12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru – 560 001, India
Tel: +91 80 6648 9000

## 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 standalone interim Ind AS financial statements of Embassy Office Parks REIT (the "REIT") which comprise the unaudited condensed standalone balance sheet as at June 30, 2023, the unaudited condensed statement of Profit and Loss, including other comprehensive income, unaudited condensed statement of Cash Flows and the unaudited condensed statement of changes in Unitholders equity for the quarter ended June 30, 2023 and a summary of the significant accounting policies and select explanatory information (together hereinafter referred to as the "Condensed Standalone Interim Ind AS Financial Statements").

2. The Manager is responsible for the preparation of the Condensed Standalone Interim Ind AS Financial Statements in accordance with the requirements of Indian Accounting Standard 34 (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''). The Condensed Standalone Interim Ind AS Financial Statements has been approved by the Board of Directors of the Manager. Our responsibility is to express a conclusion on the Condensed Standalone Interim Ind AS Financial Statements based on our review.

### Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Condensed Standalone Interim Ind AS Financial Statements are free of material misstatement. A review 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.

**Conclusion**

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

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

ADARSH RANKA Digitally signed by ADARSH RANKA Date: 2023.07.26 11:30:53 +05'30'

per Adarsh Ranka
Partner
Membership No.: 209567

UDIN: 23209567BGXVZZ3728

Place: Bengaluru, India
Date: July 26, 2023

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

| | Note | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Financial assets | | | |
| - Investments | 3 | 245,853.06 | 246,260.89 |
| - Loans | 4 | 101,141.20 | 92,756.54 |
| **Total non-current assets** | | **346,994.26** | **339,017.43** |
| **Current assets** | | | |
| Financial assets | | | |
| - Cash and cash equivalents | 5 | 6,109.79 | 5,280.15 |
| - Loans | 6 | 809.30 | 1,104.30 |
| - Other financial assets | 7 | 49.48 | 39.93 |
| Other current assets | 8 | 123.94 | 97.38 |
| **Total current assets** | | **7,092.51** | **6,521.76** |
| **Total assets** | | **354,086.77** | **345,539.19** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Unit capital | 9 | 288,262.11 | 288,262.11 |
| Other equity | 10 | (39,609.45) | (37,689.45) |
| **Total equity** | | **248,652.66** | **250,572.66** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| - Borrowings | 11 | 64,270.32 | 53,784.79 |
| **Total non-current liabilities** | | **64,270.32** | **53,784.79** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| - Borrowings | 12 | 40,916.17 | 40,873.02 |
| - Trade payables | 13 | | |
| - total outstanding dues of micro and small enterprises | | 3.32 | 7.41 |
| - total outstanding dues of creditors other than micro and small enterprises | | 10.83 | 0.35 |
| - Other financial liabilities | 14 | 135.19 | 190.44 |
| Other current liabilities | 15 | 94.03 | 108.70 |
| Liabilities for current tax (net) | 16 | 4.25 | 1.82 |
| **Total current liabilities** | | **41,163.79** | **41,181.74** |
| **Total equity and liabilities** | | **354,086.77** | **345,539.19** |
| **Significant accounting policies** | 2 | | |

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

As per our report of even date attached

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

ADARSH RANKA Digitally signed by ADARSH RANKA Date: 2023.07.26 11:32:57 +05'30'

*per* **Adarsh Ranka**
*Partner*
Membership number: 209567
Place: Bengaluru
Date: 26 July 2023

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

JITENDRA MOHANDAS VIRWANI Digitally signed by JITENDRA MOHANDAS VIRWANI Date: 2023.07.26 10:58:18 +05'30'

**Jitendra Virwani**
*Director*
DIN: 00027674
Place: Bengaluru
Date: 26 July 2023

TUHIN ARVIND PARIKH Digitally signed by TUHIN ARVIND PARIKH Date: 2023.07.26 10:39:04 +05'30'

**Tuhin Parikh**
*Director*
DIN: 00544890
Place: Mumbai
Date: 26 July 2023

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

| | Note | For the quarter ended 30 June 2023 (Unaudited) | For the quarter ended 31 March 2023 (Audited *) | For the quarter ended 30 June 2022 (Unaudited) | For the year ended 31 March 2023 (Audited) |
|---|---|---|---|---|---|
| **Income and gains** | | | | | |
| Dividend | | 2,280.11 | 2,705.00 | 2,715.00 | 9,707.00 |
| Interest | 17 | 2,900.09 | 2,686.28 | 2,725.31 | 10,841.61 |
| Other income | 18 | 20.57 | 33.06 | 17.00 | 71.25 |
| **Total Income** | | **5,200.77** | **5,424.34** | **5,457.31** | **20,619.86** |
| **Expenses** | | | | | |
| Valuation expenses | | 2.77 | 3.24 | 2.07 | 10.62 |
| Audit fees | | 1.10 | 1.18 | 1.18 | 4.70 |
| Investment management fees | 26 | 58.16 | 62.30 | 58.83 | 239.47 |
| Trustee fees | | 0.73 | 0.73 | 0.74 | 2.95 |
| Legal and professional fees | | 6.87 | 31.26 | 19.30 | 162.54 |
| Other expenses | 19 | 15.82 | 17.26 | 12.12 | 66.76 |
| **Total Expenses** | | **85.45** | **115.97** | **94.24** | **487.04** |
| **Earnings before finance costs, impairment loss and tax** | | **5,115.32** | **5,308.37** | **5,363.07** | **20,132.82** |
| Finance costs | 20 | 1,708.70 | 1,565.40 | 1,466.21 | 6,017.63 |
| Impairment loss | 3 | - | 1,295.12 | - | 1,295.12 |
| **Profit before tax** | | **3,406.62** | **2,447.85** | **3,896.86** | **12,820.07** |
| **Tax expense:** | 21 | | | | |
| Current tax | | 8.94 | 14.14 | 7.27 | 28.59 |
| | | **8.94** | **14.14** | **7.27** | **28.59** |
| **Profit for the quarter/ year** | | **3,397.68** | **2,433.71** | **3,889.59** | **12,791.48** |
| **Items of other comprehensive income** | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | |
| - Gain/(loss) on remeasurement of defined benefit liability, net of tax | | - | - | - | - |
| **Total comprehensive income for the quarter/ year** | | **3,397.68** | **2,433.71** | **3,889.59** | **12,791.48** |
| **Earning per unit** | 22 | | | | |
| Basic | | 3.58 | 2.57 | 4.10 | 13.49 |
| Diluted | | 3.58 | 2.57 | 4.10 | 13.49 |
| **Significant accounting policies** | 2 | | | | |

** Refer note 32*

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

As per our report of even date attached

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

ADARSH RANKA Digitally signed by ADARSH RANKA Date: 2023.07.26 11:33:25 +05'30'

*per* **Adarsh Ranka**
*Partner*
Membership number: 209567
Place: Bengaluru
Date: 26 July 2023

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

JITENDRA MOHANDAS VIRWANI Digitally signed by JITENDRA MOHANDAS VIRWANI Date: 2023.07.26 10:58:58 +05'30'

**Jitendra Virwani**
*Director*
DIN: 00027674
Place: Bengaluru
Date: 26 July 2023

TUHIN ARVIND PARIKH Digitally signed by TUHIN ARVIND PARIKH Date: 2023.07.26 10:39:44 +05'30'

**Tuhin Parikh**
*Director*
DIN: 00544890
Place: Mumbai
Date: 26 July 2023

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

| | For the quarter ended 30 June 2023 (Unaudited) | For the quarter ended 31 March 2023 (Audited *) | For the quarter ended 30 June 2022 (Unaudited) | For the year ended 31 March 2023 (Audited) |
|---|---|---|---|---|
| **Cash flow from operating activities** | | | | |
| **Profit before tax** | 3,406.62 | 2,447.85 | 3,896.86 | 12,820.07 |
| *Adjustments to reconcile profit before tax to net cash flows:* | | | | |
| Interest income | (2,900.09) | (2,686.28) | (2,725.31) | (10,841.61) |
| Dividend | (2,280.11) | (2,705.00) | (2,715.00) | (9,707.00) |
| Profit on sale of investments | (20.57) | (33.06) | (17.00) | (71.25) |
| Impairment loss | - | 1,295.12 | - | 1,295.12 |
| Finance costs | 1,708.70 | 1,565.40 | 1,466.21 | 6,017.63 |
| **Operating cash flow before working capital changes** | **(85.45)** | **(115.97)** | **(94.24)** | **(487.04)** |
| Changes in: | | | | |
| Other current and non-current assets | (26.56) | (16.01) | (53.46) | (44.96) |
| Other current and non-current liabilities | (14.67) | 13.46 | 10.81 | 20.09 |
| Other current financial liabilities | (54.44) | 84.62 | 6.52 | 98.42 |
| Other financial assets | (9.55) | (6.96) | (0.89) | (33.42) |
| Trade payables | 6.39 | (1.67) | (6.71) | (1.05) |
| **Cash used in operations** | **(184.28)** | **(42.53)** | **(137.97)** | **(447.96)** |
| Taxes paid (net) | (6.51) | (5.64) | (5.51) | (29.57) |
| **Net cash used in operating activities** | **(190.79)** | **(48.17)** | **(143.48)** | **(477.53)** |
| **Cash flow from investing activities** | | | | |
| Loans given to subsidiaries | (14,150.00) | (13,581.62) | (305.00) | (21,166.42) |
| Loans repaid by subsidiaries | 6,562.50 | 5,302.91 | 1,931.81 | 17,562.42 |
| Investment in subsidiary (refer note 31) | - | (64.66) | - | (64.66) |
| Contingent consideration paid | - | - | (350.00) | (350.00) |
| Investment in debentures issued by joint venture | - | - | (9,500.00) | (9,500.00) |
| Redemption of debentures issued by joint venture | 407.83 | 300.00 | 150.00 | 1,342.17 |
| Interest received | 2,397.94 | 2,412.87 | 2,107.76 | 9,075.49 |
| Dividend received | 2,280.11 | 2,705.00 | 2,715.00 | 9,707.00 |
| Redemption of mutual funds (net) | 20.57 | 33.06 | 17.00 | 71.25 |
| **Net cash (used in)/ generated from investing activities** | **(2,481.05)** | **(2,892.44)** | **(3,233.43)** | **6,677.25** |
| **Cash flow from financing activities** | | | | |
| Proceeds of borrowings from financial institutions (net of issue expenses) | - | 9,971.69 | - | 9,971.69 |
| Proceeds from issue of Non-convertible debentures (net of issue expenses) | 10,467.90 | - | 9,941.73 | 9,925.80 |
| Distribution to unitholders | (5,317.43) | (5,033.76) | (4,984.95) | (20,246.43) |
| Interest paid | (1,648.99) | (1,505.67) | (1,404.73) | (5,771.10) |
| **Net cash generated from /(used in) financing activities** | **3,501.48** | **3,432.26** | **3,552.05** | **(6,120.04)** |

