OFFER DOCUMENT
Dated March 11, 2019
Book Built Issue

EMBASSY OFFICE PARKS

Embassy Office Parks REIT

(Registered in the Republic of India as an irrevocable trust under the Indian Trusts Act, 1882 and as a real estate investment trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, on August 3, 2017 at Bengaluru having registration number IN/REIT/17-18/0001)
Principal Place of Business: Royal Oaks, Embassy Golf Links Business Park, Off Intermediate Ring Road, Bengaluru 560 071, Karnataka, India
Tel: +91 80 3322 0000/ 2222; **Fax**: +91 80 4903 0046; **Compliance Officer**: Ramesh Periasamy
E-mail: compliance@embassyofficeparks.com; **Website**: www.embassyofficeparks.com

TRUSTEE	MANAGER	EMBASSY SPONSOR	BLACKSTONE SPONSOR
Axis Trustee Services Limited	**Embassy Office Parks Management Services Private Limited**	**Embassy Property Developments Private Limited**	**BRE/ Mauritius Investments**

Embassy Office Parks REIT ("**Embassy REIT**") is issuing up to [●] Units (as defined herein) for cash at a price of ₹[●] per Unit aggregating up to ₹47,500 million (the "**Issue**").

INITIAL PUBLIC ISSUE IN RELIANCE UPON REGULATION 14(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (REAL ESTATE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED (THE "REIT REGULATIONS")

The Units of the Embassy REIT are proposed to be listed on the National Stock Exchange of India Limited (the "**NSE**") and BSE Limited (the "**BSE**", together with the NSE, the "**Stock Exchanges**"). The Embassy REIT has received in-principle approvals from the NSE and the BSE for listing of the Units pursuant to letters dated October 11, 2018 and October 9, 2018, respectively. NSE is the Designated Stock Exchange for this Issue. This Issue will constitute at least 10% of the issued and paid-up Units on a post-Issue basis in accordance with Regulation 14(2A) of the REIT Regulations. The Manager in consultation with the Lead Managers may retain oversubscription in the Issue in accordance with the REIT Regulations and the SEBI Guidelines (as defined hereinafter).

The Price Band and the Minimum Bid Size (as determined by the Manager in consultation with the Lead Managers) will be announced on the websites of the Embassy REIT, the Embassy Sponsor, the Manager and the Stock Exchanges as well as advertised in all editions of the Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and in all editions of Vishwavani (a Kannada daily newspaper with wide circulation in Karnataka) at least two Working Days prior to the Bid/ Issue Opening Date. The announcement/ advertisement shall contain relevant financial ratios computed for both the upper and lower end of the Price Band. For further information, see "*Basis for Issue Price*" on page 434. In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least one Working Day, subject to the total Bid/ Issue Period not exceeding 30 days, provided that there shall not be more than two revisions to the Price Band during the Bid/ Issue Period. In case of force majeure, banking strike or similar circumstances, the Embassy REIT may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the total Bid/Issue Period not exceeding 30 days. Any revision to the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges during the Bid/Issue Period and by indicating the change on the websites of the Embassy REIT, the Embassy Sponsor, the Manager and the Stock Exchanges.

This Issue is being made through the Book Building Process and in compliance with the REIT Regulations and the SEBI Guidelines, wherein not more than 75% of the Issue (excluding the Strategic Investor Portion) shall be available for allocation on a proportionate basis to Institutional Investors, provided that the Manager may, in consultation with the Lead Managers, allocate up to 60% of the Institutional Investor Portion to Anchor Investors on a discretionary basis in accordance with the REIT Regulations and the SEBI Guidelines. Further, not less than 25% of the Issue (excluding the Strategic Investor Portion) shall be available for allocation on a proportionate basis to Non-Institutional Investors, in accordance with the REIT Regulations and the SEBI Guidelines, subject to valid Bids being received at or above the Issue Price. The Issue will also include participation by Strategic Investors (as defined hereafter) in accordance with the SEBI Guidelines. For details, see "*Issue Information*" on page 406.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Units by the Embassy REIT, there has been no formal market for the Units of the Embassy REIT. No assurance can be given regarding the active or sustained trading in Units or regarding the price at which the Units will be traded after listing.

GENERAL RISKS

Investments in Units involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. For taking an investment decision, investors must rely on their own examination of the Embassy REIT and the Issue. Prospective Investors are advised to read "*Risk Factors*" on page 22 before making an investment decision relating to the Issue. Each prospective investor is advised to consult its own advisors in respect of the consequences of an investment in the Units being issued pursuant to this Offer Document. This Offer Document has been prepared by the Manager solely for providing information in connection with the Issue. The Securities and Exchange Board of India ("**SEBI**") and the Stock Exchanges assume no responsibility for or guarantee the correctness or accuracy of any statements made, opinions expressed or reports contained herein. Admission of the Units to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of the Embassy REIT or of the Units. A copy of this Offer Document has been delivered to the SEBI and the Stock Exchanges.

MANAGER'S AND SPONSORS' ABSOLUTE RESPONSIBILITY

The Manager having made all reasonable inquiries, accepts responsibility for and confirms that this Offer Document contains all information with regard to the Embassy REIT and the Issue, which is material in the context of the Issue, that the information contained in this Offer Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Offer Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each Sponsor, severally and not jointly, accepts responsibility for and confirms only the statements specifically confirmed or undertaken by such Sponsor in this Offer Document, to the extent of the information specifically pertaining to such Sponsor.

GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE
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BOOK RUNNING LEAD MANAGERS

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HSBC Securities and Capital Markets (India) Private Limited 52/60, Mahatma Gandhi Road Fort, Mumbai 400 001 Maharashtra, India Tel: +91 22 2268 5555 Fax: +91 22 2263 1284 E-mail: embassyreit@hsbc.co.in Investor grievance e-mail: investorgrievance@hsbc.co.in Website: www.hsbc.co.in/1/2/corporate/equitiesglobalinvestmentbanking Contact Person: Shreye Mirani/ Vaibhav Grewal SEBI Registration No.: INM000010353	**IIFL Holdings Limited** IIFL Centre, 10th Floor Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 E-mail: embassy.reit@iiflcap.com Investor grievance e-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact Person: Devendra Maydeo/ Aditya Agarwal SEBI Registration No.: INM000010940	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India Tel: +91 22 6630 3030 Fax: +91 22 6630 3330 E-mail: embassy.reit@jmfl.com Investor grievance e-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11 Plot "F" Shivsagar Estate Dr. Annie Besant Road Worli Mumbai 400 018 Maharashtra, India Tel: +91 22 4037 4037 Fax: +91 22 4037 4111 E-mail: embassyreit@nomura.com Investor grievance e-mail: investorgrievances-in@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.html Contact Person: Manish Agarwal/ Vishal Kanjani SEBI Registration No.: INM000011419

BID/ISSUE PROGRAM#

BID/ ISSUE OPENS ON: March 18, 2019*	BID/ ISSUE CLOSES ON: March 20, 2019

**The Manager may, in consultation with the Lead Managers, consider participation by Anchor Investors in accordance with the REIT Regulations and the SEBI Guidelines. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date*
 # The Issue will also include participation by Strategic Investors in accordance with the SEBI Guidelines
The registration is currently under the name of Karvy Computershare Private Limited. Karvy Fintech Private Limited has filed an application with the SEBI for registration under its new name, which is currently pending

33 msf
Leasable Area

4
Gateway Cities

95%
Occupancy

Note: As of December 31, 2018

160+
Marquee Tenants
Base

34%
Mark to Market
Potential

75
Buildings
Across
11
Commercial
Offices

Express Towers

Embassy One


Embassy Techzone


Embassy Quadron


Embassy Galaxy

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I. GENERAL

NOTICE TO INVESTORS

The statements contained in this Offer Document relating to the Embassy REIT and the Units are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Offer Document with regard to the Embassy REIT and the Units are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to the Trustee and the Manager. There are no other facts in relation to the Embassy REIT and the Units, the omission of which would, in the context of the Issue, make any statement in this Offer Document misleading in any material respect. Further, the Manager, the Embassy Sponsor and the Blackstone Sponsor have made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

Investors acknowledge that they have not relied on the Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on his/ her own examination of the Embassy REIT and the merits and risks involved in investing in the Units. Investors should not construe the contents of this Offer Document as legal, business, tax, accounting or investment advice.

No person is authorized to give any information or to make any representation not contained in this Offer Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of the Embassy REIT or by or on behalf of the Lead Managers.

Notice to Prospective Investors in the United States

The Units have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offer Document or approved or disapproved the Units. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of the Embassy REIT and the terms of the Issue, including the merits and risks involved. The Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Units are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Offer Document as "U.S. QIBs". For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Offer Document as "**QIBs**") in transactions exempt from the registration requirements of the Securities Act; and (b) outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Notice to Prospective Investors in the European Economic Area

This Offer Document has been prepared on the basis that all offers of the Units will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Units. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive) and includes any relevant implementing measure in each Relevant Member State (as defined below). Accordingly, any person making or intending to make an offer within the EEA of Units which are the subject of the placement contemplated in this Offer Document should only do so in circumstances in which no obligation arises for the Embassy REIT or any of the Lead Managers to produce a prospectus for such offer. None of the Embassy REIT and the Lead Managers have authorized, nor do they authorize, the making of any offer of the Units through any financial intermediary, other than the offers made by the Lead Managers which constitute the final placement of the Units contemplated in this Offer Document.

THE EMBASSY REIT WILL CONSTITUTE AN ALTERNATIVE INVESTMENT FUND FOR THE PURPOSE OF THE EUROPEAN UNION DIRECTIVE ON ALTERNATIVE INVESTMENT FUND

MANAGERS (DIRECTIVE 2011/61/EU) ("**AIFMD**"). THE ALTERNATIVE INVESTMENT FUND MANAGER ("**AIFM**") OF THE EMBASSY REIT WILL BE THE MANAGER.

UNITS MAY ONLY BE MARKETED TO PROSPECTIVE INVESTORS WHICH ARE RESIDENT, DOMICILED OR HAVE A REGISTERED OFFICE IN A EUROPEAN ECONOMIC AREA ("**EEA**") MEMBER STATE ("**EEA MEMBER STATE**") IN WHICH THE MARKETING OF UNITS HAS BEEN REGISTERED OR AUTHORIZED (AS APPLICABLE) UNDER THE RELEVANT NATIONAL IMPLEMENTATION OF ARTICLE 42 OF AIFMD, AND IN SUCH CASES, ONLY TO EEA PERSONS WHICH ARE "PROFESSIONAL INVESTORS" OR ANY OTHER CATEGORY OF PERSON TO WHICH SUCH MARKETING IS PERMITTED UNDER THE NATIONAL LAWS OF SUCH EUROPEAN ECONOMIC AREA MEMBER STATE (EACH AN "**EEA PERSON**"). THIS OFFER DOCUMENT IS NOT INTENDED FOR, SHOULD NOT BE RELIED ON BY AND SHOULD NOT BE CONSTRUED AS AN OFFER (OR ANY OTHER FORM OF MARKETING) TO ANY OTHER EEA PERSON.

A "**PROFESSIONAL INVESTOR**" FOR THE PURPOSES OF AIFMD IS AN INVESTOR WHO IS CONSIDERED TO BE A PROFESSIONAL CLIENT OR WHICH MAY, ON REQUEST, BE TREATED AS A PROFESSIONAL CLIENT WITHIN THE RELEVANT NATIONAL IMPLEMENTATION OF ANNEX II OF DIRECTIVE 2004/39/EC (MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE).

A LIST OF JURISDICTIONS IN WHICH THE MANAGER AND/OR THE EMBASSY REIT HAVE BEEN REGISTERED OR AUTHORIZED (AS APPLICABLE) UNDER ARTICLE 42 OF AIFMD IS AVAILABLE FROM THE MANAGER ON REQUEST. IF THE MANAGER HAS NOT BEEN REGISTERED OR APPROVED IN A PARTICULAR EEA MEMBER STATE TO MARKET UNITS, THEN THE EMBASSY REIT IS NOT BEING MARKETED TO ANY EEA PERSON AT SUCH DATE IN THAT EEA MEMBER STATE. TO THE EXTENT THAT AN AFFILIATE OF THE INVESTMENT MANAGER PROMOTES THE TRUST IN AN EEA MEMBER STATE, THEN SUCH PROMOTION IS BEING UNDERTAKEN FOR AND ON BEHALF OF THE MANAGER IN SUCH CAPACITY.

Notice to Prospective Investors in Canada

The offer and sale of the Units in Canada will only be made under exemptions from the requirement to file a prospectus in the relevant province or territory and will be made only by a dealer duly registered under the applicable securities laws of the relevant province or in accordance with an exemption from the applicable registered dealer requirements. The Units may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Units must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offer Document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the Lead Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

We hereby notify prospective Canadian purchasers that: (a) we may be required to provide personal information pertaining to the purchaser as required to be disclosed in Schedule I of Form 45-106F1 under NI 45-106 (including its name, address, telephone number and the aggregate purchase price of any Units purchased) ("personal information"), which Form 45-106F1 may be required to be filed by us under NI 45-106, (b) such personal information may be delivered to the Ontario Securities Commission (the "**OSC**") in accordance with NI 45-106, (c) such personal information is collected indirectly by the OSC under the authority granted to it under the securities legislation of Ontario, (d) such personal information is collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and (e) the public official in Ontario who can answer questions about the OSC's indirect collection of such personal information is the Administrative Support Clerk at the OSC, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593-3684. Each prospective Canadian purchaser that purchases Units in this offering will be deemed to have authorized the indirect collection of the personal information by the OSC, and to have acknowledged and consented to its name, address, telephone number and other specified information, including the aggregate purchase price paid by the purchaser, being disclosed to other Canadian securities regulatory authorities, and to have acknowledged that such information may become available to the public in accordance with requirements of applicable Canadian laws.

Upon receipt of this Offer Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la authorizi de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des authori mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Notice to Investors in certain other jurisdictions

The distribution of this Offer Document and the issue of the Units in certain jurisdictions may be restricted by law. As such, this Offer Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Manager or the Lead Managers which would permit an Issue of the Units or distribution of this Offer Document in any jurisdiction, other than India. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Offer Document nor any Issue materials in connection with the Units may be distributed or published in or from any country or jurisdiction that would require registration of the Units in such country or jurisdiction.

Disclaimer

This Offer Document does not, directly or indirectly, relate to any invitation, offer or sale of any securities, instruments or loans (including listed non-convertible debentures or bonds, if any) that may be issued by the Embassy REIT after the listing of the Units. Any person or entity investing in such issue or transaction by the Embassy REIT should consult its own advisors. Neither the Lead Managers, nor their associates or affiliates have any responsibility or liability for such issue or transaction by the Embassy REIT.

SEBI Disclaimer

It is to be distinctly understood that submission of the Draft Offer Document, the Offer Document or the Final Offer Document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made or for the correctness of the statements made or opinions expressed in the Draft Offer Document, the Offer Document or the Final Offer Document.

NSE Disclaimer

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/63187 dated October 11, 2018 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's units are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE of been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's units will be listed or will continue to be listed on the Exchange; nor does it take any granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has responsibility for the financial or other soundness of this REIT, its Sponsor, its Investment Manager or any project of this REIT.

Every person who desires to apply for or otherwise acquire any units of this REIT may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

BSE Disclaimer

BSE Limited (the "Exchange") has given vide its letter dated October 09, 2018 permission to this Trust to use the Exchange's name in this offer document as one of the stock exchanges on which this Units of this Trust are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Trust. The Exchange does not in any manner:-

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Trust Units will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Trust, its Investment Manager, its Sponsor(s), its Trustee or Project Manager(s);

and it should not for any reason be deemed or constructed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires the Units of this Trust may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL DATA AND OTHER INFORMATION

Certain Conventions

All references in this Offer Document to "India" are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Offer Document are to the page numbers of this Offer Document.

Financial Data

Unless stated otherwise, the financial information included in this Offer Document in relation to the Embassy REIT is derived from the Condensed Combined Financial Statements which have been prepared in accordance with Ind AS, the REIT Regulations and the SEBI Guidelines for the purposes of this Issue, and in accordance with the basis of preparation as set out in '*Notes to Accounts – Note 2.1*' to the Condensed Combined Financial Statements. See "*Financial Information of the Embassy REIT*" on page 523.

Further, this Offer Document includes Projections for the Projection Years 2021, 2020 and 2019, prepared in accordance with the REIT Regulations and the SEBI Guidelines. See "*Projections*" on page 321.

The Embassy REIT, through the Holdco proposes to hold 50% of the equity shares of GLSP, which is a company that holds completed and rent generating properties and derives more than 75% of its operating income from real estate activity as per the audited financial statements of GLSP for Fiscal 2018. However, since GLSP does not meet the requirements of an SPV as per the REIT Regulations, it is considered an investment of the Embassy REIT under Regulation 18(5) of the REIT Regulations. Since the Embassy REIT proposes to hold 50% of GLSP, it has not been consolidated in the Condensed Combined Financial Statements and has been initially recognized as an investment at cost which includes transaction costs. Subsequent to initial recognition, the investment in GLSP has been measured in the Condensed Combined Financial Statements using the equity method, and accordingly the share of profit or loss of GLSP, including other comprehensive income and other equity, has been included. However, the fair value of such investment has been disclosed in the statement of net assets at fair value in the Condensed Combined Financial Statements. Further, the carved out financial statements of EODPL for the nine months ended December 31, 2018, nine months ended December 31, 2017 and Fiscals 2018, 2017 and 2016 have been prepared in accordance with the Guidance Note on Combined and Carve-Out Financial Statements issued by the ICAI. See "*Financial Information of the Embassy REIT*" on page 523.

Further, this Offer Document includes summary financial statements of the (i) Embassy Sponsor, as of and for the Fiscals 2018, 2017 and 2016 from the consolidated audited financial statements of the Embassy Sponsor, of which the consolidated audited financial statements for the Fiscals 2018 and 2017 were prepared in accordance with Ind AS and the Companies Act, and the consolidated audited financial statements for Fiscal 2016 were prepared in accordance with Indian GAAP and the Companies Act; (ii) the Blackstone Sponsor, as of and for the financial years ended December 31, 2017, 2016 and 2015, derived from the audited financial statements of the Blackstone Sponsor which were prepared in accordance with IFRS; and (iii) the Manager, as of and for the Fiscals 2018, 2017 and 2016 from the standalone audited financial statements of the Manager, prepared in accordance with Ind AS and the Companies Act. For further details, see "*Financial Information of the Sponsors*" and "*Financial Information of the Manager*" on pages 620 and 624, respectively.

The degree to which the financial information included in this Offer Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, the Indian GAAP, Ind AS, IFRS, the REIT Regulations and the SEBI Guidelines. Any reliance by persons not familiar with the accounting policies and practices on the financial disclosures presented in this Offer Document should accordingly be limited.

The Fiscal for the Embassy REIT, the Manager and the Embassy Sponsor commences on April 1 and ends on March 31 of the next year and the Fiscal for the Blackstone Sponsor commences on January 1 and ends on December 31 of the same year. Accordingly, all references to a particular Fiscal, (unless stated otherwise or with respect to the Blackstone Sponsor), are to the 12 month period ended on March 31 of that year.

In this Offer Document, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Certain Non-GAAP Financial Metrics

The body of generally accepted accounting principles is commonly referred to as "GAAP." Our management believes that the presentation of certain non-GAAP measures provides additional useful information to investors regarding our performance and trends related to our results of operations. Accordingly, we believe that when non-GAAP financial information is viewed with GAAP or Ind AS financial information, investors are provided with a more meaningful understanding of our ongoing operating performance and financial results. For this reason, we are including in this Offer Document information regarding our EBITDA, EBITDA Margin, Net Distributable Cash Flow, Net Operating Income, and certain other metrics based on or derived from these metrics.

However, these financial measures are not measures determined based on GAAP, Ind AS or any other internationally accepted accounting principles, and you should not consider such items as an alternative to the historical financial results or other indicators of our cash flow based on Ind AS or IFRS. These non-GAAP financial measures, as defined by us, may not be comparable to similarly-titled measures as presented by other companies due to differences in the way non-GAAP financial measures are calculated. The non-GAAP financial information contained in this offering memorandum is not intended to comply with the reporting requirements of the United States Securities and Exchange Commission (the "**SEC**") and will not be subject to review by the SEC. Even though the non-GAAP financial measures are used by management to assess our financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under Ind AS or IFRS.

EBITDA and EBITDA Margin

We present EBITDA and EBITDA Margin for both historical and projection periods in this Offer Document. For historical periods, we have elected to present EBITDA as a separate line item on the face of our statement of profit and loss, which forms a part of our Condensed Combined Financial Statements. In its measurement, we do not include depreciation and amortization expense, finance costs and tax expense.

EBITDA does not have a standardized definition under Ind AS or IFRS, and our method of calculating EBITDA may be different from the method used by most other companies to calculate EBITDA. We cannot assure you that our EBITDA calculation will always be comparable with similarly named measures presented by other companies.

EBITDA and EBITDA margin have been calculated on the same basis as historical EBITDA and EBITDA margin, subject to the inherent limitations generally involved in presenting Projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projection period. EBITDA and EBITDA margin are not recognized measures under Ind AS or IFRS. EBITDA and EBITDA margin should not be considered by themselves or as substitutes for net income, operating income or cash flow from operations or related margins or other measures of operating performance, liquidity or ability to pay dividends. For the projections period, we do not present a reconciliation of EBITDA to profit after tax (EBITDA's most comparable GAAP measure), as we have not included the projections of additional expense items required to arrive at the projected profit after tax. Further, we do not present profit after tax in equal or greater prominence as EBITDA as would have been required under an offering registered with the United States Securities and Exchange Commission. For more information, see "*Projections*" on page 321 of this Offer Document.

Net Operating Income (NOI)

We present NOI in this Offer Document. We calculate NOI for our segments as the revenue from operations from the segment, less direct operating expenses of the segment (for a detailed calculation, please see "*Management's Discussion and Analysis of Factors Affecting Financial Conditions and Results of Operations—Non-GAAP Measures—Net Operating Income ("NOI"*")) on page 317.

NOI as calculated by us is a primary driver of our managerial assessments and decision-making process. We therefore consider NOI to be a meaningful supplemental financial measure of our performance when considered with the Condensed Combined Financial Statements determined in accordance with Ind AS. We believe NOI is helpful to investors in understanding the performance of our Commercial Offices, the Hilton at Embassy Golflinks and Embassy Energy because it provides a direct measure of the operating results of our core businesses.

NOI does not have a standardized meaning, nor is it a recognized measure under Ind AS or IFRS, and may not be comparable with measures with similar names presented by other companies. NOI should not be considered by itself or as a substitute for comparable measures under Ind AS or IFRS or other measures of operating performance, liquidity or ability to pay dividends. Our NOI may not be comparable to the NOI of other companies/REITs due to the fact that not all companies/REITs use the same definition of NOI. Accordingly, there can be no assurance that our basis for computing this non-GAAP measure is comparable with that of other companies/REITs.

Further, for the projections period, we do not present a reconciliation of Net Operating Income to profit after tax (Net Operating Income's most directly comparable Ind AS measure), as we have not included the projections of additional expense items required to arrive at the projected profit after tax. Further, we do not present profit after tax in equal or greater prominence as Net Operating Income as would have been required under an offering registered with the United States Securities and Exchange Commission. For more information, see "*Management's Discussion and Analysis of Factors Affecting Financial Conditions and Results of Operations—Non-GAAP Measures—Net Operating Income ("NOI")*" and "*Projections*" on pages 317 and 321 respectively.

Net Distributable Cash Flow (NDCF)

We present NDCF in this Offer Document. We calculate NDCF in the manner specified in "*Projections—Annexure D: NDCF framework for the Embassy REIT*". NDCF is a significant performance metric, the framework for which is adopted by the Manager in line with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 issued by SEBI on September 26, 2014, as amended from time to time and any circulars and guidelines issued thereunder. The Manager believes this metric serves as a useful indicator of the REIT's expected ability to provide a cash return on investment. NDCF does not have a standardized meaning and is not a recognized measure under Ind AS or IFRS, and may not be comparable with measures with similar names presented by other companies. NDCF should not be considered by itself or as a substitute for net income, operating income or cash flow from operating activities or related margins or other measures of operating performance, liquidity or ability to pay dividends. For more information, see "*Projections*" on page 321.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" are to United States Dollar, the official currency of the United States.

