Independent Auditor's Report on Condensed Standalone Ind AS Financial Information

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

Opinion

We have audited the accompanying condensed standalone Ind AS Financial Information of Embassy Office Parks REIT (the "REIT") pursuant to the requirements of Regulation 23 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder (the "REIT regulations"), which comprise the following:

- the condensed standalone Balance Sheet as at March 31, 2021;
- the condensed Statement of Profit and Loss, including Other Comprehensive Income and condensed Statement of Cash Flows for the quarter, half year and year ended March 31, 2021;
- the condensed Statement of Changes in Unitholders' equity for the year ended March 31, 2021;
- the Statement of Net Assets at fair value as at March 31, 2021;
- the Statement of Total Returns at fair value for the year ended March 31, 2021;
- the Statement of Net Distributable Cash Flows ('NDCF') of the REIT for the half year and year ended March 31, 2021, and
- Summary of significant accounting policies and select explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Condensed Standalone Ind AS Financial Information give the information required by the REIT regulations in the manner so required and give a true and fair view in conformity with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations of:

- in case of the Condensed Balance Sheet, of the state of affairs as at March 31, 2021;
- in case of the Condensed Statement of profit and loss including Other Comprehensive Income, of the net profit for the quarter, half year and year ended on March 31, 2021;
- in case of the Condensed Statement of cash flows, of the cash flows for the quarter, half year and year ended on March 31, 2021;
- in case of the Condensed Statement of changes in Unitholders' equity, of the movement of the Unitholders' equity for the year ended March 31, 2021;
- in case of the Statement of Net Assets at fair value, of the net assets as at March 31, 2021;

- in case of the Statement of Total Returns at fair value, of the total returns for the year ended March 31, 2021: and
- in case of the Statement of Net Distributable Cash Flows of the REIT, of the NDCF for the half year and year ended March 31, 2021.

Basis for Opinion

We conducted our audit of the condensed standalone Ind AS Financial Information in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Condensed Standalone Ind AS Financial Information' section of our report. We are independent of the REIT in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India and we have fulfilled our ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Condensed Standalone Ind AS Financial Information

The Management of the Manager ('the Management') is responsible for the preparation and presentation of these Condensed Standalone Ind AS Financial Information that give a true and fair view of the financial position as at March 31, 2021, financial performance including other comprehensive income and cash flows for the quarter, half year and year ended March 31, 2021, the movement of the Unitholders' equity for the year ended March 31, 2021, its net assets at fair value as at March 31, 2021, its total returns at fair value for the year ended March 31, 2021 and the net distributable cash flows of the REIT for the half year and year ended March 31, 2021, in accordance with the requirements of the REIT regulations; Ind AS 34 as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. This responsibility also includes the design, implementation and maintenance of adequate controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Condensed Standalone Ind AS Financial Information that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing these Condensed Standalone Ind AS Financial Information, the Management is responsible for assessing the ability of the REIT to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the REIT or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the financial reporting process of the REIT.

Auditor’s Responsibilities for the Audit of the Condensed Standalone Ind AS Financial Information

Our objectives are to obtain reasonable assurance about whether the Condensed Standalone Ind AS Financial Information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Condensed Standalone Ind AS Financial Information.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Condensed Standalone Ind AS Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the REIT to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Condensed Standalone Ind AS Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the REIT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Condensed Standalone Ind AS Financial Information, including the disclosures, and whether the Condensed Standalone Ind AS Financial Information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

(i) The figures for the quarter ended March 31, 2021 presented in the Condensed Standalone Ind AS Financial Information are the derived figures between the audited figures in respect of the year ended March 31, 2021 and the published year-to-date figures up to December 31, 2020, which were subject to limited review. Further, the figures for the half year ended March 31, 2021 presented in the Condensed Standalone Ind AS Financial Information are the derived figures between the audited figures in respect of the year ended March 31, 2021 and the published year-to-date figures up to September 30, 2020, which were subject to limited review.

Report on Other Legal and Regulatory Requirements

We further report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) The Condensed Balance Sheet and the Condensed Statement of Profit and Loss including the Statement of Other Comprehensive Income dealt with by this Report are in agreement with the books of account of the REIT; and

(c) In our opinion, the aforesaid Condensed Standalone Ind AS financial information comply with the Indian Accounting Standards 34, 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.

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

Sd/-
per Adarsh Ranka
Partner
Membership No.: 209567

UDIN: 21209567AAAACJ4105

Place: Bengaluru, India
Date: April 29, 2021

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 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
ASSETS			
Non-current assets			
Financial assets			
- Investments	3	241,739.54	186,862.18
- Loans	4	98,998.92	65,143.57
Total non-current assets		**340,738.46**	**252,005.75**
Current assets			
Financial assets			
- Investments	5	-	3,933.45
- Cash and cash equivalents	6	7,171.26	2,845.45
- Loans	7	1,475.00	620.00
- Other financial assets	8	-	3.15
Other current assets	9	6.66	47.42
Total current assets		**8,652.92**	**7,449.47**
Total assets		**349,391.38**	**259,455.22**
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	10	288,262.11	229,120.96
Other equity	11	(22,682.89)	(8,784.65)
Total equity		**265,579.22**	**220,336.31**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	12	83,319.10	39,018.84
Total non-current liabilities		**83,319.10**	**39,018.84**
Current liabilities			
Financial liabilities			
- Trade payables	13		
- total outstanding dues of micro and small enterprises		1.65	-
- total outstanding dues of creditors other than micro and small enterprises		0.95	6.68
- Other financial liabilities	14	460.16	88.48
Other current liabilities	15	26.60	4.37
Current tax liabilities (net)	16	3.70	0.54
Total current liabilities		**493.06**	**100.07**
Total equity and liabilities		**349,391.38**	**259,455.22**
Significant accounting policies	2		

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

As per our report of even date attached

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

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

Sd/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
		(Audited *)	(Unaudited)	(Audited *)	(Audited *)	(Unaudited)	(Audited *)	(Audited)	(Audited)
Income and gains									
Dividend		2,137.90	20.86	177.85	2,158.76	623.00	177.85	2,781.76	289.97
Interest	17	2,942.92	2,323.14	2,136.62	5,266.06	4,161.18	4,274.90	9,427.24	8,229.01
Other income	18	24.55	16.73	47.69	41.28	6.23	93.28	47.51	155.34
Total Income		**5,105.37**	**2,360.73**	**2,362.16**	**7,466.10**	**4,790.41**	**4,546.03**	**12,256.51**	**8,674.32**
Expenses									
Valuation expenses		2.65	1.37	0.92	4.02	4.43	5.02	8.45	9.74
Audit fees		0.89	2.54	0.36	3.43	4.96	4.04	8.39	7.64
Investment management fees	31	54.25	44.52	56.02	98.77	113.46	111.36	212.23	214.81
Trustee fees		0.74	0.58	0.76	1.32	1.63	1.48	2.95	2.96
Legal and professional fees (refer note 26)		28.38	(87.80)	24.20	(59.42)	118.39	83.36	58.97	98.09
Other expenses	19	25.61	12.82	12.01	38.43	28.13	14.98	66.56	18.15
Total Expenses		**112.52**	**(25.97)**	**94.27**	**86.55**	**271.00**	**220.24**	**357.55**	**351.39**
Earnings before finance costs, impairment loss and tax		**4,992.85**	**2,386.70**	**2,267.89**	**7,379.55**	**4,519.41**	**4,325.79**	**11,898.96**	**8,322.93**
Finance costs	20	1,605.53	1,208.20	890.89	2,813.73	1,884.92	1,685.32	4,698.65	2,850.33
Impairment loss	3	2,203.01	-	587.46	2,203.01	485.10	587.46	2,688.11	587.46
Profit before tax		**1,184.31**	**1,178.50**	**789.54**	**2,362.81**	**2,149.39**	**2,053.01**	**4,512.20**	**4,885.14**
Tax expense:	21								
Current tax		9.83	1.73	8.29	11.56	26.22	27.30	37.78	71.17
		9.83	**1.73**	**8.29**	**11.56**	**26.22**	**27.30**	**37.78**	**71.17**
Profit for the period/ year		**1,174.48**	**1,176.77**	**781.25**	**2,351.25**	**2,123.17**	**2,025.71**	**4,474.42**	**4,813.97**
Items of other comprehensive income									
Items that will not be reclassified subsequently to profit or loss									
- Remeasurements of defined benefit liability, net of tax		-	-	-	-	-	-	-	-
Total comprehensive income for the period/ year		**1,174.48**	**1,176.77**	**781.25**	**2,351.25**	**2,123.17**	**2,025.71**	**4,474.42**	**4,813.97**
Earning per unit	22								
Basic		1.24	1.49	1.01	2.71	2.75	2.63	5.46	6.24
Diluted		1.24	1.49	1.01	2.71	2.75	2.63	5.46	6.24
Significant accounting policies	2								