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

| | For the quarter ended 30 June 2023 (Unaudited) | For the quarter ended 31 March 2023 (Audited *) | For the quarter ended 30 June 2022 (Unaudited) | For the year ended 31 March 2023 (Audited) |
|---|---|---|---|---|
| **Net increase in cash and cash equivalents** | **829.64** | **491.65** | **175.14** | **79.68** |
| Cash and cash equivalents at the beginning of the quarter/ year | 5,280.15 | 4,788.50 | 5,200.47 | 5,200.47 |
| **Cash and cash equivalents at the end of the quarter/ year** | **6,109.79** | **5,280.15** | **5,375.61** | **5,280.15** |
| | | | | |
| **Cash and cash equivalents comprise:** | | | | |
| Balances with banks | | | | |
| - in current accounts | 6,106.02 | 5,276.63 | 5,371.69 | 5,276.63 |
| - in escrow accounts | 3.77 | 3.52 | 3.92 | 3.52 |
| **Cash and cash equivalents at the end of the quarter/ year (refer note 5)** | **6,109.79** | **5,280.15** | **5,375.61** | **5,280.15** |

**Significant accounting policies (refer note 2)**
** Refer note 32*

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

As per our report of even date attached

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

ADARSH RANKA Digitally signed by ADARSH RANKA Date: 2023.07.26 11:33:52 +05'30'

*per* **Adarsh Ranka**
*Partner*
Membership number: 209567
Place: Bengaluru
Date: 26 July 2023

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

JITENDRA MOHANDAS VIRWANI Digitally signed by JITENDRA MOHANDAS VIRWANI Date: 2023.07.26 10:59:25 +05'30'

**Jitendra Virwani**
Director
DIN: 00027674
Place: Bengaluru
Date: 26 July 2023

TUHIN ARVIND PARIKH Digitally signed by TUHIN ARVIND PARIKH Date: 2023.07.26 10:40:10 +05'30'

**Tuhin Parikh**
*Director*
DIN: 00544890
Place: Mumbai
Date: 26 July 2023

**Condensed Standalone Statement of changes in Unitholders' Equity**
(all amounts in Rs. million unless otherwise stated)

**A. Unit capital**

| **Particulars** | **Units (No in million)** | **Amount** |
|---|---|---|
| **Balance as at 1 April 2022** | **947.90** | **288,262.11** |
| Changes during the year | - | - |
| **Balance as at 31 March 2023** | **947.90** | **288,262.11** |
| | | |
| **Balance as at 1 April 2023** | **947.90** | **288,262.11** |
| Changes during the quarter | - | - |
| **Balance as at 30 June 2023** | **947.90** | **288,262.11** |

**B. Other equity**

| **Particulars** | **Reserves and Surplus** |
|---|---|
| | **Retained Earnings** |
| **Balance as at 1 April 2022** | **(30,233.92)** |
| Add : Total comprehensive income for the year ended 31 March 2023 | 12,791.48 |
| Less: Distribution to Unitholders during the year ended 31 March 2023 * ^ | (20,247.01) |
| **Balance as at 31 March 2023** | **(37,689.45)** |
| | |
| **Balance as at 1 April 2023** | **(37,689.45)** |
| Add : Total comprehensive income for the quarter ended 30 June 2023 | 3,397.68 |
| Less: Distribution to Unitholders during the quarter ended 30 June 2023 * ^^ | (5,317.68) |
| **Balance as at 30 June 2023** | **(39,609.45)** |

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

^ The distribution for year ended 31 March 2023 does not include the distribution relating to the quarter ended 31 March 2023, as the same was paid subsequent to the year ended 31 March 2023.

^^ The distribution for the quarter ended 30 June 2023 does not include the distribution relating to the quarter ended 30 June 2023, as the same will be paid subsequently.

As per our report of even date attached

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

ADARSH RANKA Digitally signed by ADARSH RANKA Date: 2023.07.26 11:34:24 +05'30'

*per* **Adarsh Ranka**
*Partner*
Membership number: 209567
Place: Bengaluru
Date: 26 July 2023

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

JITENDRA MOHANDAS VIRWANI Digitally signed by JITENDRA MOHANDAS VIRWANI Date: 2023.07.26 10:59:42 +05'30'

**Jitendra Virwani**
*Director*
DIN: 00027674
Place: Bengaluru
Date: 26 July 2023

TUHIN ARVIND PARIKH Digitally signed by TUHIN ARVIND PARIKH Date: 2023.07.26 10:40:34 +05'30'

**Tuhin Parikh**
*Director*
DIN: 00544890
Place: Mumbai
Date: 26 July 2023

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

(all amounts in Rs. million unless otherwise stated)

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

| Sl No | Particulars | For the quarter ended 30 June 2023 | For the quarter ended 31 March 2023 | For the quarter ended 30 June 2022 | For the year ended 31 March 2023 |
|---|---|---|---|---|---|
| 1 | Cash flows received from SPVs/Holdcos and Investment Entity in the form of: | | | | |
| | • Interest | 2,397.60 | 2,412.87 | 2,107.76 | 9,074.45 |
| | • Dividends (net of applicable taxes) | 2,280.11 | 2,705.00 | 2,715.00 | 9,707.00 |
| | • Repayment of Shareholder Debt (to the extent not repaid through debt or equity) | 2,205.33 | 1,860.97 | 1,781.81 | 8,288.69 |
| | • 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 Trust level not captured herein | 20.91 | 33.06 | 17.00 | 72.29 |
| 5 | Less: Any other expense at the Trust level, and not captured herein (excluding acquisition related costs) | (15.82) | (17.26) | (12.12) | (66.76) |
| 6 | Less: Any fees, including but not limited to: | | | | |
| | • Trustee fees | (0.73) | (0.73) | (0.74) | (2.95) |
| | • REIT Management Fees (to the extent not paid in Units) | (58.16) | (62.30) | (58.83) | (239.47) |
| | • Valuer fees | (2.77) | (3.24) | (2.07) | (10.62) |
| | • Legal and professional fees | (7.19) | (31.67) | (19.72) | (164.18) |
| | • Trademark license fees | (0.35) | (0.36) | (0.35) | (1.42) |
| | • Secondment fees | (0.43) | (0.41) | (0.41) | (1.64) |
| 7 | Less: Debt servicing (including principal, interest, redemption premium etc.) of external debt at the Trust level, to the extent not paid through debt or equity | (1,708.70) | (1,565.40) | (1,466.21) | (6,017.63) |
| 8 | Less: Income tax (net of refund) and other taxes (if applicable) at the Trust level | (6.51) | (5.64) | (5.51) | (29.57) |
| | **Net Distributable Cash Flows** | **5,103.29** | **5,324.89** | **5,055.61** | **20,608.19** |

***Notes:***

The Board of Directors of the Manager to the Trust, in their meeting held on 26 July 2023, have declared distribution to Unitholders of Rs.5.38 per unit which aggregates to Rs.5,099.67 million for the quarter ended 30 June 2023. The distribution of Rs.5.38 per unit comprises Rs.0.69 per unit in the form of interest payment, Rs.2.38 per unit in the form of dividend, Rs.0.01 per unit in the form of other income and the balance Rs.2.30 per unit in the form of repayment of debt.

(all amounts in Rs. million unless otherwise stated)

## 1 Trust Information

Embassy Property Developments Private Limited (‘EPDPL’) and BRE/Mauritius Investments (‘BMI’) collectively known as (the ‘Sponsors’ or the ‘Co-Sponsors’) have set up the Embassy Office Parks REIT (or the " Embassy REIT" or the "Trust") on 30 March 2017 at Royal Oaks, Embassy Golf Links Business Park, Bangalore, 560071, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a Trust Deed dated 30 March 2017 as amended on 11 September 2018. The Embassy REIT was registered with SEBI on 3 August 2017 as a real estate investment trust (REIT) under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 having registration number IN/REIT/17-18/0001. Pursuant to a letter dated 21 August 2018, SEBI took on record the addition of the Blackstone Sponsor to the sponsors of the Embassy REIT. The Trustee to Embassy Office Parks REIT is Axis Trustee Services Limited (the ‘Trustee’) and the Manager for Embassy Office Parks REIT is Embassy Office Parks Management Services Private Limited (the ‘Manager’ or ‘EOPMSPL’).