Except otherwise specified, we have presented certain numerical information in this Offer Document in "million" or "billion" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Unless specified otherwise, any percentage amounts, as set forth in this Offer Document, have been calculated on the basis of the Condensed Combined Financial Statements, and the summary financial statements of the Embassy Sponsor on a consolidated basis, the Blackstone Sponsor on a standalone basis and the Manager on a standalone basis.

Historically, the audited standalone financial statements of the Asset SPVs and the Investment Entity have been prepared in accordance with Indian GAAP and the Companies Act and audited by the statutory auditors of the respective Asset SPV and the Investment Entity. However, for the purposes of this Offer Document, the Condensed Combined Financial Statements, have been prepared in accordance with Ind AS. The date of transition for the purpose of Ind AS for the Condensed Combined Financial Statements has been considered as April 1, 2015.

Areas have been represented in square feet, square metres, acres and guntas.

Exchange Rates

This Offer Document contains conversion of certain other currency amounts into Indian Rupees. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the US$ (in Rupees per US$):

	As on (in ₹)			
Currency	**December 31, 2018**	**March 28, 2018***	**March 31, 2017**	**March 31, 2016**
1 US$	69.79	65.04	64.84	66.33

Source: www.rbi.org.in and www.fbil.org.in

**The reference rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018, being a Saturday and public holidays, respectively*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Offer Document has been obtained or derived from "*Real Estate Market Report*" dated September 18, 2018 issued by CBRE and "*Hotel Market Report*" dated September 18, 2018 issued by Crowe Horwath HTL Consultants Pvt. Ltd. ("CHHTL").

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. Although the Manager believes that the industry and market data used in this Offer Document is reliable, it has not been independently verified by the Manager, the Embassy Sponsor, the Blackstone Sponsor, the Trustee or the Lead Managers, or any of their associates, affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 22 of this Offer Document. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Offer Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of the Embassy REIT is conducted, and methodologies and assumptions may vary widely among different industry sources.

In this regard, CHHTL has issued the following disclaimer:

"Crowe Horwath HTL Consultants Pvt. Ltd. (CHHTL) does not accept any liability arising out of reliance by any person or entity (apart from the Manager, the Embassy REIT, the Embassy Sponsor, the Blackstone Sponsor, the Lead Managers or their respective affiliates) on its report or any errors or omissions in its report. The Hotel Market Report does not purport to provide all of the information a recipient may require in order to arrive at a decision. In no event shall CHHTL or its directors or personnel be liable to any party for any damage, loss, cost, expense, injury or other liability that arises out of or in connection with this report including, without limitation, any indirect, special, incidental, punitive or consequential loss, liability or damage of any kind.

CHHTL's opinions are based on information available to us at the time of preparation of the report and economic, market and other conditions prevailing at the date of this report. Such conditions may change significantly over relatively short periods of time. Should circumstances change significantly, or additional information become available, after the issuance of this report, the conclusions and opinions expressed herein may require revision. There is no requirement for CHHTL to update this report in any such circumstances. The statements and opinions expressed in this report are made in good faith and in the belief that such statements and opinions are not false or misleading.

Forward-looking statements

The Hotel Market Report contains estimates/ projections/ outlook and statements that may be regarded as forward-looking statements. These statements are based on a number of assumptions, expectations and estimates which, while considered by us to be reasonable, are inherently subject to significant uncertainties and contingencies many of which are beyond the control of ourselves or the Manager (on whose behalf this report has been prepared) or which may reflect future business decisions which are subject to change. Recipients of this information are advised that the estimates/ projections/ outlook may be regarded as inherently tentative. Due to the subjective judgments and inherent uncertainties of statements about future events, there can be no assurance that the future results, or subsequent estimates/ projections/ outlook will not vary significantly from the estimates/ projections/ outlook and other statements set out in the Hotel Market Report".

In this regard, CBRE has issued the following disclaimer:

"The "Real Estate Market Report", prepared by CBRE (the "**CBRE Report**") has been prepared based on information as of specific dates, which may no longer be current or reflect current trends and opinions and which may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Users/Readers are advised to read the entire Report and also conduct their own due diligence before relying on the CBRE Report. Any person's reliance on the CBRE Report will be on an as is where is basis with no specific representations or warranties and no party including the Sponsor, the Manager, the Trustee, any of the BRLMs, CBRE, or any other person connected with this Issue owes any party/person any liability for their reliance on the CBRE Report."

Valuation data

Unless stated otherwise, the summary valuation included in this Offer Document is a summary of the *"Valuation Report"* dated February 28, 2019*,* issued by CBRE. For details, see "*Summary Valuation Report*" on page 626.

The valuation has been undertaken to ascertain the market value of the respective properties of the Embassy REIT given the prevalent market conditions. In consideration of the same, a detailed assessment of the site and surroundings has been undertaken with respect to the prevalent activities, change in dynamics impacting the values and the optimal use of the respective properties *vis-à-vis* their surrounding sub-market, etc. The valuations are based on asset specific information provided by the Manager. The same has been assumed to be correct and has been used for valuation exercise. Where it is stated in the report that another party has supplied information to CBRE, this information is believed to be reliable but CBRE can accept no responsibility if this should prove not to be so.

A primary and secondary research exercise has been carried out in the catchment areas for the respective assets to ascertain the transaction activity of commercial, retail and hospitality developments. This has been achieved through interactions with various market players such as developers, real estate brokers, key office tenants, hospitality occupiers, etc. The valuation exercise is based on prevailing market dynamics as on the date of valuation and does not take into account any unforeseeable developments which could impact the same in the future. Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of CBRE's expertise, or CBRE's instructions. The reader accepts that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.

Although the Manager believes that the industry and market data used by CBRE for the valuation as part of this Offer Document is reliable, it has not been independently verified by the Manager, the Embassy Sponsor, the Blackstone Sponsor, the Trustee or the Lead Managers, or any of their associates, affiliates or advisors. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 22 of the Offer Document. Accordingly, investment decisions should not be based solely on such information.

The extent to which the valuation assumptions used by CBRE in their summary valuation report as highlighted in this Offer Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in undertaking valuations.

Four Seasons Group related data

Four Seasons Hotels and Resorts Asia Pacific Pte Ltd and its affiliates ("**Four Seasons Group**") is not related to, affiliated or associated with, or a partner in the business of, the Parties to the Embassy REIT, and no representation, warranty or guarantee is made or implied by the Four Seasons Group in respect of any statement or information made or contained in this Offer Document. No member of the Four Seasons Group nor any of their respective shareholders, directors, officers, employees or agents has or will have any responsibility or liability arising out of, or related to, this Offer Document or the transactions contemplated by this Offer Document, including any liability or responsibility for any statement or information made or contained in this Offer Document.

Websites

The information contained on our websites, the websites of the Manager, the Trustee, the Embassy Sponsor, the Lead Managers or the other websites referenced in this Offer Document or that can be accessed through our websites or such other websites, neither constitutes part of this Offer Document, nor is it incorporated by reference therein and should not form the basis of any investment decision. For details of the websites of the Manager, Trustee, Embassy Sponsor and Lead Managers, see "*General Information*" on page 478.

As of the date of this Offer Document, the Blackstone Sponsor does not have a website.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offer Document that are not statements of historical fact constitute "forward-looking statements". Bidders can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "seek to", "shall", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Embassy REIT and the Projections are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding the expected financial conditions, results of operations, business plans and prospects of the Embassy REIT including the Projections are forward-looking statements. These forward-looking statements include statements as to the business strategy, revenue, EBITDA, cash flow from operating activities, net distributable cash flows, net operating income and profitability (including, without limitation, any financial or operating data, projections or forecasts), new business and other matters in relation to the Embassy REIT discussed in this Offer Document that are not historical facts. Further, please note that the Projections included in this Offer Document are based on a number of assumptions. For further details, see "*Projections*" on page 321.

The Summary Valuation Report included in this Offer Document is based on certain projections and should be read together with assumptions and notes thereto.

Actual results may differ materially from those suggested by the forward-looking statements or financial projections due to certain known or unknown risks or uncertainties associated with the Manager's expectations with respect to, but not limited to, the actual growth in the real estate sector, the Manager's ability to successfully implement the strategy, growth and expansion plans, technological changes, cash flow projections, the outcome of any legal or regulatory proceedings and the future impact of new accounting standards, regulatory changes pertaining to the real estate sector in India and our ability to respond to them, and general economic and political conditions in India which have an impact on our business activities or investments, changes in competition and the Manager's ability to operate and maintain the Portfolio Assets. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

Factors that could cause actual results, performance or achievements of the Embassy REIT to differ materially include, but are not limited to, those discussed under "*Risk Factors*", "*Industry Overview*", "*Our Business and Properties*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 22, 64, 131 and 279, respectively. Some of the factors that could cause the actual results, performance or achievements of the Embassy REIT to differ materially from those in the forward-looking statements and financial information include, but are not limited to, the following:

- The Formation Transactions will only be given effect to after the Bid/Issue Closing Date. Further, we will assume existing liabilities in relation to the Portfolio, which liabilities if realized may impact the trading price of our Units, our profitability and ability to make distributions.

- We intend to obtain external debt financing to repay a portion of the debt of the Portfolio and to finance the Portfolio's business and financing requirements after the completion of the Issue and the listing of the Units. The terms of this financing may limit our ability to make distributions to the Unitholders.

- We may utilize a significant amount of debt in the operation of our business, and our cash flows and operating results could be adversely affected by required repayments or related interest and other risks of our debt financing. Our inability to service debt may impact our distributions to Unitholders

- The REIT Regulations impose restrictions on the investments made by us and require us to adhere to certain investment conditions, which may limit our ability to acquire and/ or dispose of assets or explore new opportunities. Further, the regulatory framework governing real estate investment trusts in India is new and untested.

- The proposed holding and financing structure of the Portfolio may not be tax efficient.

- Our business is dependent on the Indian economy and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have a material adverse effect on our business.

- We have a limited operating history and may not be able to operate our business successfully or generate sufficient cash flows to make or sustain distributions.

- A significant portion of our revenues are derived from a limited number of large tenants, tenants in the technology sector and from a few integrated office parks. Any conditions that impact these tenants, the technology sector or parks may adversely affect our business, revenue from operations and financial condition.

- Tenant leases across our Portfolio are subject to the risk of non-renewal, non-replacement or early termination. Further, vacant properties could be difficult to lease, which could adversely affect our revenues.

- Our business and profitability are dependent on the performance of the commercial real estate market in India, generally and any fluctuations in market conditions may have an adverse impact on our financial condition.

- We may be required to record significant charges to earnings in the future when we review our Portfolio for potential impairment.

- Our contingent liability could adversely affect our financial condition, results of operations and cash flows.

- We rely on third party operators to successfully operate and manage certain Portfolio Assets. Our results of operations may be adversely affected if we fail to effectively oversee the functioning of third-party operators.

- Compliance with, and changes in, environmental laws and regulations could adversely affect the development of our properties and our financial condition.

- If we are unable to maintain relationships with other stakeholders in our Portfolio, our financial conditions and results of operation may be adversely affected.

- We are exposed to a variety of risks associated with safety, security and crisis management.

- We may be unable to successfully grow our business in new markets in India, which may adversely affect our growth, business prospects, results of operations and financial condition.

- We may be adversely affected if the Asset SPVs and Investment Entity are unable to obtain, maintain or renew all regulatory approvals that are required for their respective business.

- If we are required to make any indemnity payments to the Lead Managers resulting from certain liabilities incurred in connection with the Issue under the indemnity that we have provided to them in the Issue Agreement and any Underwriting Agreement (if entered into), our ability to make distributions to the Unitholders may be adversely affected.

Forward-looking statements and financial projections reflect current views as of the date of this Offer Document and are not a guarantee of future performance or returns to investors. There can be no assurance that the expectations reflected in the forward-looking statements and financial information will prove to be correct. These statements and projections are based on certain beliefs and assumptions, which in turn are based on currently available information. In accordance with the REIT Regulations, the calculations and assumptions underlying the Projections have been certified by the Manager and the Auditors. The Projections have been prepared for inclusion in this Offer Document for the purposes of this Issue, using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur, and have been approved by the board of directors of the Manager. Consequently, Bidders are cautioned that the Projections may not be appropriate for purposes other than that described above. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and Projections. In any event, these statements speak only as of the date of this Offer Document or the respective dates indicated in this Offer Document, and the Embassy REIT, the Manager and the Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise after the date of this Offer Document. If any of these risks and uncertainties materialize, or if any of the Manager's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Embassy REIT could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to Embassy REIT are expressly qualified in their entirety by reference to these cautionary statements.

II. EXECUTIVE SUMMARY

This summary does not contain all of the information that you should consider before investing in the Units. You should read the entire Offer Document carefully before making an investment decision. Unless otherwise specified, in this section, (i) references to area or square footage of the Portfolio as a whole or of any individual office property is to Leasable Area; and (ii) all operational data of the Portfolio is presented as of December 31, 2018; and (iii) references to tenure of our leases with our tenants and WALE for our assets assumes renewals by our tenants after the initial commencement period (which is typically three to five years).

In this section, "last three years" refers to the period covering Fiscal 2016, 2017 and 2018 (i.e., April 1, 2015 to March 31, 2018); the "last three years and nine months" refers to the period covering Fiscal 2016, 2017 and 2018 and the nine months ended December 31, 2018 (i.e., April 1, 2015 to December 31, 2018); and "last five years and nine months" refers to the period covering Fiscal 2014, 2015, 2016, 2017 and 2018 and the nine months ended December 31, 2018 (i.e., April 1, 2013 to December 31, 2018).

Embassy Office Parks

We are the owner of a high quality office portfolio in India that serves as essential corporate infrastructure to multinational tenants and has significant embedded growth prospects. We expect to be the first listed REIT in India upon the listing of our Units on the Stock Exchanges and believe that there is no other office portfolio of comparable scale, diversity and quality in India today. Over the last two decades, India has emerged as a leading services hub for global corporations due to its large talent pool and cost advantage for high value services. This along with expansion of domestic companies, has resulted in robust demand for commercial office space and strong growth across India's major office markets.

Our Portfolio comprises seven best-in-class office parks and four prime city-center office buildings totaling 32.7 msf as of December 31, 2018, with strategic amenities, including two completed and two under-construction hotels totaling 1,096 keys, food courts, employee transportation and childcare facilities. We believe we have invested in amongst the highest quality assets in the best performing submarkets of India's top office markets of Bengaluru, Pune, Mumbai and Noida. These markets have exhibited strong market dynamics with world leading absorption (from 2013 to Q1 2018) and constrained forecast supply resulting in high rent growth and low vacancy on average.

We own one of India's largest office portfolios and we believe that replicating such a platform would be difficult given land acquisition complexities and long development timelines in India. As of December 31, 2018, approximately 80.9% of the Gross Rentals from our 160+ marquee tenant base is contracted with leading multinational corporations and approximately 43.4% is contracted with Fortune 500 companies such as JP Morgan, Google and Microsoft. Our high quality tenant base, along with long-term contracted rentals (weighted average lease length of 7.0 years) provides considerable stability to our Portfolio.

While our Portfolio is highly stabilized at 95.0% Committed Occupancy, we are well positioned to achieve further organic growth through a combination of contracted revenue, re-leasing at market rents (we estimate that the market rents of our properties are 33.6% above in-place rents), lease-up of vacant space and new construction within the Portfolio to accommodate tenant expansion. Portfolio revenue from operations is projected to grow by 55.8% over the Projections Period primarily due to these factors. We believe the scale and quality of our business that has given us a market leading position, makes our properties a preferred office location in each of their respective submarkets and allows us to offer consolidation and expansion options for our tenants. This has enabled us to attract, retain and grow multinational tenants in our parks leading to tenant stickiness. As a result, we have grown revenue from operations by 15.4% over FY2016 to FY2018.

Over the last three years and nine months, through our disciplined operating and investment expertise, we have:

- Leased 6.8 msf of total office space and achieved average re-leasing spreads of 48.0% on approximately 2.7 msf of re-leased space;
- Achieved 80.9% tenant retention rate, with 7.7 msf of office space renewed (including exercise of renewal options), without incurring material tenant improvement capital expenditure ("TI capex");
- Demonstrated a 7.1% Same-Store Rental CAGR across the Portfolio Assets and the Portfolio Investment over FY2016 to FY2018, by attracting and retaining high quality tenants;

- Grown our Portfolio by 3.1 msf through strategic acquisitions and the continued build out of our office parks;
- Achieved a Committed Occupancy of 95.0% as of December 31, 2018 and maintained Occupancy at greater than 93.4% at the end of the last three fiscal years; and
- Undertaken extensive renovation programs, including successful upgrades of 33 office lobbies and 7 food courts.

In addition to best-in-class asset management capability, we believe that our team has the expertise to capitalize on a fragmented office market and expand the business through strategic acquisitions by using our strong balance sheet. Post the utilisation of the IPO proceeds, our total indebtedness is expected to be less than 15.0% of Market Value initially.

Our Portfolio as of December 31, 2018*

	Leasable Area (msf)	Committed Occupancy (%)	Revenue from Operations (FY18, INR mn)	Market Value[1] (INR mn)	% of Total Market Value	WALE[2] (Years)
Commercial Office						
Portfolio Assets						
Bengaluru						
Embassy Manyata	14.2	99.7%	7,393.17	132,739	42.2%	7.6
Embassy One	0.3	2.0%	—	5,968	1.9%	10.0
Mumbai						
Express Towers	0.5	97.5%	1,347.90	18,812	6.0%	5.0
Embassy 247	1.2	88.1%	1,027.40	17,155	5.4%	3.3
FIFC	0.4	55.4%[3]	254.90	14,920	4.7%	4.9
Pune						
Embassy Techzone	5.5	84.8%	1,003.67	20,720	6.6%	5.4
Embassy Quadron	1.9	91.4%	1,484.07	14,524	4.6%	6.4
Embassy Qubix	1.5	100.0%	825.40	10,185	3.2%	5.7
Noida						
Embassy Oxygen	3.3	91.9%	1,081.82	19,580	6.2%	10.5
Embassy Galaxy	1.4	100.0%	823.79	8,367	2.7%	4.3
Sub-total Portfolio Assets	**29.9**	**94.4%**	**15,242.13**	**262,970**	**83.5%**	**6.7**
Portfolio Investment						
Embassy Golflinks[4]	2.7	100.0%	— [5]	26,067	8.3%	8.4
Sub-Total Office[4]	**32.7**	**95.0%**	**15,242.13**	**289,037**	**91.8%**	**7.0**
Infrastructure / Amenities	**Keys/MW**	**Hotel Occupancy**				
Four Seasons at Embassy One	230 Keys	—	—	7,920	2.5%	
Hilton at Embassy Golflinks[6]	247 Keys	67.7%	770.58	4,884	1.6%	
Hilton at Embassy Manyata[7]	266 Keys	—	—			
Hilton Garden Inn at Embassy Manyata[7]	353 Keys	—	—	2,148	0.7%	
Embassy Energy	100 MW (AC)		105.29	10,820	3.4%	
Sub-total Infrastructure / Amenities	**1,096 keys, 100MW**	**67.7%**	**875.87**	**25,772**	**8.2%**	
Total Portfolio[5]	**32.7msf, 1,096 keys, 100MW**		**16,118.00**	**314,809**	**100.0%**	

* *All figures are as of December 31, 2018 except for Revenue from Operations which are for FY2018.*

(1) *Market Value as determined by the Valuer as of December 31, 2018.*

(2) *Weighted against Gross Rentals assuming tenants exercise their renewal options after the end of the initial commitment period.*

(3) *Does not include 141,634 sf (39.2% of completed area) which was under a hard option as of December 31, 2018 with an existing tenant; if this hard option is considered, committed occupancy for FIFC is 94.6%.*

(4) *Details included in the table above are for a 100.0% stake in GolflinksGLSP, except Market Value which reflects only our 50.0% economic interest in GLSP. For details on how Embassy GolflinksGLSP is accounted for in our financials, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Presentation of Financial and Other Information" on pages 279 and 7 respectively.*

(5) *Embassy Golflinks' revenue from operations for FY2018 was INR 3,163.43 mn. As we own a 50% economic interest in GLSP, which owns Embassy Golflinks, its revenues are not consolidated into our combined revenue from operations. We share profit for our 50% shareholding in GLSP. For details, see "Management's Discussion and Analysis of Factors Affecting the Financial Condition and Results of Operations" on page 279.*

(6) *Occupancy for 9MFY19*

(7) *Under Construction as of December 31, 2018.*

Our Competitive Strengths and Business Strategy

We believe our position as a leading owner and developer of high-quality office properties is founded on the following competitive strengths:

Located in India, a leading services hub for global corporates

India is the sixth-largest and the fastest growing major economy in the world and has become a leading services hub for global corporates over the last 20 years. Multinational companies are attracted to a beneficial cost structure that is over 85% lower than in Tier II cities in United States, a large English speaking talent pool (0.9 million engineers and 0.9 million commerce graduates graduated from Indian colleges in 2017) and affordable and high quality office infrastructure at some of the lowest rents globally. With low unemployment and accelerating wage growth pressure in the United States, India's cost competitive services sector is expected to grow at 8.9% in FY2019.

As the owner of one of India's largest Grade A office portfolios, Embassy REIT is in a prime position to continue to capitalize on this incredible growth story and the sustained demand from services sector tenants (72.2% of our tenant base) for Grade A office space.

Best-in-class office properties with high quality infrastructure at attractive capital values

We own seven best-in-class office parks and four prime city-center office buildings totalling 32.7 msf of Leasable Area, making us the largest REIT amongst comparable Asian office REITs. Our properties are among the largest and highest quality assets in their submarkets and are infrastructure-like. We provide a complete business ecosystem with campus-style infrastructure, world-class facilities and amenities such as food courts, day care centres and gymnasiums. This enables us to provide our tenants and their estimated 200,000+ employees with a safe, efficient and sustainable working environment. Some of our office parks also include hotels which provide an additional amenity for our occupiers and their visitors as well as drive incremental revenue due to captive demand.

We believe the quality and scale of our Portfolio makes us the landlord of choice within our Portfolio submarkets for both domestic and multinational corporations, resulting in our properties commanding a rental premium to other properties within our submarkets on average. We have leased 6.8 msf to blue-chip multinational and domestic tenants over the last three years and nine months and also renewed 7.7 msf of leases with our existing tenants without incurring material TI capex. We can construct built-to-suit premises and provide expansion options to our tenants thanks to entitled land within the Portfolio. In fact, over the last three years and nine months our existing tenants have grown by 4.2 msf within our assets.

Although our properties have world class infrastructure and high-quality tenants, capital values for our assets as per CBRE's valuation are $150 per square foot as of March 31, 2018, implying a 82.9%-95.2% discount to Grade A properties in New York, Tokyo and Hong Kong. Moreover, capitalization rates for such properties in India at 7.5%-8.5% represent a 175-575 bps premium to capitalization rates for assets of similar quality and tenant profile in countries like the United States, Japan and China.

Highly occupied by a diversified, high quality, 'sticky' multinational tenant base

Our assets had 95.0% Committed Occupancy as of March 31, 2018 (10.0% higher than the overall India office market). As of December 31, 2018, our Committed Occupancy remained at 95.0% and our weighted average lease length was 7.0 years. We have 160+ tenants comprising a mix of blue-chip multinational and Indian corporates, such as JP Morgan, DBS, Swiss Re, Google, McKinsey, IBM, L&T Technology Services and Nokia. Our tenants are truly international with approximately 80.9% of Gross Rentals contracted with leading multinational corporations and approximately 43.4% of Gross Rentals from Fortune 500 companies. 49.4% of our Gross Rentals are derived from tenants in fast-growing technology sector, with the remainder well-diversified across various industries including financial services, healthcare and telecommunications. In addition, we have a diverse tenant base, with our top 10 tenants contributing only approximately 42.3% of our Gross Rentals.