**** Refer note 38***

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

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

Sd/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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 31 March 2021 (Audited *)	For the quarter ended 31 December 2020 (Unaudited)	For the quarter ended 31 March 2020 (Audited *)	For the half year ended 31 March 2021 (Audited *)	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited *)	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
Cash flow from operating activities								
Profit before tax	1,184.31	1,178.50	789.54	2,362.81	2,149.39	2,053.01	4,512.20	4,885.14
Adjustments:								
Interest income	(2,942.92)	(2,323.14)	(2,136.62)	(5,266.06)	(4,161.18)	(4,274.90)	(9,427.24)	(8,229.01)
Net changes in fair value of financial assets	(1.72)	-	5.55	(1.72)	1.72	4.06	-	(1.72)
Dividend	(2,137.90)	(20.86)	(177.85)	(2,158.76)	(623.00)	(177.85)	(2,781.76)	(289.97)
Profit on sale of investments	(22.83)	(16.73)	(53.25)	(39.56)	(7.95)	(97.34)	(47.51)	(152.36)
Impairment loss	2,203.01	-	587.46	2,203.01	485.10	587.46	2,688.11	587.46
Finance costs	1,605.53	1,208.20	890.89	2,813.73	1,884.92	1,685.32	4,698.65	2,850.33
Operating cash flow before working capital changes	**(112.52)**	**25.97**	**(94.28)**	**(86.55)**	**(271.00)**	**(220.24)**	**(357.55)**	**(350.13)**
Changes in:								
Other current assets	76.61	(50.04)	(46.68)	26.57	14.19	2.70	40.76	(47.42)
Other current and non-current liabilities and provisions	24.51	(1.79)	(17.86)	22.72	(0.49)	4.37	22.23	4.37
Other current financial liabilities	15.62	(9.16)	15.56	6.46	(9.76)	23.56	(3.30)	(37.75)
Other financial assets	(399.47)	400.04	-	0.57	2.58	3.15	3.15	(3.15)
Trade payables	2.57	(4.64)	3.43	(2.07)	(2.01)	(42.80)	(4.08)	6.68
Cash generated from/(used in) operations	**(392.68)**	**360.38**	**(139.83)**	**(32.30)**	**(266.49)**	**(229.26)**	**(298.79)**	**(427.40)**
Income taxes paid, net	(3.82)	(11.57)	(6.14)	(15.39)	(19.26)	(17.12)	(34.65)	(70.63)
Net cash generated from/(used in) operating activities	**(396.50)**	**348.81**	**(145.97)**	**(47.69)**	**(285.75)**	**(246.38)**	**(333.44)**	**(498.03)**
Cash flow from investing activities								
Loans given to subsidiaries	(27,110.00)	(8,312.50)	(3,050.00)	(35,422.50)	(8,167.81)	(9,720.00)	(43,590.31)	(76,285.60)
Loans repaid by subsidiaries	4,241.21	2,495.04	5,486.81	6,736.25	4,449.86	8,710.31	11,186.11	15,596.61
Investment in subsidiary	-	(34,068.14)	-	(34,068.14)	-	-	(34,068.14)	(3,450.00)
Investment in debentures issued by joint venture	-	-	-	-	-	-	-	(2,500.00)
Redemption of debentures issued by joint venture	-	-	458.10	-	724.38	906.61	724.38	1,775.62
Interest received	1,852.56	2,016.48	1,942.78	3,869.04	3,251.05	3,883.92	7,120.09	7,837.35
Dividend received	2,137.90	20.86	177.85	2,158.76	623.00	177.85	2,781.76	289.97
Redemption/ (Investments) in mutual funds (net)	24.55	16.73	1,599.27	41.28	3,215.30	1,990.63	3,256.58	(3,054.99)
Net cash generated from /(used in) investing activities	**(18,853.78)**	**(37,831.53)**	**6,614.81**	**(56,685.31)**	**4,095.78**	**5,949.32**	**(52,589.53)**	**(59,791.04)**
Cash flow from financing activities								
Proceeds from issue of units	-	36,852.02	-	36,852.02	-	-	36,852.02	-
Expenses incurred towards issue of units	(589.68)	(245.25)	-	(834.93)	-	(51.55)	(834.93)	(2,378.64)
Proceeds from Issue of Non-convertible debentures (net of issue expenses)	25,699.17	7,345.41	(43.82)	33,044.58	7,414.79	6,453.62	40,459.37	36,168.51
Distribution to unitholders	(4,312.53)	(4,243.36)	(4,707.19)	(8,555.89)	(9,815.03)	(9,336.89)	(18,370.92)	(13,503.88)
Security deposits repaid	-	-	-	-	1.00	30.00	1.00	30.00
Interest paid	(599.92)	(226.54)	-	(826.46)	(31.30)	-	(857.76)	-
Net cash generated from/(used in) financing activities	**20,197.04**	**39,482.28**	**(4,751.01)**	**59,679.32**	**(2,430.54)**	**(2,904.82)**	**57,248.78**	**20,315.99**

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 31 March 2021 (Audited *)	For the quarter ended 31 December 2020 (Unaudited)	For the quarter ended 31 March 2020 (Audited *)	For the half year ended 31 March 2021 (Audited *)	For the half year ended 30 September 2020 (Unaudited)	For the half year ended 31 March 2020 (Audited *)	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
Net increase/ (decrease) in cash and cash equivalents	**946.76**	**1,999.56**	**1,717.83**	**2,946.32**	**1,379.49**	**2,798.12**	**4,325.81**	**(39,973.08)**
Cash and cash equivalents at the beginning of the period/ year	6,224.50	4,224.94	1,127.62	4,224.94	2,845.45	47.33	2,845.45	42,818.53
Cash and cash equivalents at the end of the period/ year	**7,171.26**	**6,224.50**	**2,845.45**	**7,171.26**	**4,224.94**	**2,845.45**	**7,171.26**	**2,845.45**
Cash and cash equivalents comprise:								
Balances with banks								
- in current accounts	7,169.26	6,222.89	2,845.19	7,169.26	4,224.13	2,845.19	7,169.26	2,845.19
- in escrow accounts	2.00	1.61	0.26	2.00	0.81	0.26	2.00	0.26
Cash and cash equivalents at the end of the period/ year (refer note 6)	**7,171.26**	**6,224.50**	**2,845.45**	**7,171.26**	**4,224.94**	**2,845.45**	**7,171.26**	**2,845.45**

Note: The Trust has issued 64,893,000 units through preferential allotment in exchange for acquisition of 40% stake in VTPL during the quarter ended 31 December 2020. The same has not been reflected in Standalone Statement of Cash Flows since it was a non-cash transaction.

Significant accounting policies (refer note 2)
**** Refer note 38***

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

Sd/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

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

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

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

A. Unit Capital

Particulars	Amount
Balance as at 1 April 2019	**229,039.26**
Add: Reversal of issue expenses no longer payable	81.70
Balance as at 31 March 2020	**229,120.96**
Balance as at 1 April 2020	**229,120.96**
Units issued during the year (refer note 10)	59,999.35
Less: Issue expenses (refer note 10)	(858.20)
Balance as at 31 March 2021	**288,262.11**

B. Other equity

Particulars	Retained Earnings
Balance as at 1 April 2019	**(94.47)**
Add: Total comprehensive income for the year ended 31 March 2020	4,813.97
Less: Distribution to Unitholders during the year ended 31 March 2020 * ^	(13,504.15)
Balance as at 31 March 2020	**(8,784.65)**
Balance as at 1 April 2020	**(8,784.65)**
Add : Total comprehensive income for the year ended 31 March 2021	4,474.42
Less: Distribution to Unitholders during the year ended 31 March 2021 * ^	(18,372.66)
Balance as at 31 March 2021	**(22,682.89)**

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

^ The distribution for years ended 31 March 2021 and 31 March 2020 does not include the distribution relating to the last quarters, for the year ended 31 March 2021 (which will be paid subsequently) and year ended 31 March 2020 (which was paid subsequently), respectively.

As per our report of even date attached

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

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

Sd/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

A) Statement of Net Assets at fair value

S.No	Particulars	Unit of measurement	As at 31 March 2021		As at 31 March 2020	
			Book value	Fair value	Book value	Fair value
A	Assets	Rs in millions	349,391.38	438,653.91	259,455.22	316,123.50
B	Liabilities	Rs in millions	83,812.16	83,812.16	39,118.91	39,118.91
C	Net Assets (A-B)	Rs in millions	**265,579.22**	**354,841.75**	**220,336.31**	**277,004.59**
D	No. of units	Numbers	947,893,743	947,893,743	771,665,343	771,665,343
E	NAV (C/D)	Rs	**280.18**	**374.35**	**285.53**	**358.97**

Notes

1) Measurement of fair values

The fair value of investments in SPVs are computed basis the fair value of the underlying Investment property, Investment property under development, Property, plant and equipment and capital work-in-progress as at 31 March 2021 and as at 31 March 2020 along with book values of other assets and liabilities accounted in the respective SPV financial statements as at 31 March 2021 and as at 31 March 2020. The fair value of the properties has been determined by 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.

Valuation technique

The fair value measurement for all the investment property, investment property under development, property plant and equipment and capital work-in-progress has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

The valuers have followed a Discounted Cash Flow method. The valuation model considers the present value of net cash flows to be generated from the respective properties, taking into account the expected rental growth rate, vacancy period, occupancy rate, average room rent, lease incentive costs and blended tariff rates. The expected net cash flows are discounted using the risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (primary vs secondary), tenant credit quality and lease terms.

Given the COVID-19 related uncertainties, the independent valuers have, as a precautionary measure, referenced material valuation uncertainty in arriving at their valuation as at 31 March 2021.