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

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

**Details of Special Purpose Vehicles (SPVs)/ Subsidiaries of Trust is provided below:**

| Name of the SPV/Subsidiary | Activities | Shareholding (in percentage) |
|---|---|---|
| Manyata Promoters Private Limited (‘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 (HoldCo.) for the Trust.<br>Development, rental and maintenance of serviced residences (Hotel Hilton Garden and Hotel Hilton Garden Inn at Embassy Manyata), located in Bangalore. | Embassy Office Parks REIT : 100% |
| Umbel Properties Private Limited (‘UPPL') | Development, rental and maintenance of serviced residences (Hilton hotel) located at Bengaluru. | Embassy Office Parks REIT : 100% |
| Embassy Energy Private Limited (‘EEPL’) | Generation and supply of solar power to the office spaces of SPVs/Subsidiaries of the Trust located in Bengaluru. | MPPL: 80%<br>Embassy Office Parks REIT : 20% |
| Galaxy Square Private Limited (‘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% |
| Quadron Business Park Private Limited (‘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 Bengaluru.<br>Development, rental and maintenance of serviced residences (Hotel Four Seasons at Embassy One), located in Bengaluru. | Embassy Office Parks REIT : 100% |
| Earnest Towers Private Limited (‘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% |
| Qubix Business Park Private Limited (‘QBPPL') | Development and leasing of office space and related interiors and maintenance of such assets (Embassy Qubix), located in Pune. | Embassy Office Parks REIT : 100% |
| Oxygen Business Park Private Limited (‘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% |
| Vikhroli Corporate Park Private Limited (‘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% |
| Indian Express Newspapers (Mumbai) Private Limited | Development and leasing of office` space and related interiors and maintenance of such assets (Express Towers), located in Mumbai. | Embassy Office Parks REIT : 100% |
| Embassy Pune TechZone Private Limited ('EPTPL') | Development and leasing of office space and related interiors and maintenance of such assets (Embassy TechZone) located at Pune. | Embassy Office Parks REIT : 100 % |
| Vikas Telecom Private Limited ('VTPL') | Development and leasing of office space and related interiors and maintenance of such assets "Embassy TechVillage" (ETV), located in Bengaluru. | Embassy Office Parks REIT : 100% |
| Sarla Infrastructure Private Limited ('SIPL') | Development and leasing of office space and related interiors and maintenance of such assets (ETV, Block 9), located in Bengaluru. | Embassy Office Parks REIT : 100% |
| Embassy Construction Private Limited ('ECPL') | Development and leasing of office space and related interiors and maintenance of such assets (Embassy Business Hub), located in Bengaluru. | Embassy Office Parks REIT : 100% (w.e.f : 31 March 2023, refer note 31) |

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 joint venture | Activities | Shareholding (in percentage) |
|---|---|---|
| Golflinks Software Park Private Limited ('GLSP') | Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bengaluru. | Kelachandra Holdings LLP (50%),<br>MPPL: 50% |

**2 Significant accounting policies**

**2.1 Basis of preparation of Condensed Standalone Financial Statements**

The Condensed Standalone Financial Statements (hereinafter referred to as the 'Condensed Standalone Financial statements') of the Trust comprises the Standalone Balance Sheet as at 30 June 2023, the Standalone Statement of Profit and Loss including other comprehensive income, the Condensed Statement of Changes in Unitholders' Equity, the Standalone Statement of Cash Flows and summary of significant accounting policies and other explanatory information for the quarter ended 30 June 2023. The Condensed Standalone Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 26 July 2023.

The Condensed Standalone Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued there under 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 the REIT regulations. Also refer Note 9 (a) on classification of Unitholders fund.

Embassy Office Parks REIT has prepared Condensed Standalone Financial Statements which comply with Ind AS applicable for the quarter ended 30 June 2023, together with the comparative period data as at and for the year ended 31 March 2023, as described in the summary of significant accounting policies.

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

**Statement of compliance to Ind-AS**

These Condensed Standalone Financial Statements for the quarter ended 30 June 2023 are the financial statements of the Embassy Office Parks REIT and have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

**Changes in accounting policies and disclosures**

**New and amended standards**

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 1 April 2023.

**Ind AS 1, Presentation of Financial Statements**

An entity shall disclose material accounting policy information. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

**Ind AS 8, Accounting policies, Change in Accounting Estimates and Errors**

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. An entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

An entity may need to change an accounting estimate if changes occur in the circumstances on which the accounting estimate was based or as a result of new information, new developments or more experience. By its nature, a change in an accounting estimate does not relate to prior periods and is not the correction of an error.

These apply for the first time for the quarter ended 30 June 2023 on the financial statements of the Trust.

There were certain amendments to standards and interpretations which are applicable for the first time for the quarter ended 30 June 2023, but either the same are not relevant or do not have an impact on the Condensed Standalone financial statements of the Trust. The Trust has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**2.2 Summary of significant accounting policies**

**a) Functional and presentation currency**

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

**b) Basis of measurement**

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

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

**c) Use of judgments and estimates**

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

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

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

i) Classification of lease arrangements as finance lease or operating lease – Note 2.2 (m)

ii) Classification of Unitholders' funds – Note 9(a)

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

i) Valuation of financial instruments – Refer Note 2.2 (h)

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

iii) Impairment of investments and loans in subsidiaries

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

**2 Significant accounting policies (continued)**

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

The Trust has net current liabilities of Rs.34,071.28 million as at 30 June 2023 mainly due to the maturity of Embassy REIT Series II NCD 2020 - Tranche A and Tranche B in October 2023 and Embassy REIT Series III NCD 2021 in February 2024. Based on the Group's liquidity position including undrawn borrowing facilities as well as a low leverage of 28.95 % net debt to Gross Asset Value, the Trust will be able to refinance its borrowings and meet its current obligations as and when they fall due.

**e) Measurement of fair values**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**g) Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of Embassy Office Parks REIT 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 quarter/year are recognised in the Standalone Statement of Profit and Loss of the quarter/year except exchange differences arising from the translation of the items which are recognised in OCI.

**2 Significant accounting policies (continued)**

**h) Financial instruments**

**i) Recognition and initial measurement**

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

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

**ii) Classification and subsequent measurement**

Financial assets

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

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

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

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

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

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

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

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

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

*Financial assets: Business model assessment*

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

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

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

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

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

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

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

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

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

**2 Significant accounting policies (continued)**

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

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

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

**iii) Derecognition**

*Financial assets*

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

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

*Financial liabilities*

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

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

**iv) Offsetting**

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

**i) Compound financial instruments**

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

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

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

**j) Impairment of financial assets**

*Financial assets*

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

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

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

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

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

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

**2 Significant accounting policies (continued)**

**j) Impairment of financial assets (continued)**

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

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

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

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

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

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

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

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

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

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

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

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

**k) Embedded derivatives**

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

**l) Financial guarantee contracts**

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

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

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

**m) Leases**

**Embassy Office Parks REIT as a lessee**

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

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

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

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

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

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

**2 Significant accounting policies (continued)**

**m) Leases (continued)**

**Embassy Office Parks REIT as a lessor**

*I. Determining whether an arrangement contains a lease*

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

*ii. Assets held under leases*

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

*iii. Initial direct costs*

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

**n) Revenue recognition**

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

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

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

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

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

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

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

**p) Borrowing costs**

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

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

**q) Taxation**

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

(i) *Current tax:*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the quarter/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

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

- Taxable temporary differences arising on initial recognition of goodwill.

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

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

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

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

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.

**2 Significant accounting policies (continued)**

**r) Provisions and contingencies**

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

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

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

**s) Operating segments**

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

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

**t) Cash and cash equivalents**

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

**u) Cash distributions to Unitholders**

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

**v) Statement of Cash flows**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Embassy Office Parks REIT are segregated.

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

**w) Earnings per unit**

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

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

**x) Earnings before finance costs, impairment loss and tax**

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

**y) 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. Further, repayment of short-term construction debt given to SPVs, debt repayment of Series I NCD (including redemption premium) which was refinanced through debt, and interest on external debt paid and capitalised to development work in progress to the extent funded by debt, are not considered for NDCF computation.

(all amounts in Rs. million unless otherwise stated)

**3 Non-current investments**

| | Particulars | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|---|
| a) | **Trade, unquoted investments in subsidiaries (at cost) (refer note below and note 24)** | | |
| | - 405,940,204 (31 March 2023: 405,940,204) equity shares of Umbel Properties Private Limited of Rs.10 each, fully paid up | 2,841.67 | 2,841.67 |
| | Less: Provision for impairment (refer note (a) below) | (1,348.68) | (1,348.68) |
| | - 2,129,635 (31 March 2023: 2,129,635) equity shares of Quadron Business Park Private Limited of Rs.10 each, fully paid up | 13,689.26 | 13,689.26 |
| | Less: Provision for impairment (refer note (a) below) | (4,014.06) | (4,014.06) |
| | - 1,999 (31 March 2023: 1,999) equity shares of Embassy Energy Private Limited of Rs.10 each, fully paid up | 732.79 | 732.79 |
| | Less: Provision for impairment (refer note (a) below) | (65.43) | (65.43) |
| | | **11,835.55** | **11,835.55** |
| | - 8,703,248 (31 March 2023: 8,703,248) equity shares of Embassy Pune TechZone Private Limited of Rs.10 each, fully paid | 12,083.50 | 12,083.50 |
| | - 1,461,989 (31 March 2023: 1,461,989) equity shares of Manyata Promoters Private Limited of Rs.100 each, fully paid up | 99,475.27 | 99,475.27 |
| | - 271,611 (31 March 2023: 271,611) equity shares of Qubix Business Park Private Limited of Rs.10 each, fully paid up | 5,595.08 | 5,595.08 |
| | - 1,884,747 (31 March 2023: 1,884,747) equity shares of Oxygen Business Park Private Limited of Rs.10 each, fully paid up | 12,308.89 | 12,308.89 |
| | - 154,633,789 (31 March 2023: 154,633,789) equity shares of Earnest Towers Private Limited of Rs.10 each, fully paid up | 10,590.24 | 10,590.24 |
| | - 6,134,015 (31 March 2023: 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of Rs.10 each, fully paid | 10,710.94 | 10,710.94 |
| | - 254,583 (31 March 2023: 254,583) equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.100 each, fully paid up | 13,210.96 | 13,210.96 |
| | - 107,958 (31 March 2023: 107,958) equity shares of Galaxy Square Private Limited of Rs.100 each, fully paid up | 4,662.50 | 4,662.50 |
| | - 6,515,036 (31 March 2023: 6,515,036) Class A equity shares of Vikas Telecom Private Limited of Rs.10 each, fully paid | 50,695.45 | 50,695.45 |
| | - 3,300 (31 March 2023: 3,300) equity shares of Sarla Infrastructure Private Limited of Rs.1,000 each, fully paid up | 6,870.02 | 6,870.02 |
| | - 733,800 (31 March 2023: 733,800) equity shares of Embassy Construction Private Limited of Rs.10 each, fully paid up (refer note 31) | 64.66 | 64.66 |
| | | **238,103.06** | **238,103.06** |
| | **Aggregate amount of impairment recognised** | **5,428.17** | **5,428.17** |
| b) | **Trade, unquoted, measured at amortised cost** | | |
| | **Investment in debentures of GLSP (Joint venture entity)** | | |
| | - 9,500 (31 March 2023: 9,500) 8.15% debentures of Rs 1 million each (refer note (c) below and note 24) | 7,750.00 | 8,157.83 |
| | | **245,853.06** | **246,260.89** |

a) The recoverable amounts of the investments in subsidiaries have been computed based on value in use of the underlying properties, computed semi-annually in March and September of each financial year. The value in use is determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE South Asia Private Limited based on discounted cash flow method. Impairment loss for the quarter ended 30 June 2023 amounts to Nil (year ended 31 March 2023: Rs.1,295.12 million). As at 30 June 2023, an amount of Rs.5,428.17 million (31 March 2023: Rs.5,428.17 million) has been provided as impairment on investment in subsidiaries namely Quadron Business Park Private Limited, Umbel Properties Private Limited and Embassy Energy Private Limited. The impairment loss arose in these entities mainly due to slower ramp up of hotel room occupancy, slower than anticipated lease up, coupled with the economic conditions that existed during the respective periods.

