Independent Auditor's Report

To the Unitholders of Embassy Office Parks REIT

Report on the Audit of the Standalone Ind AS Financial Statements Opinion

We have audited the accompanying standalone Ind AS financial statements of Embassy Office Parks REIT (the "REIT"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Unitholders' equity for the year then ended and the Statement of Net Assets at fair value as at March 31, 2020 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows of the REIT for the year then ended and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations, of the state of affairs of the REIT as at March 31, 2020, its profit including other comprehensive income, its cash flows, its statement of changes in Unitholders' equity for the year ended March 31, 2020, its net assets at fair value as at March 31, 2020, its total returns at fair value and the net distributable cash flows of the REIT for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements 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 Standalone Ind AS Financial Statements' 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessing impairment of Investments and loans made by the REIT in subsidiaries and joint venture entity	
(as described in note 3, 4, 5 and 7 of the standalone Ind AS financial statements)	
As at March 31, 2020, the carrying values of REIT's investment in subsidiaries and joint venture entity amounted to ₹187,586.56 million. Further the REIT has granted loans to its subsidiaries amounting to ₹65,762.57 million.	Our audit procedures included, among others, the following: - We assessed the REIT's valuation methodology applied in determining the recoverable amount.
Management reviews regularly whether there are any indicators of impairment of such investments/loans by reference to the requirements under Ind AS. Management performs its impairment assessment by comparing the carrying value of these investments/loans made to their recoverable amount to determine whether an impairment needs to be recognised. For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Significant judgements are required to determine the key assumptions used in determination of value in use. Considering the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.	- We involved valuation specialists to: (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID- 19 pandemic. - We compared the recoverable amount of the investment to the carrying value in books as at March 31, 2020. - As regards loans granted, we obtained and considered management evaluation of recoverability of loans and advances granted to its subsidiaries and joint venture entity. - We read/assessed the disclosures in the standalone Ind AS financial statements for compliance with the relevant accounting standards requirements.
Classification of Unitholders' funds as equity	
(as described in note 10(a)(i) of the standalone Ind AS financial statements)	
The REIT is required to distribute to its Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the Unitholders' funds contains a contractual obligation of the REIT to pay cash distributions to its Unitholders. The Unitholders' funds could have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/141/2016 dated December 26, 2016 and No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circulars") 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 December 26, 2016 dealing with the minimum disclosures for key financial statements. Based on the above, the classification of Unitholders' funds as equity involved considerable management judgement. Accordingly, it is considered as a key audit matter.	Our audit procedures included evaluating the requirements for classification of financial liability and equity under Ind AS 32 and evaluating the provisions of SEBI Circulars for classification/presentation of Unitholders' funds in the standalone Ind AS financial statements of the REIT. We assessed the disclosures in the standalone Ind AS financial statements for compliance with the relevant requirements of REIT regulations.

Independent Auditor's Report

Key audit matters	How our audit addressed the key audit matter
Computation and disclosures as prescribed in the REIT regulations relating to Statement of Net Assets and Total Returns at Fair Value	
As per the provisions of REIT Regulations, the REIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets. For this purpose, fair value is determined by forecasting and discounting future cash flows. The determination of fair value involves judgement due to inherent uncertainty in the underlying assumptions and it is highly sensitive to changes in some of the inputs used e.g. the discounting rate (WACC), capitalisation rates, rental growth rates etc. Accordingly, the aforementioned computation and disclosures are determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures include the following- - Read the requirements of SEBI REIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. - Assessed the appropriateness of independent valuer's and management's valuation methodology applied in determining the fair values. - Tested controls implemented by management to determine inputs for fair valuation as well as assumptions used in the fair valuation. - We involved valuation specialists to: (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - Tested the arithmetical accuracy of computation in the Statement of Net Assets and Total Returns at Fair Value. - Read/Assessed the disclosures in the standalone financial statements for compliance with the relevant requirements of REIT Regulations.
Related party transactions and disclosures	
(as described in note 25 of the standalone Ind AS financial statements)	
The REIT has undertaken transactions with its related parties in the normal course of business. These include making new or additional investments; lending of loans to SPVs, interest and dividend income on such loans/investments, fees for services provided by related parties to REIT etc. as disclosed in Note 25 of the standalone Ind AS financial statements. We identified the accuracy and completeness of related party transactions and its disclosure as set out in respective notes to the standalone Ind AS financial statements as a key audit matter due to the significance of transactions with related parties during the year ended March 31, 2020 and regulatory compliance thereon.	Our audit procedures, included the following: - Obtained, read and assessed the REIT's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with REIT regulations. - We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorisation and approval for such transactions. - We read minutes of Unitholder meetings, Board and its relevant committee meetings and minutes of meetings of those charged with governance of the Manager in connection with transactions with related parties effected during the year and REIT's assessment of related party transactions being in the ordinary course of business at arm's length and in accordance with the REIT regulations. - Assessed and tested the disclosures made in accordance with the requirements of Ind AS and REIT regulations.

Other Information

The Management of Embassy Office Parks Management Services Private Limited ("the Manager"), acting in its capacity as the manager of Embassy Office Parks REIT is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Management of the Manager ('the Management') is responsible for the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position as at March 31, 2020, financial performance including other comprehensive income, cash flows, the movement of the unit holders' equity for the year ended March 31, 2020, its net assets at fair value as at March 31, 2020, its total returns at fair value and the net distributable cash flows of the REIT for the year ended March 31, 2020, in accordance with the requirements of the REIT regulations; Indian Accounting Standards as defined 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, 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 Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements 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 standalone Ind AS financial statements.

Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, 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 standalone Ind AS financial statements 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Ind AS financial statements of the REIT for the year ended March 31, 2019 and the transition date opening balance sheet as at April 1, 2018, prepared in accordance with Ind AS, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated August 12, 2019, expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

Based on our audit, we 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 Balance Sheet and the 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 standalone Ind AS financial statements comply with the Indian Accounting Standards as defined 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 Number: 209567
UDIN: 20209567AAAABX3303

Place: Bengaluru, India
Date: May 19, 2020

Standalone Balance Sheet

(all amounts in ₹ million unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Non-current assets				
Financial assets				
- Investments	3	186,862.18	187,449.64	-
- Loans	4	65,143.57	4,712.93	-
Total non-current assets		**252,005.75**	**192,162.57**	**-**
Current assets				
Financial assets				
- Investments	5	3,933.45	-	-
- Cash and cash equivalents	6	2,845.45	42,818.53	-
- Loans	7	620.00	-	-
- Other financial assets	8	3.15	-	-
Other current assets	9	47.42	-	-
Total current assets		**7,449.47**	**42,818.53**	**-**
Total assets		**259,455.22**	**234,981.10**	**-**
EQUITY AND LIABILITIES				
EQUITY				
Unit capital	10	229,120.96	229,039.26	-
Other equity	11	(8,784.65)	(94.47)	-
Total equity		**220,336.31**	**228,944.79**	**-**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	12	39,018.84	-	-
Total non-current liabilities		**39,018.84**	**-**	**-**
Current liabilities				
Financial liabilities				
- Trade payables	13			
- total outstanding dues of micro and small enterprises		-	-	
- total outstanding dues of creditors other than micro and small enterprises.		6.68	-	
- Other financial liabilities	14	88.48	6,036.31	
Other current liabilities	15	4.37	-	-
Current tax liabilities (net)	16	0.54	-	-
Total current liabilities		**100.07**	**6,036.31**	**-**
Total equity and liabilities		**259,455.22**	**234,981.10**	**-**
Significant accounting policies	2			