Dedicated customer relationship management programs have led to robust tenant engagement, which helps us to anticipate tenant requirements. This client-centric approach has led to an 80.9% tenant retention rate over the last three years and nine months and significant tenant growth in the Portfolio. Another key focus area has been to target occupiers with higher value add operations and services. We believe these tenants prioritize a high quality work environment, which our assets offer.

Leases in India are typically on a "warm shell" basis, resulting in landlords incurring TI capex of only 2.0-5.0% of rental revenue whereas tenants incur significant cost, often equivalent of 4-7 years of rents. This compares favorably to other markets where landlords need to incur significant TI capex to attract and retain tenants (for example, TI capex in the USA is approximately 15-20% of rental revenues). This results in tenant 'stickiness' across our Portfolio as our occupiers would incur significant capital costs to relocate to new premises.

Simple business model with strong embedded growth

While our Portfolio is highly stabilized due to the long term nature of our leases to high quality tenants, we are well positioned for organic growth on account of vacant space lease-up, contracted revenue on existing leases, re-leasing potential on lease expiries and delivery of planned 'on-campus' developments. These primary revenue drivers result in projected growth of 55.8% in revenue from operations over the Projections Period. Further, our lowly levered balance sheet (post the utilisation of the IPO proceeds, our total indebtedness is expected to be less than 15.0% of Market Value initially) enables us to drive additional growth through value accretive acquisitions.

- *Contractual escalations:* Typical leases with our tenants have tenures of 9-15 years with built-in contractual rent escalations of 10.0-15.0% every three to five years. We expect 36.0% of our revenue from operations growth over FY2020 and FY2021 to come from contractual escalations.
- *Re-leasing of existing tenants at market rents:* The in-fill nature and high quality of our assets combined with strong occupier interest has led to market rent growth for our assets outpacing contractual escalations. As a result, market rents are estimated to be 33.6% above in-place rents across the Portfolio. Over the last three fiscal years, we have re-leased approximately 2.7 msf at rents that were on average 48.0% higher than in-place rents at expiry. Upcoming lease expiries give us the opportunity to re-lease an additional 2.2 msf across the Portfolio to market levels from Q4 FY2019 – FY2021.
- *Lease-up of existing vacancy:* Our Portfolio has existing vacancy in select assets on account of transitional factors such as ongoing repositioning and strategic upgrades. We expect the vacant space to be leased up over the next few quarters.
- *Delivery of planned development projects in our parks:* We have a strong track record of delivering 'on-campus' development projects on entitled land within our parks, having constructed 4.1 msf over the last five years and nine months (96.0% leased). We currently have 2.5 msf under construction. A 230-key Four Seasons hotel was completed recently and is expected to commence operations in the first half of 2019. Additionally, we have 5.4 msf of proposed developable area to provide for future tenant expansions and consolidations.
- *Disciplined acquisition strategy with strong balance sheet:* While we have not projected any growth due to acquisitions, our lowly leveraged balance sheet provides significant flexibility to drive accretive growth through disciplined acquisitions and the potential purchase of the Embassy Sponsor's ROFO assets. Please see "*Formation Transactions in Relation to the Embassy REIT – Acquisition of Future Assets*" on page 274 for more details on the ROFO arrangement.

Strategically located in top-performing markets with high barriers to entry

Our Portfolio is strategically located in India's four key office markets of Bengaluru, Pune, Mumbai and Noida. More than 135.8 msf office space was leased in these markets between CY2013 and Q1 2018, which exceeds the total absorption for eleven global cities including New York, San Francisco, Central London, Shanghai and Tokyo over the same period. Our markets are also amongst the top-performing in India and account for 72.5% of total Grade A office stock and 76.9% of total absorption over the last five years and three months. Our assets have outperformed their markets with 940 bps higher Committed Occupancy as of March 31, 2018 and 270 bps higher rent CAGR over the last five years and three months due to their high quality and premium locations.

We believe that there are high barriers to entry due to a scarcity of available land for development in in-fill locations and land aggregation complexities making it challenging to replicate the scale of our Portfolio. Furthermore, the strategic in-fill location of our assets in some submarkets and the scale of our business give us a significant competitive advantage. For example, in North Bengaluru, most under-development office projects have less than approximately 0.8 msf of Leasable Area. Our office park, Embassy Manyata, has 14.2 msf of Leasable Area, positioning it as a location of choice for large-scale occupiers. Similarly, Express Towers (0.5 msf) is located in Mumbai's CBD where it is unlikely an asset of similar size can be developed due to a lack of vacant developable land and fragmented ownership structures of other assets.

Highly-experienced management team drives value through proactive asset management

Led by Michael Holland (CEO of the Manager, founder and former country head of JLL India; ex-CEO of Assetz Property Group) and Vikaash Khdloya (who will be the Deputy CEO / Chief Operating Officer of the Manager prior to the listing of the Units), our senior management team comprises eight people and has an average experience of 20 years in operating, developing, leasing and managing commercial real estate in India.

The Manager and the Asset SPVs together have over sixty employees. This team has demonstrated active asset management expertise across the Portfolio with a proven track-record in delivering strong operating results. Over the last three years and nine months, the team has leased 6.8 msf of total office space, grown our Portfolio by 3.1 msf through strategic acquisitions and by building out our office parks, pioneered tenant engagement programs and undertaken extensive renovation and repositioning programs as well as major asset upgrades. Such asset repositioning along with best-in-class asset management practices has made some of our assets locations of choice in their submarkets. Our property management practices are driven by a set of standard operating procedures and international best practices to ensure a consistent and superior tenant experience.

We intend to continue our proven leasing strategy to maintain high occupancy levels with a diversified tenant mix at premium rents. Our pan-India presence and strong local teams have helped us drive platform-level leasing synergies and establish deep relationships with tenants and brokers – this enables us to negotiate premium leasing deals and to attract and retain occupiers.

The Embassy REIT is externally managed in accordance with the Indian REIT Regulations. We have focused on keeping our management fees in line with our costs to align with unitholders' interests, so our fee structure is amongst the lowest amongst key comparable Asian REITs.

Renowned Sponsors with global expertise and local knowledge

Our Co-Sponsors – Embassy Sponsor and Blackstone Sponsor – combine a deep knowledge of local markets with global expertise and best practices in investment and asset management. Embassy is a leading Indian real estate company, which has completed over 45 msf of office and residential development. Blackstone Sponsor is a part of Blackstone, one of the world's leading investment, real estate and alternative asset management firms. Blackstone Real Estate was founded in 1991 and is the largest real estate investment manager in the world with \$119 billion of investor capital under management as of June 30, 2018. Blackstone Real Estate operates as one globally integrated business with 473 real estate professionals globally as of June 30, 2018 and has investments in North America, Europe, Asia and Latin America. Blackstone's real estate group has extensive experience building leading companies and taking them public such as Hilton and Invitation Homes.

III. RISK FACTORS

Risks Related to our Organization and Structure

1. ***The Formation Transactions will only be given effect to after the Bid/Issue Closing Date. Further, we will assume existing liabilities in relation to the Portfolio, which liabilities if realized may impact the trading price of the units and our profitability and ability to make distributions.***

The Formation Transactions will only be given effect to after the Bid/Issue Closing Date.

Under the REIT Regulations, we are prohibited from making an initial public offer of Units unless the aggregate value of the assets held by us prior to the Allotment of Units in the Issue equals or exceeds Rs. 5,000 million and the Issue size has to be a minimum of Rs. 2,500 million. If we are unable to complete the Formation Transactions, as contemplated herein, the Manager, in consultation with the Lead Managers, and subject to any conditions imposed by the SEBI or any other regulators, may decide not to proceed with the Issue or to withdraw or reduce the size of the Issue.

Any inability to consummate any or all the Formation Transactions in the manner described in this Offer Document may materially and adversely impact our ability to complete the Issue within the anticipated time frame or at all.

As a part of the Formation Transaction Agreements, we will assume existing liabilities of the Portfolio and of the Asset SPVs that own the Portfolio. Although we have conduced due diligence on the Portfolio with the objective of identifying any material existing liabilities, we may not have been able to identify all such liabilities prior to the consummation of the Formation Transactions. The terms of the Formation Transaction Agreements contain limited representations and warranties, which are qualified by any disclosure in this Offer Document as well as by the sellers' knowledge. There are also indemnities, which are limited on account of monetary and time limits among other limitations, which will limit our recourse under these agreements. Any losses or liabilities suffered by us in relation to the Portfolio for which we are unable to recover under these agreements will materially adversely impact our results of operations, profitability, cash flows, the trading price of our Units and our ability to make distributions to Unitholders.

For further details in respect of the Formation Transactions, see "*Formation Transactions in relation to the Embassy REIT*" on page 261.

2. ***After the completion of the Issue and the listing of the Units, we intend to obtain external debt financing to repay a portion of the debt of the Portfolio and to finance the Portfolio's business and financing requirements. The terms of this financing may limit our ability to make distributions to the Unitholders.***

We propose to raise external debt funding to refinance a portion of the existing debt of the Asset SPVs through repayment of existing loans, deferred payment obligations and to fund construction of certain projects after the listing of the Units. We have executed an indicative and non-binding term sheet with a consortium of lenders to borrow up to Rs. 40,000 million ("**REIT Debt Financing**"), subject to certain securities and financial covenants. Definitive documentation for availing the REIT Debt Financing is expected to be executed after the completion of this Issue and the listing of the Units. For details, see "*Financial Indebtedness—Indicative Terms of the REIT Debt Financing*" on page 375. Please note that such terms are indicative and subject to change depending on market conditions at the time of availing of the debt facility, and on regulatory and other considerations including obtaining consents under existing financing and other arrangements, as applicable. We also expect to require additional external financing for the development and construction of projects on an ongoing basis or for any future acquisitions. These factors, including the ability to obtain any necessary financing on satisfactory terms and any further debt availed by us and/or the Portfolio may limit our ability to make distributions to the Unitholders in the future. In the event that we do not proceed with the REIT Debt Financing, we may have to undertake adjustments to the Issue Size and there may also be an impact on the Projections, including having an impact on distribution to Unitholders. For details, see "*Projections*" on page 321.

3. ***We may utilize a significant amount of debt in the operation of our business, and our cash flows and operating results could be adversely affected by required repayments or related interest and other risks of our debt financing. Our inability to service debt may impact distributions to Unitholders.***

We are generally subject to risks associated with debt financing. These risks include: (1) our cash flow may not be sufficient to satisfy required payments of principal and interest; (2) we may not be able to refinance existing indebtedness or the terms of the refinancing may be less favourable to us than the terms of existing debt; (3) debt service obligations could reduce funds available for distribution to the Unitholders and funds available for capital investment; (4) any default on our indebtedness could result in acceleration of those obligations and obligations under other loans and possible loss of property to foreclosure; and (5) the risk that necessary capital expenditures cannot be financed on favourable terms. If a property is mortgaged to secure payment of indebtedness and we cannot make the applicable debt payments, we may have to surrender the property to the lender with a consequent loss of any prospective income and equity value from such property. The debt financing proposed to be provided by us to the Asset SPVs and the Investment Entity i.e. the Shareholder Debt Financing under the Shareholder Debt Documentation may comprise loans and non-convertible debentures. The Shareholder Debt Documentation has been executed as of the date of the Offer Document. The payment obligations of the respective Asset SPVs and the Investment Entity in relation to the Shareholder Debt Financing will be subordinated to all existing and future obligations of the Asset SPVs and the Investment Entity to any secured lenders. As such, our ability to receive loan payments, and our remedies with respect to the Shareholder Debt Financing will be subject to the rights of any senior creditors. For details, please refer to "*Financial Indebtedness*" and "*Corporate Governance—Framework for making key decisions*" on pages 373 and 240.

Payments to existing and future lenders or debt-instrument holders will be required to be serviced prior to any distributions by us and accordingly, distribution to the Unitholders will be made after making payments related to interests and principal of debt. Accordingly, any reduction in the cash flows of the Asset SPVs and the Investment Entity or any unanticipated increase in any of the payments to be made by the Asset SPVs and the Investment Entity may result in a decrease in the cash flows available to service debt availed from third parties and us, which may materially and adversely impact the ability of the Asset SPVs and the Investment Entity to meet their payment obligations. These arrangements may impact our ability to receive dividends and other cash flows from the Asset SPVs and the Investment Entity and adversely affect our ability to make distributions to Unitholders.

In addition, we will require approval from Unitholders for raising external debt above certain thresholds. For details, see "*Corporate Governance—Framework for Making Key Decisions*" on page 240 of this Offer Document.

4. ***We do not provide any assurance or guarantee of any distributions to the Unitholders. We may not be able to make distributions to Unitholders in the manner described in this Offer Document or at all, and the level of distributions may decrease.***

There is no assurance or guarantee of any distributions to the Unitholders. Distributions to Unitholders will be based on the net distributable cash flows available for distribution. The assessment of the net distributable cash flows is based on pre-determined framework as per applicable regulations, in consultation with financial and tax advisors, the results of which will be reviewed by our Auditors. For details of the REIT Regulations governing distributions, and details of our Distribution Policy, see "*Distribution*" on page 357.

Our ability to make distributions may be affected by several factors including the risk factors described in this Offer Document, as well as, among other things:

- servicing of debt raised by the Embassy REIT;
- cash flows received from Asset SPVs and the Investment Entity;
- debt servicing requirements and other liabilities of the Asset SPVs and the Investment Entity;
- compliance with loan agreements including restrictive covenants that stipulate we obtain consent from the lenders prior to making any dividend payments;
- fluctuations in the working capital needs of the Asset SPVs and the Investment Entity;
- ability of our Asset SPVs and the Investment Entity to borrow funds and access capital markets;

- the extent of lease concession, rent free periods, and incentives given to tenants to attract new tenants and/or retain existing tenants, if any;
- restrictions contained in and any payments under any agreements entered into by our Asset SPVs and the Investment Entity, including agreements with hotel operators and development managers, including the Embassy Sponsor or regulatory authorities from whom land is leased;
- approval of certain hotel operators of the Portfolio Assets that have been granted the right to determine the share of the gross operating profits of the respective hotel, and the shareholders of the Investment Entity;
- completing the development of our under construction assets within the anticipated timeline or as per the forecasted budget;
- business and financial position of our Asset SPVs and the Investment Entity, including any operating losses incurred by the Portfolio Assets and Portfolio Investment in any financial year;
- applicable laws and regulations, which may restrict the payment of dividends by the Asset SPVs and the Investment Entity or other distributions;
- payments of tax and other legal liabilities; and
- discharging indemnity or other contractual obligations of the Asset SPVs and the Investment Entity under their respective underlying contracts or similar obligations including with development managers, including the Embassy Sponsor or any fines, penalties levied by regulatory authorities.

Further, as non-cash expenditure, such as amortization and depreciation, are charged to the profit and loss account, the Asset SPVs or the Investment Entity may have surplus cash but no profit in the profit and loss account, and hence may not be able to declare dividends as per applicable regulations. In the event of the inability to declare such dividends, the Asset SPVs, the Investment Entity, the Manager and the Trustee may evaluate various options to make distributions to the Unitholders and utilize such surplus cash. We cannot assure you that the strategies implemented will be effective in extracting such surplus cash for making distributions to the public. For further details, see "*Use of Proceeds*" and "*Financial Indebtedness*" on pages 381 and 373, respectively.

5. ***The REIT Regulations impose restrictions on the investments made by us and require us to adhere to certain investment conditions, which may limit our ability to acquire and/or dispose of assets or explore new opportunities. Further, the regulatory framework governing real estate investment trusts in India is new and untested.***

The REIT Regulations require us to ensure compliance with certain requirements, including maintaining a specific threshold of investment in rent or income generating properties. There are also regulatory requirements which impose conditions on minimum unit holding of the Sponsors and Sponsor Groups and debt financing limits, which may constrain our ability to raise funds and limit our ability to make investments including acquisition of assets pursuant to the ROFO Deed. In particular, under the REIT Regulations, as not more than 20% of the value of our assets may be invested in certain permitted forms of investments over and above rent or income generating properties, we may be limited in terms of future investment on account of our proposed investment in GLSP. Further, as a REIT that is not Indian owned and controlled, we are also subject to other restrictions. For example, any downstream or other investments we make are subject to conditions under the foreign exchange or FEMA Regulations, both in terms of investments and divestments. For details of the requirements and such conditions, see "*Background of the Embassy REIT—Certain investment conditions applicable to the Embassy REIT* on page 62".

Failure to comply with these and other applicable requirements may present additional risks to us and lead to adverse consequences, including divestment of certain assets, delisting and other penalties and could prevent us from acquiring further assets including pursuant to the ROFO Deed, which could have a material adverse effect on our business, financial condition and results of operations.

As the regulatory framework governing real estate investment trusts in India, including the REIT Regulations, comprises a relatively new set of regulations that are untested, interpretation and enforcement by regulators and courts involves uncertainties. It is also unclear whether the Units of a real estate investment trust are classified as "securities" under Indian law. Further, any debt securities issued by us may not qualify as eligible securities that can be held by certain types of investors, which may raise the cost of such borrowings. Accordingly, the applicability of certain regulations to us, the Units, or debt and other securities or instruments issued by us may be unclear, which may increase compliance and legal costs and lead to business interruptions, thus impacting our ability to compete effectively or make distributions to Unitholders. For example, the FPI Regulations specify that an offshore derivative instrument may be issued overseas by an FPI against "securities" held by it that are listed or proposed to be listed on any recognized stock exchange in India, or unlisted debt securities or securitized debt instruments. Accordingly, FPIs should consult their advisors in connection with the issuance of any offshore derivative instruments with Units as their underlying instrument. Changes in regulation, interpretation and enforcement may make it more onerous for us to comply with the REIT Regulations.

6. *The proposed holding and financing structure of the Portfolio may not be tax efficient.*

A part of our Portfolio is proposed to be held through a one-tier structure (pursuant to which the Embassy REIT has direct shareholding in certain SPVs) and the remaining held through a two-tier structure (pursuant to which the Embassy REIT has direct shareholding in the Holdco, which in turn holds certain SPVs and the Investment Entity). We will not qualify for certain tax exemptions under the Income Tax Act, 1961 in relation to dividend distributed by our assets held under the two-tier structure, which may result in tax leakages. The Income Tax Act, 1961 exempts the levy of dividend distribution tax on dividends (interim or otherwise) distributed by companies, provided (i) such companies are wholly owned directly by business trusts, and (ii) the dividends are distributed out of current profits earned by such companies after the date on which they become wholly and directly held by the business trust. Where the above conditions are not satisfied, dividend distribution tax will be levied on dividends distributed. Whilst we may explore ways to restructure our Portfolio Assets and the Portfolio Investment so that such assets become wholly owned directly by us, there is no assurance that we shall be able to implement any restructuring in a cost-efficient manner, if at all. Further, the proceeds of the REIT Debt Financing shall be invested in loans to or debt securities issued by the Asset SPVs and the Investment Entity. Servicing of the Shareholder Debt Financing and the REIT Debt Financing by us from cash flows received from the Asset SPVs and the Investment Entity may result in inefficient tax outcomes for us. For details in relation to our structure and ownership of the Portfolio Assets and Portfolio Investment, see "*Formation Transactions in relation to the Embassy REIT*", on page 261.

Risks Related to Our Business and Industry

7. *Our business is dependent on the Indian economy and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have a material adverse effect on our business.*

The Manager and we are registered in India, and our Portfolio is located in India. As a result, we are highly dependent on the prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in interest rates or inflation in India;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India;
- prevailing income, consumption and savings conditions among consumers and corporations in India;
- volatility in, and actual or perceived trends in trading activity on, India's principle stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India, including increased tensions on the Indian borders, or in countries in the region or globally, including in India's various neighboring countries;
- the occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions;
- balance of trade movements, including export demand and movements in key imports, including oil and oil products; and
- other significant regulatory or economic developments in or affecting India or its real estate sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could have a material adverse effect on our business, financial condition and results of operations and the price of the Units.

Furthermore, the Indian economy and Indian financial market are influenced by economic and market conditions in other countries, particularly in emerging market Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in past years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have a material adverse effect on the securities of entities in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our results of operations and financial condition.

8. *We have a limited operating history and may not be able to operate our business successfully or generate sufficient cash flows to make or sustain distributions. Further, the Condensed Combined Financial Statements are prepared for the Offer Document and may not necessarily represent our consolidated financial position, results of operation and cash flows.*

The Embassy REIT was settled as an irrevocable trust on March 30, 2017 and registered with SEBI as a real estate investment trust on August 3, 2017. We will acquire the Portfolio pursuant to the Formation Transactions, and do not have an operating history by which our performance may be judged. Accordingly, there is no assurance that we will be able to achieve our investment objectives. Further, the Condensed Combined Financial Statements included in the Offer Document are merely a combination of historical financial data of our Asset SPVs and the Investment Entity (to the extent of our interest in the Investment Entity), as required under the REIT Regulations and have been prepared on the assumption that the entire Portfolio will be acquired pursuant to the Formation Transactions. For the purpose of the Offer Document, the Condensed Combined Financial Statements have been prepared so as to present the financial position, results of operations and cash flows of our Portfolio Assets on a combined historical basis (and our Portfolio Investment as an investee company) for 9M FY2018, 9M FY2019, FY2018, FY2017 and FY2016 and do not necessarily represent our consolidated financial position, results of operations and cash flows had we been in existence and if we had been operated under a common management during the periods presented. There can be no assurance that our future performance will be consistent with the past financial performance included elsewhere in this Offer Document. For further details, see "*Financial Information*" on page 276.

9. *A significant portion of our revenues are derived from a limited number of large tenants, tenants in the technology sector and from a few integrated office parks. Any conditions that impact these tenants, the technology sector or parks may adversely affect our business, revenue from operations and financial condition.*

Our revenues from operations are concentrated in a few large tenants, the technology sector and from a few integrated office parks in our Portfolio, as follows:

- *Tenant concentration*—our Gross Rentals as of December 31, 2018 and March 31, 2018, 2017 and 2016 from our top 10 tenants amounted to 42.31%, 44.84%, 46.72% and 48.35%, respectively of our combined Gross Rentals as of these dates. These tenants accounted for 45.03%, 47.81%, 50.85% and 52.32% of our Occupied Area as of December 31, 2018 and March 31, 2018, 2017 and 2016, respectively. Of these, two tenants, IBM and Cognizant accounted for 24.70% 26.23%, 28.11% and 29.54% of our combined Gross Rentals as of December 31, 2018 and March 31, 2018, 2017 and 2016, respectively and 29.66%, 30.32%, 31.58% and 32.65% of our Occupied Area as of December 31, 2018 and March 31, 2018, 2017 and 2016, respectively.
- *Sector concentration*—Tenants in the technology industry accounted for approximately 49.40%, 49.48%, 52.76% and 56.15% of our combined Gross Rentals and 57.00%, 58.23%, 60.71% and 62.91% of our Occupied Area as of December 31, 2018 and March 31, 2018, 2017 and 2016, respectively. Further, we are required by the terms of the lease deeds, grant documents or sale deeds with certain regulatory authorities to lease a proportion of our Portfolio Assets to tenants from the technology industry. For instance, NOIDA requires that 75% of the FAR for Embassy Oxygen, and Embassy Galaxy be utilized towards IT and ITeS facilities. For Embassy Quadron and Embassy TechZone, MIDC requires that all of the leased land be

utilised towards IT, ITeS facilities and IT-related services. Embassy Quadron, Embassy Qubix, Embassy 247 and Embassy Techzone are registered as Private IT Parks which require not less than 80% of our leases to be to tenants from the IT/ITeS sector. The SEZ approvals received for Embassy Techzone, Embassy Manyata, Embassy Quadron, Embassy Qubix and Embassy Oxygen are for setting up technology sector specific SEZs. Accordingly, our Portfolio may continue to feature concentration in the technology industry. Such concentration may limit our ability to select tenants on more favourable terms and make our portfolio more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting the technology industry.