(b) Details of % shareholding in the SPVs/subsidiaries, held by Trust is as under:

| Name of Subsidiary | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|
| Embassy Pune TechZone Private Limited | 100.00% | 100.00% |
| Manyata Promoters Private Limited | 100.00% | 100.00% |
| Umbel Properties Private Limited | 100.00% | 100.00% |
| Embassy Energy Private Limited | 19.99% | 19.99% |
| Earnest Towers Private Limited | 100.00% | 100.00% |
| Indian Express Newspapers (Mumbai) Private Limited | 100.00% | 100.00% |
| Vikhroli Corporate Park Private Limited | 100.00% | 100.00% |
| Qubix Business Park Private Limited | 100.00% | 100.00% |
| Quadron Business Park Private Limited | 100.00% | 100.00% |
| Oxygen Business Park Private Limited | 100.00% | 100.00% |
| Galaxy Square Private Limited | 100.00% | 100.00% |
| Vikas Telecom Private Limited | 100.00% | 100.00% |
| Sarla Infrastructure Private Limited | 100.00% | 100.00% |
| Embassy Construction Private Limited (refer note 31) | 100.00% | 100.00% |

**(c) Investment in debentures of joint venture entity**

1. 9,500 (31 March 2023: 9,500) unlisted, unrated, secured, redeemable, non-convertible debentures of Golflinks Software Parks Private Limited with face value of Rs.1,000,000.00 each was issued on 6 April 2022.

2. Interest Rate : 8.15% p.a.

3. Security : The debentures are secured by first ranking exclusive security interest over identified land and building of Embassy Golflinks Business Park.

4. Tenure : Debentures shall be redeemed 7 years from the deemed date of allotment. Early redemption of debentures shall be permitted subject to availability of funds on such date.

(all amounts in Rs. million unless otherwise stated)

**4 Non-current loans**

| **Particulars** | **As at 30 June 2023** | **As at 31 March 2023** |
|---|---|---|
| ***Unsecured, considered good*** | | |
| Loan to subsidiaries (refer note 24) | 101,141.20 | 92,756.54 |
| | **101,141.20** | **92,756.54** |

**Terms attached to loan to subsidiaries**

**Security:** Unsecured

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

**Repayment**:

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

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

**5 Cash and cash equivalents**

| **Particulars** | **As at 30 June 2023** | **As at 31 March 2023** |
|---|---|---|
| Balances with banks | | |
| - in current accounts * | 6,106.02 | 5,276.63 |
| - in escrow accounts | | |
| Balances with banks for unclaimed distributions | 3.77 | 3.52 |
| | **6,109.79** | **5,280.15** |

* Balance in current accounts includes cheques on hand received from SPV's in respect of interest/principal repayments of loans and towards other receivables as at 30 June 2023 amounting to Rs.709.36 million (31 March 2023 : Rs.599.29 million).

**6 Current loans**

| **Particulars** | **As at 30 June 2023** | **As at 31 March 2023** |
|---|---|---|
| ***Unsecured, considered good*** | | |
| Loan to subsidiaries (refer note 24) | 809.30 | 1,104.30 |
| | **809.30** | **1,104.30** |

**Terms attached to Loan to subsidiaries**

**Security:** Unsecured

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

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

**7 Other financial assets**

| **Particulars** | **As at 30 June 2023** | **As at 31 March 2023** |
|---|---|---|
| Other receivables | | |
| - from related party (refer note 24) | 49.48 | 39.93 |
| | **49.48** | **39.93** |

**8 Other current assets**

| **Particulars** | **As at 30 June 2023** | **As at 31 March 2023** |
|---|---|---|
| ***Unsecured, considered good*** | | |
| Balances with government authorities | 30.17 | 27.62 |
| Prepayments | 93.77 | 69.76 |
| | **123.94** | **97.38** |

**9 Unit capital**

| Particulars | Units (No in million) | Amount |
|---|---|---|
| **As at 1 April 2022** | **947.90** | **288,262.11** |
| Changes during the year | - | - |
| **Balance as at 31 March 2023** | **947.90** | **288,262.11** |
| **As at 1 April 2023** | **947.90** | **288,262.11** |
| Changes during the quarter | - | - |
| **Balance as at 30 June 2023** | **947.90** | **288,262.11** |

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

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

| Name of the Unitholder | As at 30 June 2023 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | **No of Units** | **% holding** | **No of Units** | **% holding** |
| Embassy Property Developments Private Limited | 72,864,279 | 7.69% | 72,864,279 | 7.69% |
| SG Indian Holding (NQ) Co I Pte Limited | 55,239,840 | 5.83% | 55,239,840 | 5.83% |
| BRE/Mauritius Investments | 52,610,124 | 5.55% | 52,610,124 | 5.55% |

**(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 had issued an aggregate of 613,332,143 Units at Rs.300.00 each and 111,335,400 Units at a price of Rs.331.00 each for consideration other than cash during the period of five years immediately preceding the balance sheet date.

**(d) Unitholding of Sponsor group**

| Name of Sponsors | Units held by Sponsor group | | | | % Change during the quarter ended 30 June 2023 |
|---|---|---|---|---|---|
| | **No. of units as at 30 June 2023** | **% of total units as at 30 June 2023** | **No. of units as at 1 April 2023** | **% of total units as at 1 April 2023** | |
| Embassy Property Developments Private Limited | 72,864,279 | 7.69% | 72,864,279 | 7.69% | - |
| BRE/Mauritius Investments (Co-sponsor), including co-sponsor group (refer note 24) | 223,597,193 | 23.59% | 223,597,193 | 23.59% | - |

| Name of Sponsors | Units held by Sponsor group | | | | % Change during the year ended 31 March 2023 |
|---|---|---|---|---|---|
| | **No. of units as at 31 March 2023** | **% of total units as at 31 March 2023** | **No. of units as at 1 April 2022** | **% of total units as at 1 April 2022** | |
| Embassy Property Developments Private Limited | 72,864,279 | 7.69% | 115,484,802 | 12.18% | (4.49%) |
| BRE/Mauritius Investments (Co-sponsor), including co-sponsor group (refer note 24) | 223,597,193 | 23.59% | 300,597,191 | 31.71% | (8.12%) |

**10 Other equity**

| Particulars | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|
| Retained earnings * | (39,609.45) | (37,689.45) |
| | **(39,609.45)** | **(37,689.45)** |

*Refer Standalone 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 and accumulated under the heading of retained earnings. At the end of the quarter, the profit after tax is transferred from the statement of profit and loss to the retained earnings account.

(all amounts in Rs. million unless otherwise stated)

**11 Borrowings**

| Particulars | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|
| ***Secured*** | | |
| **Non-convertible debentures** | | |
| 3,000 (31 March 2023 : 3,000) Embassy REIT Series IV, Non-Convertible debentures (NCD) 2021, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note A below) | 2,982.50 | 2,981.13 |
| 31,000 (31 March 2023 : 31,000) Embassy REIT Series V, Non-Convertible debentures (NCD) 2021, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note B and C below) | | |
| - Embassy REIT Series V NCD 2021 - Series A | 19,940.01 | 19,929.07 |
| - Embassy REIT Series V NCD 2021 - Series B | 10,950.40 | 10,946.82 |
| 10,000 (31 March 2023 : 10,000) Embassy REIT Series VI, Non-Convertible debentures (NCD) 2022, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note D below) | 9,959.31 | 9,956.75 |
| 105,000 (31 March 2023 : Nil) Embassy REIT Series VII, Non-Convertible debentures (NCD) 2023, face value of Rs.100,000 each (net of issue expenses, at amortised cost) (refer note E below) | 10,468.92 | - |
| **Term Loan** | | |
| - from financial institution, net of issue expenses at amortised cost (refer note F below) | 9,969.18 | 9,971.02 |
| | **64,270.32** | **53,784.79** |

**11 Borrowings (continued)**

**Notes**

**A. 3,000 (31 March 2023: 3,000) Embassy REIT Series IV, Non-Convertible debentures (NCD) 2021, face value of Rs.1,000,000 each**

In September 2021, the Trust issued 3,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series IV NCD 2021 debentures having face value of Rs.1 million each amounting to Rs.3,000.00 million with a coupon rate of 6.80% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 9 September 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 pari passu charge by way of mortgage created by SIPL on the constructed, under-construction buildings, erections, constructions of every description and related parcels identified as Block 9, admeasuring 1.1 million square feet and forming part of the development known as Embassy TechVillage.
2. A first ranking pari passu pledge created by the Embassy REIT over its shareholding in SIPL; known as the "Secured SPV".
3. A first ranking pari passu charge by way of hypothecation created by Embassy REIT over identified receivables from SIPL
4. A first ranking pari passu charge by way of hypothecation created by SIPL over all current and future movable assets, including identified bank accounts and receivables.
5. A corporate guarantee issued by SIPL.

***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 60 months from the Date of Allotment for the Debentures at par on 7 September 2026.
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 March 2026 to August 2026) 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.
5. The Trust has maintained security cover of 2.84 times as at 30 June 2023, which is higher than the limit of 2 times stipulated in the debenture trust deed dated 3 September 2021.

**B. 20,000 (31 March 2023: 20,000) Embassy REIT Series V - Series A, Non-Convertible debentures (NCD) 2021, face value of Rs.1,000,000 each**

In October 2021, the Trust issued 20,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series V NCD 2021 (Series A) debentures having face value of Rs.1 million each amounting to Rs.20,000.00 million with a coupon rate of 6.25% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 20 October 2021.