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

As per our report of even date attached

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

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Standalone Statement of Profit and Loss

(all amounts in ₹ million unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Income and gains			
Dividend		289.97	-
Interest	17	8,229.01	-
Other income	18	155.34	-
Total Income		**8,674.32**	**-**
Expenses			
Valuation expenses		9.74	-
Audit fees	22	7.64	1.19
Investment management fees		214.81	-
Trustee fees		2.96	-
Legal and professional Fees		98.09	-
Other expenses	19	18.15	93.28
Total Expenses		**351.39**	**94.47**
Earnings/(loss) before finance costs, depreciation, amortisation, impairment loss and tax		**8,322.93**	**(94.47)**
Finance costs	20	2,850.33	-
Depreciation and amortisation expense		-	-
Impairment loss	3	587.46	-
Profit/(loss) before tax		**4,885.14**	**(94.47)**
Tax expense:	21		
Current tax		71.17	-
		71.17	**-**
Profit/(loss) for the year		4,813.97	(94.47)
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 year		**4,813.97**	**(94.47)**
Earning per unit - refer Note 23			
Basic		6.24	(5.22)
Diluted		6.24	(5.22)
Significant accounting policies	2		

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

As per our report of even date attached

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

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

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Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

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DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
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DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Standalone Statement of Cash Flow

(all amounts in ₹ million unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Profit/(loss) before tax	4,885.14	(94.47)
Adjustments:		
Interest income	(8,229.01)	-
Net changes in fair value of financial assets	(1.72)	-
Dividend	(289.97)	-
Gain/(loss) on mutual funds	(152.36)	-
Impairment loss	587.46	-
Finance costs	2,850.33	-
Operating cash flow before working capital changes	**(350.13)**	**(94.47)**
Changes in:		
Other current assets	(47.42)	-
Other current and non-current liabilities and provisions	4.37	-
Other current financial liabilities	(37.75)	125.97
Other financial assets	(3.15)	-
Trade payables	6.68	-
Cash (used in)/generated from operations	**(427.40)**	**31.50**
Income taxes paid, net	(70.63)	-
Net cash (used in)/generated from operating activities	**(498.03)**	**31.50**
Cash flow from investing activities		
Loans given to subsidiaries	(76,285.60)	(4,681.93)
Loans repaid by subsidiaries	15,596.61	-
Investment in subsidiary	(3,450.00)	-
Investment in debentures issued by joint venture	(2,500.00)	-
Redemption of debentures issued by joint venture	1,775.62	-
Interest received	7,837.35	-
Dividend received	289.97	-
Redemption/(Investments) in mutual funds, (net)	(3,054.99)	-
Net cash generated from/(used in) investing activities	**(59,791.04)**	**(4,681.93)**
Cash flow from financing activities		
Proceeds from issue of units	-	47,499.96
Expenses incurred towards Initial Public Offering	(2,378.64)	-
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)	36,168.51	-
Distribution to Unitholders	(13,503.88)	-
Security deposits (given)/repaid	30.00	(31.00)
Net cash (used in)/generated from financing activities	**20,315.99**	**47,468.96**
Net increase/(decrease) in cash and cash equivalents	(39,973.08)	42,818.53
Cash and cash equivalents at the beginning of the year	42,818.53	-
Cash and cash equivalents at the end of the year	**2,845.45**	**42,818.53**

Standalone Statement of Cash Flow

(all amounts in ₹ million unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash and cash equivalents comprise:		
Cash on hand	-	-
Balances with banks		
- in current accounts	2,845.19	0.50
- in escrow accounts	0.26	42,818.03
Cash and cash equivalents at the end of the year	**2,845.45**	**42,818.53**

Note: The Trust has issued Units in exchange for investments in SPVs during previous year ended March 31, 2019. The same has not been reflected in Standalone Statement of Cash Flows since these were non-cash transactions. Further the Trust has also paid a cash consideration of ₹ 3,450 million towards acquisition of interest in IENMPL.

Significant accounting policies

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

As per our report of even date attached

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

STANDALONE FINANCIAL STATEMENTS

Standalone Statement of changes in Unit holder's Equity

(all amounts in ₹ million unless otherwise stated)

A. Unit Capital

	Amount
Balance as on April 1, 2018	-
Add: Units issued during the year - refer Note: 10	231,499.60
Less: Issue expenses	(2,460.34)
Balance as at March 31, 2019	**229,039.26**
As at April 1, 2019	229,039.26
Add: Reversal of issue expenses no longer payable	81.70
Balance as at March 31, 2020	**229,120.96**

B. Other equity

Particulars	Retained Earnings
Balance as on April 1, 2018	-
Profit/(loss) for the year	(94.47)
Balance as at March 31, 2019	**(94.47)**
Balance as on April 1, 2019	**(94.47)**
Profit for the year ended March 31, 2020	4,813.97
- Less: Distribution to Unitholders for the quarter ended June 30, 2019*	(4,166.99)
- Less: Distribution to Unitholders for the quarter ended September 30, 2019*	(4,630.00)
- Less: Distribution to Unitholders for the quarter ended December 31, 2019*	(4,707.16)
Balance as at March 31, 2020	**(8,784.65)**

* 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.

As per our report of even date attached

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

for and on behalf of the Board of Directors of
Embassy Office Parks Management Services Private Limited
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Adarsh Ranka
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Date: May 19, 2020

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DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

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

(all amounts in ₹ million unless otherwise stated)

A) Statement of Net Assets at fair value

Sl. No.	Particulars	Unit of measurement	As at March 31, 2020	
			Book Value	Fair value
A	Assets	₹ in million	259,455.22	316,939.32
B	Liabilities	₹ in million	39,118.91	39,118.91
C	Net Assets (A-B)	₹ in million	**220,336.31**	**277,820.41**
D	No. of units	Numbers	771,665,343	771,665,343
E	NAV (C/D)	₹	**285.53**	**360.03**

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 March 31, 2020 along with book values of other assets and liabilities accounted in the respective SPV financial statements as at March 31, 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.

2. **Break up of Net asset value as at March 31, 2020**

Particulars	As at March 31, 2020
Fair value of investments in SPVs	310,109.83
Add: Other assets	6,829.49
Less: Liabilities	(39,118.91)
Net Assets	**277,820.41**

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 Consolidated financial statements.