2) Break up of Net asset value

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of investments in SPVs	431,475.99	309,294.01
Add : Other assets	7,177.92	6,829.49
Less : Liabilities	(83,812.16)	(39,118.91)
Net Assets	**354,841.75**	**277,004.59**

3) The Trust holds investment in SPVs which in turn hold the properties. Hence, the breakup of property wise fair values has been disclosed in the Condensed Consolidated financial Statements.

B) Statement of Total Returns at fair value

S.No	Particulars	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
		(Audited *)	(Unaudited)	(Audited *)	(Audited)	(Audited)
A	Total comprehensive income	2,351.25	2,123.17	2,025.71	4,474.42	4,813.97
B	Add : Income of SPV's and changes in fair value not recognised in total comprehensive income of condensed standalone financial statements	11,230.18	6,248.59	2,794.34	17,478.77	6,803.33
C (A+B)	**Total Return**	**13,581.43**	**8,371.76**	**4,820.05**	**21,953.19**	**11,617.30**

**** Refer note 38***

As per our report of even date attached

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

Sd/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

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

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

Embassy Office Parks REIT
RN: IN/REIT/17-18/0001
Condensed Standalone Financial Statements
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 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
		(Audited *)	(Unaudited)	(Audited *)	(Audited *)	(Unaudited)	(Audited *)	(Audited)	(Audited)
1	Cash flows received from SPVs and investment entity in the form of :								
	• Interest	1,852.56	2,016.48	1,942.20	3,869.04	3,208.86	3,883.35	7,077.90	7,823.93
	• Dividends (net of applicable taxes)	2,137.90	20.86	177.85	2,158.76	623.00	177.85	2,781.76	289.97
	• Repayment of Shareholder Debt	2,071.21	2,495.04	3,244.91	4,566.25	5,174.24	6,106.92	9,740.49	11,012.23
	• Proceeds from buy-backs/ capital reduction (net of applicable taxes)	-	-	-	-	-	-	-	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:	-	-	-	-	-	-	-	-
	• Applicable capital gains and other taxes	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested	-	-	-	-	-	-	-	-
4	Add: Any other income accruing to the Trust and not captured herein	22.83	16.73	55.09	39.56	50.14	99.19	89.70	167.05
5	Less: Any other expense accruing at the Trust level, and not captured herein	(31.65)	(25.86)	(17.26)	(57.51)	(36.05)	(20.23)	(93.56)	(23.40)
6	Less: Any fees, including but not limited to:	-			-		-		
	• Trustee fees	(0.74)	(0.58)	(0.76)	(1.32)	(1.63)	(1.48)	(2.95)	(2.96)
	• REIT Management Fees	(54.25)	(44.52)	(56.02)	(98.77)	(113.46)	(111.36)	(212.23)	(214.81)
	• Valuer fees	(2.65)	(1.37)	(0.92)	(4.02)	(4.43)	(5.02)	(8.45)	(9.74)
	• Legal and professional fees	(28.56)	85.96	(23.85)	57.40	(121.93)	(85.98)	(64.53)	(102.89)
	• Trademark license fees	(0.36)	(0.35)	(0.36)	(0.71)	(0.71)	(0.71)	(1.42)	(1.42)
	• Secondment fees	(0.36)	(0.35)	(0.36)	(0.71)	(0.71)	(0.71)	(1.42)	(1.42)
7	Less: Debt servicing	-			-		-		
	• Interest on external debt	(637.77)	(242.68)	-	(880.45)	(33.99)	-	(914.44)	-
	• Repayment of external debt	-	-	-	-	-	-	-	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(3.82)	(11.57)	(6.13)	(15.39)	(19.26)	(17.11)	(34.65)	(70.62)
	Net Distributable Cash Flows	**5,324.34**	**4,307.79**	**5,314.39**	**9,632.13**	**8,724.07**	**10,024.71**	**18,356.20**	**18,865.92**

**** Refer note 38***

Notes:

1 The Board of Directors of the Manager to the Trust, in their meeting held on 29 April 2021, have declared distribution to Unitholders of Rs.5.60 per unit which aggregates to Rs.5,308.20 million for the quarter ended 31 March 2021. The distributions of Rs.5.60 per unit comprises Rs.1.24 per unit in the form of interest payment, Rs.2.21 per unit in the form of dividend and the balance Rs.2.15 per unit in the form of amortization of SPV debt. Along with distribution of Rs. 13,055.89 million/ Rs. 15.88 per unit for the nine months ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to Rs.18,364.09 million/ Rs. 21.48 per unit.

2 Repayment of short-term construction debt given to SPV's and interest accrued but not due on borrowings as at the year end are not considered for the purpose of distributions.

3 Repayment of external debt, to the extent it is by way of refinancing, is not considered for the purpose of computation of NDCF.

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
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

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 Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021

(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 Bengaluru, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a Trust Deed dated 30 March 2017 as amended on 11 September 2018. The Embassy REIT was registered with SEBI on 3 August 2017 as a real estate investment trust (REIT) under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 having registration number IN/REIT/17-18/0001. Pursuant to a letter dated 21 August 2018, SEBI took on record the addition of the Blackstone Sponsor to the sponsors of the Embassy REIT. The Trustee to Embassy Office Parks REIT is Axis Trustee Services Limited (the ‘Trustee’) and the Manager for Embassy Office Parks REIT is Embassy Office Parks Management Services Private Limited (the ‘Manager’ or ‘EOPMSPL’).

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

Embassy Office Parks REIT acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders on 22 March 2019. In exchange for these equity interests, the above shareholders have been allotted 613,332,143 Units of Embassy Office Parks REIT valued at Rs. 300 each. These Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 1 April 2019.

The Trust went public as per its plan for Initial Public Offer of Units after obtaining the required approvals from the relevant authorities. The Units were allotted to the applicants on 27 March 2019 and were subsequently listed on the BSE and NSE on 1 April 2019.

Accordingly, the equity interest in each of the below Vehicles (SPVs incorporated in India) (directly or indirectly, through their holding companies) have been transferred from the respective shareholders to the Trust.

1. Embassy Office Parks Private Limited ('EOPPL')
2. Manyata Promoters Private Limited ('MPPL')
3. Umbel Properties Private Limited ('UPPL')
4. Embassy Energy Private Limited ('EEPL')
5. Earnest Towers Private Limited ('ETPL')
6. Indian Express Newspapers (Mumbai) Private Limited ('IENMPL')
7. Vikhroli Corporate Park Private Limited ('VCPPL')
8. Qubix Business Park Private Limited ('QBPPL')
9. Quadron Business Park Private Limited ('QBPL')
10. Oxygen Business Park Private Limited ('OBPPL')
11. Galaxy Square Private Limited ('GSPL')

Details of SPV’s are provided below.

Name of the SPV	Activities	Shareholding (in percentage)
EOPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Techzone), located at Pune along with being an intermediate Embassy Office Parks holding company (HoldCo.) (upto 10 March 2021, refer note 36) for the trust.	Embassy Office Parks REIT : Nil, (100% upto 10 March 2021, refer note 36)
MPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Manyata), located at Bengaluru along with being an intermediate (HoldCo.) (from 10 March 2021, refer note 36) for the Trust.	EOPPL : Nil, (35.77% upto 10 March 2021) Embassy Office Parks REIT : 100%, (64.23% upto 10 March 2021), refer note 36)
UPPL	Development, rental and maintenance of serviced residences (Hilton residences) located at Bengaluru.	Embassy Office Parks REIT : 100%
EEPL	Generation and supply of solar power to the office spaces of SPVs of the Embassy Office Parks REIT located in Bengaluru.	EOPPL: Nil (80% upto 10 March 2021 refer note 36) MPPL: 80% (from 10 March 2021 refer note 36) Embassy Office Parks REIT : 20%
GSPL	Development and leasing of office space and related interiors and maintenance of such assets (Galaxy Business Park), located in Noida.	Embassy Office Parks REIT : 100%
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Quadron Business Park), located in Pune and (Embassy one) located in Bengaluru Development, rental and maintenance of serviced residences (Hotel Four Seasons at Embassy One), located in Bengaluru	Embassy Office Parks REIT : 100%
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	Embassy Office Parks REIT : 100%
QBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Qubix Business Park), located in Pune.	Embassy Office Parks REIT : 100%
OBPPL	Development and leasing of office space and related interiors and maintenance of such assets (The Oxygen Park), located in Noida.	Embassy Office Parks REIT : 100%
VCPPL	Development and leasing of office space and related interiors and maintenance of such assets (247 Park), located in Mumbai.	Embassy Office Parks REIT : 100%
IENMPL	Development and leasing of office` space and related interiors and maintenance of such assets (Express Towers Building), located in Mumbai.	Embassy Office Parks REIT : 100%

1 Trust Information (continued)

The Trust, further has incorporated/ acquired subsidiaries post Initial Public Offer (IPO). Accordingly Embassy Pune TechZone Private Limited (EPTPL) has been incorporated on 6 December 2019 by the Trust and equity interest in each of the below entities (SPVs incorporated in India) (directly or indirectly, acquired post IPO through their holding companies) have been transferred from the respective shareholders to the Trust.

1. Vikas Telecom Private Limited ('VTPL')
2. Sarla Infrastructure Private Limited ('SIPL')
3. Embassy Office Ventures Private Limited ('EOVPL')

Details of SPV's are provided below.