***Security term***

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 pari passu charge by way of mortgage created by MPPL on the constructed buildings and related parcels identified as Palm (Block F3), Mahogany (Block F2), Mulberry (Block G1), Ebony (Block G2), G Bridge (G1 & G2), Teak (Block G3), Cypress (Block D4), Beech (Block E1) and Mfar – Green Phase 4, having an aggregate leasable area of 40,16,856 sq ft and land admeasuring 30.856 acres, forming part of the development known as Embassy Manyata Promoters Business Park.
2. A first ranking pari passu pledge created by Embassy REIT over its shareholding in MPPL; known as “Secured SPV”.
3. A first ranking pari passu charge by way of hypothecation created by Embassy REIT over the identified receivables from MPPL.
4. A first ranking pari passu charge by way of hypothecation created by MPPL over identified bank accounts and receivables.
5. A corporate guarantee issued by MPPL.

**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 36 months from date of allotment at par on 18 October 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 Series V (Series A) debentures on a pro-rata basis at any time on a specified call option date (between April 2024 to July 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.
5. The Trust has maintained security cover of 2.49 times as at 30 June 2023, which is higher than the limit of 2 times stipulated in the debenture trust deed dated 18 October 2021.

**C. 11,000 (31 March 2023: 11,000) Embassy REIT Series V - Series B, Non-Convertible debentures (NCD) 2021, face value of Rs.1,000,000 each**

In October 2021, the Trust issued 11,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series V NCD 2021 (Series B) debentures having face value of Rs.1 million each amounting to Rs.11,000.00 million with a coupon rate of 7.05% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 20 October 2021.

***Security term***

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 pari passu charge by way of mortgage created by MPPL on the constructed buildings and related parcels identified as Magnolia (Block B), Pine (Block L5), Mountain Ash (Block H2), Silver Oak (Block E2) and Mfar- Philips Building having an aggregate leasable area of 20,23,051 sq ft and land admeasuring 11.530 acres forming part of the development known as Embassy Manyata Business Park.
2. A first ranking pari passu pledge created by Embassy REIT over its shareholding in MPPL; known as “Secured SPV”.
3. A first ranking pari passu charge by way of hypothecation created by Embassy REIT over the identified receivables from MPPL.
4. A first ranking pari passu charge by way of hypothecation created by MPPL over identified bank accounts and receivables.
5. A corporate guarantee issued by MPPL.

**11 Borrowings (continued)**

***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 60 months from Date of Allotment at par on 18 October 2026.
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 Series V (Series B) debentures on a pro-rata basis at any time on a specified call option date (between April 2026 to July 2026) 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.
5. The Trust has maintained security cover of 2.62 times as at 30 June 2023, which is higher than the limit of 2 times stipulated in the debenture trust deed dated 18 October 2021.

**D. 10,000 (31 March 2023: 10,000) Embassy REIT Series VI - Non-Convertible debentures (NCD) 2022, face value of Rs.1,000,000 each**

In April 2022, the Trust issued 10,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series VI NCD 2022 debentures having face value of Rs.1 million each amounting to Rs.10,000.00 million with a coupon rate of 7.35% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 07 April 2022.

***Security term***

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 pari passu pledge created by MPPL over the 50% shareholding of GLSP.
2. A sole and exclusive first ranking pari passu pledge created by Embassy REIT over all the debentures issued by GLSP ("**GLSP NCDs**")
3. A first ranking pari passu charge by way of hypothecation created by Embassy REIT over the identified receivables/ cashflows of GLSP NCDs issued by GLSP.
4. A first ranking pari passu charge by way of hypothecation created by MPPL over the identified receivables from GLSP.
5. A corporate guarantee issued by MPPL.

***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 60 months from Date of Allotment at par on 05 April 2027.
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 Series VI debentures on a pro-rata basis at any time on a specified call option date (September 2026) 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.
5. The Trust has maintained security cover of 3.89 times as at 30 June 2023, which is higher than the limit of 2 times stipulated in the debenture trust deed dated 31 March 2022.

**E. 105,000 (31 March 2023: Nil) Embassy REIT Series VII Non-Convertible debentures (NCD) 2023, face value of Rs.100,000 each**

In June 2023, the Trust issued 105,000 listed, AAA rated, secured, redeemable, transferable and non-convertible Embassy REIT Series VII NCD 2023 debentures having face value of Rs.1 lakh each amounting to Rs.10,500.00 million with a coupon rate of 7.77% p.a. payable quarterly.

The debentures described above were listed on the Bombay Stock Exchange on 7 June 2023.

**Security term**

The NCD's are secured against each of the following in favour of the Debenture Trustee (holding for the benefit of the Debenture Holders):

1. A first ranking charge by way of mortgage over the two levels of basements, portion of ground and 1st floor and entire 2nd to 7th floors totally admeasuring 2,26,663 square feet, together with 54.2% undivided interest in the underlying land, common areas and voting rights in the building known as First International Financial Centre owned by ETPL
2. A first ranking pledge created by Embassy REIT over its shareholding in ETPL and GSPL; known as "Secured SPVs".
3. A first ranking charge by way of hypothecation created by Embassy REIT over the identified receivables from ETPL and GSPL.
4. A first ranking charge by way of hypothecation by ETPL including over identified bank accounts and receivables.
5. A corporate guarantee issued by ETPL and GSPL.

**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 24 months from Date of Allotment at par on 5 June 2025.
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 Series VII debentures on a pro-rata basis at any time on a specified call option date (March 2025) 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.

Embassy REIT has maintained security cover of 2.23 times as at 30 June 2023, which is higher than the limit of 2 times stipulated in the debenture trust deed dated 1 June 2023.

**F. Lender 1 [balance as at 30 June 2023, including current maturities of long-term debt: Rs.9,969.18 million (31 March 2023: 9,971.02 million)]**

1. Exclusive charge by way of mortgage created on the constructed buildings and related parcels identified as Block IT 3, Block IT 4, Block IT 5 and Block IT 6, having aggregate leasable area of 996,655 sq ft and underlying land situated at Embassy Qubix, Pune.
2. Exclusive charge by way of mortgage created on the constructed buildings and related parcels identified as Tower A, Tower B and Tower C, having aggregate leasable area of 1,186,149 sq ft and underlying land situated at Embassy 247, Mumbai.
3. Exclusive charge by way of hypothecation created by QBPPL and VCPPL over identified bank accounts and receivables.
4. A corporate guarantee issued by each of QBPPL and VCPPL.

**Repayment and interest terms**

| **Particulars** | **As at 30 June 2023** | **As at 31 March 2023** |
|---|---|---|
| Repayable in 144 monthly instalments from the date of drawdown, with moratorium till 2 February 2027. The loan carries an interest rate of Repo Rate plus applicable spread, currently 7.99% p.a. | 7,469.18 | 7,471.02 |
| ** Flexi term loan availed as sublimit of Term Loan - Repayable in 144 monthly instalments from the date of drawdown, with moratorium till 2 February 2027. The loan carries an interest rate of Repo Rate plus applicable spread, currently 7.99% p.a. | 2,500.00 | 2,500.00 |

** The Trust uses this Flexi term loan to park temporary excess funds and utilizes such temporary excess funds as and when needed and therefore it is not considered as loan repayment or drawdown for the purpose of NDCF computation.

(all amounts in Rs. million unless otherwise stated)

**12 Short term borrowings**

| Particulars | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|
| **Current maturities of long term borrowings** | | |
| ***Secured*** | | |
| Non-convertible debentures | | |
| 15,000 (31 March 2023 : 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 A below) | | |
| - Embassy REIT Series II NCD 2020 - Tranche A | 7,487.09 | 7,475.46 |
| - Embassy REIT Series II NCD 2020 - Tranche B | 7,493.16 | 7,486.99 |
| 26,000 (31 March 2023 : 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 B below) | 25,935.92 | 25,910.57 |
| | **40,916.17** | **40,873.02** |

**A. 15,000 (31 March 2023 : 15,000) Embassy REIT Series II NCD 2020, face value of Rs.1,000,000 each**

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 5 November 2020 respectively.

***Security terms:***

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

1. A sole and exclusive first ranking charge 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 I, 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 TechZone 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 September 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.
5. These debentures are due for maturity on 09 October 2023, hence have been disclosed under short term borrowings as at 30 June 2023.
6. The Trust has maintained security cover of 2.25 times as at 30 June 2023, which is higher than the limit of 2 times stipulated in the debenture trust deed dated 8 September 2020.

**B. 26,000 (31 March 2023 : 26,000) Embassy REIT Series III NCD 2021, face value of Rs.1,000,000 each**

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 a 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 favor of the Security Trustee (holding for the benefit of the Debenture Trustee and ranking pari passu inter se the Debenture

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 charge by way of mortgage created by QBPPL on the constructed buildings and related parcels identified as Block IT 1 and Block IT 2, having an aggregate leasable area of 42,163 square meters and forming part of the development known as Embassy Qubix together with portion of land admeasuring 23,028 square meters on which the aforesaid buildings are constructed.
3. A first ranking pari passu pledge created by the Embassy REIT, MPPL and EOVPL over their shareholding in the SPV's namely VTPL and EEPL together known as "Secured SPVs".
4. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
5. A sole and exclusive first ranking charge by way of hypothecation created by VTPL over identified bank accounts and receivables and by QBPPL over identified receivables.
6. A corporate guarantee issued by each of VTPL, EEPL and QBPPL.

***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.
5. These debentures are due for maturity on 15 February 2024, hence have been disclosed under short term borrowings as at 30 June 2023.
6. The Trust has maintained security cover of 2.37 times as at 30 June 2023, which is higher than the limit of 2 times stipulated in the debenture trust deed dated 13 January 2021.