B) Statement of Total Returns at fair value:

Sl. No.	Particulars	For the year ended March 31, 2020
A	Total comprehensive income	4,813.97
B	Add: Income not distributed by SPV's and changes in fair value not recognised in total comprehensive income of standalone financial statements	6,803.33
C (A+B)	**Total Return**	**11,617.30**

As per our report of even date attached

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

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

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Date: May 19, 2020

RN: IN/REIT/17-18/0001

(all amounts in ₹ 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 year ended March 31, 2020
1	Cash flows received from SPVs and investment entity in the form of:	
	• Interest	7,823.93
	• Dividends (net of applicable taxes)	289.97
	• Repayment of Shareholder Debt	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 subsequently	-
4	Add: Any other income accruing to the Trust and not captured herein	167.05
5	Less: Any other expense accruing at the Trust level, and not captured herein	(23.40)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(2.96)
	• REIT Management Fees	(214.81)
	• Valuer fees	(9.74)
	• Legal and professional fees	(102.89)
	• Trademark license fees	(1.42)
	• Secondment fees	(1.42)
7	Less: Debt servicing	
	• Interest on external debt	-
	• Repayment of external debt	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(70.62)
	Net Distributable Cash Flows	**18,865.92**

Notes:

1 The Board of Directors of the Manager to the Trust, in their meeting held on May 19, 2020, have declared distribution to Unitholders of ₹ 6.89 per unit which aggregates to ₹ 5,316.77 million for the quarter ended March 31, 2020. The distributions of ₹ 6.89 per unit comprises ₹ 2.49 per unit in the form of interest payment, ₹0.23 per unit in the form of dividend and the balance ₹ 4.17 per unit in the form of amortisation of SPV debt.

Along with distribution of ₹ 17.50 per unit for the nine-months ended December 31, 2019, the cumulative distribution for the year ended March 31, 2020 aggregates to ₹ 24.39 per unit.

2 Repayment of short-term construction debt given to SPVs are not considered for the purpose of distributions.

3 Since the Trust was listed only on April 1, 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

As per our report of even date attached

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

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Notes

to the Standalone financial statements

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 March 30, 2017 at Bengaluru, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a Trust Deed dated March 30, 2017 as amended on September 11, 2018. The Embassy REIT was registered with SEBI on August 3, 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 August 21, 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 March 22, 2019. In exchange for these equity interests, the above shareholders have been allotted 613,332,143 Units of Embassy Office Parks REIT valued at ₹ 300 each. These Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on April 1, 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 March 27, 2019 and were subsequently listed on the BSE and NSE on April 1, 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 (‘Oxygen’)
11. Galaxy Square Private Limited (‘GSPL’)

Notes

to the Standalone financial statements

Details of SPVs are provided below

Name of the SPV	Activities	Shareholding (in percentage) upto March 21, 2019	Shareholding (in percentage) from March 22, 2019
EOPPL	Development and leasing of office space and related interiors (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks investment Company for the Embassy Office Parks REIT.	Embassy Property Developments Private Limited (EPDPL): 50.00% EPDPL together with Jitendra Virwani: 0.00% (1 Share) SG Indian Holding (NQ) Co I Pte. Limited: 49.75% SG Indian Holding (NQ) Co II Pte. Limited: 0.03% SG Indian Holding (NQ) Co III Pte. Limited: 0.22%	Embassy Office Parks REIT: 100%
MPPL	Development and leasing of office space and related interiors (Manyata Embassy Business Park), located at Bengaluru.	EOPPL : 35.77% BRE/Mauritius Investments: 36.97% Reddy Veeranna: 27.00% Suguna Reddy: 0.26%	EOPPL : 35.77% Embassy Office Parks REIT : 64.23%
UPPL	Development, rental and maintenance of serviced residences (Hilton residences) located at Bengaluru.	EPDPL: 58% D M Estates Private Limited: 29% GolfLinks Properties Private Limited: 13%	Embassy Office Parks REIT : 100%
EEPL	Generation and supply of solar power to the office spaces of SPVs of the Embassy Office Parks REIT located in Bengaluru.	EOPPL: 80% EPDPL: 10% Rana George: 10%	Embassy Office Parks REIT : 20% EOPPL: 80%
GSPL	Development and leasing of office space and related interiors and maintenance of such assets (Galaxy Business Park), located in Noida.	BREP GML Holding (NQ) Pte. Limited: 79.62% BREP VII GML Holding (NQ) Pte. Limited: 19.89% BREP Asia SBS GML Holding (NQ) Limited: 0.38% BREP VII SBS GML Holding (NQ) Limited: 0.11%	Embassy Office Parks REIT : 100%
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Quadron Business Park), located in Pune.	BRE/Mauritius Investments II: 99.99% Kunal Shah: 0.01%	Embassy Office Parks REIT : 100%
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	India Alternate Property Limited: 95.23% Premsagar Infra Reality Private Limited: 2.51% Hiranandani Properties Private Limited: 2.26%	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.	BREP NTPL Holding (NQ) Pte. Limited: 79.62% BREP VII NTPL Holding (NQ) Pte. Limited: 19.89% BREP VII SBS NTPL Holding (NQ) Limited: 0.38% BREP VII NTPL Holding (NQ) Limited: 0.11%	Embassy Office Parks REIT : 100%

Notes

to the Standalone financial statements

Name of the SPV	Activities	Shareholding (in percentage) upto March 21, 2019	Shareholding (in percentage) from March 22, 2019
OBPPL	Development and leasing of office space and related interiors and maintenance of such assets (The Oxygen Park), located in Noida.	BREP Asia SG Oxygen Holding (NQ) Pte. Limited: 79.61% BREP VII SG Oxygen Holding (NQ) Pte. Limited: 19.89% BREP Asia SBS Oxygen Holding (NQ) Limited: 0.39% BREP VII SBS Oxygen Holding (NQ) Limited: 0.11%	Embassy Office Parks REIT : 100%
VCPPL	Development and leasing of office space and related interiors and maintenance of such assets (247 Park), located in Mumbai.	BREP Asia HCC Holding (NQ) Pte Limited: 79.81% BREP VII HCC Holding (NQ) Pte Limited: 19.89% BREP Asia SBS HCC Holding (NQ) Limited: 0.19% BREP VII SBS HCC Holding (NQ) Limited: 0.11%	Embassy Office Parks REIT : 100%
IENMPL	Development and leasing of office space and related interiors and maintenance of such assets (Express Towers Building), located in Mumbai.	Panchshil Tech Park Private Limited: 51.07% BREP Asia SG Indian Holding (NQ) Co II Pte Limited: 37.27% BREP VII SG Indian Holding (NQ) Co II Pte Limited: 9.31% Shekhar Gupta jointly with Ms. Neelam: 2.11% BREP Asia SBS Holding (NQ) Co. XI Limited: 0.18% BREP VII SBS Holding (NQ) Co. XI Limited: 0.05%	Embassy Office Parks REIT : 100%

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

Name of the SPV	Activities	Shareholding (in percentage) upto March 21, 2019	Shareholding (in percentage) from March 22, 2019
GLSP	Development and leasing of office space and related interiors (Embassy GolfLinks Business Park), located at Bengaluru.	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)

2. Significant accounting policies

2.1 Basis of preparation of Standalone financial statements

The Standalone financial statements of the Trust comprises the Standalone Balance Sheet and Statement of Net Assets at fair value as at March 31, 2020, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flow, the Statement of Net Distributable Cash flows, the Standalone Statement of Changes in Unitholder's Equity, Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the year ended March 31, 2020. The 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 May 19, 2020.