- *Park and submarket concentration*—Our Portfolio is located across key markets of India, namely Bengaluru, Pune, NOIDA and Mumbai. For 9MFY2019, FY2018, FY2017 and FY2016, our revenue from operations from MPPL alone, which owns Embassy Manyata amounted to 44.09%, 45.87%, 44.73% and 42.49%, respectively of our combined revenue from operations. Of our total Leasable Area (including 100% of the Leasable Area for the Investment Entity) as of December 31, 2018, 56.31% comprised of Leasable Area in Bengaluru, which includes Embassy Manyata, Embassy Golflinks and Embassy One. Further, for FY2018, revenues from assets in our Portfolio located in Bengaluru and Pune represented 51.30% and 20.56% respectively of our total revenue from operations and for 9MFY2019, revenue from assets in our Portfolio located in Bengaluru and Pune represented 55.42% and 18.01% respectively of our total revenue from operations. Within key markets, we are concentrated in the submarkets of North Bengaluru (Bengaluru), Hinjewadi (Pune) and NOIDA. The real estate markets in Bengaluru, Mumbai, NOIDA and Pune may perform differently from, and may be subject to market conditions and regulatory developments that are different from real estate markets in other parts of India.

We expect that in the future a limited number of large tenants, the technology sector, specific integrated parks and submarkets will continue to comprise a large percentage of our combined revenue from operations. Accordingly, our financial condition, results of operations and ability to make distributions to Unitholders may be materially and adversely affected by the downturn in the businesses of one or more of these tenants, non-renewal or early termination of leases for any reason, economic and other factors that lead to a downturn in the technology sector or the submarkets in which these parks are located. If we are unable to diversify our tenant base, in or diversify into new submarkets, we may experience material fluctuations or decline in our revenue, because of which our financial condition and results of operations could be materially and adversely affected.

10. *Tenant leases across our Portfolio are subject to the risk of non-renewal, non-replacement or early termination. Further, vacant properties could be difficult to lease, which could adversely affect our revenues.*

We derive a significant portion of our revenue from rental income of our real estate properties in India.

Leases with tenants across our Portfolio may expire and may not be renewed. For details of key terms of lease deeds see "*Business—Lease Agreements and Lease Management*" on page 213. Tenants with a presence across multiple assets in our Portfolio may also decide to move out of some or all of their rented units in our Portfolio. The Asset SPVs and Investment Entity may face delays in finding suitable tenants which could also have an adverse impact on the revenue from the Portfolio Assets and the Portfolio Investment, and could impact our ability to comply with the investment conditions prescribed under the REIT Regulations. Typically, lease rentals from specific assets (and, in certain cases, specific tenants) are charged to lenders towards repayment of amounts borrowed from such lenders. For further details on security over lease rentals, see "*Financial Indebtedness"* on page 373. In case of termination of the lease deeds, the relevant Asset SPV or the Investment Entity will be required to make alternate arrangements to pay the monthly installments to the lenders, failing which we could be in breach of the facility agreements. See also, "*We may utilize a significant amount of debt in the operation of our business, and our cash flows and operating results could be adversely affected by required repayments or related interest and other risks of our debt financing. Our inability to service debt may impact distributions to Unitholders.*" on page 23.

Further, the rental rates of the Portfolio depend upon various factors, including but not limited to prevailing supply and demand conditions as well as the quality and design of the Portfolio. We cannot assure you that the demand for our properties will grow, or will remain stable, in the future. There is no assurance that the Manager will be able to procure new leases or renew existing leases at prevailing market rates. We also typically enter into pre-committed lease arrangements with potential tenants and any changes to or delay in execution or non-execution of the final lease agreements or agreements to lease may adversely affect our business, cash flows and results of operations. As a result, if vacancies continue for a longer period of time than we expect or indefinitely, we may suffer reduced revenues, which may have a material adverse effect on our financial performance.

11. *Our business and profitability are dependent on the performance of the commercial real estate market in India, generally and any fluctuations in market conditions may have an adverse impact on our financial condition*

We focus primarily on real estate projects in the commercial segment of the real estate industry. Going forward, we believe that the success of our projects depends on the general economic growth of and demographic conditions in India. In addition, the condition of the real estate sector in India, particularly market prices for developable land and the leasing of finished offices, has and will continue to have a significant impact on our revenues and results of operations.

Real estate markets are historically cyclical, and a recession, slowdown and/or downturn in the real estate market as well as in specific sectors where our tenants are concentrated, such as the technology sector, increase in property taxes, changes in zoning laws, availability of financing, rising interest rates, increasing competition, adverse changes in the financial condition of tenants, increased bargaining power of tenants and increased operating costs, among others, may lead to a decline in demand for office space forming part of the Portfolio, which may adversely impact rental income from such assets or result in a decline of the capital value of the Portfolio. This may have an adverse impact on the level of distributions to Unitholders and on our results of operations and financial condition. We could also be affected by any overall weakening of, or disruptions in, the financial markets. Any of the foregoing events could result in substantial losses to our business.

12. *Our actual results may be materially different from the expectations expressed or implied in this Offer Document. Independent Auditor's Report on projections of revenue from operations, net operating income, earnings before interest, tax, depreciation and amortization, cash flow from operating activities and net distributable cash flows and the underlying assumptions contains restrictions with respect to the purpose of the report and, use of the report by investors in the United States.*

This Offer Document contains forward-looking statements regarding, among other things, the projections of income and cash flows for Projection Years 2021, 2020 and 2019 set out in the section titled "*Projections*" on page 321 as per the REIT Regulations. The revenue from operations, EBITDA and cash flow projections are only estimates, based on certain assumptions of possible future operating results and are not guarantees of future performance. The projections also include assumptions relating to construction costs and timelines of upcoming under-construction projects of certain assets within the Portfolio and certain identified major maintenance and upgrade projects at some of the Portfolio. There is no assurance that the construction, maintenance or upgrades will be completed on time or at the assumed costs. For further details see "*Risk Factors—We may invest in under construction real estate projects which may be adversely affected by delay in completion and cost overruns.*" on page 41. The Projections have been prepared on the assumption that these assets will be completed and/or operational by the periods mentioned in the Projections. Should these assets not become operational or the acquisition of all or part of the Portfolio not be completed in the manner described in this Offer Document, the revenue, profit and cash flow projections for such assets may not be realized. For further details, see "*Projections*" on page 321.

Further, although revenue from operations, EBITDA and cash flow from operating activities for the projection years have been calculated on the same basis as the corresponding historical metrics, they are subject to the inherent limitations generally involved in presenting projection figures, as well as the assumptions set forth in the Projections. Such assumptions and inherent limitations may distort comparability across historical and projection periods. Further, EBITDA, EBITDA Margin, NOI and NDCF are not recognized measures under Ind AS or IFRS. EBITDA, EBITDA Margin, NOI and NDCF should not be considered by themselves or as substitutes for net income, operating income or cash flow from operations or related margins or other measures of operating performance, liquidity or ability to pay dividends. The Projections do not present a reconciliation of EBITDA or NOI to profit for the year (EBITDA and NOI's most directly comparable Ind AS measure), as we have not included the projections of additional expense items required to arrive at the projected profit for the year. Further, the Projections do not present net income/profit for the year in equal or greater prominence as EBITDA, in each case, as would have been required under a registered offering in the United States.

The Projections for FY2019 are in part derived from the REIT's 9M FY2019 actual financial information, as adjusted to give effect to the REIT's expected post-IPO capital structure and corporate structure as if those had been in existence starting on April 1, 2018. The REIT's management believes that this adjustment improves comparability between the Projections Period, which have likewise been prepared assuming the existence of the REIT's expected post-IPO capital structure and corporate structure. However, as a result of these adjustments, the Projections for FY2019 are not comparable to the REIT's historical financial information. As a result, investors should not rely on the Projections for FY2019, or comparisons thereof with the REIT's historical financial information.

The projections and forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies that are outside of our control. For instance, we hold a 50% interest in the Investment Entity, any distribution of cash flows from the Investment Entity would be subject to the consent of the JV Partners. We have also assumed that the REIT Debt Financing, which is proposed to occur after the listing of the Units, will be successfully completed in accordance with the indicative terms specified in this Offer Document. For further details, see "*Projections*" on page 321. Our revenue is dependent on several factors, including the receipt of rental income from the Portfolio. This may adversely affect our ability to achieve the forecast and projected distributions as events and circumstances assumed may not occur as expected, or events and circumstances may arise which are not anticipated. No assurance is given that the assumptions will be realised and the actual distributions will be as forecast and projected.

The independent auditors report on our Projections of Revenue from Operations, EBITDA and Cash Flow from Operating Activities, contains the following restrictions: "Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India, including in the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. U.S. securities regulations do not require profit forecasts to be reported on by a third party. This report should not be relied upon by prospective investors in the United States of America, including persons who are Qualified Institutional Buyers as defined under Rule 144A under the United States Securities Act of 1933 participating in the Issue. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation".

13. *As GLSP does not qualify as an Asset SPV under the REIT Regulations, it is not required to comply with the mandatory distribution requirements under the REIT Regulations.*

The Embassy REIT will own 50% of the equity shares of GLSP through the Holdco prior to the listing of the Units in the Issue. GLSP is classified as a portfolio investment in unlisted equity shares of a company under Regulation 18(5)(da) of the REIT Regulations and accordingly is not a special purpose vehicle as per REIT Regulations, including Regulation 18(4). Accordingly, the distribution conditions applicable to SPVs under the REIT Regulations are not applicable to GLSP, and any distribution of cash flows from GLSP would be subject to the consent of the JV Partners. For details on the relationship in GLSP, see "*Risk Factors—If we are unable to maintain relationships with other stakeholders in our Portfolio, our financial conditions and results of operation may be adversely affected*" and "*Projections—Basis and notes to Projections*" on pages 33 and 335, respectively. For details relating to the distributions from Embassy Golflinks, see "*Projections—Projected NDCF for Embassy REIT (on a combined basis)*" on page 334 of the Offer Document.

14. *The valuation reports obtained for our Portfolio are based on various assumptions and may not be indicative of the true value of our assets.*

The valuation of real estate is inherently subjective due to, amongst other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and the valuation method adopted. CBRE as the independent valuer has issued a valuation report setting out their opinion as to the value of the Portfolio as of December 31, 2018. Please note that only the Summary Valuation Report is included in this

Offer Document. For details on the assumptions, disclaimers and methodology used in the Summary Valuation Report, see "*Summary Valuation Report*" on page 626 of this Offer Document. The valuation is an estimate and not a guarantee, and it is fully dependent upon the accuracy of the assumptions as to income, expense and market conditions. The assumptions made and conclusions derived may turn out to be inaccurate, which may affect the valuation of the Portfolio. Further, the Valuer has followed a particular methodology to arrive at the valuation. There is no assurance that other methodologies would not have led to a different valuation. Further, in the event that the Valuer does not continue to value the Portfolio subsequent to the listing of the Embassy REIT, and a new valuer is appointed by the Embassy REIT for the purpose of the ongoing valuation of the Portfolio, there can be no assurance that the methodology, assumptions and valuation will not be different from the valuation arrived at by the Valuer in the Summary Valuation Report. For further details, see "*Other Parties involved in the Embassy REIT*" on page 257.

The Summary Valuation Report does not purport to contain all the information that may be necessary or desirable to fully evaluate us or the Portfolio or an investment in the Units. The Summary Valuation Report does not confer rights or remedies upon investors or any other person, and does not constitute and should not be construed as any form of assurance as to our financial condition or future performance or as to any other forward looking statements included therein, including those relating to macro economic factors, by or on behalf of the Sponsors, the Manager, the Lead Managers or us. Further, we cannot assure you that the valuation prepared by the Valuer reflects the true value of the net future revenues of the Portfolio or that other valuers would arrive at the same valuation. The Valuer has used certain assumptions which are subject to uncertainties and contingencies. For example, a portion of the land on which Embassy Techzone is built is not SEZ land. While the Holdco has made an application for the conversion of this portion into SEZ land, the application is pending as of the date of this Offer Document and, the valuation of the non-SEZ portion of Embassy Techzone has been undertaken considering that it is non-SEZ land. Further, while computing the fair valuation of Embassy Energy, the valuers have not considered the possibility of certain charges that may become applicable to Embassy Energy pursuant to an order of the KERC , which is currently under dispute. Further, the Valuation Report also assumes that the Embassy One assets will be acquired on an "as if completed" basis. For further details, see "*Financial Information*", "*Regulatory Approvals"* and "*Legal and Other Information*" on pages 276, 456 and 439, respectively.

Additionally, the price at which we may be able to sell any of our Portfolio in the future may be different from the initial acquisition value of such Portfolio Asset(s). The Summary Valuation Report has not been updated since the date of its issue, and does not consider any subsequent developments and should not be considered as a recommendation by us, the Sponsors, the Manager, the Lead Managers or any other party, that any person should take any action based on such valuation. Accordingly, investors should not rely on the Summary Valuation Report in making an investment decision to subscribe to or purchase Units.

15. *We may be required to record significant charges to earnings in the future when we review our Portfolio for potential impairment.*

As per Ind AS 36, we are required to assess (at the end of each reporting period) whether there is any indication that an asset may be impaired. If any such indication exists, we are required to estimate the recoverable amount of the asset and record impairment loss when the recoverable amount is higher than the carrying value of the asset to ensure that our assets are carried at no more than their recoverable amount. If the carrying amount of an asset exceeds the amount to be recovered through the use or sale of the asset, the asset is described as impaired and an impairment loss is recognised. Various uncertainties, including deterioration in global economic conditions that result in upward changes in cost of capital, increases in cost of completion of such assets and the occurrence of natural disasters that impact our assets, could impact expected cash flows to be generated by such assets, and may result in impairment of these assets in the future. For example, in FY2018 and in 9M FY2019, we recognised impairment loss on property, plant and equipment (including capital work in progress) related to the Four Seasons at Embassy One which was still under construction, for which the carrying cost as of March 31, 2018 and as of December 31, 2018, were higher than the recoverable amounts as determined by the Valuer as of these respective dates. The difference between these amounts amounting to ₹1,195.29 million and ₹386.05 million were recognised as impairment loss for FY2018 and for 9M FY2019 respectively. Once the operations of the Four Seasons Hotel at Embassy One commences, its recoverable amount will be determined and the impairment loss on property, plant and equipment (capital work in progress) may be reversed only if the recoverable amount exceeds the carrying amount.

16. *Our contingent liability could adversely affect our financial condition, results of operations and cash flows.*

As of December 31, 2018, we had a contingent liability for, among others, claims against the Asset SPVs including claims not acknowledged as debt in respect of property tax matters, in the amount of ₹4,386.68 million that had not been provided for. If any of our contingent liabilities materialize, it could have an adverse effect on our financial condition, results of operations and cash flows. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Off-Balance Sheet Arrangements and Contingent Liabilities*" and "*Financial Information*" on pages 317 and 276, respectively.

Further, MPPL has entered into various agreements with the Embassy Sponsor in relation to the development of the under construction portion of Embassy Manyata, pursuant to which the Embassy Sponsor will undertake the construction and development management of such properties. The Embassy Sponsor has granted a 30 year lease (renewable for an additional period of 30 years) to such under construction portion. The payments to be made by or to Embassy Manyata are not fixed and are to be computed based on several factors including leasing of the area and construction progress. The contingencies related to such payment may have an impact on the result of operations of the Embassy REIT. For details relating to the agreements entered into between the Embassy Sponsor, its Associates and MPPL, see "*Projections—Annexure B: Additional Disclosures around M-3*" on page 353. Additionally, the key assumptions made in the Projections regarding M-3 have been detailed out in "*Other key assumptions (relevant for cash flow from income tax payments for computing Cash Flows from operating activities and the calculations of NDCF)" and "Drivers and assumptions for NDCF*" on pages 347 and 346 respectively.

17. *We rely on third party operators to successfully operate and manage certain Portfolio Assets. Our results of operations may be adversely affected if we fail to effectively oversee the functioning of third-party operators.*

Certain Portfolio Assets are currently and are proposed to be operated and managed by third parties which have significant decision-making authority with respect to the management of these properties. For details, see "*Management Framework*" on page 247. Accordingly, our ability to direct and control how certain of our properties are managed on a day-to-day basis may be limited because other parties will be engaged to perform this function. For instance, for the common area maintenance of our properties, which involves maintenance of common areas and common infrastructure, or facility management, which involves housekeeping, security, repairs and maintenance, we rely on third party service providers over whom the Manager has limited or no control. These service providers may further sub-contract some of the tasks assigned to them. Further, our hotel operators have been granted varying degrees of control and discretion in the construction, management and operation of the individual hotel properties under the terms of management agreements. Embassy Golflinks is and will continue to be managed by a joint venture between our Manager and a third party (which manages day-to-day activities such as periodic filings with regulatory authorities and maintenance); and our solar operations is managed and will continue to be managed by ISPL (directly, or through its sub-contractors, including its parent entity IL&FS Development Company (IEDCL). ISPL and IEDCL are part of the IL&FS group which is currently undergoing a resolution process before the NCLT, Mumbai, in connection with payment defaults by certain group companies. There can be no assurance that the outcome of such proceedings will not adversely affect ISPL, its business operations and its ability to continue to provide services to us. Further, a third party sub-contractor which had been independently engaged by IEDCL (the parent entity of ISPL) to oversee various activities in relation to the setting up, operation and management of Embassy Energy, has issued a demand notice to EEPL under the IBC in relation to the payment of certain alleged amounts. While, EEPL has refuted all such claims, inter alia on the basis that the obligation to settle dues of the sub-contractor lie with ISPL (and/ or its parent entity) to the sub-contractor and not from EEPL, there can be no assurance that this demand notice will be resolved in a timely manner, or that EEPL will not be required to fulfil any payment obligations of its sub-contractors, in full or in part, either as a result of the demand notice or for any other reason. Further, there can be no assurance that corporate insolvency proceedings are not initiated or admitted against EEPL as a result of the demand notice. In addition to any payment that EEPL may make to the subcontractor, it may also need to make all payments to ISPL under the terms of its contracts with ISPL. See "Legal and Other Information" on page 439 and "Financial Indebtedness" on page 373.

The operation and management of certain Portfolio Assets are also undertaken in accordance with specific by-laws pursuant to which management (including decisions on usage of common area) is undertaken by a board of members comprised of representatives from entities which have purchased units in the relevant Portfolio Asset. See "*Risk Factors—If we are unable to maintain relationships with other stakeholders in our Portfolio, our financial conditions and results of operation may be adversely affected.*" on page 33.

We also rely on third party service providers for certain aspects of our business, including for certain information systems, technology, administration and maintenance of corporate secretarial records. Any interruption or deterioration in the performance of these third parties, failures of their information systems and technology, or termination of these arrangements or other problems in our relationships with these third parties, could impair the quality of our operations, affect our reputation and adversely affect our business.

If we do not select, manage and supervise appropriate third parties to provide these services, our reputation and financial results may suffer. Despite our efforts to implement and enforce strong policies and practices regarding service providers, we may not successfully detect and prevent fraud, misconduct, incompetence or theft by our third-party operators. In addition, any removal or termination of third party operators would require us to seek new operators, which would create delays and adversely affect our operations. Poor performance by such third-party operators will reflect poorly on us and could significantly damage our reputation. In the event of fraud or misconduct by a third party, we could also be exposed to material liability and be held responsible for damages, fines or penalties and our reputation may suffer.

18. *Compliance with, and changes in, environmental laws and regulations could adversely affect the development of our properties and our financial condition.*

We are subject to environmental, health and safety regulations in the ordinary course of our business. If we face any environmental concerns during the development of a property or if the government introduces more stringent regulations, we may incur delays in our estimated timelines and may need to incur additional expenses. Under these laws, owners and operators of property may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, any environmental damage or pollution and the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. Failure to comply with these laws can result in penalties or other sanctions. Further, environmental approvals are typically subject to ongoing compliance in the form of monitoring, audit and reporting norms, under, *inter alia*, central and state-specific environmental regulations and the Electricity Act and rules. We cannot assure you that all ongoing compliance or periodic filings which are required to be made in relation to our Portfolio have been made in a timely manner, or at all. Some of the environmental approvals may not be in place or not applied for or may have expired in the ordinary course of business, for which we have made applications or are in the process of making applications with the relevant authorities which are pending as of the date of this Offer Document. These include applications made for, environmental clearance, consent to operate, and revalidation of environmental clearance for certain under construction portions of the Portfolio Assets. These include applications made for Embassy Manyata, Embassy 247, Embassy Techzone and Embassy Oxygen. Further, there may be certain approvals for which an application has not been made and certain approvals for which an application has been made but the approval is awaited, as of the date of this Offer Document. For details, see "*Regulatory Approvals*" on page 456. While no claims have been made or actions been taken by the relevant authorities in relation to any environmental approvals which have expired as of date, we cannot assure you that such action may not be taken by the concerned authorities, which may adversely impact our ability to continue operating the relevant project in a profitable manner, or at all. Further, in case of certain Portfolio, the ongoing compliances under various environmental approvals are undertaken by third parties, over which the relevant Asset SPV or Investment Entity may have little or no control.

Compliance with new or more stringent environmental laws or regulations or stricter interpretation of existing laws may require material expenditure by us. We cannot assure you that future laws, ordinances or regulations will not impose any material environmental liability or that the current environmental condition of our assets will not be affected by existing conditions of the land, operations in the vicinity of the assets or the activities of unrelated third parties. In addition, we may be required to comply with various local, state and federal fire, health, life-safety and similar regulations. Failure to comply with applicable laws and regulations could result in fines and/ or damages, suspension of personnel, civil liability or other sanctions.

19. ***If we are unable to maintain relationships with other stakeholders in our Portfolio, our financial conditions and results of operation may be adversely affected.***

The operation of certain of our assets depends on our relationships with other partners, shareholders and stakeholders. For instance, the FIFC condominium, which operates and maintains FIFC, is subject to the FIFC By-Laws, pursuant to which, *inter alia*, for so long as certain condominium unit holders meet certain conditions, including holding a certain percentage of voting rights, prior written consent is required for the use of some areas of the condominium for the financial services business. Further, such condominium unit holders may be entitled to a right of first offer to acquire any premises in FIFC. Also, the conversion of certain common areas and facilities for the exclusive use of ETPL will require consent of a minimum threshold of the condominium unit owners and the MMRDA, and some condominium unit owners shall also be entitled to future development rights in the property.

GLSP, in which we will own only a 50% stake as an investment, is a 50:50 venture between the Holdco and a third party. Upon listing, we will neither hold a majority of the equity shareholding or interest in GLSP, nor have the right to appoint the majority of the board of directors on GLSP. Further, the business, operations and the relationship between Holdco and the joint venture partner will be as governed under the terms of the shareholders agreement, which also has customary affirmative rights for both shareholders, including on declaration of dividend distributions. Resolution of deadlocks (if any) in the operation of GLSP may not be in our favour as the third party is entitled to a casting vote in such situations.

Further in respect of Embassy Manyata, we own undivided right, title and interest in three floors each of two buildings aggregating 2.653 acres whereas undivided right, title and interest in the remaining portions of the buildings are owned by a third party.

Whilst, historically, the Sponsors have had good relationships with partners, minority shareholders and other stakeholders, we cannot assure you that the same level of relationship will be maintained post the Listing Date. Any deterioration of the relationship could have an adverse impact on the management of the Asset SPVs and the Investment Entity and on the operations and maintenance of our Portfolio Assets and Portfolio Investment, which could adversely affect our financial conditions and results of operation.

20. ***We are exposed to a variety of risks associated with safety, security and crisis management.***

We are committed to ensure the safety and security of our tenants, hotel guests, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cybercrime, pandemics, fire and day-to-day accidents, incidents, health crises of guests and petty crime which impact the guest or employee experience, could cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact our reputation. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose us and our assets to significant reputational damage. Any accidents or any criminal activity at our properties may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. We may also rely upon contract labour in relation to the development work undertaken at our under-construction properties. Our Asset SPVs, our Investment Entity or our Manager may (as principal employers) become liable to persons working at our premises in case of any accidental death or grievous injury. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation and cause a loss of consumer confidence in our business.