(all amounts in Rs. million unless otherwise stated)

**13 Trade payables**

| Particulars | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|
| Trade payables | | |
| - total outstanding dues of micro and small enterprises (refer note below) | 3.32 | 7.41 |
| - total outstanding dues of creditors other than micro and small enterprises | | |
| - to related party (refer note 24) | 0.11 | 0.23 |
| - to others | 10.72 | 0.12 |
| | **14.15** | **7.76** |

Note:

**Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006").**

| Particulars | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year; | 3.32 | 7.41 |
| The amount of interest paid by the Trust in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during accounting period; | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of the accounting year; and | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006. | - | - |

**14 Other financial liabilities**

| Particulars | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|
| Unclaimed distribution | 3.77 | 3.52 |
| Other liabilities | | |
| - to related party (refer note 24) | 36.97 | 60.87 |
| - to others | 94.45 | 126.05 |
| | **135.19** | **190.44** |

**15 Other current liabilities**

| Particulars | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|
| Statutory dues | 29.05 | 43.72 |
| Other liabilities | 64.98 | 64.98 |
| | **94.03** | **108.70** |

**16 Liabilities for current tax (net)**

| Particulars | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|
| Provision for income-tax, net of advance tax | 4.25 | 1.82 |
| | **4.25** | **1.82** |

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(all amounts in Rs. million unless otherwise stated)

**17 Interest income**

| Particulars | For the quarter ended 30 June 2023 | For the quarter ended 31 March 2023 | For the quarter ended 30 June 2022 | For the year ended 31 March 2023 |
|---|---|---|---|---|
| Interest income | | | | |
| - on fixed deposits | 0.34 | - | - | 1.04 |
| - on debentures (refer note 24) | 165.76 | 169.96 | 182.43 | 727.29 |
| - on loan to subsidiaries (refer note 24) | 2,733.99 | 2,516.32 | 2,542.88 | 10,113.28 |
| | **2,900.09** | **2,686.28** | **2,725.31** | **10,841.61** |

**18 Other income**

| Particulars | For the quarter ended 30 June 2023 | For the quarter ended 31 March 2023 | For the quarter ended 30 June 2022 | For the year ended 31 March 2023 |
|---|---|---|---|---|
| Profit on sale of investments | 20.57 | 33.06 | 17.00 | 71.25 |
| | **20.57** | **33.06** | **17.00** | **71.25** |

**19 Other expenses**

| Particulars | For the quarter ended 30 June 2023 | For the quarter ended 31 March 2023 | For the quarter ended 30 June 2022 | For the year ended 31 March 2023 |
|---|---|---|---|---|
| Rates and taxes | 10.08 | 8.93 | 7.04 | 35.51 |
| Marketing and advertisement expenses | 5.08 | 8.16 | 4.29 | 29.50 |
| Insurance expenses | 0.13 | 0.13 | 0.15 | 0.55 |
| Bank charges | 0.02 | 0.01 | 0.12 | 0.15 |
| Miscellaneous expenses | 0.51 | 0.03 | 0.52 | 1.05 |
| | **15.82** | **17.26** | **12.12** | **66.76** |

**20 Finance costs**

| Particulars | For the quarter ended 30 June 2023 | For the quarter ended 31 March 2023 | For the quarter ended 30 June 2022 | For the year ended 31 March 2023 |
|---|---|---|---|---|
| Interest expense on term loan from financials institutions | 174.89 | 104.20 | - | 104.20 |
| Interest expense on Non-Convertible debentures | 1,533.81 | 1,460.55 | 1,466.21 | 5,912.78 |
| Other borrowing costs (refer note 24) | - | 0.65 | - | 0.65 |
| | **1,708.70** | **1,565.40** | **1,466.21** | **6,017.63** |

**21 Tax expense**

| Particulars | For the quarter ended 30 June 2023 | For the quarter ended 31 March 2023 | For the quarter ended 30 June 2022 | For the year ended 31 March 2023 |
|---|---|---|---|---|
| Current tax | 8.94 | 14.14 | 7.27 | 28.59 |
| | **8.94** | **14.14** | **7.27** | **28.59** |

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## 22 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

| Particulars | For the quarter ended 30 June 2023 | For the quarter ended 31 March 2023 | For the quarter ended 30 June 2022 | For the year ended 31 March 2023 |
|---|---|---|---|---|
| Profit after tax for calculating basic and diluted EPU (Rs. in million) | 3,397.68 | 2,433.71 | 3,889.59 | 12,791.48 |
| Weighted average number of Units (No. in million) | 947.90 | 947.90 | 947.90 | 947.90 |
| Earnings Per Unit | | | | |
| - Basic (Rupees/unit) | 3.58 | 2.57 | 4.10 | 13.49 |
| - Diluted (Rupees/unit) * | 3.58 | 2.57 | 4.10 | 13.49 |

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

## 23 Commitments and contingencies

### a. Contingent liabilities

| Particulars | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|
| Claims not acknowledged as debt in respect of income tax matters * | 15.66 | 15.66 |
| | **15.66** | **15.66** |

* The Trust was assessed u/s. 143(3) of the Income Tax Act, 1961 for the AY 2021-22 on account of disallowance of expenses claimed u/s 35D of the Act. Aggrieved by the assessment order, the Trust has filed an appeal before CIT(A). Department had further raised a demand of Rs. 15.66 million arising due to a calculation error in the said order. Hence the Trust has filed the rectification application u/s 154 of the Act. The Trust has therefore, disclosed Rs. 15.66 million (31 March 2023: Rs. 15.66 million) as a contingent liability.

### b. Statement of capital and other commitments

i) There are no capital commitments as at 30 June 2023 and 31 March 2023.

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

iii) A search under section 132 of the Income Tax Act was conducted on 1 June 2022 on the Trust. The Trust had received reassessment notice u/s 148 of the Income Tax Act for AY 2019-20 for which the Trust has filed returns u/s148. As on the date of the financial statements, the Trust has not received any demand notice.

**24 Related party disclosures**

**I. List of related parties as at 30 June 2023**

**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

**BRE/ Mauritius Investments - Co-Sponsor**

SG Indian Holding (NQ) Co. I Pte. Limited
BRE/Mauritius Investments II
BREP NTPL Holding (NQ) Pte Limited
BREP VII NTPL Holding (NQ) Pte Limited
BREP GML Holding (NQ) Pte Limited
BREP VII GML Holding (NQ) Pte Limited
BREP Asia SG Oxygen Holding (NQ) Pte Limited
BREP VII SG Oxygen Holding (NQ) Pte Limited
BREP Asia HCC Holding (NQ) Pte Limited
BREP VII HCC Holding (NQ) Pte Limited
India Alternate Property Limited
BREP Asia SG Indian Holding (NQ) Co II Pte. Limited
BREP VII SG Indian Holding (NQ) Co II Pte. Limited

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

**Directors**

Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Pai
Anuj Puri
Punita Kumar Sinha
Robert Christopher Heady
Aditya Virwani
Asheesh Mohta (alternate to Robert Christopher Heady)

**Key management personnel**

Michael Holland - CEO (upto 30 June 2022)
Vikaash Khdloya - CEO (w.e.f: 1 July 2022 upto 30 June 2023)
Aravind Maiya - CFO (upto 31 May 2022)
- CEO (w.e.f: 1 July 2023)
Abhishek Agrawal - Interim CFO (w.e.f: 1 June 2022)
Deepika Srivastava - Compliance Officer and Company Secretary (upto 29 September 2022)
Vinitha Menon - Compliance Officer and Company Secretary (w.e.f: 26 January 2023)

**(i) Subsidiaries (SPV)**

Manyata Promoters Private Limited
Umbel Properties Private Limited
Embassy Energy Private Limited
Earnest Towers Private Limited
Indian Express Newspapers (Mumbai) Private Limited
Vikhroli Corporate Park Private Limited
Qubix Business Park Private Limited
Quadron Business Park Private Limited
Oxygen Business Park Private Limited
Galaxy Square Private Limited
Embassy Pune TechZone Private Limited
Vikas Telecom Private Limited
Sarla Infrastructure Private Limited
Embassy Construction Private Limited (w.e.f: 31 March 2023)

**(ii) Joint Venture**

Golflinks Software Park Private Limited

**B Other related parties with whom the transactions have taken place during the quarter/ year**

Embassy Shelters Private Limited
Next Level Experiences LLP
JV Holdings Private Limited
Jitendra Virwani
Axis Bank Limited - Promotor of Trustee *

* Based on the internal assessment and legal advice, the Trust has disclosed transactions with Axis Bank Limited from this quarter for all the periods presented.

(all amounts in Rs. million unless otherwise stated)