The 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 thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations"); Indian Accounting Standard 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) (i) on classification of Unitholders fund.

Notes

to the Standalone financial statements

Embassy Office Parks REIT has prepared Standalone financial statements which comply with Ind AS applicable for year ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these Standalone financial statements, Embassy Office Parks REIT's opening balance sheet was prepared as at April 1, 2018, which is the date of transition to Ind AS. There were no adjustments made by the Trust in restating Indian GAAP financial statements, and accordingly disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

The Standalone financial statements are presented in Indian Rupees in million, except when otherwise indicated.

Statement of compliance to Ind-AS

These Standalone financial statements for the year ended March 31, 2020 are the separate financial statements of the Embassy Office Parks REIT and have been prepared in accordance with Indian Accounting Standards 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 Trust applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 2.2(m).

Several other amendments apply for the first time for the year ended March 31, 2020, but does not have an impact on the Standalone financial statements of the Trust.

2.2 Summary of significant accounting policies

a) Functional and presentation currency

The 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 Standalone financial statements are prepared on the historical cost basis, except for the following:

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

c) Use of judgements and estimates

The preparation of 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 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) (i)

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 March 31, 2020 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 Standalone financial statements.

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.

v) Fair valuation and disclosures
SEBI Circulars issued under the REIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (Refer Statement of net assets at fair value and Statement of total returns at fair value for details).

d) Current versus non-current classification

The Embassy Office Parks REIT presents assets and liabilities in the 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.

Notes

to the Standalone financial statements

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

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

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

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

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

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

f) Impairment of non-financial assets

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

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.

Notes

to the Standalone financial statements

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

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

h) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected

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to the Standalone financial statements

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.

Notes

to the Standalone financial statements

Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

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

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

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

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

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

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

i) Compound financial instruments

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

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

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

j) Impairment of financial assets

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

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

At each reporting date, the Embassy Office Parks REIT assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have

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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.

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Majority of the financial assets of the Embassy Office Parks REIT pertain 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 other receivables.

k) Embedded derivatives

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

l) Financial guarantee contracts

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

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

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

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

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

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

The right-of-use assets are 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

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REIT recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Embassy Office Parks REIT as a lessor

i. Determining whether an arrangement contains a lease

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

ii. Assets held under leases

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

iii. Initial direct costs

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

Transition to Ind AS 116

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

Effective April 1, 2019, the Trust has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on April 1, 2019. There has been no significant impact in view of adoption of Ind AS 116 for the year ended March 31, 2020. Further, the applicability of Ind AS 116 did not affect the revenue/reserves of the Trust reported during earlier year. Ind AS 116 requires extensive disclosures. However, considering that the application did not have impact on the REIT, no further disclosure have been made.

The Trust is not a lessor or lessee for any lease contracts as at March 31, 2020.

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.

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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 Standalone financial statements. Investments accounted for at cost are accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

p) Borrowing costs

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

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

q) Taxation

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

(i) Current tax:

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

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

(ii) Deferred tax:

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

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

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

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

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

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relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

r) **Provisions and contingencies**

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

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

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

s) **Operating segments**

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

The Board of Directors of the Investment Manager allocate the resources and assess the performance of the Trust, thus are the Chief Operating Decision Maker (CODM). In accordance with the requirements of Ind AS 108 - "Segment Reporting", the CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed. As Embassy Office Parks REIT operates only in India, 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 recognises a liability to make cash distributions to Unitholders when the distribution is authorised, and a legal obligation has been created. As per the REIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Manager. A corresponding amount is recognised directly in equity.

w) **Standalone Statement of Cash flows**

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

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

x) **Earnings per unit**

The basic earnings per unit is computed by dividing the net profit/(loss) attributable to the 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, depreciation, amortisation, impairment loss and income tax**

The Embassy Office Parks REIT has elected to present earnings before finance cost, depreciation, amortisation, 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, depreciation, amortisation, 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, depreciation and amortisation expense, 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 SPVs/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 has committed to quarterly distributions, any shortfall as regards minimum quarterly distribution by the SPVs and Holding Company to Embassy Office Parks REIT, post interest paid on Shareholder Debt, interim dividend payments and Principal repayment of Shareholder Debt, would be done by declaring additional dividend, to the extent permitted under the Companies Act, 2013. Repayment of short-term construction debt given to SPVs are not considered for the purpose of distributions.

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3. Non-current investments

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade, unquoted, Investments in subsidiaries (at cost) (refer note below)			
- 405,940,204 (March 31, 2019: 405,940,204) equity shares of Umbel Properties Private Limited of ₹10 each, fully paid up	2,841.67	2,841.67	-
Less: Provision for impairment *	(587.46)	-	-
	2,254.21	**2,841.67**	**-**
- 8,703,248 (March 31, 2019 : 8,703,248) equity shares of Embassy Office Parks Private Limited of ₹10 each, fully paid up	62,768.25	62,768.25	-
- 727,538 (March 31, 2019: 727,538) equity shares of Manyata Promoters Private Limited of ₹10 each, fully paid up	48,790.52	48,790.52	-
- 271,611 (March 31, 2019: 271,611) equity shares of Qubix Business Park Private Limited of ₹10 each, fully paid up	5,595.08	5,595.08	-
- 1,884,747 (March 31, 2019: 1,884,747) equity shares of Oxygen Business Park Private Limited of ₹10 each, fully paid up	12,308.89	12,308.89	-
- 185,604,589 (March 31, 2019: 185,604,589) equity shares of Earnest Towers Private Limited of ₹10 each, fully paid up	12,138.78	12,138.78	-
- 6,134,015 (March 31, 2019: 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of ₹10 each, fully paid up	10,710.94	10,710.94	-
- 124,561 (March 31, 2019: 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of ₹10 each, fully paid up	6,463.79	6,463.79	-
- 130,022 (March 31, 2019: 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of ₹10 each, fully paid up	6,747.17	6,747.17	-
- 2,129,635 (March 31, 2019: 2,129,635) equity shares of Quadron Business Park Private Limited of ₹10 each, fully paid up	13,689.26	13,689.26	-
- 107,958 (March 31, 2019: 107,958) equity shares of Galaxy Square Private Limited of ₹100 each, fully paid up	4,662.50	4,662.50	-
- 1,999 (March 31, 2019: 1,999) equity shares of Embassy Energy Private Limited of ₹10 each, fully paid up	732.79	732.79	-
	184,607.97	**184,607.97**	**-**
	186,862.18	**187,449.64**	**-**
Aggregate amount of impairment recognised	587.46	-	-

Note:
The Trust has issued Units as consideration to acquire these investments wherein the tradable REIT Units have been valued at ₹ 300 each. Further the Trust has also paid a cash consideration of ₹ 3,450 million towards acquisition of interest in IENMPL.