Name of the SPV	Activities	Shareholding (in percentage)
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 % from 10 March 2021, EOPPL : 100% (upto 10 March 2021, refer note 36)
VTPL *	Development and leasing of office space and related interiors and maintenance of such assets "Embassy TechVillage" (ETV), located in Bengaluru.	EOVPL : 60% Embassy Office Parks REIT : 40%
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%
EOVPL *	Holding Company of VTPL and Common area maintenance services of ETV, located in Bengaluru.	Embassy Office Parks REIT : 100%

* Together referred to as ETV SPV's.

The Trust 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)
GLSP	Development and leasing of office space and related interiors (Embassy Golflinks Business Park), located at Bengaluru	EOPPL: 50% (upto 10 March 2021), MPPL: 50% (from 10 March 2021), refer note 36), Kelachandra Holdings LLP (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 and the Statement of Net Assets at fair value as at 31 March 2021, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flows, Statement of Net Distributable Cash Flows, the Standalone Statement of Changes in Unitholder's Equity, the Statement of Total Returns at fair value and the summary of significant accounting policies and select explanatory information for the period and year ended 31 March 2021. 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 29 April 2021.

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 December 29, 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 10(a) on classification of Unitholders fund.

Embassy Office Parks REIT has prepared Condensed Standalone financial statements which comply with Ind AS applicable for year ending on 31 March 2021, together with the comparative period data as at and for the year ended 31 March 2020, 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 period and year ended 31 March 2021 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. There were several new and amendments to standards and interpretations which are applicable for the first time for the year ended 31 March 2021, but either 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.

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provides a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the Condensed Standalone financial statements, nor is there expected to be any future impact to the Trust.

Several other amendments apply for the first time for the year ending 31 March 2021, but does not have an impact on the financial statements of the Trust.

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.

2 Significant accounting policies (continued)

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 10(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) Estimation of uncertainties relating to the global health pandemic from COVID-19
The Trust has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its investments in SPVs including loans and other receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Trust, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Trust. The Trust has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet as at 31 March 2021 will be recovered. The impact of COVID-19 on the Trust's financial statements may differ from that estimated as at the date of approval of these Condensed Standalone financial

iv) 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.

d) Current versus non-current classification

The Embassy Office Parks REIT presents assets and liabilities in the Condensed Standalone Balance Sheet based on current/ non-current classification:
An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Embassy Office Parks REIT classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Embassy Office Parks REIT has identified twelve months as its operating cycle.

e) Measurement of fair values

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

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

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

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

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

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

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

2 Significant accounting policies (continued)

e) Measurement of fair values

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

f) Impairment of non-financial assets

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

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

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

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

g) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Embassy Office Parks REIT's entities at the exchange rates at the dates of the transactions.
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

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

h) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

2 Significant accounting policies (continued)

h) Financial instruments (continued)

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

2 Significant accounting policies (continued)

h) Financial instruments (continued)

iv) Offsetting

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

i) Compound financial instruments

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

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

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

j) Impairment of financial assets

Financial assets

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

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

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

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

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

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

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

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

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

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Embassy Office Parks REIT considers reasonable and supportable information that is relevant and 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.

2 Significant accounting policies (continued)

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 statement of profit and loss.

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

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

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

Embassy Office Parks REIT as a lessor

i.Determining whether an arrangement contains a lease

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

ii. Assets held under leases

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

iii. Initial direct costs

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

n) Revenue recognition

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

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

Recognition of dividend income, interest income

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

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

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

o) Investments in subsidiaries and joint ventures

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

p) Borrowing costs

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

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

2 Significant accounting policies (continued)

q) Taxation

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

(i) *Current tax:*

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

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

(ii) *Deferred tax:*

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

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

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

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the 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.

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

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

r) Provisions and contingencies

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

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

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

s) Operating segments

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

The Board of Directors of the 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) Errors and estimates

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

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

u) Cash and cash equivalents

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

v) Cash distributions to 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.

w) 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.

2 Significant accounting policies (continued)

x) 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.

y) Earnings before finance costs, impairment loss and income tax

The Embassy Office Parks REIT has elected to present earnings before finance cost, impairment loss and income tax as a separate line item on the face of the Standalone Statement of Profit and Loss. The Embassy Office Parks REIT measures earnings before finance cost, impairment loss and income 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.

z) 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.

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

aa) Statement of net assets at fair value

The disclosure of Statement of Net Assets at Fair value comprises of the fair values of the properties held by Asset SPVs and the HoldCo as well as book values of the total liabilities and other assets of the Trust. The fair value of the property held by Asset SPVs and HoldCo are reviewed semi-annually by the independent property valuer taking into consideration market conditions existing at the reporting date, and other generally accepted market practices. The independent valuer is leading independent appraiser with a recognised and relevant professional qualification and experience.

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(all amounts in Rs. million unless otherwise stated)

3 Non-current investments

Particulars	As at 31 March 2021	As at 31 March 2020
Trade, unquoted investments in subsidiaries (at cost) (refer note below and note 24)		
- 405,940,204 (31 March 2020: 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)	(1,235.48)	(587.46)
- 2,129,635 (31 March 2020: 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)	(1,974.66)	-
- 1,999 (31 March 2020: 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)	-
	13,988.15	**16,676.26**
- Nil (31 March 2020: 8,703,248) equity shares of Embassy Office Parks Private Limited of Rs.10 each, fully paid up (refer note (b) below and 36)	-	62,768.25
- 8,703,248 (31 March 2020: Nil) equity shares of Embassy Pune Techzone Private Limited of Rs.10 each, fully paid up (refer note (b) below and note 36)	12,083.50	-
- 1,461,989 (31 March 2020: 727,538) equity shares of Manyata Promoters Private Limited of Rs.100 each, fully paid up (refer note (b) below and note 36)	99,475.27	48,790.52
- 271,611 (31 March 2020: 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 2020: 1,884,747) equity shares of Oxygen Business Park Private Limited of Rs.10 each, fully paid up	12,308.89	12,308.89
- 185,604,589 (31 March 2020: 185,604,589) equity shares of Earnest Towers Private Limited of Rs.10 each, fully paid up	12,138.78	12,138.78
- 6,134,015 (31 March 2020: 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of Rs.10 each, fully paid up	10,710.94	10,710.94
- 254,583 (31 March 2020: 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.100 each, fully paid up (refer note (c) below)	13,210.96	6,463.79
- Nil (31 March 2020: 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.100 each, fully paid up (refer note (c) below)	-	6,747.17
- 107,958 (31 March 2020: 107,958) equity shares of Galaxy Square Private Limited of Rs.100 each, fully paid up	4,662.50	4,662.50
- 2,637,348 (31 March 2020: Nil) Class A equity shares of Vikas Telecom Private Limited of Rs.10 each, fully paid up	23,147.33	-
- 4,847,584 (31 March 2020: Nil) Ordinary equity shares of Embassy Office Ventures Private Limited of Rs.10 each, fully paid up	10,972.41	-
- 8,682,000 (31 March 2020: Nil) Class A equity shares of Embassy Office Ventures Private Limited of Rs.10 each, fully paid up	16,575.71	-
- 3,300 (31 March 2020: Nil) equity shares of Sarla Infrastructure Private Limited of Rs.1,000 each, fully paid up	6,870.02	-
	227,751.39	**170,185.92**
	241,739.54	**186,862.18**
Aggregate amount of impairment recognised	**3,275.57**	**587.46**

(a) The recoverable amounts of the investments in subsidiaries have been computed based on value in use calculation of the underlying properties, computed semi-annually in March and September of each financial year. The value in use calculation 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. As at 31 March 2021, an amount of Rs.3,275.57 million (31 March 2020: Rs.587.46 million) has been provided as impairment on investment in subsidiaries namely Umbel Properties Private Limited, Quadron Business Park Private Limited and Embassy Energy Private Limited based on independent valuation report as on 31 March 2021. The impairment charge arose in these entities mainly due to slower ramp up of hotel room occupancy, slower than anticipated lease up coupled with the current economic conditions due to Covid-19 pandemic. The impairment charge arose in Embassy One due to slower than anticipated lease-up. In determining the value in use, the cash flows were discounted at the rate of 12.38% for investment in Hospitality operations (UPPL and QBPL) and 13.50% for investment in solar power plant (EEPL).

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

(all amounts in Rs. million unless otherwise stated)

3 Non-current investments (continued)

(b) The Board of Directors of the Manager in their meeting held on 19 May 2020 approved the composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL. The above scheme has been approved by National Company Law Tribunal (NCLT), Mumbai bench with an effective date of 10 March 2021. Upon completion of the scheme, MPPL has become a 100% HoldCo of the Trust, holding Embassy Manyata, Bengaluru, 80% of the share capital of EEPL, 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of the Trust, holding Embassy TechZone, an existing asset of the Trust. Due to the above the existing shares of EOPPL held by the Trust has been cancelled. Further, MPPL and EPTPL have to issue 734,451 equity shares and 8,703,248 equity shares respectively to the Trust, in accordance with the Scheme.

Since Trust continues to hold the same economic interest through equity shareholding both before and after the composite scheme of arrangement, the carrying amount of Embassy Office Parks REIT's investment in Embassy Office Parks Private Limited is split into investment in EPTPL and MPPL based on relative fair values of such business/investments.