**24 Related party disclosures**

**II Transactions during the quarter/ year**

| Particulars | For the quarter ended 30 June 2023 | For the quarter ended 31 March 2023 | For the quarter ended 30 June 2022 | For the year ended 31 March 2023 |
|---|---|---|---|---|
| **Unsecured loans given to** | | | | |
| Quadron Business Park Private Limited | - | 120.00 | 50.00 | 315.00 |
| Embassy Pune TechZone Private Limited | 120.00 | 3,365.00 | - | 3,365.00 |
| Manyata Promoters Private Limited | 11,500.00 | 4,193.15 | - | 4,343.15 |
| Qubix Business Park Private Limited | 10.00 | 25.00 | - | 55.00 |
| Oxygen Business Park Private Limited | 400.00 | 200.00 | - | 385.00 |
| Earnest Towers Private Limited | - | - | - | 40.00 |
| Vikhroli Corporate Park Private Limited | 50.00 | 40.00 | - | 79.80 |
| Galaxy Square Private Limited | 50.00 | 40.00 | 25.00 | 165.00 |
| Umbel Properties Private Limited | - | 30.00 | 50.00 | 80.00 |
| Indian Express Newspapers (Mumbai) Private Limited | 10.00 | 20.00 | - | 100.00 |
| Sarla Infrastructure Private Limited | - | 2,770.00 | 180.00 | 3,170.00 |
| Embassy Construction Private Limited | 20.00 | 2,500.00 | - | 2,500.00 |
| Vikas Telecom Private Limited | - | 232.50 | - | 1,192.50 |
| **Short term construction loan given** | | | | |
| Manyata Promoters Private Limited | 1,000.00 | 45.00 | - | 2,705.00 |
| Oxygen Business Park Private Limited | - | - | - | 380.00 |
| Vikas Telecom Private Limited | 980.00 | 0.97 | - | 1,790.97 |
| Vikhroli Corporate Park Private Limited | - | - | - | 250.00 |
| Embassy Construction Private Limited | 10.00 | - | - | - |
| Embassy Pune TechZone Private Limited | - | - | - | 250.00 |
| **Unsecured loans repaid by** | | | | |
| Embassy Pune TechZone Private Limited | 150.30 | - | 388.83 | 620.49 |
| Qubix Business Park Private Limited | 104.88 | 86.35 | 90.55 | 365.21 |
| Oxygen Business Park Private Limited | 30.38 | 46.78 | 91.67 | 500.01 |
| Earnest Towers Private Limited | 34.55 | 122.32 | - | 251.46 |
| Vikhroli Corporate Park Private Limited | 71.15 | - | - | 239.00 |
| Galaxy Square Private Limited | 29.85 | 111.47 | - | 239.99 |
| Indian Express Newspapers (Mumbai) Private Limited | 178.19 | 53.49 | 83.15 | 179.54 |
| Embassy Energy Private Limited | 427.14 | 67.58 | 240.82 | 608.18 |
| Sarla Infrastructure Private Limited | 51.05 | - | 317.13 | 562.92 |
| Embassy Construction Private Limited | 2,480.00 | - | - | - |
| Vikas Telecom Private Limited | 720.01 | 1,072.98 | 419.66 | 4,373.95 |
| **Investment in debentures** | | | | |
| Golflinks Software Park Private Limited | - | - | 9,500.00 | 9,500.00 |
| **Redemption of investment in debentures** | | | | |
| Golflinks Software Park Private Limited | 407.83 | 300.00 | 150.00 | 1,342.17 |
| **Short term construction loan repaid by** | | | | |
| Manyata Promoters Private Limited | 1,295.00 | 400.00 | - | 3,190.00 |
| Oxygen Business Park Private Limited | - | - | - | 374.88 |
| Quadron Business Park Private Limited | - | - | 300.00 | 300.00 |
| Embassy Pune TechZone Private Limited | - | - | - | 445.82 |
| Earnest Towers Private Limited ** | - | 840.00 | - | 840.00 |
| Vikhroli Corporate Park Private Limited | - | - | - | 250.00 |
| Embassy Construction Private Limited | 10.00 | - | - | - |
| Vikas Telecom Private Limited # | 980.00 | 2,501.94 | - | 4,220.97 |
| **Secondment fees** | | | | |
| Embassy Office Parks Management Services Private Limited | 0.43 | 0.41 | 0.41 | 1.64 |
| **Investment management fees** | | | | |
| Embassy Office Parks Management Services Private Limited | 58.16 | 62.30 | 58.83 | 239.47 |
| **Trademark license fees** | | | | |
| Embassy Shelters Private Limited | 0.35 | 0.36 | 0.35 | 1.42 |
| **Trustee fee expenses** | | | | |
| Axis Trustee Services Limited | 0.73 | 0.73 | 0.74 | 2.95 |
| **Interest income on debentures** | | | | |
| Golflinks Software Park Private Limited | 165.76 | 169.96 | 182.43 | 727.29 |

*** Includes repayment of long term loan converted to short term loan during the quarter ended 30 June 2023 of Rs.Nil (31 March 2023: Rs.840 million).*
*# Includes repayment of long term loan converted to short term loan during the quarter ended 30 June 2023 of Nil (31 March 2023 : Rs.2,430 million).*

(all amounts in Rs. million unless otherwise stated)

**24 Related party disclosures (continued)**

**C Transactions during the period/ year (continued)**

| Particulars | For the quarter ended 30 June 2023 | For the quarter ended 31 March 2023 | For the quarter ended 30 June 2022 | For the year ended 31 March 2023 |
|---|---|---|---|---|
| **Interest income on loan to subsidiaries** | | | | |
| Quadron Business Park Private Limited | 399.87 | 391.98 | 390.68 | 1,575.35 |
| Embassy Pune TechZone Private Limited | 235.93 | 196.72 | 156.12 | 631.77 |
| Manyata Promoters Private Limited | 659.62 | 521.44 | 441.55 | 1,891.84 |
| Qubix Business Park Private Limited | 64.96 | 66.14 | 74.55 | 284.06 |
| Oxygen Business Park Private Limited | 224.62 | 214.88 | 225.12 | 879.07 |
| Earnest Towers Private Limited | 19.04 | 29.50 | 51.81 | 185.93 |
| Vikhroli Corporate Park Private Limited | 116.77 | 114.30 | 121.71 | 477.47 |
| Galaxy Square Private Limited | 50.65 | 51.01 | 51.79 | 209.54 |
| Umbel Properties Private Limited | 59.19 | 58.42 | 56.82 | 233.03 |
| Indian Express Newspapers (Mumbai) Private Limited | 89.10 | 89.83 | 91.61 | 361.96 |
| Embassy Energy Private Limited | 148.21 | 148.87 | 167.26 | 634.98 |
| Sarla Infrastructure Private Limited | 199.81 | 167.49 | 121.39 | 516.87 |
| Embassy Construction Private Limited | 37.20 | - | - | - |
| Vikas Telecom Private Limited | 429.02 | 465.74 | 592.47 | 2,231.41 |
| **Dividend received** | | | | |
| Indian Express Newspapers (Mumbai) Private Limited | 65.00 | 95.00 | 105.00 | 352.00 |
| Earnest Towers Private Limited | 170.10 | 80.00 | 120.00 | 505.00 |
| Vikhroli Corporate Park Private Limited | 125.01 | 130.00 | 240.00 | 600.00 |
| Manyata Promoters Private Limited | 1,920.00 | 2,400.00 | 2,250.00 | 8,250.00 |
| **Expenses incurred by the Trust on behalf of related party** | | | | |
| Vikas Telecom Private Limited | 5.58 | 7.13 | 20.11 | 37.54 |
| Manyata Promoters Private Limited | 11.03 | 27.66 | 38.88 | 84.33 |
| Others | 15.21 | 23.03 | 35.71 | 72.36 |
| **Other borrowing costs (Guarantee fees)** | | | | |
| Qubix Business Park Private Limited | - | 0.18 | - | 0.18 |
| Manyata Promoters Private Limited | - | 0.12 | - | 0.12 |
| Sarla Infrastructure Private Limited | - | 0.06 | - | 0.06 |
| Vikas Telecom Private Limited | - | 0.06 | - | 0.06 |
| Vikhroli Corporate Park Private Limited | - | 0.06 | - | 0.06 |
| Embassy Energy Private Limited | - | 0.06 | - | 0.06 |
| Indian Express Newspapers (Mumbai) Private Limited | - | 0.06 | - | 0.06 |
| Embassy Pune Techzone Private Limited | - | 0.06 | - | 0.06 |
| **Acquisition of ECPL *** | | | | |
| JV Holdings Private Limited | - | 14.44 | - | 14.44 |
| Jitendra Virwani | - | 0.63 | - | 0.63 |
| **Issue expenses of borrowings** | | | | |
| Axis Bank Limited | 6.20 | - | - | - |
| **Contingent consideration paid** | | | | |
| Embassy Property Developments Private Limited | - | - | 350.00 | 350.00 |
| **Distribution paid** | | | | |
| BRE/ Mauritius Investments | 292.67 | 277.38 | 404.33 | 1,376.45 |
| BRE/Mauritius Investments II | 137.31 | 130.13 | 138.26 | 542.19 |
| BREP Asia HCC Holding (NQ) Pte Ltd | 78.73 | 74.61 | 99.31 | 351.22 |
| BREP Asia SG Indian Holding (NQ) Co II Pte. Ltd | 73.01 | 69.20 | 92.13 | 325.79 |
| BREP Asia SG Oxygen Holding (NQ) Pte. Ltd. | 89.61 | 84.92 | 113.07 | 399.83 |
| BREP GML Holding (NQ) Pte. Ltd. | 34.98 | 33.15 | 44.14 | 156.07 |
| BREP NTPL Holding (NQ) Pte. Ltd | 42.81 | 40.57 | 54.01 | 191.00 |
| BREP VII GML Holding (NQ) Pte. Ltd | 8.73 | 8.28 | 11.02 | 38.97 |
| BREP VII HCC Holding (NQ) Pte Ltd | 19.55 | 18.53 | 24.71 | 87.31 |
| BREP VII NTPL Holding (NQ) Pte. Ltd. | 10.69 | 10.13 | 13.49 | 47.69 |
| BREP VII SG Indian Holding (NQ) Co II Pte. Ltd. | 18.23 | 17.28 | 23.02 | 81.38 |
| BREP VII SG Oxygen Holding (NQ) Pte. Ltd | 22.38 | 21.21 | 28.24 | 99.87 |
| Embassy Property Development Private Limited | 402.50 | 518.08 | 599.37 | 2,346.09 |
| India Alternate Property Limited | 107.88 | 102.25 | 136.14 | 481.40 |
| SG Indian Holding (NQ) Co I Pte. Ltd. | 307.30 | 291.24 | 387.78 | 1,371.23 |
| **Guarantee given by SPV on behalf of REIT** | | | | |
| Qubix Business Park Private Limited and Vikhroli Corporate Park Private Limited | - | 10,000.00 | - | 10,000.00 |
| Earnest Towers Private Limited and Galaxy Square Private Limited | 10,500.00 | - | - | - |
| Manyata Promoters Private Limited | - | - | 10,000.00 | 10,000.00 |

** Refer note 31*

(all amounts in Rs. million unless otherwise stated)