21. ***We may be unable to successfully grow our business in new markets in India, which may adversely affect our growth, business prospects, results of operations and financial condition.***

We seek to diversify our geographical footprint, to reduce our exposure to local and cyclical fluctuations and to access a more diversified tenant and guest base across geographies. We intend to strengthen and expand our portfolio to newer geographies across India which typically attracts high quality domestic and multinational blue chip corporate tenants. However, we cannot assure you that we will be able to grow our business in these markets. Inability to access infrastructure, certain logistical challenges in these regions and our relative inexperience with certain newer markets, may prevent us from expanding our presence in these regions. Further, we may be unable to compete effectively with the services of our competitors who are already established in these regions. Demand for our services may not grow as anticipated in certain newer markets. If we are unable to grow our business in such markets effectively, our growth, business prospects, results of operations and financial condition may be adversely affected.

22. ***We may be adversely affected if the Asset SPVs and Investment Entity are unable to obtain, maintain or renew all regulatory approvals that are required for their respective business.***

Our Portfolio require various approvals, licenses, registrations and permissions from the Government, local bodies and other regulators, for operating their respective business. A number of our approvals are subject to numerous terms and conditions, a failure to comply with these terms and conditions may result in an interruption of our business operations and may have a material adverse effect on our business operations, future financial performance and price of our Units, and in the cases of projects under development, in relation to completion of such projects. We have not obtained certain approvals and some of our approvals may have expired in the ordinary course, our Asset SPVs and Investment Entity have either applied, or are in the process of applying for renewals of them. Such non-compliance may result in investigation or action by the Government, or payment of fines. Certain portions of our assets are also currently under construction and subject to obtaining regulatory approvals. For certain blocks in some assets within our Portfolio Assets, we may not have obtained the occupancy certificates, the building completion certificates, or both. In addition to the above, there may be certain approvals such as approvals for use of land, lift licenses, trade licenses, Fire NOCs, approvals for maintaining diesel generator sets, petroleum and battery storage licenses and public performance licenses which have not been maintained on an ongoing basis by our Portfolio Assets. For details, see "*Regulatory Approvals*" and "*Legal and Other Information*" on pages 456 and 439.

Also, in EEPL, the land required for our solar project is under various stages of acquisition. The acquisition process involves a number of regulatory approvals and processes including approvals for conversion of agricultural land for non-agricultural use, approvals under the Karnataka Land Reforms Act, mutation of land records to reflect our title to the land etc. As on the date of the Offer Document, a significant portion of the land on which our asset are located is agricultural land, the use of land has not yet been approved by the authorities to be converted into non-agricultural use as required to carry out commercial operations thereon. Further, the mutation of records for a portion of land parcels acquired by us as on date is pending. Further, given that a significant portion of the acquisition process is still underway, and we do not hold legal title to a portion of the land on which this asset is located. Land owners from whom we seek to acquire land for our Portfolio Assets may challenge the conversion or title transfer and there may be delays in the process. There can be no assurance that our Portfolio Assets will not be held in violation of their permissions from land authorities or that approvals for conversion to non-agricultural land will be granted or that we will be able to acquire legal title to any remaining land to be acquired. Any of these will result in material and adverse consequences to the Portfolio Assets, including delay or cancellation and/ or the imposition of other penalties and fines. Specifically, in relation to approvals required for the operation of project by EEPL, please see "*Regulatory Approvals—Approvals required for the operation of Embassy Energy*" on page 458.

Our business is subject to various covenants and local state laws and regulatory requirements, including permitting, licensing and zoning requirements. Local regulations, including municipal or local ordinances, restrictions and restrictive covenants imposed by community developers may restrict our use of our assets and may require us to obtain approval from local officials or community standards organizations at any time with respect to our assets. Additionally, such local regulations may cause us to incur additional costs to renovate or maintain our properties in accordance with the particular rules and regulations. We cannot assure you that existing regulatory policies or any changes to such policies will not adversely affect us or the timing or cost of any future acquisitions, or that additional regulations will not be adopted that would increase such delays or result in additional costs.

Our business and growth strategies may be materially and adversely affected by our ability to obtain permits, licenses and approvals. Our failure to obtain or maintain such permits, licenses and approvals could have a material adverse effect on us. For details, see "*Regulatory Approvals*" on page 456.

23. *Some of our Portfolio Assets are located on land leased from the Government of Maharashtra, MMRDA, MIDC and NOIDA. The relevant Asset SPVs are required to comply with the terms and conditions provided in the respective lease agreements with such government bodies, failing which the Government of Maharashtra, MMRDA, MIDC or NOIDA, as the case may be, may, impose penalties, terminate the lease or take over the premises.*

Some of our Portfolio Assets are located on land leased from the Government of Maharashtra, MMRDA, MIDC and NOIDA, subjecting the relevant Asset SPVs to certain terms and conditions which we may not be in compliance with and which may adversely affect our title to the underlying land and our ability to make distributions to Unitholders and to otherwise operate our business or monetize our assets.

The Portfolio Assets are required to comply with certain terms and conditions, such as land use for specific purposes, utilization of space as per FAR norms, compliance with milestones for completion of construction, etc. We are also required to obtain approvals for construction, certificates for occupancy and building completion, permission for sub-leasing/ licensing of property, etc. We are in certain instances also required to provide indemnities against claims arising from any damage to adjoining buildings, preference in employment to persons from whom the land was initially acquired by the relevant authority and payment of transfer fees in the event of any transfer of a plot/ gala (after the first such transfer).

We cannot guarantee that the relevant SPVs and Holdco will be able to satisfy all or any of the conditions stipulated in the underlying lease agreements or whether they are currently in compliance with such conditions. For instance, utilization of space in some of our assets may exceed the permissible FAR, or may be in non-compliance with the permitted use of the underlying land. Further, there is no assurance that we have obtained, or will be able to obtain permissions from MIDC, NOIDA, SEZ authorities or the Government of Maharashtra for leases entered into by such Asset SPVs. While the lease deeds executed with our tenants specifically include the purpose for which the premises can be utilized or any other compliance which they may be required to carry out, we do not regularly monitor the premises to ensure that the tenant complies with the terms of the lease deeds executed with them and the Portfolio Assets. Such non-compliance may result in investigation or action by the Government, including revocation/ termination of lease, demolition of the construction or payment of fines. For details, see "*Legal and Other Information*" on page 439. In the event that our leases are revoked, not renewed or terminated prematurely or other adverse developments resulting from these matters or other matters described below occur, these could have a material and adverse effect on the SPVs and Holdco, including IENMPL and in turn impact our business, financial conditions and results of operations. For example, some of our Portfolio Assets have received notices/orders from regulatory authorities relating to alleged non-compliance with the terms of the leases entered into with lessors, including, leasing, sub-leasing or licensing (without payment of adequate transfer charges) and construction of certain parts of the premises without requisite permission, irregularities in construction, use of premises for purposes other than the permitted use, and non-availability of completion certificates. There are also litigations relating to certain of our Portfolio Assets. For details, see "*Legal and Other Information*" and "*Regulatory Approvals*" on pages 439 and 456.

24. *We have entered into material related party transactions, the terms of which may be unfavorable to us or could involve conflicts of interest. The Manager may face conflicts of interests in choosing our service providers, and certain service providers may provide services to the Manager, the Embassy Sponsor or the Blackstone Sponsor Group on more favorable terms than those payable by us.*

We have entered into transactions with several related parties, including the Manager and the Embassy Sponsor, the Blackstone Sponsor and their respective affiliates, pursuant to the Investment Management Agreement, the ROFO Deed, the Trademark Licensing Agreement, the Formation Transaction Agreements and certain other historical agreements, the terms of which may be deemed to not be as favorable to us as if they had been negotiated between unaffiliated third parties. These transactions relate to, among others, the management of the Asset SPVs, maintenance of the Portfolio, and related party loans and/or advances. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest, and it may be deemed that we could have achieved more favorable terms had such transactions not been entered into with related parties. For details, see "*Management Framework for the Portfolio*" and "*Related Party Transactions*" on pages 247 and 243.

Certain of our service providers or their affiliates (including accountants, administrators, lenders, brokers, attorneys, consultants, title agents, property managers and investment or commercial banking firms) may also provide goods or services to or have business, personal or other relationships with the Embassy Sponsor or the Blackstone Sponsor Group. Such service providers may be investors in us, affiliates of the Manager, sources of financing and investment opportunities, co-investors or commercial counterparties or entities in which the Embassy Sponsor or the Blackstone Sponsor Group or their respective affiliates have an investment, and payments by us may indirectly benefit the Embassy Sponsor or the Blackstone Sponsor Group or their respective affiliates. For instance, the project management, property management and facility management for the Portfolio Assets is carried out by related parties to the Sponsors, which may involve fees and/or servicing payments to affiliated entities of the Sponsors. The Valuer provides facility management services to one of the Asset SPVs and may also provide certain services to other assets of the Embassy Sponsor and/or the Blackstone Sponsor Group. The Valuer is also the entity that has prepared the industry report that we had commissioned for purposes of the Issue. In certain circumstances, service providers, or their affiliates, may charge different rates or have different arrangements for services provided to the Embassy Sponsor or the Blackstone Sponsor Group or their respective affiliates as compared to services provided to us, which in certain circumstances may result in more favorable rates or arrangements than those payable by us. In addition, in instances where multiple businesses of the Embassy Sponsor or the Blackstone Sponsor Group may be exploring a potential individual investment, certain of these service providers may choose to be engaged by other affiliates of the Embassy Sponsor or the Blackstone Sponsor Group rather than us. Moreover, certain employees of the Manager may have family members or relatives employed by such advisors and service providers. The Manager and/or its affiliates may also provide administrative services to us. These relationships may influence us and the Manager in deciding whether to select or recommend such a service provider to perform services for us or a portfolio property (the cost of which will generally be borne directly or indirectly by us or such portfolio property, as applicable). Additionally, in determining whether to invest in a particular property on our behalf, the Manager may consider the long-term relationships of our Sponsors with involved parties, which may result in certain transactions that the Manager will not undertake on our behalf in view of such relationships. In the context of the Formation Transaction Agreements for the acquisition of the Portfolio, we may choose not to enforce, or to enforce less vigorously, our rights with respect to indemnification due to our ongoing relationship with the Sponsors and the Sponsor Groups. Further certain properties owned by us may be leased out to tenants that are affiliates of the Embassy Sponsor or the Blackstone Sponsor, respectively, which would give rise to a conflict of interest.

As the Manager will hire employees from the Embassy Sponsor and the Blackstone Sponsor Group, such employees may also work on other projects of the respective Groups and/or their respective portfolio entities, and therefore, conflicts may arise in the allocation of the employees and the employees' time.

Also, it is likely that we will enter into additional related party transactions in the ordinary course of business, including any acquisitions pursuant to the terms of the ROFO Deed. Such transactions, individually or in aggregate, could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. For more information regarding our related party transactions, see "*Related Party Transactions*" on page 243.

The REIT Regulations specify the procedure to be followed for related party transactions. Specified policies and procedures implemented by the Manager, the Embassy Sponsor and the Blackstone Sponsor to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may from time to time reduce the synergies across the Manager's, the Embassy Sponsor's and the Blackstone Sponsor's various businesses that we expect to draw on for purposes of pursuing attractive investment opportunities.

25. *Our solar operations are dependent on the regulatory and policy environment affecting the renewable energy sector in India.*

The regulatory and policy environment in which we operate is evolving and subject to change. Our solar operations are governed by various laws and regulations, including the Electricity Act, 2003, National Electricity Policy, 2005 and National Tariff Policy, 2016, environmental and labour laws and other legislations enacted by the GoI and the Government of Karnataka. Our business and financial performance could be adversely affected by any unfavorable changes in or interpretations of existing laws, or the promulgation of new laws. Any such changes and the related uncertainties in applicability, interpretation or implementation of any laws, rules and regulations to which we are subject may have a material adverse effect on our business, financial condition and results of operations.

We depend in part on government policies that support renewable energy and enhance the economic feasibility of developing renewable energy projects. The Government of Karnataka, the state where we have certain of the assets of the Portfolio, has historically provided incentives that support the generation and sale of renewable energy, and provide a favorable framework for securing attractive returns on capital invested. If any of these incentives or policies are adversely amended, eliminated or not extended beyond their current expiration dates, or if funding for these incentives is reduced, or if governmental support of renewable energy development, particularly solar energy, is discontinued or reduced, it could have an adverse effect on our ability to obtain financing, affect the viability of new renewable energy projects constructed based on current tariff and cost assumptions or impact the profitability of our existing projects. For instance, pursuant to its order dated May 14, 2018, the KERC held that all renewable power projects in Karnataka which had achieved commercial operation date between April 1, 2013 and March 31, 2018, shall be liable to pay 25% of the normal transmission charges and/ or wheeling charges, payable in cash, as determined by the KERC in its tariff orders issued from time to time. While the KERC order states that solar power projects commissioned on or earlier to March 31, 2018 shall continue with the existing concessional charges, the KERC order is presently under dispute before the High Court of Karnataka. In the event of cancellation of the exemption, EEPL would incur an estimated loss of approximately Rs.1,053.50 million over a 10 year period. For further details, see "*Legal and Other Information*" on page 439. We cannot assure you that the order passed by the court/tribunal will be in our favor, and an adverse order will constrain us to operate our solar operations in a less profitable manner, which will have an overall impact on our business condition and results of operations.

26. *Our Asset SPVs and the Investment Entity are subject to ongoing compliance requirements under various laws, and there have been certain past instances of non-compliance.*

Our Asset SPVs and the Investment Entity are incorporated and registered as companies under the Companies Act, 1956 and the Companies Act, 2013. The Companies Act prescribes various compliance norms in relation to, *inter alia*, issuance of capital, corporate governance, related party transactions, corporate filings, appointment of certain personnel such as a company secretary and secretarial book-keeping. While our Asset SPVs and the Investment Entity conduct their operations in a manner compliant in material respects with the regulatory framework applicable to them, there have been instances in the past where the Asset SPVs and/ or the Investment Entity may not have been in compliance with a particular compliance or filing requirement, or there may have been a delay in such compliance or filing requirement. For example, there have been instances of the stamp duty not having been paid in relation to documentation in the underlying restructuring at the SPV level, where approvals obtained in the old name of an entity has not been replaced with a revised approval in the new name or where certain approvals have not been updated on an ongoing basis for changes in management. Further, there have been instances of our Asset SPVs and Investment Entity not being in compliance of ongoing requirements under the Companies Act, 2013 such as the appointment of a whole time company secretary, and related party transactions. For details of qualifications made by our Statutory Auditors in the audit report on the condensed combined financials with respect to certain past instances of non-compliance with the Companies Act, see "*—The audit report of our Statutory Auditors on the Condensed Combined Financial Statements contains certain qualifications and matters of emphasis.*" on page 41. Additionally, in case of certain Asset SPVs , there have been instances in delay of filings in the past such as, *inter alia*, FLA returns under the foreign exchange regulations and form filings under other local laws. Further, there have been certain past instances of delay in making post-acquisition filings in relation to certain acquisitions. We cannot assure you that such instances will not occur in the future. Any non-compliance, or delay in filing under applicable laws will subject the relevant Asset SPV or the Investment Entity to a penalty, which may have an impact on the results of operations of such Asset SPV or the Investment Entity.

27. *Some of our Portfolio Assets are located on land notified as SEZs and the Asset SPVs are required to comply with the SEZ Act and the rules made thereunder.*

Some of our Asset SPVs are developers or co-developers of SEZs. Specifically, the leasable area of approximately 10.0 msf, 4.1 msf, 1.9 msf, 1.5 msf and 3.3 msf of Embassy Manyata, Embassy TechZone, Embassy Quadron, Embassy Qubix and Embassy Oxygen, respectively, have been notified to be part of SEZs for IT/ITeS sectors. In addition, EOPPL has made applications dated September 13, 2017 and July 23, 2015 to the SEZ authorities seeking to convert the non-SEZ portion of Embassy TechZone comprising approximately 18.0 acres into SEZ which is still pending. SEZ development results in several fiscal incentives and other benefits for SEZ tenants, including exemptions from income tax and indirect taxes. The income tax benefits available to the Asset SPVs as SEZ developers have phased out whilst for their tenants, income tax benefits are available on income earned by them on account of the exports from the SEZs provided they commence operations in the SEZs on or before March 31, 2020. This may result in SEZs becoming less attractive for tenants in the future.

We are required to lease units to such of those tenants who have a valid letter of approval from the SEZ authorities. We cannot assure you that letters of approval for all existing tenants have been obtained, or that we will receive such approvals in the future for new tenants. Further, such letters of approvals expire in the ordinary course of business and are subject to periodic renewals. We cannot assure you that such letters of approvals will be received or renewed in a timely manner or at all. We could be deemed to be in breach of terms of our SEZ approvals for leasing units to tenants who do not have a valid approval. Based on industry practice, prior consents may not be obtained from the SEZ for entering into license agreements for certain areas or for construction of telecom towers, among other things in some of our assets. These areas constitute small portions of the projects.

SEZs are subject to restrictions and conditions prescribed by the Ministry of Commerce from time to time including restrictions on transfers of land and changes in shareholding. Failure to comply with the relevant restrictions and conditions could result in denotification of the SEZ status of the underlying land and/or imposition of penalties which could adversely affect our business and financial conditions.

28. ***The title and development rights or other interests over land where the Portfolio are located may be subject to legal uncertainties and defects, which may interfere with our ownership of the Portfolio and result in us incurring costs to remedy and cure such defects.***

There may be various legal defects and irregularities in the title to the lands or development rights, right to use or other interests relating to the Portfolio Assets and Portfolio Investment, including non-compliance with the process of conversion of land parcels during the process of devolution of title to land. These defects or irregularities may not be fully identified or assessed.

The SPVs' rights or title in respect of these lands may be adversely affected by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favor of third parties, irregularities in the process followed by the land development authorities and other third parties who acquired the land or conveyed or mutation of the land in favor of the SPVs, irregularities or mismatches or lacuna in record-keeping, non-issuance of public notice prior to acquisition or when the title report is issued or updated, the absence of conveyance by all right holders, rights of adverse possessors, ownership claims of family members or co-owners or prior owners or other defects that we may not be aware of. For details, see "*Legal and Other Information*" on page 439.

Several of our Portfolio Assets are located on land leased from various governmental authorities. While we may have validly obtained such land on lease from the relevant governmental authorities, we cannot assure you that the prior acquisition of land by the relevant lessor will not be questioned. For further details, refer to "*Legal and Other Information*" on page 439.

Legal disputes in respect of land title in India can take several years and can entail considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If such disputes are not resolved between the Asset SPVs and the claimants, the Asset SPVs may either lose their interest in the disputed land or may be restricted from further development thereon. The failure to obtain good title to a particular plot of land may impact the operations of the relevant asset, lead to write-off expenditures in respect of development and other adverse consequences.

The method of documentation of land records in India has not been fully computerized. Land records may be hand-written, in local languages, illegible or may not match with the approvals granted to us by regulatory authorities. Land records may also be untraceable or not always updated. Limited availability of title insurance, coupled with difficulties in verifying title to land, may increase the vulnerability of our Asset SPVs' title over the land that is part of the Portfolio. This could result in a delay in our selling the property or even a loss of title to the property, affect valuations of the property, or otherwise materially prejudice the development of the property which could in turn have a material and adverse effect on our business, financial condition or results of operations.

29. ***There can be no assurance that we will be able to successfully complete future acquisitions or efficiently manage the assets we have acquired or may acquire in the future. Further, any of our acquisitions in the future may be subject to acquisition related risks.***

Our growth strategy in the future may involve strategic acquisitions of commercial properties and other assets, including pursuant to the ROFO Deed with the Embassy Sponsor. For details of this arrangement, see "*Formation Transactions in relation to the Embassy REIT—Acquisition of future assets*" on page 274.

We may not be able to identify or conclude appropriate or viable acquisitions in a timely manner or at all. Further, given that we would be classified as a REIT that is not Indian owned and controlled, any future investment in holding and special purpose vehicles made by us will also be classified as downstream investment and acquisition and investment of assets will be subject to compliance with the downstream investment guidelines under FEMA Regulations and conditions for investment in real estate.

We may face active competition in acquiring suitable and attractive properties from other property investors, including other REITs, property development entities and private investment funds. There is no assurance that we will be able to compete effectively against such entities and our ability to make acquisitions under our strategy or acquisitions that are accretive may be adversely affected. Even if we were able to successfully acquire properties or other investments, there is no assurance that we will achieve our intended return on such acquisitions or investments.

Future acquisitions may cause disruptions to our operations and divert management's attention away from day-to-day operations. Newly acquired properties may require significant management attention that would otherwise be devoted to our ongoing business. Despite pre-acquisition due diligence, we do not believe that it is possible to fully understand a property before it is owned and operated for an extended time. In addition, our acquisition selection process may not be successful and may not provide positive returns to Unitholders. For example, the expected benefit, synergies or efficiencies from such acquisitions may take longer than expected to achieve or may not be achieved at all.

We may acquire properties subject to both known and unknown liabilities and without any recourse, or with only limited recourse to the seller. As a result, if a liability were asserted against us arising from our ownership of those properties, we might have to pay substantial sums to settle such claims, which could adversely affect our cash flow. Unknown liabilities with respect to properties acquired might include defects in title and inadequate stamping/ registration of conveyance deeds and lack of appropriate approvals/ licenses in place.

Given the lock-in restrictions under the REIT Regulations, we will be required to hold any completed and rent generating property, Under construction property or completed but not rent generating property acquired by us, for a minimum period of three years from the date of purchase or completion of such property. Accordingly, our ability to divest from these projects will be limited.

We are also required to distribute at least 90% of our net distributable cash flows to Unitholders. Accordingly, our ability to undertake any future acquisition will depend on our ability to raise further funds from investors through a fresh issue of Units and/ or to raise debt financing, which will be subject to the leverage ratios prescribed under the REIT Regulations and applicable laws. For risks in relation to restrictions on sources of funding, see "*We may not be able to successfully meet working capital or capital expenditure requirements of our Portfolio Assets due to the unavailability of funding on acceptable terms*" on page 40.

30. ***There may be conflicts of interests between the Lead Managers and/or their associates and affiliates and the Manager, the Embassy Sponsor, the Blackstone Sponsor Group, the Blackstone Sponsor, the Trustee and/or their respective associates/affiliates.***

The Lead Managers and/or their associates and/or affiliates may be current or past tenants, or may have and may continue to provide investment banking, financial, advisory and/or other services to the Asset SPVs, the Investment Entity, the Sponsors, the Manager, and/or the respective Sponsor Groups and their associates and affiliates. Also see "*Financial Indebtedness—Material Financial Transactions*" on page 373.The Lead Managers and/or its affiliates and associates may also have participated in or will participate (including as arrangers) in financings by the Embassy REIT or the Asset SPVs or the Investment Entity, including any proposed debt issue after the listing of the Units such as the REIT Debt Financing. In addition, in the ordinary course of their commercial banking and investment banking activities, the Lead Managers and their respective associates and affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities or Units, or related derivative instruments, of the Embassy REIT, the Asset SPVs, the Investment Entity, the Manager, the Trustee, the Sponsors, the Sponsor Groups and/or any of their respective group companies, affiliates or associates or any third parties. Certain loans availed from affiliates of the Lead Managers are also proposed to be repaid out of the Net Proceeds. For example, the proceeds from the Issue will be used to repay existing indebtedness of MPPL and EODPL, which will be assigned to QBPL pursuant to the Business Transfer Agreement forming part of the Formation Transactions, from an affiliate of HSBC, one of the Lead Managers. The Trustee, Axis Trustee Services Limited, is also an associate of one of the Lead Managers. These may influence the Manager's decisions regarding whether to undertake certain transactions with the Lead Managers and/ or their associates/ affiliates.