(c) During the year ended 31 March 2021, the rights of 130,022 Class A equity shares of Rs.100 each, of Indian Express Newspapers (Mumbai) Private Limited have been varied and the said shares are converted to Equity shares. Accordingly the carrying amount of investment in Class A equity shares have been reclassified under Equity shares.

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

Name of Subsidiary	**As at 31 March 2021**	**As at 31 March 2020**
Embassy Office Parks Private Limited (refer note 36)	-	100.00%
Embassy Pune Techzone Private Limited (refer note i below)	100.00%	-
Manyata Promoters Private Limited (refer note ii below)	100.00%	64.23%
Umbel Properties Private Limited	100.00%	100.00%
Embassy Energy Private Limited (refer note iii below)	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 (refer note iv below)	40.00%	-
Embassy Office Ventures Private Limited	100.00%	-
Sarla Infrastructure Private Limited	100.00%	-

(i) Embassy Pune Techzone Private Limited was a wholly owned subsidiary of Embassy Office Parks Private Limited upto 10 March 2021 (refer note 36).

(ii) As at 31 March 2020, 35.77% of ownership interest in Manyata Promoters Private Limited was owned by Embassy Office Parks Private Limited. Therefore, the Trust directly or indirectly owned 100% interest in Manyata Promoters Private Limited. Also refer note 36.

(iii) Remaining 80.01% of ownership interest in Embassy Energy Private Limited is owned by Manyata Promoters Private Limited from 10 March 2021 (Embassy Office Parks Private Limited till 10 March 2021). Therefore, the Trust directly or indirectly owns 100% interest in Embassy Energy Private Limited. Also refer note 36.

(iv) Remaining 60% of ownership interest in Vikas Telecom Private Limited is owned by Embassy Office Ventures Private Limited. Therefore, the Trust directly or indirectly owns 100% interest in Vikas Telecom Private Limited .

4 Non-current loans

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Unsecured, considered good		
Loan to subsidiaries (refer note 24)	98,998.92	65,142.57
Security deposits		
- others	-	1.00
	98,998.92	**65,143.57**

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).

(all amounts in Rs. million unless otherwise stated)

5 Current investments

Particulars	As at 31 March 2021	As at 31 March 2020
Non-trade, unquoted, investment in mutual funds, at fair value		
HDFC Liquid Fund - Growth	-	1,010.72
HDFC Overnight Fund - Growth	-	255.01
ICICI Prudential Liquid Fund - Growth	-	1,350.77
IDFC Cash Fund - Growth	-	390.15
Axis Liquid Fund - Growth	-	202.42
Trade, unquoted investments measured at amortised cost		
- Investment in debentures of a joint venture entity (refer note 24)	-	724.38
Nil (31 March 2020 : 2,500) 8.5% debentures		-
	-	**3,933.45**
Investment measured at amortised cost	**-**	**724.38**
Investment measured at fair value through profit or loss	**-**	**3,209.07**
Investments measured at fair value through other comprehensive income	**-**	**-**
Aggregate amount of impairment recognised	**-**	**-**

Terms attached to Investment in debentures of a joint venture entity

1. Nil (31 March 2020 : 2,500) unlisted, unrated, secured redeemable, non-convertible debentures of Golflinks Software Park Private Limited. Outstanding as on 31 March 2021 : Nil (31 March 2020 : Rs.724.38 million).

2. Interest Rate : 8.50% p.a. on monthly outstanding balance.

3. Security : The debentures are secured by first ranking exclusive security interest over Torrey Pines building.

4. Redemption : Debentures shall be redeemed in 16 monthly instalment (principal and interest) of Rs.160.00 million each and 17th instalment of Rs.98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

5. Investment in debentures has been fully redeemed in the month of August 2020.

6 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- in current accounts *	7,169.26	2,845.19
- in escrow accounts		
Balances with banks for unclaimed distributions	2.00	0.26
	7,171.26	**2,845.45**

* Balance in current accounts includes cheques on hand received from SPV's in respect of interest/principal repayments of loans as at 31 March 2021 amounting to Rs.763.77 million (31 March 2020 : Rs.2,121.94 million).

7 Current loans

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Loan to subsidiaries (refer note 24)	1,475.00	620.00
	1,475.00	**620.00**

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).

8 Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Other receivables		
- from others	-	3.15
	-	**3.15**

9 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Advance for supply of goods and rendering of services	0.72	0.44
Balances with government authorities	0.33	8.82
Prepayments	5.61	38.16
	6.66	**47.42**

10 Unit capital

Particulars	No in Million	Amount
As at 1 April 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable *	-	81.70
As at 31 March 2020	**771.67**	**229,120.96**
As at 1 April 2020	**771.67**	**229,120.96**
Add : Units issued during the year (refer note c)	176.23	59,999.35
Less: Issue expenses **	-	(858.20)
Balance as at 31 March 2021	**947.90**	**288,262.11**

Note:

* Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation. During the previous year ended 31 March 2020, provision for issue expenses no longer payable, has been reversed amounting to Rs.81.70 million.

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

(a) Terms/rights attached to Units

The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Units is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Board of Directors of the Manager approves distributions 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 31 March 2021		As at 31 March 2020	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	12.18%	115,484,802	14.97%
SG Indian Holding (NQ) Co I Pte Limited	88,333,166	9.32%	104,094,966	13.49%
BRE Mauritius Investments	83,730,208	8.83%	93,610,755	12.13%
Veeranna Reddy	29,372,782	*	65,472,582	8.48%
Bre/Mauritius Investments II	39,700,450	*	45,630,850	5.91%
India Alternate Property Limited	31,193,186	*	39,446,986	5.11%

* The percentage holding is less than 5% as at 31 March 2021. As at 31 March 2020, the percentage holding was more than 5%.

(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. The Trust has issued an aggregate of 613,332,143 Units of Rs.300 each for consideration other than cash from the date of incorporation till 31 March 2020. Further, during the year ended 31 March 2021, the Trust has issued 111,335,400 Units at a price of Rs.331.00 per Unit through an Institutional Placement. The Trust has also made Preferential allotment of 64,893,000 Units at Rs.356.70 per Unit to acquire 40% equity interest of VTPL held by third party shareholders.

11 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Retained earnings *	(22,682.89)	(8,784.65)
	(22,682.89)	**(8,784.65)**

*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 year, 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)

12 Borrowings

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Secured		
36,500 (31 March 2020 : 36,500) Embassy REIT Series I, Non-Convertible debentures (NCD) 2019, face value of Rs.1,000,000 each (net of issue expenses, at amortised cost) (refer note A below)		
- Tranche I	35,503.64	32,351.18
- Tranche II	7,276.40	6,667.66
15,000 (31 March 2020 : Nil) 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 B below)		
- Tranche A	7,382.15	-
- Tranche B	7,437.51	-
26,000 (31 March 2020 : Nil) 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 C below)	25,719.40	-
	83,319.10	**39,018.84**

Note:

A. 36,500 (31 March 2020 : 36,500) Embassy REIT Series I NCD 2019, face value of Rs.1,000,000 each

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

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

Security terms:

The debentures 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 created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase 1) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as “Mfar Manyata Tech Park”. The above charge excludes L1 - Office block, consisting of 477,949 sq.ft of super built up area along with the undivided share of the lands and future development / construction on Blocks designated as F1 and L4 that MPPL may undertake in the Project "Embassy Manyata, Bengaluru" along with the remaining undivided share of such land.

2. A sole and exclusive first ranking pledge created by the REIT over their total shareholding in the SPV's namely QBPPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPVs".

3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables.

4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.

5. A negative pledge on all assets of each secured SPV except MPPL.

Redemption terms:

1. These debentures are redeemable by way of bullet payment on 2 June 2022.

2. Tranche I debentures have a redemption premium of 9.4% IRR compounded annually and Tranche II debentures have a redemption premium of 9.05% IRR compounded annually.

3. In case of downgrading of credit rating , the IRR shall increase by 0.25% - 1.25% over and above the applicable IRR calculated from the date of change of rating. In case of any subsequent upgrading of credit rating , the IRR shall restore/decrease by 0.25% - 1.00% over and above the applicable IRR calculated from the date of change of rating.

4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between May 2021 to May 2022) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures being redeemed.

B. 15,000 (31 March 2020 : Nil) 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 an coupon rate of 7.25% p.a. payable quarterly. In October 2020, the Trust further issued 7,500 such debentures (Tranche B), with an coupon rate of 6.70% p.a. payable quarterly and with same terms and conditions as Tranche A.

The Tranche A and Tranche B NCD described above were listed on the Bombay Stock Exchange on 17 September 2020 and 05 November 2020 respectively.

Security terms:

The NCD's are secured against each of the following in 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 EOPPL 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 Tech Zone together with portion of land admeasuring 96,630 square meters on which the aforesaid buildings are constructed out of the aggregate area of land measuring 67.45 acres equivalent to 2,72,979 sq. mtrs.

2. A sole and exclusive first ranking pledge created by the Embassy REIT over the shareholding in the SPV's namely IENMPL and EOPPL 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 EOPPL over identified bank accounts and receivables.

5. A corporate guarantee issued by each of EOPPL and IENMPL.

6. Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the pledge of EOPPL shares and the hypothecation created over EOPPL bank accounts and receivables is in process of being recreated in the name of EPTPL in accordance with the terms of Debenture Trust Deed (refer note 36).