**24 Related party disclosures**

**III Closing balances**

| Particulars | As at 30 June 2023 | As at 31 March 2023 |
|---|---|---|
| **Unsecured loan receivable (non-current)** | | |
| Quadron Business Park Private Limited | 16,306.69 | 16,222.94 |
| Embassy Pune TechZone Private Limited | 6,834.04 | 6,873.59 |
| Manyata Promoters Private Limited | 34,409.26 | 22,426.19 |
| Qubix Business Park Private Limited | 1,990.66 | 2,085.54 |
| Oxygen Business Park Private Limited | 7,380.39 | 7,010.77 |
| Earnest Towers Private Limited | 576.40 | 610.96 |
| Vikhroli Corporate Park Private Limited | 3,725.16 | 3,748.96 |
| Galaxy Square Private Limited | 1,604.33 | 1,584.18 |
| Umbel Properties Private Limited | 2,154.90 | 2,227.55 |
| Indian Express Newspapers (Mumbai) Private Limited | 2,693.48 | 2,861.67 |
| Embassy Energy Private Limited | 4,336.63 | 4,763.76 |
| Sarla Infrastructure Private Limited | 6,361.22 | 6,429.59 |
| Embassy Construction Private Limited | 77.20 | 2,500.00 |
| Vikas Telecom Private Limited | 12,690.84 | 13,410.84 |
| **Short term construction loan** | | |
| Manyata Promoters Private Limited | - | 295.00 |
| Oxygen Business Park Private Limited | 105.12 | 105.12 |
| Embassy Pune TechZone Private Limited | 704.18 | 704.18 |
| **Other receivables** | | |
| Earnest Towers Private Limited | 0.98 | 1.16 |
| Embassy Energy Private Limited | 1.29 | 1.89 |
| Embassy Pune TechZone Private Limited | 8.03 | 8.97 |
| Galaxy Square Private Limited | 0.76 | 2.96 |
| Indian Express Newspapers (Mumbai) Private Limited | 1.09 | 1.81 |
| Manyata Promoters Private Limited | 20.96 | 15.41 |
| Oxygen Business Park Private Limited | 1.99 | 3.21 |
| Quadron Business Park Private Limited | 1.81 | 1.78 |
| Qubix Business Park Private Limited | 0.75 | 0.85 |
| Umbel Properties Private Limited | 0.68 | 0.28 |
| Vikhroli Corporate Park Private Limited | 1.30 | 1.61 |
| Vikas Telecom Private Limited | 6.58 | - |
| Golflinks Software Park Private Limited | 0.99 | - |
| Sarla Infrastructure Private Limited | 1.08 | - |
| Embassy Construction Private Limited | 1.19 | - |
| **Other financial liabilities** | | |
| Embassy Office Parks Management Services Private Limited | 30.77 | 59.15 |
| Next Level Experiences LLP | - | 1.72 |
| Axis Bank Limited | 6.20 | - |
| **Trade payables** | | |
| Vikas Telecom Private Limited | - | 0.06 |
| Vikhroli Corporate Park Private Limited | - | 0.06 |
| Embassy Shelters Private Limited | 0.11 | 0.11 |
| **Investment in Debentures** | | |
| Golflinks Software Park Private Limited | 7,750.00 | 8,157.83 |
| **Investment in equity shares of subsidiaries** | | |
| Umbel Properties Private Limited * | 1,492.99 | 1,492.99 |
| Quadron Business Park Private Limited * | 9,675.20 | 9,675.20 |
| Embassy Energy Private Limited * | 667.36 | 667.36 |
| Embassy Pune TechZone Private Limited | 12,083.50 | 12,083.50 |
| Manyata Promoters Private Limited | 99,475.27 | 99,475.27 |
| Qubix Business Park Private Limited | 5,595.08 | 5,595.08 |
| Oxygen Business Park Private Limited | 12,308.89 | 12,308.89 |
| Earnest Towers Private Limited | 10,590.24 | 10,590.24 |
| Vikhroli Corporate Park Private Limited | 10,710.94 | 10,710.94 |
| Indian Express Newspapers (Mumbai) Private Limited | 13,210.96 | 13,210.96 |
| Galaxy Square Private Limited | 4,662.50 | 4,662.50 |
| Vikas Telecom Private Limited | 50,695.45 | 50,695.45 |
| Sarla Infrastructure Private Limited | 6,870.02 | 6,870.02 |
| Embassy Construction Private Limited | 64.66 | 64.66 |
| **Guarantee given by SPV on behalf of REIT** | | |
| Indian Express Newspapers (Mumbai) Private Limited and Embassy Pune TechZone Private Limited | 15,000.00 | 15,000.00 |
| Vikas Telecom Private Limited, Embassy Energy Private Limited and Qubix Business Park Private Limited | 26,000.00 | 26,000.00 |
| Qubix Business Park Private Limited and Vikhroli Corporate Park Private Limited | 10,000.00 | 10,000.00 |
| Earnest Towers Private Limited and Galaxy Square Private Limited | 10,500.00 | - |
| Sarla Infrastructure Private Limited | 3,000.00 | 3,000.00 |
| Manyata Promoters Private Limited | 41,000.00 | 41,000.00 |

** Net of provision for impairment totalling Rs.5,428.17 million (31 March 2023 : Rs.5,428.17 million).*

(all amounts in Rs. million unless otherwise stated)

**25 Financial instruments :**

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

| Particulars | Carrying value 30 June 2023 | Fair Value 30 June 2023 | Carrying value 31 March 2023 | Fair Value 31 March 2023 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Amortised cost** | | | | |
| Loans | 101,950.50 | - | 93,860.84 | - |
| Cash and cash equivalents | 6,109.79 | - | 5,280.15 | - |
| Other financial assets | 49.48 | - | 39.93 | - |
| **Total assets** | **108,109.77** | **-** | **99,180.92** | **-** |
| **Financial liabilities** | | | | |
| **Amortised cost** | | | | |
| Borrowings at fixed rate | 95,217.31 | 94,222.81 | 84,686.79 | 83,618.12 |
| Borrowings at floating rate | 9,969.18 | - | 9,971.02 | - |
| Other financial liabilities | 135.19 | - | 190.44 | - |
| Trade payables | 14.15 | - | 7.76 | - |
| **Total liabilities** | **105,335.83** | **94,222.81** | **94,856.01** | **83,618.12** |

The fair value of cash and cash equivalents, trade payables, loans, other financial assets and liabilities and borrowings at floating rate approximate their carrying amounts.

**Fair value hierarchy**

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

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

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

**b) 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 2023 and year ended 31 March 2023.

**c) Determination of fair values**

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

i) The fair values of other current financial assets, borrowings at floating rate and financial liabilities are considered to be equivalent to their carrying values.

ii) 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.

**26 Investment management fees**

Pursuant to the Investment management agreement dated 12 June 2017, as amended, the 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 Trust and its investments. Investment management fees accrued for the quarter ended 30 June 2023 amounts Rs. 58.16 million. There are no changes during the quarter ended 30 June 2023 in the methodology for computation of fees paid to the Manager.

**27 Secondment fees**

Pursuant to the Secondment agreement dated 11 March 2019, the Manager is entitled to fees of Rs. 0.10 million per month in respect certain employees of the Manager being deployed to the Trust in connection with the operation and management of the assets of the Trust. The fees shall be subject to an escalation of 5% (five per cent) every financial year. Secondment fees for the quarter ended 30 June 2023 amounts to Rs.0.43 million. There are no changes during the quarter ended 30 June 2023 in the methodology for computation of secondment fees paid to the Manager.

**28 Segment Reporting**

The Trust does not have any Operating segments as at 30 June 2023 and 31 March 2023 and hence, disclosure under Ind AS 108, Operating segments has not been provided in the Condensed Standalone Financial Statements.

**29** The Trust outsources its manpower and technology assistance requirements and does not have any employee on its roles and hence does not incur any employee related benefits/costs.

**30 Details of utilisation of proceeds of issue of Embassy REIT Series VII NCD 2023 as at 30 June 2023 are follows :**

| Objects of the issue as per the prospectus | Proposed utilisation | Actual utilisation upto 30 June 2023 | Unutilised amount as at 30 June 2023 |
|---|---|---|---|
| Infusion of shareholder loan into SPVs for refinancing of existing loan of SPVs, capital expenditure, working capital requirements of SPVs and for general purposes including issue expenses | 10,500.00 | 10,500.00 | - |
| **Total** | **10,500.00** | **10,500.00** | **-** |

**31 Asset acquisition**

During the previous year ended 31 March 2023, The Trust entered into share purchase agreements with JV Holdings Private Limited (JVHPL) and Mr. Jitendra Virwani (together known as Sellers) for acquisition of Embassy Hub Business Park. The acquisition was effected on 31 March 2023 ("Acquisition Date").

The Trust had acquired 100% of the equity share capital of ECPL comprising 733,800 fully paid-up equity shares of Rs.10 each from JVHPL (an holding company of EPDPL our co-sponsor) and Mr. Jitendra Virwani.

The price payable for acquisition of equity shares of ECPL was funded entirely through internal accruals of the the Trust. The consideration for the aforesaid acquisition, was paid in the form of assumption and repayment of identified assets and liabilities of ECPL.

The gross purchase consideration was as follows:

| Particulars | Amount (in million) |
|---|---|
| Total Purchase consideration | 64.66 |
| Less: Other assets | (214.81) |
| Less: Transaction cost | (49.59) |
| Add: Other liabilities | 3,547.66 |
| **Gross purchase consideration** | **3,347.93** |

The Trust had obtained two independent valuation reports as required by the REIT regulations for the above acquisition and the average of the two valuations amounted to Rs.3,506 million. Acquisition consideration was at 4.5% discount, an average of two independent valuation reports. No fees or commission was paid to the Sellers in relation to the transaction. All the material conditions and obligations for the transaction had were complied.

**32** The figures for the quarter ended 31 March 2023 are the derived figures between the audited figures in respect of the year ended 31 March 2023 and the published year-to-date figures for the nine months ended 31 December 2022, which were subject to limited review.

**33 Distributions**

The Board of Directors of the Manager to the Trust, in their meeting held on 26 July 2023, have declared distribution to Unitholders of Rs.5.38 per unit which aggregates to Rs.5,099.67 million for the quarter ended 30 June 2023. The distribution of Rs.5.38 per unit comprises Rs.0.69 per unit in the form of interest payment, Rs.2.38 per unit in the form of dividend, Rs.0.01 per unit in the form of other income and the balance Rs.2.30 per unit in the form of repayment of debt.

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

As per our report of even date attached

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

ADARSH RANKA Digitally signed by ADARSH RANKA Date: 2023.07.26 11:36:22 +05'30'

*per* **Adarsh Ranka**
*Partner*
Membership number: 209567
Place: Bengaluru
Date: 26 July 2023

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

JITENDRA MOHANDAS VIRWANI Digitally signed by JITENDRA MOHANDAS VIRWANI Date: 2023.07.26 11:01:17 +05'30'

**Jitendra Virwani**
*Director*
DIN: 00027674
Place: Bengaluru
Date: 26 July 2023

TUHIN ARVIND PARIKH Digitally signed by TUHIN ARVIND PARIKH Date: 2023.07.26 10:42:51 +05'30'

**Tuhin Parikh**
*Director*
DIN: 00544890
Place: Mumbai
Date: 26 July 2023