31. *We may not be able to successfully meet working capital or capital expenditure requirements of our Portfolio Assets due to the unavailability of funding on acceptable terms.*

Our Portfolio Assets will require capital expenditure periodically for refurbishments, renovation and improvements beyond our current estimates and we may not able to secure funding for such capital expenditure, in a timely manner or at all. In addition, we also require funding for completion of construction of under construction areas. Our ability to raise funding is dependent on our ability to raise capital through fresh issue of Units and our ability to raise debt on acceptable terms. SEBI has yet to publish guidelines and regulations in respect of follow-on offerings of Units by REITs and as such the processes and conditions to be followed at the time of a capital raising through fresh issue of Units are unclear.

Our ability to raise additional debt is subject to our consolidated borrowings and deferred payments not exceeding 49% of the value of our assets, as required under the REIT Regulations. In addition, the funding of real estate projects and real estate business is subject to extensive regulation and supervision resulting in limited fund-raising options available to us. For instance, external commercial borrowings and domestic debt from scheduled commercial banks cannot be utilized for making downstream investments in SPVs by way of subscribing for equity shares or compulsorily convertible securities of such downstream entity or for the acquisition of vacant parcels of land. Similarly, specific restrictions are applicable to our Asset SPVs with respect to raising funds.

We are also constrained in our ability to grant security over our land and over the shares of our Asset SPVs in favour of our creditors. For example, in order to create security over land leased from the MMRDA, NOIDA or the MIDC, we will require the consent of these authorities. Similarly prior consent of NOIDA, MIDC and the SEZ authorities will be required for the creation of security interest over shares in the SPVs if invocation of such security interest will result in a change of control. In certain circumstances, we may also be required to obtain the consent of our tenants or hotel operators prior to availing of loans.

Further, debt raised by us may not be invested in our Asset SPVs owing to regulatory restrictions. For instance, as we would be considered a foreign owned and controlled entity we are not permitted to leverage debt from domestic markets in order to make downstream investments. For further details, see "*—We may utilize a significant amount of debt in the operation of our business, and our cash flows and operating results could be adversely affected by required repayments or related interest and other risks of our debt financing. Our inability to service debt may impact distributions to Unitholders.*" on page 23.

Pursuant to the REIT Regulations, we are required to obtain a credit rating for further borrowing, if our consolidated borrowings (excluding cash and cash equivalents) exceed 25% of the value of our assets. As on the date of this Offer Document, we have not obtained any such credit rating, so our ability to raise financing after listing may be restricted.

The availability of credit for real estate development is influenced by several macroeconomic factors, which could impact our business. Factors such as decreases in the market rates for development projects, delays in the release of finances for certain projects in order to take advantage of future periods of more robust real estate demand; decreases in rental or occupancy rates for the commercial properties; financial difficulties of key contractors resulting in construction delays; and financial difficulties of key tenants in the commercial and retail properties could impact the availability of credit. Our inability to raise adequate finances may result in our results of operations and business prospects being materially and adversely affected. Further, additional debt financing or the issuance of additional Units in order to support our operations may decrease distributable income and any issuance of additional Units may dilute existing Unitholders' entitlement to distributions.

32. *We may invest in under construction real estate projects which may be adversely affected by delay in completion and cost overruns.*

The Portfolio Assets contain certain Under Construction Area and Proposed Development Area, which may affect our ability to invest in other assets as required under the REIT Regulations. This is expected to contribute to the growth in the Gross Rental Income for FY2021, FY2020 and FY2019 and thereafter. The time and costs required to complete a property development may be subject to substantial increases due to many factors, including acquisition of land or shortages of, or price increases with respect to, construction materials (which may prove defective), equipment, technical skills and labour, acquisition of land, construction delays, unanticipated cost increases, changes in the regulatory environment, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, delays in obtaining the requisite approvals and permits from the relevant authorities and other unforeseeable problems and circumstances. We may also be required to purchase additional FSI or FAR from third parties or governmental authorities in order to undertake the proposed construction. Any of these factors may lead to delays in, or prevent the completion of, a project and could result in any of the following:

- costs substantially exceeding those originally budgeted for;
- the projected returns of such project not being met;
- dissatisfaction among our tenants, resulting in negative publicity and decreased demand for our projects or negotiations with tenants in existing properties which are entitled to future development rights;
- relevant approvals and leases terminating or expiring;
- our incurring penalties for any delay in the completion of the undertaken property development;
- our liability for penalties under the terms of agreements with tenants;
- our being required to record significant changes to earnings in the future when we review our Portfolio Assets for potential impairment. For further details, see "—*We may be required to record significant charges to earnings in the future when we review our Portfolio Assets for potential impairment*" on page 30.

Any of these circumstances could directly affect our business, financial condition and results of operations and may result in us not meeting the projections set out in this Offer Document. Our Sponsors have experienced delays in the completion and handover of premises in the past. Continued delays in the completion of the construction of our projects will adversely affect our reputation.

33. *The audit report of our Statutory Auditors on the Condensed Combined Financial Statements contains certain qualifications and matters of emphasis.*

The audit opinion to the Condensed Combined Financial Statements is qualified in two respects. These qualifications relate to weaknesses in the internal control systems of certain Asset SPVs and that certain loans were made and were received in non-compliance with the requirements of Section 185 of the Act. Under Section 185 of the Act, no company shall, directly or indirectly, provide or receive any loan or give or obtain any guarantee or provide or obtain any security to a person in whom a director of such company is interested. The qualifications are set forth below:

- As at December 31, 2018, MPPL has advanced loans aggregating to Rs. 7,250.00 million (as at March 31, 2018: Rs. 8,8610.00 million, March 31, 2017: Rs. 1,260.00 million and as at March 31, 2016: Rs. 555.00 million) to a company in which a director of MPPL was interested. Accordingly, the loans given by MPPL are not in compliance with the requirements of the Companies Act, 2013 and the impact of this non-compliance has not been quantified. However, subsequent to the reporting date, MPPL has received Rs. 550.00 million back from the company in which the director of MPPL was interested;

- As at December 31, 2018, UPPL has received a loan aggregating Rs. 2,036.41 million (as at March 31, 2018: Rs. 2,061.41 million, as at March 31, 2017: Rs. 1,928.38 million and as at March 31, 2016: Rs. 1,500.15 million) from a company in which a director of UPPL is interested of which Rs. 1,027.48 million (as at March 31, 2018: Rs. 1,052.48 million, as at March 31, 2017: Rs. 919.45 million and as at March 31, 2016: Rs. 491.22 million) (net of repayments) has been received after September 12, 2013. Accordingly, the aforementioned loan obtained by UPPL is not in compliance with the requirements of the Companies Act, 2013 and the impact of this non-compliance has not been quantified. However, subsequent to the reporting date, this loan has been converted into equity shares.

The impact of these non-compliances has not been quantified by us. In addition, the audit opinion also contains certain matters of emphasis pertaining to pending litigation at MPPL and EEPL before various fora at different stages of adjudication, in relation to which no provisions have been made and the method of accounting for the merger of two companies with Oxygen Business Park Private Limited. For more information, see Note 45 and Note 2.1(e) to the Condensed Combined Financial Statements. Investors should consider these matters while evaluating our financial position, cash flows and results of operations.

Our Condensed Combined Financial Statements also state that the statutory auditors of GLSP have modified their audit report for the year ended 31 March 2018 to note its non-compliance with Section 185 of the Act in respect of a loan amounting to Rs. 190.00 million, which was made to a private company with common directors. We do not believe that the possible implications of this matter are significant in relation to the Condensed Combined Financial Statements. For more information, see Note 8 to the Condensed Combined Financial Statements.

34. *Our Portfolio Assets and the Investment Entity may be subject to increases in direct expenses and other operating expenses. Renovation work, repair and maintenance or physical damage to the Portfolio Assets and the Investment Entity may disrupt our operations and collection of rental income or otherwise result in an adverse impact on our financial condition and results of operation.*

Our ability to make distributions to Unitholders could be adversely affected if direct expenses and other operating expenses increase due to various factors including, without limitation, increases in property tax, changes in tax policies and increases in repair and maintenance costs. Any withdrawal of tax benefits currently or subsequently enjoyed by us may adversely affect our financial condition and results of operation.

As our Portfolio Assets and the Investment Entity age, the costs of maintenance will increase and, without significant expenditure on refurbishment, the net gross asset value may decline. Consequently, the net asset value per Unit may decline unless we successfully develop the under-development portion of the Portfolio Assets or acquire new assets. The quality and design of the Portfolio Assets have a direct influence over the demand for space in, and the rental rates of, the Portfolio. In addition, due to the fact that the Portfolio Assets are positioned as premium properties, the costs of maintenance may be higher, and the need for rebuilding or refurbishment more frequent in order to maintain their market position as premium properties. The business and operations of the Portfolio Assets may suffer some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works, if such works are extensive. We routinely undertake renovations and refurbishment of our assets, and have faced disruptions in the rental of these assets from time to time. We have incurred these expenses on a historical basis. For details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 279.

In addition, physical damage to any of the Portfolio Assets resulting from an earthquake, fire or other causes may lead to a significant disruption to the business and operation of the affected Portfolio Asset and the Investment Entity and, together with the foregoing, may impose unbudgeted costs on us and have an adverse impact on our financial condition and results of operations and our ability to make distributions to the Unitholders.

35. *We may be subject to certain restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets.*

While we intend to repay or prepay a part of the indebtedness availed by the Asset SPVs and Investment Entity from banks and other financial institutions out of the Issue Proceeds, we will incur certain additional indebtedness and the Asset SPVs and Investment Entity may from time to time incur additional indebtedness. Typically, lenders may require our receivables as well as the receivables of the relevant Asset SPVs and

Investment Entity (including the cash flows) to be secured in their favor. Further, the SPVs, the Holdco and we may also be subject to restrictive covenants. The restrictive covenants could include the requirement to directly transfer lease rentals from specific tenants to the account of the lender until such time that the loan amounts are not repaid, as well as restrictions that affect our ability and the respective Asset SPVs and Investment Entity distribution and operating policies and their ability to obtain additional loans. These or other limitations may adversely affect our flexibility, our ability to make distributions to our Unitholders. If we or any Asset SPVs and Investment Entity fails to meet or satisfy any of these covenants, the lenders could elect to declare outstanding amounts due and payable, terminate their commitments, require the posting of additional collateral and enforce their interests against existing collateral. For further details on our indebtedness, see "*Financial Indebtedness*" on page 373. Further, lender consents obtained from certain lenders for the Issue are subject to conditions, including, (i) that the Embassy group and/or the Blackstone group will directly or indirectly continue to collectively hold not less than 51% of certain Asset SPVs and the Investment Entity; (ii) that we continue to hold 100% shareholding of UPPL; and (iii) the Embassy Sponsor, directly or indirectly (through its subsidiaries or affiliates), not diluting its shareholding below 25% without the prior written consent of the lender. We may be unable to comply with any or all conditions attached to such consents, which may impact our ability to do this offering. Certain consents also require the shares of the relevant Asset SPV to be pledged in favour of the lender/ third party after transfer to the Embassy REIT. Shareholders of certain Asset SPVs have also entered into arrangements with lenders which subject their respective portions of the Units to preemptive rights such as a call option and pledge. See also "*Formation Transaction in relation to the Embassy REIT*" on page 261.

The lenders may also be provided with the right to accelerate the repayment of loans if the lender in its sole discretion believes that the cash flows of the relevant Asset SPVs and Investment Entity permit such repayment. Further, under the terms of certain of our loan agreements, we may be required to mandatorily repay our loans in the event that we receive a lump sum payment on account of premature termination of any lease. If an event of default were to occur under such financing arrangements such that all amounts outstanding under such financing arrangements were to become immediately due and payable, all, or substantially all, of the cash flows may be utilized in satisfying such payment obligations, thereby materially and adversely affecting the ability of such Asset SPVs and Investment Entity to meet their payment obligations to us under the Shareholder Debt Financing. For further details on our indebtedness, see "*Financial Indebtedness*" on page 373. Any adverse impact on any receivables payable to us under such Shareholder Debt Financing will materially and adversely affect our ability to make distributions to the Unitholders and to repay all amounts outstanding under the Shareholder Debt Financing.

36. *The Blackstone Sponsor has not entered into a deed of right of first offer in respect of any assets operated by the Blackstone Sponsor Group or other entities of the Blackstone Sponsor Group which could lead to potential conflicts of interest.*

The ROFO Deed relates only to certain assets of the Embassy Sponsor and does not relate to the Blackstone Sponsor, the Blackstone Sponsor Group or other entities within the Blackstone group, which are typically financial investors / financial sponsors. Several entities within the Blackstone group are currently engaged in the business of investing in and managing commercial real estate assets in India as well as outside India and could invest in or acquire other commercial real estate assets in future. In such an event, there could be a potential conflict of interest as the other entities of the Blackstone Sponsor Group including future real estate investment trusts set up by them would compete with us. For further details, see *"—Conflicts of interest may arise out of common business objectives shared by the Manager, the Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group and us"* on page 49.

37. *The ROFO Deed entered into with the Embassy Sponsor is subject to various terms and conditions.*

The Embassy Sponsor has entered into the ROFO Deed with the Manager and the Trustee in order to enable us to have a right to acquire existing and future assets that are proposed to be disposed by the Embassy Sponsor or its present or future subsidiaries or limited liability partnerships in which the Embassy Sponsor has a controlling interest after the listing of the Units. For further details, see "*Formation Transactions in relation to the Embassy REIT*" on page 261. While the Embassy Sponsor may undertake general projects which are aligned with our business operations, pursuant to the ROFO Deed, only such projects which will fulfill the criteria set out under the ROFO Deed shall be eligible for being offered to us. The eligibility criteria include assets where the Embassy Sponsor or its subsidiaries or limited liability partnerships hold controlling interest and assets with a market value not less than Rs. 7,500 million (pursuant to valuation to be undertaken by certain identified real estate consultants).

Further, we are only entitled to a ROFO from the Embassy Sponsor and its subsidiaries or limited liability partnerships. There may be entities that are affiliated with the Embassy Sponsor that undertake similar projects which we will not have a right of first offer to purchase. For details, see "*—Conflicts of interest may arise out of common business objectives shared by the Manager, the Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group and us.*" on page 49.

The potential ROFO Assets described in this Offer Document are indicative only, and there can be no assurance that any of these assets will be considered pursuant to the terms of the ROFO Deed, and if considered, there can be no assurance that we will acquire any of these assets.

38. *The brand "Embassy" is owned by Embassy Shelters Private Limited and licensed to us. Our license to use the "Embassy" trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired. Further, for certain other Asset SPVs, we do not have registered trademarks in the name of the relevant SPVs.*

The brand and trademark "*Embassy*" and the associated logo and names of the respective assets are licensed to the relevant Asset SPV and Investment Entity by Embassy Shelters Private Limited. By an agreement which will be effective from the date of our listing, Embassy Shelters Private Limited has granted the Trustee and the Manager, on our behalf, an exclusive, non-transferable and non-sub-licensable worldwide license to use "the Embassy Office Parks" trademark and logo and the domain names for our website along with a non-exclusive licence to certain other trademarks in connection with our business The licensor has acknowledged that the Trustee and the Manager, on our behalf, have been using the trademarks prior to the date of the agreement and has waived all claims it may have for such use. The license fee payable by the licensee is Rs. 100,000 per month, with effect from the Listing Date. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of the trademarks or logo. The license may be terminated under certain circumstances, some of which we may not be able to control, including if the Embassy Sponsor or Manager cease to meet the eligibility criteria set out under the REIT Regulations or if the Embassy Sponsor or any affiliate of the Embassy Sponsor ceases to be our Sponsor or the Manager for any reason or if the Embassy REIT ceases to be listed. Upon the termination of the license, we and the relevant SPV, as the case may be, will be required to cease the use of the relevant Asset SPV and Investment Entity trademark and remove Embassy from its name within 90 days (or such other mutually agreed time period) from the date of termination. For further details, please see "*Related Party Transactions*" on page 243.

Loss of the rights to use the trademark and the logo may affect our reputation, goodwill, business and our results of operations. Further, the "Embassy" trademark and logo are used by other affiliates of the Embassy Sponsor and accordingly the value of the "Embassy" brand and consequently our goodwill, reputation and results of operations could be affected by the business and operations of such entities over which we have no control.

Further, the rights for the use of the '247 Park' has been licensed to the relevant Asset SPV by third parties. While we have applied for the registration of the 'Galaxy' trademarks, the trademarks in certain classes are yet to be registered. Further, we are yet to make application for the registration of the 'Earnest Towers' and 'First International Financial Centre' trademarks. In the event that the trademarks used by the Portfolio are not registered or if the licenses are not renewed, we may be required to undertake additional expenditure towards rebranding exercise in respect of these assets. For details, see "*Our Business and Properties—Intellectual Property*" on page 215.

39. *We operate in a highly competitive environment and increased competitive pressure could adversely affect our business and the ability of the Manager to execute our growth strategy.*

We operate in highly competitive markets, and competition in these markets is based primarily on the availability of Grade A office premises and the prevailing lease rentals for these properties. For further details on our competitors, see "*Our Business and Properties—Competition*", on page 287.

Competition from other developers in India may adversely affect our ability to sell or lease our buildings and continued development by other market participants could result in saturation of the real estate market which could adversely impact our revenues from commercial operations.

Increasing competition could result in price and supply volatility which could materially and adversely affect our results of operations and cause our business to suffer.

40. *We may not able to maintain adequate insurance to cover all losses we may incur in our business operations.*

We maintain insurance on property and equipment in amounts believed to be consistent with industry practices and our insurance policies cover physical loss or damage to our property and equipment arising from a number of specified risks including burglary, fire, landslides, earthquakes and other perils. Despite the insurance coverage that we carry, we may not be fully insured against some business risks and the occurrence of accidents that cause losses in excess of limits specified under our policies, or losses arising from events not covered by our insurance policies, which could materially and adversely affect our financial condition and results of operations. In addition, we are also not covered for typical excluded events such as pollution and any consequential loss, defective design or workmanship or use of defective materials, and terrorism under our current insurance policies.

Although we believe we have industry standard insurance for the Portfolio, if a fire or natural disaster substantially damages or destroys some or all of our Portfolio, the proceeds of any insurance claim may be insufficient to cover rebuilding costs. For instance, there was a fire in Express Towers in 2017 for which we have made insurance claims and have recovered 79.1% of the amounts we have claimed.

For some of our insurances, we may not have added a third-party as beneficiary / co-insured to our insurance or taken the approval of such third parties for availing such insurance as required by regulations or contractual obligations, which may have an impact on the amount of insurance claim to be paid out.

41. *There is outstanding litigation and regulatory actions involving the Embassy Sponsor and its Associates that may adversely affect our business.*

The Embassy Sponsor and its Associates are currently involved in a number of legal proceedings, including criminal and regulatory proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. If any new developments arise, for example, a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. There are also outstanding criminal proceedings against the Embassy Sponsor and its founder by investigative and regulatory agencies. For details, see "*Legal and Other Information—Material litigation and regulatory action pending against the Embassy Sponsor*" on page 445. Adverse decisions in such proceedings may have a material adverse effect on our reputation, business, results of operations and financial condition.

Details of these legal proceedings are set out below:

Nature of case	Number of cases	Amount involved (in ₹ million)[1,2]
Title litigation involving Portfolio		
Embassy Manyata	1	127.90
Hilton at Embassy Golflinks	1	0
Express Towers	3	190.20
Embassy Golflinks	9	0
Key Persons (Board of Directors) of the Embassy Sponsor		
Direct Tax	3	669.56
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil

Nature of case	Number of cases	Amount involved (in ₹ million)[1,2]
Embassy REIT (Asset SPVs and Investment Entity)		
Regulatory Proceedings	3	1,093.59
Other Material Litigation	2	1,125.01
Direct Tax	34	287.26
Indirect Tax	15	551.94
Property Tax	2	962.47
Embassy Sponsor – EPDPL		
Criminal Litigation	1	0
Regulatory Proceedings	4	109.72
Other Material Litigation	0	0
Direct Tax	15	271.04
Indirect Tax	3	309.63
Property Tax	Nil	Nil
Blackstone Sponsor		
Criminal Litigation	Nil	Nil
Regulatory Proceedings	Nil	Nil
Other Material Litigation	Nil	Nil
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Key Persons (Board of Directors) of the Blackstone Sponsor		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Blackstone Sponsor Group		
Criminal Litigation	Nil	Nil
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Associates of the Manager*		
Direct Tax	44	440.01
Indirect Tax	11	435.51
Property Tax	2	156.86
Associates of the Embassy Sponsor#		
Regulatory Proceedings	5	4.42
Other Material Litigation	6	0
Direct Tax	48	251.42
Indirect Tax	28	1,644.99
Property Tax	1	28.91
Criminal Litigation	1	0.6
Associates of the Blackstone Sponsor#		
Regulatory Proceedings	Nil	Nil
Other Material Litigation	Nil	Nil
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil

Nature of case	Number of cases	Amount involved (in ₹ million)[1,2]
Manager		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil

* Includes Associates of the Sponsors
# Excludes the Blackstone Sponsor Group, the Asset SPVs and the Investment Entity, as applicable
1. *Includes cases which are not quantifiable*
2. *Excludes sums claimed as interest*

For further details of these legal proceedings, titled "*Legal and Other Information*" on page 439.

The directors and promoters of our Sponsors, Sponsor Group, Asset SPVs and Investment Entity may also be involved in various legal proceedings. For instance, there are certain show cause notices issued against the promoter of the Embassy Sponsor in relation to inaccurate disclosure of information to the income tax department, which may carry monetary or penal consequences. The matters are currently pending before various courts and tribunals. Adverse decisions in any such matters may have a material adverse effect on the reputation and business of the Embassy REIT and the Asset SPVs.

42. *Our business may be adversely affected by the illiquidity of real estate investments.*

Our principal objective of owning income-producing real estate used as office parks in India involves a higher level of risk as compared to a portfolio which has a more diverse range of investments. Real estate investments are relatively illiquid and such illiquidity may affect our ability to vary our investment portfolio or liquidate part of our assets in response to changes in economic, property market or other conditions. Investments made by a REIT that is not Indian owned and controlled, such as us in the construction and development sector are subject to a lock-in prescribed under the extant foreign exchange regulations. Further, under the REIT Regulations, a REIT is required to hold assets acquired by it for a period of three years from the date of purchase and in case of under-construction properties or under-construction portions of existing properties acquired by us, three years from the date of completion. Additionally, any sale of property or shares of Asset SPVs exceeding 10% of the value of the REIT assets will require the approval of Unitholders. We may also face difficulties in securing timely and commercially favorable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on our financial condition and results of operations, with a consequential adverse effect on our ability to deliver expected distributions to Unitholders.

43. *This Offer Document contains information from the CBRE Report and the Horwath Report which we have commissioned.*

The information in the section titled "*Industry Overview*" and in other sections in this Offer Document is based on the CBRE Report dated September 18, 2018 and the Horwath Report dated September 18, 2018. The Manager commissioned these reports for the purposes of inclusion of industry information in the Offer Document. Neither we, nor the Trustee, the Sponsors, the Lead Managers, the Manager nor any other person connected with the Issue has verified the information in the reports. Further, the reports have been prepared based on information as of specific dates and may no longer be current or reflect current trends. Opinions in the reports are based on estimates, projections, forecasts and assumptions may prove to be incorrect.

Further, CBRE is also the property manager for one of our assets and also provides facility management services to one of the Asset SPVs and other services to the Sponsors and Sponsor Groups. CBRE has also provided the valuation report in connection with the Issue. See also—"*The valuation reports obtained for our Portfolio are based on various assumptions and may not be indicative of the true value of our assets*" on page 29.