(all amounts in Rs. million unless otherwise stated)

12 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 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.

C. 26,000 (31 March 2020 : Nil) 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 an coupon rate of 6.40% p.a. payable quarterly.

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

Security terms

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

1. A first ranking charge by way of mortgage created by VTPL on the constructed buildings and related parcels identified as Block 1A, Block 2 and Block 7B, having an aggregate leasable area of 3,43,772 square meters and forming part of the development known as Embassy TechVillage together with portion of land admeasuring 101,859 square meters on which the aforesaid buildings are constructed.
2. A first ranking pari passu pledge created by the Embassy REIT, EOPPL and EOVPL over their shareholding in the SPV's namely VTPL and EEPL together known as "Secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by Embassy REIT over identified bank accounts and receivables.
4. A sole and exclusive first ranking charge by way of hypothecation created by VTPL over identified bank accounts and receivables.
5. A corporate guarantee issued by each of VTPL and EEPL.
6. Pursuant to the Composite Scheme of Arrangement (the Scheme) approved by National Company Law Tribunal (NCLT), the pledge of EEPL shares is in the process of being recreated by MPPL in accordance with the terms of Debenture Trust Deed due to change in ownership of EEPL shares from EOPPL to MPPL (refer note 36).

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.

Disclosure required under SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018

1. Details of non-convertible debentures are as follows:-

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019 (Tranche I and II)	Secured	-	-	02 June 2022	02 June 2022
Embassy REIT Series II NCD 2020 (Tranche A and B)	Secured	-	31 March 2021	09 October 2023	30 June 2021
Embassy REIT Series III NCD 2021	Secured	-	31 March 2021	15 February 2024	30 June 2021

2. Rating agency CRISIL has assigned a rating of “CRISIL AAA/Stable” to Embassy REIT Series I NCD 2019, Embassy REIT Series II NCD 2020 and Embassy REIT Series III NCD 2021.

C. Other requirements as per Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs)

Particulars	As at 31 March 2021	As at 31 March 2020
Asset cover ratio (refer a below)	17.88%	11.76%
Debt-equity ratio (refer b below)	0.31	0.18
Debt-service coverage ratio (refer c below)	2.53	2.92
Interest-service coverage ratio (refer d below)	2.53	2.92
Net worth (refer e below)	265,579.22	220,336.31

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

a) Asset cover ratio *= Total borrowings / Gross asset value of the Group as computed by independent valuers

b) Debt equity ratio * = Total borrowings/ Unitholders' Equity

c) Debt Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/ (Finance costs + Principal Repayments made during the year)

d) Interest Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/ Finance costs (net of capitalisation)

e) Net worth = Unit capital + Other equity

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

(all amounts in Rs. million unless otherwise stated)

13 Trade payables

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Trade payable		
- total outstanding dues to micro and small enterprises (refer note below)	1.65	-
- total outstanding dues other than micro and small enterprises		
- to related party (refer note 24)	0.86	4.66
- to others	0.09	2.02
	2.60	**6.68**

Note:

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

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	1.65	-
The amount of interest paid by the Company 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 year;	-	-
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 31 March 2021**	**As at 31 March 2020**
Unclaimed distribution	2.00	0.26
Contingent consideration (refer note 24 and note 27)	350.00	-
Other liabilities		
- to related party (refer note 24)	50.30	55.46
- to others	57.86	32.76
	460.16	**88.48**

15 Other current liabilities

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Statutory dues	26.60	4.37
	26.60	**4.37**

16 Current tax liabilities (net)

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Provision for income-tax, net of advance tax	3.70	0.54
	3.70	**0.54**

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(all amounts in Rs. million unless otherwise stated)

17 Interest income

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income								
- on fixed deposits	-	-	0.59	-	42.19	0.59	42.19	13.43
- on debentures (refer note 24)	-	-	21.90	-	14.61	53.39	14.61	144.38
- on loan to subsidiaries (refer note 24)	2,942.92	2,323.14	2,114.13	5,266.06	4,104.38	4,220.92	9,370.44	8,071.20
	2,942.92	**2,323.14**	**2,136.62**	**5,266.06**	**4,161.18**	**4,274.90**	**9,427.24**	**8,229.01**

18 Other income

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit on sale of investments	22.83	16.73	53.24	39.56	7.95	97.34	47.51	152.36
Net changes in fair value of financial assets	1.72	-	(5.55)	1.72	(1.72)	(4.06)	-	1.72
Miscellaneous	-	-	-	-	-	-	-	1.26
	24.55	**16.73**	**47.69**	**41.28**	**6.23**	**93.28**	**47.51**	**155.34**

19 Other expenses

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Bank charges	0.04	0.09	0.01	0.13	0.02	0.24	0.15	0.26
Rates and taxes	5.37	5.42	1.07	10.79	10.38	1.34	21.17	1.48
Travelling and conveyance	-	-	-	-	-	-	-	0.17
Marketing and advertisement expenses *	16.81	7.31	10.85	24.12	17.00	13.26	41.12	15.56
Miscellaneous expenses	3.39	-	0.08	3.39	0.73	0.14	4.12	0.68
	25.61	**12.82**	**12.01**	**38.43**	**28.13**	**14.98**	**66.56**	**18.15**

* Also refer note 24

20 Finance costs

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense								
- on Non convertible debentures								
- Embassy REIT Series II and Series III NCD	637.77	242.68	-	880.45	33.99	-	914.44	-
Accrual of premium on redemption of debentures (Embassy REIT Series I NCD)	967.76	965.52	890.89	1,933.28	1,850.93	1,685.32	3,784.21	2,850.33
	1,605.53	**1,208.20**	**890.89**	**2,813.73**	**1,884.92**	**1,685.32**	**4,698.65**	**2,850.33**

21 Tax expense

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	9.83	1.73	8.29	11.56	26.22	27.30	37.78	71.17
	9.83	**1.73**	**8.29**	**11.56**	**26.22**	**27.30**	**37.78**	**71.17**

22 Earnings Per Unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the period/year attributable to Unitholders by the weighted average number of units outstanding during the period/year. Diluted EPU amounts are calculated by dividing the profit attributable to unitholders by the weighted average number of units outstanding during the period/year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

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

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit after tax for calculating basic and diluted EPU	1,174.48	1,176.77	781.25	2,351.25	2,123.17	2,025.71	4,474.42	4,813.97
Weighted average number of Units (No. in million)*	947.89	789.41	771.67	867.78	771.67	771.67	819.59	771.67
Earnings Per Unit								
- Basic (Rupees/unit)	1.24	1.49	1.01	2.71	2.75	2.63	5.46	6.24
- Diluted (Rupees/unit) **	1.24	1.49	1.01	2.71	2.75	2.63	5.46	6.24

* The weighted average number of units have been computed basis 111.34 million units issued by way of institutional placement and 64.89 million units issued by way of preferential allotment on 22 December 2020 and 24 December 2020 respectively.

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

23 Commitments and contingencies

a. Contingent liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Guarantee given to a Bank for loan obtained by a SPV	8,400.00	8,400.00

Note

Trust has given an irrevocable and unconditional Corporate guarantee dated 27 December 2019, in favor of Catalyst Trusteeship Limited (Trustee) towards the term loan facility of Rs.8,400 million by State Bank of India (Lender) to Manyata Promoters Private Limited (Borrower), an Embassy REIT SPV; to forthwith pay the Lender the outstanding amount of loan on demand by the Lender, upon the failure to make any payments/ repayments of the outstanding amounts (or any part thereof) on the respective due dates by Borrower.

b. Statement of capital and other commitments

i) There are no capital commitments as at 31 March 2021 and 31 March 2020.

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.

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24 Related party disclosures

I. List of related parties as at 31 March 2021

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

Embassy One Developers Private Limited
D M Estates Private Limited
Embassy Services Private Limited
Golflinks Properties Private Limited

BRE/ Mauritius Investments - Co-Sponsor

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

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

Directors

Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri
Punita Kumar Sinha
Robert Christopher Heady
Aditya Virwani
Asheesh Mohta - Director (from 28 June 2019, alternate to Robert Christopher Heady)

Key management personnel

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

(i) Subsidiaries (SPV)

Embassy Office Parks Private Limited (refer note 36)
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 (from 06 December 2019)
Vikas Telecom Private Limited (from 24 December 2020)
Embassy Office Ventures Private Limited (from 24 December 2020)
Sarla Infrastructure Private Limited (from 24 December 2020)

(ii) Joint Venture

Golflinks Software Park Private Limited

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

Embassy Shelters Private Limited
Mac Charles (India) Limited
Lounge Hospitality LLP
BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd *
BREP VII SG Indian Holding (NQ) Co I Pte. Ltd *
BREP Asia SBS Holding-NQ Co IV Ltd. (Cayman) *
BREP VII SBS Holding-NQ IV Co Ltd (Cayman) *

**together known as BREP entities.*

(all amounts in Rs. million unless otherwise stated)

