop 1 msf M3 Block A warm shell building to be handed over to MPPL by agreed delivery date for a total consideration of Rs.8,256 million, of which Rs.6,500.96 million has already been paid as of 30 June 2021 and balance is to be disbursed linked to achievement of construction milestones. EPDPL was originally obligated to obtain Occupancy Certificate (OC) for the buildings by December 2019. In case of any delay in obtaining the OC beyond the agreed delivery date, EPDPL is obligated to pay a rental compensation of Rs.57 million per month of delay to MPPL. As of date, the bare shell building is under development and the estimated date of completion and obtaining occupancy certificate is now December 2022.

The carrying cost in the consolidated financial statements of the above advance is Rs.9,974.26 million as at 30 June 2021 which includes one-time fair valuation gain on purchase price allocation on acquisition by the REIT.

As per terms of this co-development agreement, consideration is contingent on pre-defined Net Operating Income achieved and therefore consideration will be trued up/down accordingly upon project completion.

Block B

During the financial year ended 31 March 2020, to consolidate the M3 land parcel within Embassy Manyata campus, MPPL and EPDPL entered into another co-development agreement whereby EPDPL shall develop 0.6 msf M3 Block B bare shell building to be handed over to MPPL by agreed delivery date of 30 December 2022 for a total consideration of Rs.6,767 million to EPDPL, of which Rs.4,255.85 million has already been paid as of 30 June 2021 (31 March 2021: Rs.4,255.85 million) and balance is to be disbursed linked to receipt of necessary development plan and approvals and achievement of construction milestones. Further, MPPL has also appointed EPDPL as the development manager to obtain Occupancy Certificate (OC) for the buildings by September 2023, subject to grace period of three months. MPPL is obligated to pay a development management fees of Rs.20 million and an estimated cost of conversion from bare shell to warm shell of Rs.580 million to EPDPL of which no amounts have been paid as of date. In summary, EPDPL shall develop 0.6 msf M3 Block B warm shell building to be handed over to MPPL by agreed delivery date for a total consideration of Rs.7,367 million, of which Rs.4,255.85 million has already been paid as of 30 June 2021 (31 March 2021: Rs.4,255.85 million) and balance is to be disbursed linked to achievement of development milestones. Furthermore, as per the co-development agreement, during the period of construction, EPDPL is obligated to pay interest to MPPL on the amount of the Development Consideration disbursed by MPPL to EPDPL. As of date, site works have been initiated and development plan and approvals are underway and the estimated date of completion and obtaining occupancy certificate is now March 2024.

As per terms of this co-development agreement, consideration is contingent on pre-defined Net Operating Income achieved and therefore consideration will be trued up/down accordingly upon project completion. As at 30 June 2021, MPPL has a net receivable of Rs.99.37 million from EPDPL towards receipt of interest for Block B.

- 54 During the previous year ended 31 March 2021, the Board of Directors of the Manager in their meeting held on 19 May 2020 approved the composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL. The Scheme provides for:
- The demerger, transfer and vesting of the Techzone business of EOPPL comprising Embassy TechZone Business Park (more specifically defined as the 'TechZone Undertaking' in the Scheme) into EPTPL on a going concern basis, in consideration for which the Embassy Office Parks REIT (as shareholder of EOPPL) will be issued shares in EPTPL; followed by
 - Amalgamation of EOPPL into MPPL, on a going concern basis.

The above scheme has been approved by National Company Law Tribunal (NCLT), Mumbai bench with an effective date of 10 March 2021. Further the scheme was approved by the Board of Approval of Special Economic Zones ("BoA") in its meeting held on 18 March 2021 and the company has filed the necessary form with Registrar of Companies ("ROC") on 25 March 2021, for all the three entities. Upon completion of the scheme, MPPL has become a 100% Holdco of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL, 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone, an existing asset of the Embassy Office Parks REIT.

The consideration paid by EPTPL and MPPL to give effect to the above consideration to Embassy REIT is as follows:-

- EPTPL has issued and allotted 1 fully paid equity share of face value of Rs.10 each for every 1 equity share of face value of Rs.10 each fully paid-up held in EOPPL by Embassy REIT.
- MPPL has issued and allotted 1 fully paid equity share of face value of Rs.100 each for every 11.85 equity share of face value of Rs.10 each fully paid-up held in EOPPL by Embassy REIT.

There is no impact to consolidated financial statements of the Group due to the above scheme of merger.

Further, for the purpose of all disclosures in the condensed consolidated financial statements, all numbers for the quarter and year ended 31 March 2021 are shown under EOPPL instead of EPTPL to facilitate comparison and ease for users of the financial statements.

- 55 The figures for the quarter ended 31 March 2021 are the derived figures between the audited figures in respect of the year ended 31 March 2021 and the published year-to-date figures upto periods ended 31 December 2020, which were subject to limited review.
- 56 The Board of Directors of the Manager through a resolution by circulation dated 23 January 2021 approved the Scheme of Arrangement ("the Scheme") involving EOVP and VTPL. The Scheme provides for the merger/amalgamation of EOVP into VTPL (on a going concern basis). Upon the Scheme becoming effective, with effect from the Appointed Date (as defined in the Scheme), VTPL will be a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy Tech Village. This would result in a simplified holding and management structure for Embassy REIT assets and create value for Embassy REIT and its Unitholders. The Scheme has been filed with National Company Law Tribunal (NCLT), Bengaluru Bench on 10 February 2021 and is subject to receipt of necessary statutory and regulatory approvals under applicable laws, including the approval of the NCLT.

As per our report of even date attached

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

ADARSH RANKA
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ADARSH RANKA
Date: 2021.07.28
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per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 28 July 2021

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

JITENDRA MOHANDAS VIRWANI
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JITENDRA MOHANDAS VIRWANI
Date: 2021.07.28
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Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: 28 July 2021

TUHIN ARVIND PARIKH
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Date: 2021.07.28 11:44:40
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Tuhin Parikh
Director
DIN: 00544890
Place: Portland, Maine
Date: 28 July 2021