44. *Lease deeds with some of our tenants are not adequately stamped or registered, and consequently, we may be unable to successfully litigate over the said agreements in the future and penalties may be imposed on us.*

Certain of our documents, including lease deeds, are not adequately stamped or registered. In respect of certain other lease deeds which expire in the ordinary course, we are in the process of renewing, stamping or registering them. Also, in respect of Embassy TechZone, certain lease deeds which were executed in the name of Pune Embassy Projects Private Limited (an entity which has since amalgamated with our Holdco) are in the process of being re-executed and registered in the name of our Holdco. Failure to stamp a document may not affect the validity of the underlying transaction. However, it may render the document inadmissible as evidence in India (unless stamped prior to enforcement with payment of requisite penalties, which may be up to 10 times the stamp duty payable, and other such fees that may be levied by the authorities). Additionally, a lease deed which is compulsorily registrable under law but not registered may be inadmissible as evidence in Indian courts. Further, documents which are insufficiently stamped are capable of being impounded by a public officer. Consequently, should any dispute arise in relation to our use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties.

45. ***Security and IT risks may disrupt our business, result in losses or limit our growth.***

Our business is highly dependent on the financial, accounting, communications and other data processing systems of our Manager and Sponsors. Such systems may fail to operate properly or become disabled as a result of tampering or a breach of the network security systems or otherwise. In addition, such systems are from time to time subject to cyberattacks, which may continue to increase in frequency in the future. Breaches of our network security systems could involve attacks that are intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, often through the introduction of computer viruses and other malicious code, cyberattacks and other means and could originate from a wide variety of sources, including unknown third parties outside the firm. If such systems are compromised, do not operate properly or are disabled, we could suffer financial loss, a disruption of our businesses, liability to investors, regulatory intervention or reputational damage.

In addition, we are highly dependent on information systems and technology. Our information systems and technology may not continue to be able to accommodate our growth, and the cost of maintaining such systems may increase from its current level. Such a failure to accommodate growth, or an increase in costs related to such information systems, could have a material adverse effect on us.

46. ***Foreign Account Tax Compliance withholding may affect payments on the Units for investors.***

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as our Units, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Units, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Units, such withholding would not apply prior to the second anniversary of the date on which final regulations defining the term "foreign passthru payments" are published in the U.S. Federal Register. Investors should consult their own tax advisors regarding how these rules may apply to their investment in the Units. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Units, no person will be required to pay additional amounts as a result of the withholding.

47. ***We expect to be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in materially adverse U.S. federal income tax consequences to U.S. investors in our Units.***

We expect to be classified as a passive foreign investment company ("**PFIC**"). If we are a PFIC for any taxable year during which a U.S. investor owns the Units, certain materially adverse U.S. federal income tax consequences could apply to such U.S. investor.

Risks Related to our Relationships with the Sponsors and the Manager

48. ***We and parties associated with us are required to maintain the eligibility conditions specified under Regulation 4 of the REIT Regulations as well as the Certificate of Registration on an ongoing basis. We may not be able to ensure such ongoing compliance by the Embassy Sponsor, the Blackstone Sponsor, the Manager, the Blackstone Sponsor Group and the Trustee, which could result in the cancellation of our registration.***

We are required to maintain the eligibility conditions specified under Regulation 4 of the REIT Regulations on an ongoing basis. These eligibility conditions include, among other things, that (a) the Sponsors, Manager and the Trustee are separate entities, (b) the Sponsors have a collective net worth of not less than Rs. 1,000 million; provided that each Sponsor has a net worth of not less than Rs. 200 million and holds not less than 5% of the Units on a post initial offer basis, subject to any exemption obtained under applicable law, (c) the Manager has a net worth of not less than Rs. 100 million (d) the Trustee is registered with the SEBI under Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and is not an associate of the Sponsors or Manager, and (e) each of the Sponsors and their respective Sponsor Groups, Manager, and the Trustee are "fit and proper persons" as defined under Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations 2008 on an ongoing basis. We may not be able to ensure such ongoing compliance by the Sponsors, their respective Sponsor Group, Manager and the Trustee, which could result in the cancellation of our registration.

49. ***Our Sponsors will be able to exercise significant influence over certain of our activities and the interests of the Sponsors may conflict with the interests of other Unitholders or the interests of the Sponsors may conflict with each other.***

After the completion of the Issue, the Embassy Sponsor together with the Blackstone Sponsor together with the Blackstone Sponsor Group will own a majority of the issued and outstanding Units, and each of them will be entitled to vote severally as Unitholders on all matters other than matters where there are related party restrictions and in respect of which such parties are not permitted to vote under the REIT Regulations.

We will also rely on the Embassy Sponsor to comply with its obligations under the ROFO Deed and the two Sponsors and their respective Sponsor Groups to comply with the various other agreements with us including the Formation Transaction Agreements. In addition, we expect to rely on the Embassy Sponsor's expertise in developing and constructing real estate projects in case of any additional work which we may be required to carry out for any of the Asset SPVs or other assets.

Additionally, the Embassy Sponsor holds 51% of the share capital of the Manager, and therefore will be able to exercise control over the Manager. Further, certain members of the Blackstone Sponsor Group hold the remaining equity share capital. For details, see "*The Manager*" on page 220.

The interests of the Embassy Sponsor and Blackstone Sponsor may conflict with the interests of other Unitholders or with each other and there can be no assurance that the Embassy Sponsor and the Blackstone Sponsor shall conduct themselves, for business considerations or otherwise, in a manner that best serves our interests or that of the other Unitholders.

50. ***Conflicts of interest may arise out of common business objectives shared by the Manager, the Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group and us.***

The Manager is jointly owned by the Embassy Sponsor and certain members of the Blackstone Sponsor Group. The Embassy Sponsor and its affiliates (the "**Embassy Group**") and the Blackstone Sponsor Group and its affiliates (collectively referred to as "**Blackstone**" in this and the following risk factor) engage in a broad spectrum of activities, including investments in the real estate industry. In the ordinary course of their activities, the Embassy Group and Blackstone may engage in activities where the interests of certain divisions of the Sponsors, respectively, their respective affiliates, or the interests of their clients may conflict with the interests of our Unitholders. For details of the agreements relating to the Manager, see "*The Manager*" on page 220.

In particular, we may compete with existing and future private and public investment vehicles established and/or managed by the Embassy Group and Blackstone, which may present various conflicts of interest. Certain of these divisions and entities have or may have an investment strategy similar to our investment strategy and therefore may compete with us. In particular, various real estate opportunistic and substantially stabilized real estate funds and other investment vehicles of Blackstone seek to invest in a broad range of real estate investments and in many instances Blackstone Group has priority and/or exclusivity rights to offer investment opportunities to such investment vehicles. Blackstone may also receive fees as compensation for other advisory services, including the underwriting, syndication or refinancing of an investment or other additional fees, including loan servicing fees, special servicing fees, acquisition fees and administration fees. Blackstone may also receive fees from unconsummated transactions and may also serve as an advisor to a buyer or seller of an asset to us. As a result, conflicts of interest may arise in allocating or addressing business opportunities and strategies amongst the Manager, the Embassy Group, Blackstone and us, in circumstances where our interests differ from theirs. The Manager is not prohibited from providing management services to our competitors and there is no requirement or undertaking for the Manager, the Embassy Sponsor or the Blackstone Sponsor to decline any engagements or investments, nor conduct or direct any opportunities in the real estate industry only to or through us. The Manager provides property management services to assets of a similar type as the Portfolio, some of which are held by the Embassy Group and Blackstone. These assets may compete with the Portfolio to attract tenants and/or secure financing. Consequently, there can be no assurance that all potentially suitable investment opportunities that come to the attention of the Embassy Group or Blackstone will be made available to us. The Manager may, and may be required, by contract or otherwise, to market these other assets in competition with the Portfolio, which may have a material adverse effect on our business, financial condition, results of operations and our ability to make cash distributions to Unitholders.

In addition, the Trustee and/or Unitholders may not be aware of any such conflict, and even if made so aware, the Trustee and the Unitholders' ability to recover claims against the Manager are limited. Moreover, the Manager's liability is limited under the Investment Management Agreement and the Trustee has agreed to indemnify the Manager out of our assets against certain liabilities. As a result, we could experience poor performance or losses for which the Manager would not be liable. See "*—Our rights and the rights of the Unitholders to recover claims against the Manager or the Trustee are limited*" on page 59.

Members of the Embassy Group or Blackstone may provide services in the future beyond those currently provided. Unitholders will not receive a benefit from the services provided to other entities or share in any of the fees generated by the provision of such services.

Any change in control of the Manager could cause uncertainties for the Unitholders, directors, executive officers and key employees of the Manager and us, and they may seek opportunities outside the Manager, which could impact our functioning. Such change in control may trigger requirements under the REIT Regulations. Change in control of the Manager may also trigger a termination or reversion of any secondments that the outgoing Sponsor might have made to the Manager.

Further, members of Blackstone may participate in underwriting syndicates from time to time with respect to us, or may otherwise be involved in the private placement of debt or equity securities issued by us, or otherwise in arranging financings with respect thereto. Subject to applicable law, members of the Blackstone may receive underwriting fees, placement commissions, or other compensation with respect to such activities, which will not be shared with us or the Unitholders.

We also may from time to time dispose of all or a portion of an investment by way of a third-party purchaser's bid where member(s) of the Embassy Group, Blackstone is providing financing as part of such bid or acquisition of the investment or underlying assets thereof. Such involvement of the Embassy Group or Blackstone thereof as such a provider of debt financing in connection with the potential acquisition of assets by third parties from us may give rise to potential or actual conflicts of interest.

Other present and future activities of the Manager, the Embassy Sponsor, the Embassy Group, the Blackstone Sponsor, or the Blackstone may also give rise to additional conflicts of interest relating to us and our investment activities. In the event that any such conflict of interest arises, we will attempt to resolve such conflicts in a fair and reasonable manner. Investors should be aware that conflicts will not necessarily be resolved in favor of our interests. For details, see "*—Certain principals and employees may be involved in and have a greater financial interest in the performance of other real estate investments, projects and businesses of the Embassy Sponsor, the Blackstone Sponsor Group and their affiliates and such activities may create conflicts of interest in making* *investment decisions on our behalf.*" and "*—We have entered into material related party transactions, the terms of which may be unfavorable to us or could involve conflicts of interest. The Manager may face conflicts of interests in choosing our service providers, and certain service providers may provide services to the Manager, the Embassy Sponsor or the Blackstone Sponsor Group on more favorable terms than those payable by us.*" on pages 51 and 35, respectively.

51. *Certain principals and employees may be involved in and have a greater financial interest in the performance of other real estate investments, projects and businesses of the Embassy Group or Blackstone and such activities may create conflicts of interest in making investment decisions on our behalf.*

Certain of the principals and employees of the Manager may be subject to a variety of conflicts of interest relating to their responsibilities to us and the management of our real estate portfolio. For details of the agreements relating to the Manager, see "*Related Party Transactions*" on pages 243 and 246, respectively. Such individuals may serve in a non-binding advisory capacity to other real estate investments, projects and businesses of the Embassy Group or Blackstone. Such positions may create a conflict between the services and advice provided to such entities and the responsibilities owed to us. The other real estate investments, projects and businesses in which such individuals may become involved may have investment objectives that overlap with ours. Furthermore, although certain principals of the Manager may recuse themselves in the event of any potential conflicts of interest, these individuals may have a greater financial interest in the performance of such other investments, projects and businesses than our performance. Such involvement may create conflicts of interest in making investments on our behalf and such other investments, projects and businesses. Such principals and employees will seek to limit any such conflicts in a manner that is in accordance with their fiduciary duties, if any, to us and such organizations. We are also unable to ensure that no such potential conflicts of interest arises, not ensure that these conflicts would not exert an influence on any of such individuals.

52. *We depend on the Manager and its personnel for our success. We may not find a suitable replacement for the Manager if the Investment Management Agreement is terminated or if key personnel cease to be employed by the Manager or otherwise become unavailable to us.*

We are externally managed and advised by the Manager, pursuant to the terms of the Investment Management Agreement. For details, please see "*The Manager*" on page 220.

We rely on a small number of key personnel to carry out our business and investment strategies, and the loss of the services of any of our key personnel, or our inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business and financial results.

Further, our Asset SPVs and the Investment Entity have depended on key personnel at the Embassy Sponsor and the Blackstone Sponsor Group for their operations. Once these assets are transferred to the REIT, there is no assurance that we will be able to satisfactorily service tenants in the absence of such personnel.

In addition, the implementation of our business plan may require that we employ additional qualified personnel. Competition for highly skilled managerial, investment, financial and operational personnel is intense. We cannot assure our Unitholders that we will be successful in attracting and retaining such skilled personnel. If we are unable to hire and retain qualified personnel as required, our growth and operating results could be adversely affected.

The Manager may delegate certain of its functions to third parties. Should the Manager, or any third party to whom the Manager has delegated its functions, fail to perform its services, the value of our assets might be adversely affected and this may result in a loss of tenants, which will adversely affect distributions to Unitholders. Further, as the Manager is based in Bengaluru, the diverse geographical locations of our employees, including our senior management, may reduce our operational efficiency.

In addition, we can offer no assurance that the Manager will remain our manager or that we will continue to have access to the Manager's officers and key personnel. If the Investment Management Agreement is terminated or if the Manager defaults in the performance of its obligations thereunder, we may be unable to contract with a substitute service provider on similar terms or at all, and the costs of substituting service providers may be substantial. For further details, see "*The Manager—Key Terms of the Investment Management Agreement*" on page 224.

In addition, the Manager is familiar with our assets and, as a result, the Manager has certain synergies with us. Substitute service providers may lack such synergies and may not be able to provide the same level of service. If we cannot locate a service provider that is able to provide us with substantially similar services as the Manager provides under the Investment Management Agreement on similar terms, it would likely have a material adverse effect on our business, financial condition, results of operations and our ability to make cash distributions to Unitholders.

53. *We depend on the Manager to manage our business and assets, and our results of operations, financial condition and ability to make distributions may be harmed if the Manager fails to perform satisfactorily, for which our recourse may be limited.*

The Manager is required to make investment decisions in respect of our underlying assets including any further investment or divestment of assets. For further details, see "*The Manager*" on page 220.

There is no assurance that the Manager will be able to implement its investment decisions successfully or that it will be able to expand our portfolio at any specified rate or to any specified size or to maintain distributions at projected levels. The Manager may not be able to make acquisitions or investments on favorable terms or within a desired time frame, and it may not be able to manage the operations of its underlying assets in a profitable manner. Factors that may affect this risk may include, but are not limited to, changes in the regulatory framework in India, competition for assets, changes in the Indian regulatory or legal environment or macro-economic conditions. Even if the Manager is able to successfully grow the operating business of the underlying assets and to acquire further assets as desired, there can be no assurance that the Manager will achieve its intended return on such acquisitions or capital investments.

Additionally, there exists the risk that the REIT Management Fees payable to the Manager may not create proper incentives or may induce the Manager and its affiliates to make certain investments, including speculative investments, that increase the risk of our portfolio. The REIT Management Fees are also not a product of an arm's length negotiation with any third party.

Further, the Manager will also undertake property management for our assets and any change in our relationship with the Manager will also affect the services provided by the Asset SPVs and the Investment Entity to their tenants.

Risks Related to India

54. *Due to the REIT Regulations, it may be difficult for public Unitholders to remove the Trustee as the Embassy Sponsor and the Blackstone Sponsor Group collectively hold a majority of the Units.*

Under the REIT Regulations, the Trustee cannot be removed without the approval of the Unitholders where the votes cast in favor of such resolution to remove the Trustee shall not be less than one and a half times of the votes cast against such resolution. Since the Embassy Sponsor and the Blackstone Sponsor will collectively hold a majority of the outstanding Units after the completion of the Issue, it may be difficult for the Unitholders to remove the Trustee.

55. *Our performance is linked to the stability of policies and the political situation in India.*

The Indian Government and State Governments have traditionally exercised, and continue to exercise, significant influence over many aspects of the economy. Our business, and the market price and liquidity of the Units, may be affected by interest rates, changes in governmental policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Any political instability in India may materially and adversely affect the Indian securities markets in general, which could also materially and adversely affect the trading price of the Units. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for the Units. The rate of economic liberalization could change, and specific laws and policies affecting companies in the real estate sector, foreign investment, currency exchange rates and other matters affecting investment in our Units could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

56. ***Any downgrading of India's sovereign debt rating by a domestic or international rating agency could materially and adversely affect our ability to obtain financing and, in turn, our business and financial performance.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside of our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may materially and adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which any such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Units.

57. ***Significant differences exist between Ind AS and other accounting principles, such as IFRS, Indian GAAP and U.S. GAAP, which may be material to your assessment of our financial condition, results of operations and cash flows.***

The Condensed Combined Financial Statements included in this Offer Document are prepared and presented in conformity with Ind AS, consistently applied during the periods stated in those reports, except as otherwise provided therein, and no attempt has been made to reconcile any of the information given in this Offer Document to any other accounting principles or to base the information on any other accounting standards. Ind AS differs from accounting principles with which persons from other countries may be familiar, such as IFRS, Indian GAAP and U.S. GAAP. Accordingly, the degree to which the Condensed Combined Financial Statements included in this Offer Document provide meaningful information is entirely dependent on your level of familiarity with Indian accounting practices.

Ind AS has certain differences with IFRS and Indian GAAP. In addition, as the mandated transition to Ind AS is very recent, there is no significant body of established practice from which we can draw on in forming judgments regarding the implementation and application of Ind AS, as compared to established IFRS or Indian GAAP generally, or in respect of specific industries, such as the industry in which we operate.

58. ***It may not be possible for Unitholders to enforce foreign judgments.***

The Embassy REIT is settled and registered in India. The Trustee, the Manager and the Embassy Sponsor are incorporated in India. All of our assets are located in India. Where investors wish to enforce foreign judgments in India, where our assets are or will be located, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including Singapore. In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908 ("**Civil Code**"). Furthermore, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. Judgments or decrees from jurisdictions not recognized as a reciprocating territory by India cannot be enforced or executed in India except through a fresh suit upon judgment. Even if we or a Unitholder were to obtain a judgment in such a jurisdiction, we or it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. In addition, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a judgment rendered by a foreign court if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate outside India any amount recovered pursuant to the execution of the judgment.

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, their directors and executive officers, and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

59. *Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations and growth prospects.*

The current tax laws and regulations in India provide certain exemptions to interest / dividend income earned by business trusts from a special purpose vehicle as a result of which the business trust and subsequently the Unitholders would be subject to relatively lower tax liabilities. These exemptions could be modified or removed at any time or clarified in a manner adverse to Unitholders, which could adversely affect our profitability and the amount available for distribution to Unitholders. Tax laws and regulations are subject to differing interpretations by tax authorities. Differing interpretations of tax and other fiscal laws and regulations may exist within governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action, including by retrospective legislation, by the governmental or tax authorities, may result in tax risks in the jurisdictions in which we operate being significantly higher than expected. For instance, while the Manager intends to take measures to ensure that it is in compliance with all relevant tax laws, there is no assurance that the tax authorities will not take a position that differs from the position taken by us with regard to our tax treatment of various items. Any of the above events may result in a material, adverse effect on our business, financial condition, results of operations and/or prospects and our ability to make distributions to the Unitholders. Tax authorities in India may also introduce additional or new regulations applicable to our business which could adversely affect our business and profitability.

The Government of India has implemented two major reforms in Indian tax laws, namely the goods and services tax and provisions relating to General Anti-Avoidance Rules ("**GAAR**"). Given the recent implementation of these laws, there can be no assurances as to the manner in which this tax regime will be implemented, which could create uncertainty.

60. *Investors may be subject to Indian taxes arising out of capital gains on the sale of Units.*

Any gain realized on the sale of Units held for more than 36 months will be subject to capital gains tax in India at 10% (plus applicable surcharge and cess) if STT has been paid on the transaction. Further, gains realized on the sale of Units held for less than 36 months will be subject to capital gains tax in India at 15% (plus applicable surcharge and cess) if STT is paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Units are sold. Any gain realized on the sale of the Units held for more than 36 months to an Indian resident, on which no STT has been paid, will be subject to long-term capital gains tax in India at 20% (plus applicable surcharge and cess). Further, any gain realized on the sale of Units held for a period of 36 months or less and on which STT is not paid will be subject to short-term capital gains tax in India at normal rates at which the Unitholder would be subject to tax on his other incomes. Capital gains arising from the sale of the Units will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. The above statements are based on the current tax laws and subject to change as a result of the introduction of new laws or amendments to existing laws.

61. *Land is subject to compulsory acquisition by the government and compensation in lieu of such acquisition may be inadequate.*

The right to own property in India is subject to restrictions that may be imposed by the Government. In particular, the Government under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("**Land Acquisition Act**") has the right to compulsorily acquire any land if such acquisition is for a "public purpose," after providing compensation to the owner. However, the compensation paid pursuant to such acquisition may not be adequate to compensate the owner for the loss of such property. The likelihood of such acquisitions may increase as central and state governments seek to acquire land for the development of infrastructure projects such as roads, railways, airports and townships. Additionally, we may face difficulties in interpreting and complying with the provisions of the Land Acquisition

Act due to limited jurisprudence on them or if our interpretation differs from or contradicts any judicial pronouncements or clarifications issued by the government. In the future, we may face regulatory actions or we may be required to undertake remedial steps. Any such action in respect of any of the projects in which we are investing or may invest in the future may adversely affect our business, financial condition or results of operations.

62. ***We may be subject to the Competition Act, which may require us to receive approvals from the CCI prior to undertaking certain transactions.***

The Competition Act, 2002, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. In the event that that any of the assets proposed to be acquired by us cross the prescribed thresholds, we cannot assure you that we will receive the necessary approvals from the CCI to consummate such transactions. Any prohibition or substantial penalties levied under the Competition Act could materially and adversely affect our financial condition and results of operations. Any adverse impact on our financial condition or operations due to the Competition Act may have a material adverse impact on our business, financial condition, results of operations and prospects and our ability to make distributions to the Unitholders.

Risks Related to the Ownership of the Units

63. ***Trusts such as us may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.***

We are set up as an irrevocable trust registered under the Registration Act and it may only be extinguished (i) upon the liquidation of the REIT assets; (ii) if there are no projects or assets remaining under the REIT and the REIT does not invest in any project for six months thereafter; (iii) if the Units are delisted from the Stock Exchanges; (iv) if the REIT fails to maintain the minimum public shareholding for the Units and the breach is not cured within six months from the date of breach; or (v) in the event the REIT becomes illegal. In the event of dissolution, the net assets remaining after settlement of all liabilities, and the retention of any reserves which the Trustee deems to be necessary to discharge contingent or unforeseen liabilities, shall be paid to the Unitholders. Should we be dissolved, depending on the circumstances and the terms upon which our assets are disposed of, there is no assurance that a Unitholder will recover all or any part of his investment. There may also be uncertainty around the interpretation and implementation of certain provisions in relation to insolvency of a trust under the Insolvency and Bankruptcy Code, 2016 which came into force in 2016.

64. ***The reporting requirements and other obligations of real estate investment trusts post-listing are still evolving. Accordingly, the level of ongoing disclosures made to and the protections granted to Unitholders may be more limited than those made to or available to the shareholders of a company that has listed its equity shares upon a recognized stock exchange in India.***

The REIT Regulations, along with the guidelines and circulars issued by the SEBI from time to time, govern the affairs of real estate investment trusts in India. However, as compared to the statutory and regulatory framework governing companies that have listed their equity shares upon a recognized stock exchanges in India, the regulatory framework applicable to real estate investment trusts is relatively nascent and thus, still evolving. While the REIT Regulations were notified with effect from September 26, 2014, the guidelines and procedures in relation to a public issue of Units by a real estate investment trust were notified by SEBI on December 19, 2016, and amended on January 15, 2019, the requirements for disclosure of financial information in offer documents were issued by SEBI on December 26, 2016 and a circular on participation by Strategic Investors was issued by SEBI on January 18, 2018. Further, pursuant to a circular dated December 29, 2016, SEBI has prescribed certain continuous disclosure requirements that will be applicable to us after listing. SEBI also issued amendments to the REIT Regulations in November 2016, December 2017 and April 2018.