24 Related party disclosures

C Transactions during the period/ year

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Unsecured loans given to								
Quadron Business Park Private Limited	-	220.00	-	220.00	50.00	-	270.00	7,509.00
Embassy Pune Techzone Private Limited *	-	905.50	-	905.50	-	-	905.50	5,858.30
Manyata Promoters Private Limited	1,750.00	3,714.00	-	5,464.00	3,355.38	-	8,819.38	28,423.10
Qubix Business Park Private Limited	-	-	-	-	-	-	-	3,179.90
Oxygen Business Park Private Limited	-	-	-	-	3,396.43	-	3,396.43	4,030.30
Earnest Towers Private Limited	50.00	250.00	250.00	300.00	200.00	250.00	500.00	1,029.30
Vikhroli Corporate Park Private Limited	-	-	-	-	161.00	40.00	161.00	4,766.70
Galaxy Square Private Limited	-	-	-	-	-	-	-	2,549.80
Umbel Properties Private Limited	30.00	-	-	30.00	-	-	30.00	1,795.20
Indian Express Newspapers (Mumbai) Private Limited	-	13.00	-	13.00	-	-	13.00	3,764.00
Embassy Energy Private Limited	125.00	100.00	-	225.00	-	6,000.00	225.00	6,400.00
Sarla Infrastructure Private Limited	45.00	1,700.00	-	1,745.00	-	-	1,745.00	-
Vikas Telecom Private Limited	24,500.00	-	-	24,500.00	-	-	24,500.00	-
Short term construction loan given								
Manyata Promoters Private Limited	-	1,000.00	-	1,000.00	755.00	-	1,755.00	3,050.00
Oxygen Business Park Private Limited	-	-	2,700.00	-	-	2,810.00	-	3,310.00
Embassy Pune Techzone Private Limited *	250.00	300.00	100.00	550.00	250.00	620.00	800.00	620.00
Sarla Infrastructure Private Limited	360.00	110.00	-	470.00	-	-	470.00	-
Investment in debentures								
Golflinks Software Park Private Limited	-	-	-	-	-	-	-	2,500.00
Redemption of investment in debentures								
Golflinks Software Park Private Limited	-	-	458.10	-	724.38	906.61	724.38	1,775.62
Unsecured loans repaid by								
Embassy Pune Techzone Private Limited *	246.94	451.68	703.75	698.62	437.34	1,114.34	1,135.96	1,674.34
Manyata Promoters Private Limited	-	1,245.44	1,365.89	1,245.44	3,070.97	2,473.37	4,316.41	4,843.37
Qubix Business Park Private Limited	43.09	65.30	87.23	108.39	168.62	154.91	277.01	299.91
Oxygen Business Park Private Limited	-	-	94.06	-	-	170.68	-	247.68
Earnest Towers Private Limited	164.89	206.71	250.23	371.60	366.42	420.32	738.02	739.62
Vikhroli Corporate Park Private Limited	104.19	192.76	91.64	296.95	190.76	138.88	487.71	268.88
Galaxy Square Private Limited	58.26	58.92	114.61	117.18	162.93	124.91	280.11	284.91
Umbel Properties Private Limited	-	-	7.47	-	-	19.40	-	69.40
Indian Express Newspapers (Mumbai) Private Limited	45.31	172.30	35.01	217.61	26.96	204.97	244.57	429.97
Embassy Energy Private Limited	177.11	101.93	36.92	279.04	25.86	378.53	304.90	378.53
Sarla Infrastructure Private Limited	223.33	-	-	223.33	-	-	223.33	-
Vikas Telecom Private Limited	1,008.09	-	-	1,008.09	-	-	1,008.09	-
Short term construction loan repaid by								
Manyata Promoters Private Limited	1,700.00	-	-	1,700.00	-	300.00	1,700.00	3,050.00
Oxygen Business Park Private Limited	-	-	2,700.00	-	-	3,210.00	-	3,310.00
Sarla Infrastructure Private Limited	470.00	-	-	470.00	-	-	470.00	-
Secondment fees								
Embassy Office Parks Management Services Private Limited	0.36	0.35	0.35	0.71	0.71	0.71	1.42	1.42
Acquisition of ETV SPV's from								
Embassy Property Developments Private Limited	-	6,870.02	-	6,870.02	-	-	6,870.02	-
BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd	-	8,736.46	-	8,736.46	-	-	8,736.46	-
BREP VII SG Indian Holding (NQ) Co I Pte. Ltd	-	2,182.64	-	2,182.64	-	-	2,182.64	-
BREP Asia SBS Holding NQ Co IV Ltd. (Cayman)	-	41.46	-	41.46	-	-	41.46	-
BREP VII SBS Holding NQ IV Co Ltd (Cayman)	-	11.84	-	11.84	-	-	11.84	-

(all amounts in Rs. million unless otherwise stated)

24 Related party disclosures

C Transactions during the period/ year

Particulars	For the quarter ended 31 March 2021	For the quarter ended 31 December 2020	For the quarter ended 31 March 2020	For the half year ended 31 March 2021	For the half year ended 30 September 2020	For the half year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Investment in Class A equity share capital of								
Embassy Office Ventures Private Limited	-	16,575.71	-	16,575.71	-	-	16,575.71	-
Investment management fees								
Embassy Office Parks Management Services Private Limited	54.25	44.52	56.02	98.77	113.46	111.36	212.23	214.81
Trademark license fees								
Embassy Shelters Private Limited	0.36	0.35	0.35	0.71	0.71	0.71	1.42	1.42
Trustee fee expenses								
Axis Trustee Services Limited	0.74	0.58	0.77	1.32	1.63	1.49	2.95	2.96
Marketing and advertisement expenses								
Lounge Hospitality LLP	-	-	-	-	-	0.06	-	0.06
Mac Charles (India) Limited	-	-	-	-	-	-	-	0.48
Travelling and conveyance								
Quadron Business Park Private Limited	-	-	-	-	-	-	-	0.02
Interest income								
Quadron Business Park Private Limited	384.07	390.17	379.97	774.24	764.05	764.87	1,538.29	1,506.91
Embassy Pune Techzone Private Limited *	165.63	172.48	168.50	338.11	304.08	338.15	642.19	698.56
Manyata Promoters Private Limited	868.70	881.76	776.96	1,750.46	1,463.23	1,600.41	3,213.69	3,098.72
Qubix Business Park Private Limited	81.55	85.39	92.45	166.94	178.31	187.91	345.25	383.45
Oxygen Business Park Private Limited	221.27	226.19	121.72	447.46	261.49	260.33	708.95	510.82
Earnest Towers Private Limited	5.11	7.98	9.59	13.09	19.17	23.80	32.26	66.13
Vikhroli Corporate Park Private Limited	131.76	140.65	143.01	272.41	281.97	287.57	554.38	582.18
Galaxy Square Private Limited	62.96	66.17	74.13	129.13	139.26	149.27	268.39	305.21
Umbel Properties Private Limited	53.22	54.37	54.02	107.59	108.16	108.88	215.75	220.77
Indian Express Newspapers (Mumbai) Private Limited	97.00	104.20	104.96	201.20	208.10	216.32	409.30	414.35
Embassy Energy Private Limited	184.77	189.00	188.82	373.77	376.56	283.42	750.33	284.10
Sarla Infrastructure Private Limited	57.85	4.78	-	62.63	-	-	62.63	-
Vikas Telecom Private Limited	629.03	-	-	629.03	-	-	629.03	-
Interest received on debentures								
Golflinks Software Park Private Limited	-	-	21.90	-	14.61	53.39	14.61	144.38
Dividend received								
Embassy Energy Private Limited	-	-	-	-	-	-	-	6.00
Indian Express Newspapers (Mumbai) Private Limited	87.90	19.10	87.85	107.00	332.00	87.85	439.00	95.72
Oxygen Business Park Private Limited	-	1.76	90.00	1.76	291.00	90.00	292.76	188.25
Manyata Promoters Private Limited	2,050.00	-	-	2,050.00	-	-	2,050.00	-
Expenses incurred by related party on behalf of the Trust								
Embassy Office Parks Management Services Private Limited	0.86	0.07	4.98	0.93	1.04	8.56	1.97	56.26
Embassy Pune Techzone Private Limited *	-	1.04	-	1.04	-	-	1.04	-
Expenses incurred by the Trust on behalf of related party								
Vikas Telecom Private Limited	-	339.15	-	339.15	-	-	339.15	
Manyata Promoters Private Limited	-	-	-	-	0.82	-	0.82	-
Others	-	-	-	-	2.11	-	2.11	-
Change in investments pursuant the composite scheme of arrangement (refer note 36)								
Embassy Pune Techzone Private Limited *	12,083.50	-	-	12,083.50	-	-	12,083.50	-
Manyata Promoters Private Limited	50,684.75	-	-	50,684.75	-	-	50,684.75	-
Guarantee given to lender's trustee for loan obtained by SPV								
Manyata Promoters Private Limited	-	-	8,400.00	-	-	8,400.00	-	8,400.00
Guarantee given by SPV on behalf of REIT								
Indian Express Newspapers (Mumbai) Private Limited and Embassy Pune Techzone Private Limited *	-	7,500.00	-	7,500.00	7,500.00	-	15,000.00	-
Vikas Telecom Private Limited and Embassy Energy Private Limited	26,000.00	-	-	26,000.00	-	-	26,000.00	-

** Refer note 36*

(all amounts in Rs. million unless otherwise stated)