* The recoverable amount of the investments in subsidiary has been computed based on value in use calculation of the underlying properties. The value in use calculation is based on discounted cash flow model. As at March 31, 2020, an amount of ₹ 587.46 million (March 31, 2019: ₹ Nil) has been provided as impairment on investment in a subsidiary Company, Umbel Properties Private Limited, which is in the business of hospitality operations. The impairment charge arose in UPPL (Hilton @ Embassy GolfLinks) mainly due to impact on occupancy given the current economic conditions due to Covid-19 pandemic. In determining value in use for investment in Umbel Properties Private Limited, the cash flows were discounted at the rate of 12.63%.

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.

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(all amounts in ₹ million unless otherwise stated)

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

Name of Subsidiary	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Embassy Office Parks Private Limited	100.00%	100.00%	-
Manyata Promoters Private Limited*	64.23%	64.23%	-
Umbel Properties Private Limited	100.00%	100.00%	-
Embassy Energy Private Limited **	19.99%	19.99%	-
Earnest Towers Private Limited	100.00%	100.00%	-
Indian Express Newspapers (Mumbai) Private Limited	100.00%	100.00%	-
Vikhroli Corporate Park Private Limited	100.00%	100.00%	-
Qubix Business Park Private Limited	100.00%	100.00%	-
Quadron Business Park Private Limited	100.00%	100.00%	-
Oxygen Business Park Private Limited	100.00%	100.00%	-
Galaxy Square Private Limited	100.00%	100.00%	-

* Remaining 35.77% of ownership interest in Manyata Promoters Private Limited is owned by Embassy Office Parks Private Limited.
** Remaining 80.01% of ownership interest in Embassy Energy Private Limited is owned by Embassy Office Parks Private Limited.

4. Loans

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Loan to subsidiaries – refer Note 25	65,142.57	4,681.93	-
Security deposits			
- others	1.00	31.00	-
	65,143.57	**4,712.93**	**-**

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 (SPVs).

5. Current investments

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-trade, Unquoted, Investment in mutual funds			
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 25	724.38	-	-
2,500 (March 31, 2019: Nil) 8.5% debentures of ₹ 1 million each (current portion)			
	3,933.45	**-**	**-**

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(all amounts in ₹ million unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
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. 2,500 (March 31, 2019 ₹ Nil) unlisted, unrated, secured redeemable, non-convertible debentures of GolfLinks Software Park Private Limited with face value of ₹1,000,000 each. Outstanding as on March 31, 2020 ₹724.38 million (March 31, 2019 ₹ Nil).
2. **Interest Rate :** 8.50% p.a. on monthly outstanding balance.
3. **Security :** The debentures are secured by first ranking exclusive security interest over Torrey Pines building.
4. **Redemption :** Debentures shall be redeemed in 16 monthly installment (principal and interest) of ₹ 160.00 million each and 17th installment of ₹ 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.

6. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balances with banks			
- in current accounts *	2,845.19	0.50	-
- in escrow accounts			
- Balances with banks for unclaimed distributions	0.26	-	-
- Others **	-	42,818.03	-
	2,845.45	**42,818.53**	**-**

* Balance in current accounts includes cheques on hand received from SPVs in respect of interest/principal repayments of loans for the year ended March 31, 2020 amounting to ₹2,121.94 million (March 31, 2019 : ₹ Nil).

** Represents balance Nil (March 31, 2019: ₹ 42,818.03 million) from proceeds of initial public offer of REIT Units (Total proceeds ₹ 47,499.96 million). As at March 31, 2019, this amount held in the Escrow account could be withdrawn for specific purposes.

7. Loans

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Loan to subsidiaries- refer Note 25	620.00	-	-
	620.00	**-**	**-**

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 (SPVs).

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(all amounts in ₹ million unless otherwise stated)

8. Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other receivables	3.15	-	-
	3.15	**-**	**-**

9. Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Advance for supply of goods and rendering of services	0.44	-	
Balances with government authorities	8.82	-	
Prepayments	38.16	-	-
	47.42	**-**	**-**

10. Unit capital

Unit Capital	No in million	Amount
As at April 1, 2018	-	-
Units issued during the year		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	158.33	47,499.96
- in exchange for equity interest in SPVs (refer note iii below)	613.34	183,999.64
Less: Issue expenses (Refer note below)	-	(2,460.34)
As at March 31, 2019	**771.67**	**229,039.26**
As at April 1, 2019	**771.67**	**229,039.26**
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
Closing balance as at March 31, 2020	**771.67**	**229,120.96**

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders' capital as at March 31, 2019 in accordance with Ind AS 32 Financial Instruments: Presentation. Further, during the year ended March 31, 2020, excess provision no longer payable, has been reversed amounting to ₹81.70 million.

(a) Terms/rights attached to Units

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

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

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(all amounts in ₹ million unless otherwise stated)

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

(iii) Embassy Office Parks REIT has acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of ₹ 300 each as per the table below and the Trust has also paid a cash consideration of ₹ 3,450 million towards acquisition of interest in IENMPL.

Name of the SPV	Number of Units allotted for acquiring all the equity interest held in the SPVs				
	Embassy Sponsor	Blackstone Sponsor	Blackstone Sponsor group (excluding Blackstone Sponsor)	Other shareholders in the SPVs	Total
MPPL	2,924,450	93,610,755	-	66,099,872	162,635,077
UPPL	6,725,285	-	-	2,746,948	9,472,233
EEPL	1,221,322	-	-	1,221,322	2,442,644
IENMPL	-	-	32,536,562	-	32,536,562
VCPPL	-	-	35,703,128	-	35,703,128
ETPL	-	-	39,446,986	1,015,611	40,462,597
EOPPL	104,613,745	-	104,613,746	-	209,227,491
QBPL	-	-	45,630,850	-	45,630,850
QBPPL	-	-	18,650,260	-	18,650,260
OBPPL	-	-	41,029,647	-	41,029,647
GSPL	-	-	15,541,654	-	15,541,654
Total number of Units issued	**115,484,802**	**93,610,755**	**333,152,833**	**71,083,753**	**613,332,143**

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

Name of the share holder	As at March 31, 2020		As at March 31, 2019	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Limited	104,094,966	13.49%	104,094,966	13.49%
BRE Mauritius Investments	93,610,755	12.13%	93,610,755	12.13%
Veeranna Reddy	65,472,582	8.48%	65,472,582	8.48%
Bre/Mauritius Investments II	45,630,850	5.91%	45,630,850	5.91%
India Alternate Property Limited	39,446,986	5.11%	39,446,986	5.11%

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

11. Other equity

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Retained earnings *	(8,784.65)	(94.47)	-
	(8,784.65)	**(94.47)**	**-**

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

Retained earnings

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

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(all amounts in ₹ million unless otherwise stated)

12. Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Secured			
36,500 (March 31, 2019 : Nil) Embassy REIT Series I NCD 2019, face value of ₹1,000,000 each (net of issue expenses, at amortised cost)			
- Tranche I	32,351.18	-	-
- Tranche II	6,667.66	-	-
	39,018.84	**-**	**-**

Note:

(i) In May 2019, the Trust issued 30,000 (March 31, 2019: Nil) listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019 (Tranche I), debentures having face value of ₹ 1 million each amounting to ₹ 30,000.00 million with an Internal Rate of Return (IRR) of 9.4% and will mature on June 2, 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 May 15, 2019 and November 28, 2019 respectively.