24 Related party disclosures

D Closing balances

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured loan receivable (non-current)		
Quadron Business Park Private Limited	14,071.94	12,582.58
Embassy Pune Techzone Private Limited **	3,953.47	4,183.96
Manyata Promoters Private Limited	28,951.41	23,579.73
Qubix Business Park Private Limited	2,602.98	2,879.99
Oxygen Business Park Private Limited	7,182.40	3,782.62
Earnest Towers Private Limited	51.66	289.68
Vikhroli Corporate Park Private Limited	4,171.11	4,497.82
Galaxy Square Private Limited	1,984.78	2,264.89
Umbel Properties Private Limited	1,971.55	1,725.80
Indian Express Newspapers (Mumbai) Private Limited	3,102.46	3,334.03
Embassy Energy Private Limited	5,941.57	6,021.47
Sarla Infrastructure Private Limited	1,521.67	-
Vikas Telecom Private Limited	23,491.92	-
Short term construction loan		
Manyata Promoters Private Limited	55.00	-
Embassy Pune Techzone Private Limited **	1,420.00	620.00
Other financial liabilities		
Embassy Office Parks Management Services Private Limited	50.30	55.46
Trade payables		
Embassy Office Parks Management Services Private Limited	0.86	4.66
Investment in Debentures (current)		
Golflinks Software Park Private Limited	-	724.38
Investment in equity shares of subsidiaries		
Embassy Office Parks Private Limited **	-	62,768.25
Embassy Pune Techzone Private Limited **	12,083.50	-
Manyata Promoters Private Limited	99,475.27	48,790.52
Quadron Business Park Private Limited *	11,714.60	13,689.26
Oxygen Business Park Private Limited	12,308.89	12,308.89
Earnest Towers Private Limited	12,138.78	12,138.78
Vikhroli Corporate Park Private Limited	10,710.94	10,710.94
Qubix Business Park Private Limited	5,595.08	5,595.08
Galaxy Square Private Limited	4,662.50	4,662.50
Umbel Properties Private Limited *	1,606.19	2,254.21
Indian Express Newspapers (Mumbai) Private Limited	13,210.96	13,210.96
Embassy Energy Private Limited	667.36	732.79
Vikas Telecom Private Limited	23,147.33	-
Embassy Office Ventures Private Limited	27,548.12	-
Sarla Infrastructure Private Limited	6,870.02	-
Contingent consideration payable		
Embassy Property Developments Private Limited (refer note 27)	350.00	-
Guarantee given to lender's trustee for loan obtained by SPV		
Manyata Promoters Private Limited	8,400.00	8,400.00
Guarantee given by SPV on behalf of REIT		
Indian Express Newspapers (Mumbai) Private Limited and Embassy Pune Techzone Private Limited **	15,000.00	-
Vikas Telecom Private Limited and Embassy Energy Private Limited	26,000.00	-

** Net of provision for impairment of Rs.3,275.57 million (31 March 2020 : Rs.587.46 million).*
*** Refer note 36*

(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 31 March 2021	Fair Value 31 March 2021	Carrying value 31 March 2020	Fair Value 31 March 2020
Financial assets				
Fair value through profit and loss				
Investments in mutual funds	-	-	3,209.07	3,209.07
Amortised cost				
Investments	-	-	724.38	-
Loans	100,473.92	-	65,763.57	-
Cash and cash equivalents	7,171.26	-	2,845.45	-
Other financial assets	-	-	3.15	-
Total assets	**107,645.18**	**-**	**72,545.62**	**3,209.07**
Financial liabilities				
Amortised cost				
Borrowings	83,319.10	84,630.97	39,018.84	38,984.00
Other financial liabilities	460.16	-	88.48	-
Trade payables	2.60	-	6.68	-
Total liabilities	**83,781.86**	**84,630.97**	**39,114.00**	**38,984.00**

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

Fair value hierarchy

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

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

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

b) Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2021	-	-	-	-
Investment in mutual funds	31 March 2020	3,209.07	3,209.07	-	-

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

There were no transfers between Level 1, Level 2 or Level 3 during the year ended 31 March 2021 and year ended 31 March 2020.

d) Determination of fair values

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

i) The fair value of mutual funds are based on price quotations at reporting date.
ii) The fair values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.
iii) 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 The Trust had incurred legal and professional fees amounting to Rs.91.79 million, which were qualifying transaction costs in previous quarters in relation to the Institutional placement and Preferential issue of units of REIT, which were previously charged off to statement of profit and loss during the quarter ended 30 June 2020. During the quarter ended 31 December 2020, on successful completion of issue of Units (Institutional placement and Preferential allotment), the aforesaid expenses have been reclassified as Issue Expenses and have been reduced from the Unitholders Capital in accordance with Ind AS 32 Financial Instruments: Presentation.

27 During the year ended 31 March 2021, the Trust acquired VTPL, EOVPL and SIPL by acquiring all of the equity interest held by the Embassy Sponsor, BREP entities and certain other third party shareholders. The acquisition of equity interest in EOVPL (which in turn holds 60% equity interest in VTPL) and SIPL has been completed with issue proceeds received of Rs.36,852.02 million, by issue of 111,335,400 Units at a price of Rs.331.00 per Unit through the Institutional Placement.
The acquisition of balance 40% equity interest in VTPL is completed through Preferential issue of 64,893,000 Units at a price of Rs.356.70 per unit to the third party shareholders aggregating to Rs. 23,147.33 million.

The investments in VTPL, EOVPL and SIPL are accounted for at cost less accumulated impairment losses. Below is the details of purchase consideration paid to acquire the SPV's.

Entity	Amount
VTPL	23,147.33
EOVPL	27,548.12
SIPL *	6,870.02

* The Purchase consideration for acquisition of SIPL includes contingent consideration of Rs.350.00 million which shall be payable to the Embassy Sponsor upon satisfaction of certain conditions and as per timeline agreed between the parties.

(all amounts in Rs. million unless otherwise stated)

28 Details of utilisation of proceeds of Institutional placement as on 31 March 2021 are follows:

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

29 Details of utilisation of proceeds of issue of Embassy REIT Series II NCD 2020 (Tranche A and Tranche B) as on 31 March 2021 are follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Granting shareholder debt including refinance of existing debt, construction and development at underlying SPV's	13,621.31	13,621.31	-
General purposes including issue expenses	1,378.69	1,378.69	-
Total	**15,000.00**	**15,000.00**	**-**

30 Details of utilisation of proceeds of issue of Embassy REIT Series III NCD 2021 as on 31 March 2021 are follows:

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

31 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 and year ended 31 March 2021 amounts to Rs.54.25 million and Rs.212.23 million respectively. There are no changes during the year ended 31 March 2021 in the methodology for computation of fees paid to the Manager.

32 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. Secondment fees for the quarter and year ended 31 March 2021 amounts to Rs.0.35 million and Rs.1.42 million respectively. There are no changes during the year ended 31 March 2021 in the methodology for computation of secondment fees paid to the Manager.

33 Segment Reporting

The Trust does not have any Operating segments as at 31 March 2021 and 31 March 2020 and hence, disclosure under Ind AS 108, Operating segments has not been provided in the Condensed Standalone financial statements.

34 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.

35 The Trust does not have any unhedged foreign currency exposure as at 31 March 2021.

36 The Board of Directors of the Manager in their meeting held on 19 May 2020 approved a composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL. The Scheme provides for:

a)The demerger, transfer and vesting of the Techzone business of EOPPL comprising Embassy TechZone Business Park (more specifically defined as the 'TechZone Undertaking' in the Scheme) into EPTPL on a going concern basis, in consideration for which the Trust (as shareholder of EOPPL) will be issued shares in EPTPL; followed by

b) Amalgamation of EOPPL into MPPL, on a going concern basis.

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

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37 Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on 29 April 2021, have declared distribution to Unitholders of Rs.5.60 per unit which aggregates to Rs.5,308.20 million for the quarter ended 31 March 2021. The distributions of Rs.5.60 per unit comprises Rs.1.24 per unit in the form of interest payment, Rs.2.21 per unit in the form of dividend and the balance Rs.2.15 per unit in the form of amortization of SPV debt.

Along with distribution of Rs.13,055.89 million/ Rs.15.88 per unit for the nine months ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to Rs.18,364.09 million/ Rs. 21.48 per unit.

38 The figures for the quarter ended 31 March 2021 are the derived figures between the audited figures in respect of the year ended 31 March 2021 and the published year-to-date figures up to 31 December 2020, which were subject to limited review. Further, the figures for the half year ended 31 March 2021 are the derived figures between the audited figures in respect of the year ended 31 March 2021 and the published year-to-date figures up to 30 September 2020, which were subject to limited review.

The figures for the corresponding quarter ended 31 March 2020 are the derived figures between the audited figures in respect of the year ended 31 March 2020 and the published year-to-date figures up to 31 December 2019, which were subject to limited review. Further, the figures for the half year ended 31 March 2020 are the derived figures between the audited figures in respect of the year ended 31 March 2020 and the published year-to-date figures up to 30 September 2020, which were subject to limited review.

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

As per our report of even date attached

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

Sd/-
per **Adarsh Ranka**
Partner
Membership number: 209567
Place: Bengaluru
Date: 29 April 2021

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

Sd/-
Jitendra Virwani
Director
DIN: 00027674
Place: Dubai
Date: 29 April 2021

Sd/-
Tuhin Parikh
Director
DIN: 00544890
Place: Boston
Date: 29 April 2021