Security terms

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

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase 1) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park".

2. A sole and exclusive first ranking pledge created by the REIT and EOPPL over their total shareholding in the SPVs 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.

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

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

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019	Secured	-	-	June 2, 2022	June 2, 2022

6. Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to Embassy REIT Series I NCD 2019.

7. Other requirements as per Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).

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

Formulae for computation of ratios are as follows basis 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 period)

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

13. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade payable			
- Total outstanding dues to micro and small enterprises (refer note (ii) below)	-	-	-
- Total outstanding dues other than micro and small enterprises			
- to related party- refer Note 25	4.66	-	-
- to others	2.02	-	-
	6.68	**-**	**-**

Notes:

(i) All the trade payables are current in nature. The Trust's exposure to currency and liquidity risks related to trade payables is disclosed in Note :27.

(ii) The Trust does not have any dues of principal or interest to micro and small enterprises as at March 31, 2020 and March 31, 2019.

Notes

to the Standalone financial statements

(all amounts in ₹ million unless otherwise stated)

14. Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unclaimed distribution	0.26	-	-
Other liabilities			
- to related party - refer Note 25	55.46	462.98	-
- to others*	32.76	5,573.33	-
	88.48	**6,036.31**	**-**

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

15. Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory dues	4.37	-	-
	4.37	**-**	**-**

16. Current tax liabilities (net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for income-tax, net of advance tax	0.54	-	-
	0.54	**-**	**-**

17. Interest income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
- on fixed deposits	13.43	-
- on debentures (refer note 25)	144.38	-
- on loan to subsidiaries (refer note 25)	8,071.20	-
	8,229.01	**-**

18. Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gain/(loss) on mutual funds *	154.08	-
Miscellaneous	1.26	-
	155.34	**-**

* Includes net changes in fair value of mutual funds for the year ended March 31, 2020 of ₹ 1.72 million (March 31, 2019 of ₹ Nil).

19. Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Bank charges	0.26	-
Rates and taxes	1.48	-
Travelling and conveyance	0.17	-
Marketing and advertisement expenses	15.56	93.28
Miscellaneous expenses	0.68	-
	18.15	**93.28**

Notes

to the Standalone financial statements

(all amounts in ₹ million unless otherwise stated)

20. Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
- Accrual of premium on redemption of debentures	2,850.33	-
	2,850.33	**-**

Note: The debentures will be redeemed on June 2, 2022. (Refer note 12)

21. Tax expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	71.17	-
	71.17	**-**

Reconciliation of tax expense and the profit multiplied by tax rate

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	4,885.14	(94.47)
Domestic tax rate	42.74%	35.88%
Tax using the Trust's domestic tax rate	2,088.10	-
Effect of exempt incomes	(3,635.61)	-
Effect of non-deductible expenses	1,619.65	-
Others	(0.97)	-
Tax expense	71.17	-

22. Auditor's remuneration

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor		
- statutory audit	3.10	1.18
- limited review	4.10	-
Reimbursement of expenses	0.44	0.01
	7.64	**1.19**

23. Earnings Per Unit (EPU)

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

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(all amounts in ₹ million unless otherwise stated)

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) after tax for calculating basic and diluted EPU	4,813.97	(94.47)
Weighted average number of Units (No. in million)	771.67	18.10
Earnings Per Unit		
- Basic (Rupees/unit)	6.24	(5.22)
- Diluted (Rupees/unit) *	6.24	(5.22)

* The Trust does not have any outstanding dilutive units.

24. Commitments and contingencies

a) Contingent liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Guarantee given to a Bank for loan obtained by a SPV	8,400.00	-	-

Note

Trust has given an irrevocable and unconditional Corporate guarantee dated December 27, 2019, in favour of Catalyst Trusteeship Limited (Trustee) towards the term loan facility of ₹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 March 31, 2020, March 31, 2019 and April 1, 2018.

ii) The Trust is 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.

25. Related party disclosures

I. List of related parties as at March 31, 2020 (refer notes below)

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

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

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(all amounts in ₹ million unless otherwise stated)

BRE/Mauritius Investments - Co-Sponsor

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

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

Directors

Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri (w.e.f. August 6, 2018)
Punita Kumar Sinha (w.e.f. August 6, 2018)
Robert Christopher Heady (w.e.f. August 6, 2018)
Aditya Virwani (w.e.f. August 6, 2018)
Asheesh Mohta - Director (w.e.f. June 28, 2019, alternate to Robert Christopher Heady)

Key management personnel

Michael David Holland - CEO (w.e.f. August 6, 2018)
Rajesh Kaimal - CFO (w.e.f. August 6, 2018)
Ramesh Periasamy - Company Secretary (w.e.f. January 7, 2019)

(i) Subsidiary (SPV)

Embassy Office Parks Private Limited
Manyata Promoters Private Limited
Umbel Properties Private Limited
Embassy Energy Private Limited
Earnest Towers Private Limited
Indian Express Newspapers (Mumbai) Private Limited
Vikhroli Corporate Park Private Limited
Qubix Business Park Private Limited
Quadron Business Park Private Limited
Oxygen Business Park Private Limited
Galaxy Square Private Limited
Embassy Pune TechZone Private Limited (w.e.f. December 6, 2019)

(ii) Joint Venture

GolfLinks Software Park Private Limited

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

Embassy One Developers Private Limited
Embassy Shelters Private Limited
Mac Charles (India) Limited
Lounge Hospitality LLP

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(all amounts in ₹ million unless otherwise stated)

C. Transactions during the year

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Unsecured loans given to		
Quadron Business Park Private Limited	7,509.00	4,681.93
Embassy Office Parks Private Limited	5,858.30	-
Manyata Promoters Private Limited	28,423.10	-
Qubix Business Park Private Limited	3,179.90	-
Oxygen Business Park Private Limited	4,030.30	-
Earnest Towers Private Limited	1,029.30	-
Vikhroli Corporate Park Private Limited	4,766.70	-
Galaxy Square Private Limited	2,549.80	-
Umbel Properties Private Limited	1,795.20	-
Indian Express Newspapers (Mumbai) Private Limited	3,764.00	-
Embassy Energy Private Limited	6,400.00	
Short term construction loan given		
Manyata Promoters Private Limited	3,050.00	-
Oxygen Business Park Private Limited	3,310.00	-
Embassy Office Parks Private Limited	620.00	-
Investment in debentures		
GolfLinks Software Park Private Limited	2,500.00	-
Redemption of investment in debentures		
GolfLinks Software Park Private Limited	1,775.62	-
Unsecured loans repaid by		
Embassy Office Parks Private Limited	1,674.34	-
Manyata Promoters Private Limited	4,843.37	-
Qubix Business Park Private Limited	299.91	-
Oxygen Business Park Private Limited	247.68	-
Earnest Towers Private Limited	739.62	-
Vikhroli Corporate Park Private Limited	268.88	-
Galaxy Square Private Limited	284.91	-
Umbel Properties Private Limited	69.40	-
Indian Express Newspapers (Mumbai) Private Limited	429.97	-
Embassy Energy Private Limited	378.53	-
Short term construction loan repaid by		
Manyata Promoters Private Limited	3,050.00	-
Oxygen Business Park Private Limited	3,310.00	-
Investment in equity shares of SPVs		
Embassy Office Parks Private Limited	-	62,768.25
Manyata Promoters Private Limited	-	48,790.52
Quadron Business Park Private Limited	-	13,689.26
Oxygen Business Park Private Limited	-	12,308.89
Earnest Towers Private Limited	-	12,138.78
Vikhroli Corporate Park Private Limited	-	10,710.94
Qubix Business Park Private Limited	-	5,595.08
Galaxy Square Private Limited	-	4,662.50
Umbel Properties Private Limited	-	2,841.67
Indian Express Newspapers (Mumbai) Private Limited	-	13,210.97
Embassy Energy Private Limited	-	732.79
Margin money kept on behalf of Trust		
Embassy Office Parks Management Services Private Limited	-	20.00
Secondment fees		
Embassy Office Parks Management Services Private Limited	1.42	-

Notes

to the Standalone financial statements

(all amounts in ₹ million unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Investment management fees		
Embassy Office Parks Management Services Private Limited	214.81	-
Trademark license fees		
Embassy Shelters Private Limited	1.42	-
Trustee fee expenses		
Axis Trustee Services Limited	2.96	-
Marketing and advertisement expenses		
Mac Charles (India) Limited	0.48	-
Lounge Hospitality LLP	0.06	-
Travelling and conveyance		
Quadron Business Park Private Limited	0.02	-
Initial receipt from Co-sponsor-received/(repaid)		
Embassy Property Development Private Limited	-	0.50
Interest income		
Quadron Business Park Private Limited	1,506.91	-
Embassy Office Parks Private Limited	698.56	-
Manyata Promoters Private Limited	3,098.72	-
Qubix Business Park Private Limited	383.45	-
Oxygen Business Park Private Limited	510.82	-
Earnest Towers Private Limited	66.13	-
Vikhroli Corporate Park Private Limited	582.18	-
Galaxy Square Private Limited	305.21	-
Umbel Properties Private Limited	220.77	-
Indian Express Newspapers (Mumbai) Private Limited	414.35	-
Embassy Energy Private Limited	284.10	-
Interest received on debentures		
GolfLinks Software Park Private Limited	144.38	-
Dividend Received		
Embassy Energy Private Limited	6.00	-
Indian Express Newspapers (Mumbai) Private Limited	95.72	-
Oxygen Business Park Private Limited	188.25	-
Deposits paid on behalf of Trust/Repaid by Trust		
Embassy Office Parks Private Limited	-	31.00
Reimbursement of expenses		
Embassy Office Parks Private Limited	-	174.79
Manyata Promoters Private Limited	-	5.96
Qubix Business Park Private Limited	-	9.33
Oxygen Business Park Private Limited	-	9.11
Earnest Towers Private Limited	-	3.96
Vikhroli Corporate Park Private Limited	-	7.65
Quadron Business Park Private Limited	-	7.90
Galaxy Square Private Limited	-	9.10
Umbel Properties Private Limited	-	10.30
Embassy Energy Private Limited	-	6.15
Indian Express Newspapers (Mumbai) Private Limited	-	20.19
Embassy One Developers Private Limited	-	9.54
Embassy Office Parks Management Services Private Limited	56.26	157.50
Issue of Unit capital		
Embassy Property Development Private Limited	-	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	135.39
BRE/Mauritius Investments	-	28,083.23

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(all amounts in ₹ million unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
India Alternate Property Limited	-	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	12.10
BRE/Mauritius Investments II	-	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	13.36
BREP GML Holding (NQ) Pte. Limited.	-	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	17.54
BREP VII SBS GML Holding (NQ) Limited	-	5.01
Guarantee given to bank for loan obtained by SPV		
Manyata Promoters Private Limited	8,400.00	-

D. Closing balances

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured loan receivable (non-current)			
Quadron Business Park Private Limited	12,582.58	4,681.93	-
Embassy Office Parks Private Limited	4,183.96	-	-
Manyata Promoters Private Limited	23,579.73	-	-
Qubix Business Park Private Limited	2,879.99	-	-
Oxygen Business Park Private Limited	3,782.62	-	-
Earnest Towers Private Limited	289.68	-	-
Vikhroli Corporate Park Private Limited	4,497.82	-	-
Galaxy Square Private Limited	2,264.89	-	-
Umbel Properties Private Limited	1,725.80	-	-
Indian Express Newspapers (Mumbai) Private Limited	3,334.03	-	-
Embassy Energy Private Limited	6,021.47	-	-
Short term construction loan			
Embassy Office Parks Private Limited	620.00	-	-
Investment in Debentures (current)			
GolfLinks Software Park Private Limited	724.38	-	-
Investment in equity shares of subsidiary			
Embassy Office Parks Private Limited	62,768.25	62,768.25	-
Manyata Promoters Private Limited	48,790.52	48,790.52	-
Quadron Business Park Private Limited	13,689.26	13,689.26	-
Oxygen Business Park Private Limited	12,308.89	12,308.89	-
Earnest Towers Private Limited	12,138.78	12,138.78	-

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(all amounts in ₹ million unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Vikhroli Corporate Park Private Limited	10,710.94	10,710.94	-
Qubix Business Park Private Limited	5,595.08	5,595.08	-
Galaxy Square Private Limited	4,662.50	4,662.50	-
Umbel Properties Private Limited	2,254.21	2,841.67	-
Indian Express Newspapers (Mumbai) Private Limited	13,210.97	13,210.97	-
Embassy Energy Private Limited	732.79	732.79	-
Other Liabilities			
Embassy Office Parks Private Limited	-	205.79	-
Manyata Promoters Private Limited	-	5.96	-
Qubix Business Park Private Limited	-	9.33	-
Oxygen Business Park Private Limited	-	9.11	-
Earnest Towers Private Limited	-	3.96	-
Vikhroli Corporate Park Private Limited	-	7.65	-
Quadron Business Park Private Limited	-	7.90	-
Galaxy Square Private Limited	-	9.10	-
Umbel Properties Private Limited	-	10.30	-
Embassy Energy Private Limited	-	6.15	-
Indian Express Newspapers (Mumbai) Private Limited	-	20.19	-
Embassy One Developers Private Limited	-	9.54	-
Embassy Office Parks Management Services Private Limited	55.46	157.50	-
Trade Payables			
Embassy Office Parks Management Services Private Limited	4.66	-	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Private Limited	-	20.00	-
Initial refundable receipt from Co-sponsor			
Embassy Property Development Private Limited	-	0.50	-
Guarantee given to bank for loan obtained by SPV			
Manyata Promoters Private Limited	8,400.00	-	-

26. Details of utilisation of proceeds of IPO are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto March 31, 2019	Unutilised amount as at March 31, 2019	Actual utilisation upto March 31, 2020	Unutilised amount as at March 31, 2020
Partial or full repayment or pre-payment of bank/financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes including issue expenses	5,718.07	-	5,718.07	5,718.07	-
Total	**47,500.00**	**4,681.93**	**42,818.07**	**47,500.00**	**-**

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(all amounts in ₹ million unless otherwise stated)

27. Financial instruments

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

Particulars	Carrying value March 31, 2020	Fair Value March 31, 2020	Carrying value March 31, 2019	Fair Value March 31, 2019
Financial assets				
Fair value through profit and loss				
Investments in mutual funds	3,209.07	3,209.07	-	-
Amortised cost				
Investments	724.38	-	-	-
Loans	65,763.57	-	4,712.93	-
Cash and cash equivalents	2,845.45	-	42,818.53	-
Other financial assets	3.15	-	-	-
Total assets	**72,545.62**	**3,209.07**	**47,531.46**	**-**
Financial liabilities				
Amortised cost				
Borrowings	39,018.84	38,984.00	-	-
Other financial liabilities	88.48	-	6,036.31	-
Trade payables	6.68	-	-	-
Total liabilities	**39,114.00**	**38,984.00**	**6,036.31**	**-**

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

b) Measurement of fair values

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

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the Standalone financial statements.

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

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

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

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

c) Financial instruments

Quantitative disclosures of 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	March 31, 2020	3,209.07	3,209.07	-	-
Investment in mutual funds	March 31, 2019	-	-	-	-

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(all amounts in ₹ million unless otherwise stated)

d) 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 March 31, 2020 and year ended March 31, 2019.

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 cash flows discounted at the current market rate.

e) Financial risk management

The Trust has exposure to following risks arising from financial instruments:

- Credit risk (refer note (b) below)
- Liquidity risk (refer note (c) below)
- Market risk (refer note (d) below)

a) Risk management framework

The Board of Directors of the Manager of the Trust has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities.

The Board of Directors of the Manager of the Trust, monitors compliance with the Trust's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

b) Credit risk

Credit risk is the risk of financial loss to the Trust if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Trust's receivables from loans given to its SPVs and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

The Trust establishes an allowance account for impairment that represents its estimate of losses in respect of its financial assets. The main component of this allowance is estimated losses that relate to specific tenants or counterparties. The allowance account is used to provide for impairment losses. Subsequently when the Trust is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

Cash at bank and fixed deposits are placed with financial institutions which are regulated and have low risk.

As at the reporting date, there is no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Balance Sheet.

c) Liquidity Risk

Liquidity risk is the risk that the trust will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The trust's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the trust's reputation.

Management monitors rolling forecasts of the trust's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Management

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of the trust in accordance with practice and limits set by the trust. In addition, the trust's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet those, monitoring balance sheet liquidity ratios and maintaining debt refinancing plans.

Maturities of financial liabilities

The following are the Trust's remaining contractual maturities of financial liabilities as the reporting date. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Trust may be required to pay and includes contractual interest payments and excludes the impact of netting agreements. The Trust believes that the working capital is sufficient to meet its current requirements, accordingly no liquidity risk is perceived.

Particulars	Carrying value	Contractual cash flows				
		0 - 12 months	1-2 years	3-5 years	More than 5 years	Total
March 31, 2020						
Borrowings	39,018.84	-	47,697.70	-	-	47,697.70
Trade payables	6.68	6.68	-	-	-	6.68
Other financial liabilities - current	88.48	88.48	-	-	-	88.48
Total	**39,114.00**	**95.16**	**47,697.70**	**-**	**-**	**47,792.86**
March 31, 2019						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities - current	6,036.31	6,036.31	-	-	-	6,036.31
Total	**6,036.31**	**6,036.31**	**-**	**-**	**-**	**6,036.31**

d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Trust's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

i. Currency risk

Majority of transitions entered into by the Trust are denominated in Indian Rupees. Accordingly the Trust does not have any currency risk.

ii. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is not exposed to any interest rate risk since all its debts are at fixed interest rates.

iii. Price risk

Price risk if the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices of investments. The Trust has no material exposure to equity securities price risk and is not exposed to commodity risk. The Trust's exposure to price risk arises from investments held by the Trust in mutual funds and classified in the balance sheet as fair value through statement of profit or loss. The fair value of these investments is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Trust are mainly investments in liquid and overnight debt mutual funds and accordingly no material volatility is expected.

Mutual funds price risk sensitivity analysis

The Trust's exposure to price risk arises from investments held by the Trust and classified in the balance sheet as fair value through statement of profit or loss.

Particulars	March 31, 2020	March 31, 2019
Increase by 1% (100 basis points)	32.09	-
Decrease by 1% (100 basis points)	(32.09)	-

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to the Standalone financial statements

(all amounts in ₹ million unless otherwise stated)

28. Capital management

The Trust's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Trust's capital structure mainly constitutes equity in the form of unit capital and debt. The projects of SPVs are initially funded through construction financing arrangements. On completion, these loans are restructured into lease-rental discounting arrangements or debentures. The Trust's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Trust monitors Capital using ratio of 'Net debt' to 'Gross asset value (GAV) of all SPVs. For this purpose, Net debt is defined as Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings. The Trust's adjusted Net debt to GAV ratio as at March 31, 2020 is as follows:

Particulars	March 31, 2020	March 31, 2019
Net debt	39,018.84	-
GAV	331,685.00	-
Net debt to GAV	11.76%	-

29. Details of utilisation of proceeds of issue of Embassy REIT Series I NCD 2019 are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto March 31, 2020	Unutilised amount as at March 31, 2020
Partial or full repayment or pre-payment of bank/financial institution debt of certain SPVs' and granting of shareholder debt to SPVs'	35,550.00	35,550.00	-
General purposes including issue expenses	950.00	950.00	-
Total	**36,500.00**	**36,500.00**	**-**

30. Reconciliation of movements of financial liabilities to cash flows arising from financing activities

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Opening balance	-	-
Changes from financing cash flows		
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)	36,168.51	-
Other changes		
Accrual of premium on redemption of debentures	2,850.33	-
Closing balance	**39,018.84**	**-**

31. Segment Reporting

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

32. In preparing these Standalone financial statements, the Trust's opening balance sheet was prepared as at April 1, 2018, which is the date of transition to Ind AS.

33. 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.

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(all amounts in ₹ million unless otherwise stated)

34. Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on May 19, 2020, have declared distribution to Unitholders of ₹ 6.89 per unit which aggregates to ₹ 5,316.77 million for the quarter ended March 31, 2020. The distributions of ₹ 6.89 per unit comprises ₹ 2.49 per unit in the form of interest payment, ₹ 0.23 per unit in the form of dividend and the balance ₹ 4.17 per unit in the form of amortisation of SPV debt.

Along with distribution of ₹ 13,504.15 million/₹ 17.50 per unit for the nine-months ended December 31, 2019, the cumulative distribution for the year ended March 31, 2020 aggregates to ₹ 18,820.92 million/₹ 24.39 per unit.

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

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

As per our report of even date attached

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

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020