Accordingly, the ongoing disclosures made to Unitholders under the REIT Regulations may differ from those made to the shareholders of a company that has listed its equity shares on a recognized stock exchange in India in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. For instance, listed companies are required to report changes in directors and key management personnel, amendments to the constitutional documents and schedules of analysts or institutional investor meetings and presentations to the stock exchanges within prescribed timelines. There is no corresponding obligation on us to disclose such information. Further, listed companies are required to disclose the outcome of meetings of their board of directors (including a prior notification requirement in certain cases). The current regulatory regime does not require us to make similar disclosures in respect of meetings of the board of directors or committees of the board of the Manager. The regulatory framework for REITs also does not prescribe fixed timelines within which certain specific kinds of material information are to be disclosed. Further, the applicability of other regulations such as the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003, the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the Embassy REIT and the Units is unclear, since real estate investment trust units have not specifically been categorized as "securities" under the Securities Contract Regulation Act, 1956, and real estate investment trusts are not "companies" or "bodies corporate" within the meaning of various regulations issued by the SEBI.

The Trust Deed and various provisions of Indian law govern our operations. Legal principles relating to these matters and the validity of corporate procedures, fiduciary duties and liabilities, and the rights of the Unitholders may not be as extensive as the rights of the shareholders of a company that has listed its equity shares upon a recognized stock exchange in India or a trust in another jurisdiction, and accordingly, the protection available to the Unitholders may be more limited than those available to such shareholders. For instance, shareholders of listed companies are entitled to an exit in case of any variation in the objects of a public issue. Unitholders of a REIT do not have such a right. Additionally, extensive corporate governance norms have been prescribed for listed companies and their material subsidiaries in terms of constitution of specific board committees and board policies, which are not mandated for REITs. Further, given the nascent stage of the regulatory regime for REITs in India, safeguards available to shareholders of listed companies in respect of insider trading, takeovers and fraudulent and unfair trade practices are not available to Unitholders. Unitholders' rights and disclosure standards under Indian law may also differ from the laws of other countries or jurisdictions. See "*Rights of Unitholders*" on page 436.

65. *Fluctuations in the exchange rate of the Indian Rupee with respect to other currencies will affect the foreign currency equivalent of the value of the Units and any distributions.*

Fluctuations in the exchange rates between the Indian Rupee and other currencies will affect the foreign currency equivalent of the Indian Rupee price of the Units. Such fluctuations will also affect the amount that holders of the Units will receive in foreign currency upon conversion of any cash distributions or other distributions paid in Indian Rupees by us on the Units, and any proceeds paid in Indian Rupees from any sale of the Units in the secondary trading market.

66. *Unitholders are unable to require the redemption of their Units.*

Unitholders will not have the right to redeem Units or request or require the redemption of Units by the Manager while the Units are listed on the Stock Exchanges, although the Trust Deed provides that the Manager may repurchase Units at its sole discretion if it has obtained the prior approval of Unitholders in a general meeting by passing an ordinary resolution but subject to other requirements of the relevant laws, regulations and guidelines imposed by authorities in India.

67. The Embassy REIT does not have any similar and comparable listed peer which is involved in the same line of business for comparison of performance and, therefore, investors must rely on their own examination of the Embassy REIT for the purpose of investment.

As of the date of this Offer Document, there are no other real estate investment trusts which are listed on the Indian stock exchanges and, accordingly, we are not in a position to provide comparative analysis of our performance with any listed entity. Therefore, investors must rely on their own examination of the Embassy REIT for the purposes of investing in the Units.

68. *The Units have never been publicly traded and the listing of the Units on the Stock Exchanges may not result in an active or liquid market for the Units. The Units may also experience price and volume fluctuations.*

There is no public market for the Units prior to the Issue and an active public market for the Units may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a trading market for the Units will develop or, if a market does develop, that there will be liquidity of that market for the Units. If an active trading market does not develop, you may have difficulty selling your Units, and the value of your Units may be materially impaired. Accordingly, prospective Unitholders should view the Units as illiquid and must be prepared to hold their Units for an indefinite length of time.

The Issue Price may not be indicative of the market price of the Units upon listing. The price of the Units may fluctuate after the Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian REIT sector, changing perceptions in the market about investments in the Indian REIT sector, adverse media reports on our assets or the Indian REIT sector, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations.

The trading price of the Units might also decline in reaction to events that affect the entire market and/or other companies in the Indian REIT industry even if these events do not directly affect or are unrelated to our business, financial condition, cash flows or operating results. If the market price of the Units declines significantly, investors may be unable to resell their Units at or above their purchase price, if at all. There can be no assurance that the market price of the Units will not fluctuate or decline significantly in the future.

To the extent that we retain operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of the Units. Our failure to meet market expectations with regard to future earnings and cash distributions may materially and adversely affect the market price of the Units.

Where new Units are issued at less than the market price of the Units, the value of an investment in the Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in the Trust. In addition, the Units are not capital-safe products and there is no guarantee that Unitholders can regain the amount invested, in full or in part.

69. *The price of the Units may decline after the Issue.*

The Issue Price will be determined by the Manager in consultation with the Lead Managers. The Issue Price may not be indicative of the market price of the Units upon completion of the Issue. The market price of the Units will depend on many factors, including, among others:

- the perceived prospects of our business and investments and the Indian real estate market;
- differences between our actual financial and operating results and those expected by investors and analysts;
- changes in research analysts' recommendations or projections;
- changes in general economic or market conditions;
- the market value of our assets;
- the perceived attractiveness of the Units against those of other business trusts, equity or debt securities;
- the balance of buyers and sellers of the Units;
- the size and liquidity of the Indian REIT market;
- any changes to the regulatory system, including the tax system, both generally and specifically in relation to India business trusts;
- the ability of the Manager to implement successfully its investment and growth strategies;
- foreign exchange rates; and
- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

To the extent that we retain cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of the Units. Our failure to meet market expectations with regard to future earnings and cash distributions may materially and adversely affect the market price of the Units.

Where new Units are issued at less than the market price of the Units, the value of an investment in the Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in us.

In addition, the Units are not capital-safe products and there is no guarantee that Unitholders can regain the amount invested, in full or in part. If we are extinguished or dissolved, it is possible that investors may lose a part or all of their investment in the Units. See also "*Information Concerning the Units"* on page 403" of this Offer Document.

70. *Any future issuance of Units by us or sales of Units by the Embassy Sponsor, Blackstone Sponsor Group or any of other significant Unitholders may materially and adversely affect the trading price of the Units.*

Any future issuance of Units by us could dilute investors' holdings of Units. Any such future issuance of Units may also materially and adversely affect the trading price of the Units, and could impact our ability to raise further capital through an offering of our Units. There can be no assurance that we will not issue further Units. In addition, any perception by investors that such issuances by us or sales by any significant Unitholders might occur could also adversely affect the trading price of the Units.

Upon completion of the Issue, [●]% of the total number of Units will be held by the Embassy Sponsor; [●]% by the Blackstone Sponsor and [●]% by the Blackstone Sponsor Group. The Units will be tradable on the Stock Exchanges. The Embassy Sponsor and the Blackstone Sponsor Group (following the lapse of the statutory lock-in period), may sell a portion of the Units held by such Group, which portion may be substantial and which sale could increase the aggregate number of Units available for active trading on the Stock Exchanges. A secondary offering of the Units by us, if undertaken, may also increase the aggregate number of Units being traded, which could have an adverse impact on the market price for the Units. These sales may also make it more difficult for us to raise capital through the issue of new Units at a time and at a price we deem appropriate.

The Unitholding of the Sponsors and the Sponsor Groups shall be subject to lock-in in the following manner:

- The unitholding of the Embassy Sponsor, the Blackstone Sponsor and the Blackstone Sponsor Group constituting up to 25% of the total Units on a post-Issue basis, aggregating to [●] Units, shall be locked-in for a period of three years from the date of listing of the Units;
- the unitholding of the Embassy Sponsor and Blackstone Sponsor Group exceeding 25% on a post-Issue basis, aggregating to [●] Units, shall be locked-in for a period of not less than one year from the date of listing of the Units;
- the Embassy Sponsor and Blackstone Sponsor Group shall together hold not less than 15% of the outstanding units of the Embassy REIT, post-listing, at all times; and
- the Embassy Sponsor shall hold at least 5% of the outstanding Units of the Embassy REIT, post-listing, at all times.

Notwithstanding the above, please note that based on correspondence with SEBI, the Blackstone Sponsor may divest its Unitholding below 5% of the outstanding Units of the Embassy REIT to any third party, post listing, after the expiry of the three year lock-in period and cease to be a sponsor without Unitholder approval, so long as the Embassy Sponsor, its sponsor group or any other sponsor group continues to hold not less than 15% of the outstanding Units of the Embassy REIT. For details on the statutory lock-in period, see "*Information Concerning the Units—Sponsor Group lock-in" on page 404*."

71. *The utilisation of the proceeds from oversubscription, if any, will only be determined after the Bid/Issue Closing Date and included in the Final Offer Document.*

The proceeds that may be retained from oversubscription, if any, are proposed to be allocated towards the objects of the Issue. However, the REIT Manager, in consultation with the Lead Managers, will decide whether or not to retain any oversubscription in the Issue only after the Bid/Issue Closing Date. Accordingly, only the Final Offer Document will contain details of the manner in which the proceeds from oversubscription that are retained, if any, will be utilised.

72. ***No investors are permitted to withdraw or lower their Bids (in terms of quantity of Units or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the REIT Regulations and SEBI guidelines, investors are required to pay the Bid Amount on submission of the Bid, and are not permitted to withdraw or lower their Bids (in terms of quantity of Units or the Bid Amount) at any stage after submitting a Bid, despite adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, or otherwise, at any stage after the submission of their Bids.

73. ***Our rights and the rights of the Unitholders to recover claims against the Manager or the Trustee are limited.***

Under the Investment Management Agreement, the Manager is not liable for, among other things, any action or omission, if it has carried out its duties and exercised its powers with reasonable skill and care expected of an investment manager (except in the case of fraud, negligence or willful misconduct). Pursuant to the Trust Deed, the Trustee is not liable for anything done or omitted to be done or suffered by the Trustee in good faith. Further, the Trustee is not liable for any action or omission that results in any depletion in the value of the trust fund and consequent losses of the Unitholder, except in situations where such depletion is a result of the gross negligence, willful misconduct or fraud on the part of the Trustee. Also, under the Trust Deed, the liability of the Trustee is limited to the extent of the fees received by it except in case of any gross negligence, willful misconduct or fraud on the part of the Trustee. The Investment Management Agreement provides that the Manager is entitled to be indemnified out of the Trust Fund against claims, costs, losses, damages, liabilities, suits, proceedings and expenses (including legal fees) ("**Losses**") suffered or incurred by it by reasons of their activities on behalf of us, unless resulting from fraud, gross negligence, dishonest acts or commissions or omissions, willful misconduct, reckless disregard of duty or breach of duties under the Investment Management Agreement and applicable law. As a result, the rights of the Unitholders and our rights to recover claims against the Manager are limited. Furthermore, recourse to the Trustee may be limited under the Trust Deed. The Investment Management Agreement provides for the indemnification of the Trustee by the Manager for all Losses. The aggregate maximum liability of the Manager to indemnify the Trustee in each financial year is limited to the REIT Management Fees payable to the Manager for the immediately preceding two financial years. However, such cap on liability shall not be applicable in the case of Losses incurred due to any gross negligence, willful default, or misconduct or fraud of the Manager. Accordingly, the liability of the Manager and the Trustee are limited under the terms of these agreements and the Unitholders may not be able to recover claims against the Trustee or the Manager, including claims with respect to any offer documents relating to the Issue.

Further, pursuant to the Trust Deed, the Trustee is not under any obligation to institute, acknowledge the service of, appear in, prosecute or defend any action, suit, proceeding or claim, which in its opinion might involve it in expense or liability that exceeds the value of the Portfolio. The value of the Portfolio may not be sufficient to recover claims, including claims with respect to any offer documents in relation to the Issue.

74. ***NAV per Unit may be diluted if further issues are priced below the current NAV per Unit.***

We may make fresh issuances of Units in the future, the offering price for which may be above, at or below the then current NAV per Unit. The distribution per Unit may be diluted if new Units are issued and the use of proceeds from such issue of Units generates insufficient cash flow to cover the dilution. Where new Units are issued at less than the NAV per Unit, the then current NAV of each existing Unit may be diluted.

75. ***Compliance with the European Union Directive on Alternative Investment Fund Managers may increase administrative and regulatory burdens on the Manager and us.***

As used herein, the "**AIFMD**" refers to Directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011 on Alternative Investment Fund Managers, together with EU Commission delegated Regulation

(EU) No. 231/2013 of December 19, 2012, supplementary Directive 2011/61/EU of the European Parliament and of the Council, and the national laws transposing Directive 2011/61/EU in any EEA Member State in which the Units are marketed.

Among other things, the AIFMD regulates and imposes regulatory obligations in respect of the active marketing in the EEA by AIFMs (irrespective of whether they have their registered office in an EEA Member State or elsewhere) of AIFs (whether established in an EEA Member State or elsewhere). The Manager is a non-EEA AIFM for the purposes of the AIFMD. Non-EEA AIFMs are currently not able to become authorized under the AIFMD. In order to market to investors resident, domiciled or with a registered office in the EEA, non-EEA AIFMs must market AIFs in accordance with the applicable national private placement regimes of the EEA member states in which they wish to market and comply with a sub-set of requirements under the AIFMD (which are much more limited in scope than those applicable to AIFMs that are established in the EEA). These requirements are: (i) "point-of-sale" disclosures (as to which, please see Annex D), (ii) ongoing investor disclosures required pursuant to Articles 23(4) and (5) of the AIFMD (as to which, please see below), (iii) provision of information relating to the Embassy REIT's investments and its assets under management to the regulators of any EEA Member State into which Units in the Embassy REIT are actively marketed, and (iv) the "asset-stripping" rules (in the event that the Embassy REIT acquires control of an EEA based portfolio company).

The information in respect of the Embassy REIT required to be disclosed pursuant to Articles 23(4) and (5) of the AIFMD will be made available to each Unitholder, as follows: (a) the percentage of the Embassy REIT's assets which are subject to special arrangements arising from their illiquid nature will be notified to the Unitholders; (b) any new arrangements for managing the liquidity of the Embassy REIT will be provided without undue delay in a disclosure notice delivered to each Unitholder; (c) the current risk profile of the Embassy REIT and the risk management systems employed by the Manager to manage those risks may be provided in each annual report of the Embassy REIT; (d) any changes to the maximum level of leverage which the Manager may employ on behalf of the Embassy REIT, as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement, will be provided without undue delay in a disclosure notice delivered to each Unitholder; and (e) the total amount of leverage employed by the Embassy REIT may be provided in each annual report of the Embassy REIT.

In addition, it is possible that some EEA member states will elect in the future to restrict or prohibit the marketing of non-EEA AIFs to investors based in those jurisdictions. Any such restrictions or prohibitions may make it more difficult for the Embassy REIT to raise its targeted amount of commitments.

In light of the foregoing, the AIFMD could have an adverse effect on the Manager or the Embassy REIT by, among other things, increasing the regulatory burden and costs of doing business in the EEA members states, imposing extensive disclosure obligations on companies located in EEA member states, if any, in which the Embassy REIT invests, and potentially disadvantaging the Embassy REIT as an investor in portfolio companies located in EEA member states as compared to competitors (e.g., those not in the alternative investment space) that may not be in scope of the AIFMD. ESMA has recently also consulted on the possible extension of the passport for marketing and managing under AIFMD to non-EEA based managers (the marketing and managing passports under AIFMD are currently only available to certain types of EEA based managers).

ESMA provided advice to the European Commission in July 2015 and July 2016 on whether, amongst other things, the passporting regime should be extended to the management and/or marketing of AIFs by non-EEA AIFMs. The European Commission is currently considering whether the passport should be extended. It is currently not clear what the impact would be for the Manager or the Embassy REIT of any decision by the European Commission to extend the passporting regime. If the AIFMD national private placement regimes (where implemented) continue to exist in parallel with an extension of the passporting regime, then the Manager may continue to market under AIFMD national private placement regimes, or choose to "opt-in" to rely on the passporting regime (which would likely mean an increase in regulatory and compliance costs to comply with the conditions of the passporting regime). If the AIFMD national private placement regimes are removed, then the Manager would likely need to "opt-in" to the passporting regime for any AIFMD marketing of the Embassy REIT (which would likely mean an increase in regulatory and compliance costs for the Embassy REIT).

IV. ABOUT THE EMBASSY REIT

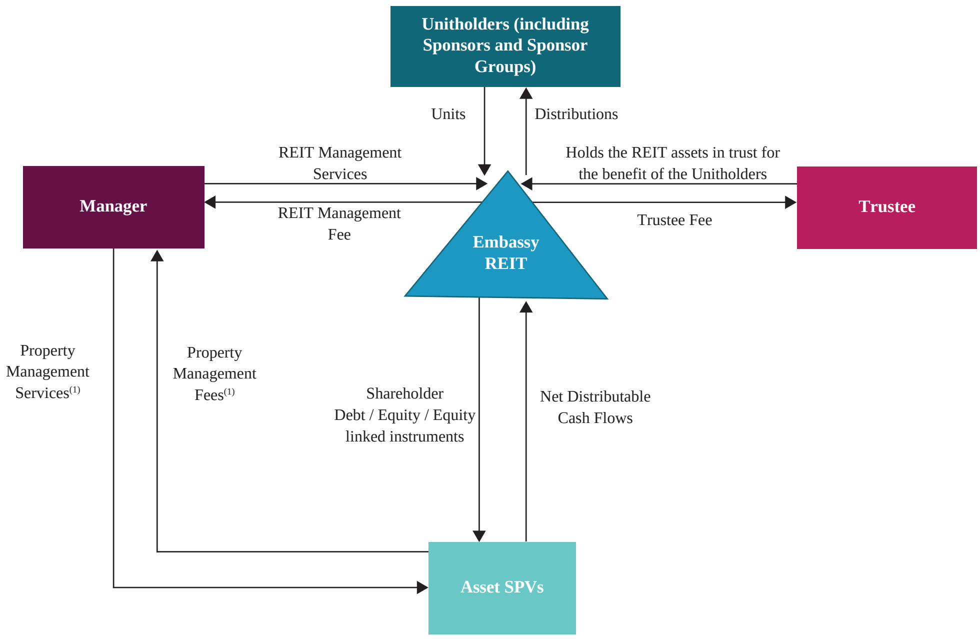
BACKGROUND OF THE EMBASSY REIT

The Embassy REIT was settled 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 under Regulation 3(1) of the REIT Regulations having registration number IN/REIT/17-18/0001. The Embassy REIT has been settled by the Embassy Sponsor for an initial sum of ₹500,000. 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. As of the date of this Offer Document, the Embassy Sponsor and the Blackstone Sponsor are the sponsors of the Embassy REIT.

EOPMSPL has been appointed as the Manager to the Embassy REIT. EOPMSPL is held by the Embassy Sponsor and certain entities forming part of the Blackstone Sponsor Group. Axis Trustee Services Limited has been appointed as the Trustee to the Embassy REIT.

Pursuant to the Formation Transactions, (i) the Portfolio Assets are proposed to be held through the Asset SPVs; and (ii) the Portfolio Investment is proposed to be held through the Holdco, in accordance with the REIT Regulations.

The following chart illustrates the relationship between the Embassy REIT, the Trustee, the Manager and the Unitholders (which include the Sponsors) on the Listing Date.



(1) Operation and management for the hotel assets forming part of the Portfolio (i.e. Hilton at Embassy Golflinks, Hilton at Embassy Manyata and Four Seasons at Embassy One), the Investment Entity and Embassy Energy is or will be undertaken by third parties

For details in respect of the Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group, the Trustee and the Manager, see "*The Sponsors*", "*The Manager*" and "*The Trustee*" on pages 216, 220 and 227, respectively. Further, for details in respect of the Portfolio, see "*Our Business and Properties – Embassy REIT Commercial Office Portfolio*" on page 156 and for details in respect of the Asset SPVs and the Investment Entity, see "*Formation Transactions in relation to the Embassy REIT*" on page 261.

Investment Objectives

The investment objective of the Embassy REIT shall be to make investments as a real estate investment trust as permissible in terms of the REIT Regulations ("**Investment Objectives**"). The investment of the Embassy REIT shall only be in accordance with the REIT Regulations, including in such holding companies, special purpose vehicles or real estate properties (whether completed or otherwise), securities in India or transferable development rights as permitted under the REIT Regulations. The principal investment objective of the Embassy REIT is to own, operate and invest in rent or income generating office real estate and related assets in India in accordance with the REIT Regulations. The Trustee shall ensure that the Capital Contribution (as defined in the Trust Deed) and other REIT Assets (as defined in the Trust Deed) shall be utilized solely for the purposes of making investments as stated above and for incurring the REIT Expenses (as defined in the Trust Deed), in accordance with the REIT Regulations. The investments of the Embassy REIT shall be in accordance with the REIT Regulations, as amended from time to time, and the investment strategy as detailed in "*—Investment Objectives*" on page 61.

As on the date of this Offer Document (in accordance with the REIT Regulations), the Embassy REIT is not permitted to undertake any activity which is prohibited under the REIT Regulations.

Subject to the restrictions and requirements of applicable law, the Embassy REIT may not carry on any other principal activity.

Certain investment conditions applicable to the Embassy REIT

Under the REIT Regulations, the Embassy REIT is required to ensure compliance with, *inter alia*, the following investment conditions under Regulation 18 of the REIT Regulations:

- invest not less than 80% of the value of its assets in completed and rent and/ or income generating properties;
- not more than 20% of the value of its assets may only be invested in certain permitted forms of investments (whether directly or through a company or LLP) which include, among other things, under construction properties, completed but not rent generating properties, listed or unlisted debt of companies or body corporates in the real estate sector and specified securities, including unlisted equity shares of companies which derive not less than 75% of their operating income from real estate activity according to the audited accounts of the previous financial year;
- for projects implemented in stages, the portion of the project (including any land which is contiguous and an extension) that is not completed and rent or income generating is required to be counted as an "under construction" property; and
- not less than 51% of the consolidated revenues of the Embassy REIT, and the Asset SPVs, other than gains arising from disposal of properties, must at all times arise from rental, leasing real estate assets or other income incidental to the leasing of such assets.

Further, the Manager is required to monitor these thresholds on a half-yearly basis and at the time of the acquisition of an asset and if these conditions are breached, the Manager must inform the Trustee and ensure that these conditions are satisfied within six months of any such breach (or within one year with Unitholder approval).

In addition to the investment ratios listed above, the REIT Regulations also impose restrictions on certain investments including, among other things, investments in vacant land, agricultural land or mortgages other than mortgage backed securities, and assets located outside India. The Embassy REIT is also restricted from co-investing with any person(s) in any transaction if the investment by such other person(s) is on terms more favorable than those offered to the Embassy REIT. The properties (including under construction properties which are part of existing income generating properties) acquired by the Embassy REIT are also required to be held for a period of at least three years from the date of completion or purchase, as applicable, pursuant to the REIT Regulations.

Under the extant FEMA Regulations and the FDI Policy, FDI is prohibited in 'real estate business'. 'Real estate business' means dealing in land and immovable property with a view to earning profit therefrom. However, the term 'real estate business' does not include development of townships, construction of residential/ commercial premises, roads or bridges, educational institutions, recreational facilities, city and regional level infrastructure, townships and REITs registered and regulated under the REIT Regulations. Further, earning of rent/ income on lease of property, not amounting to transfer, also does not amount to 'real estate business'. As a real estate investment trust which is not Indian owned and controlled, the Embassy REIT is therefore only permitted to invest in under construction properties, industrial parks and specific types of completed projects, i.e. completed projects for operation and management of townships, malls, shopping complexes and business centres subject to the investment conditions set out under the FEMA Regulations, including the lock-in restrictions. Further, in case of construction development projects, the projects also required to conform to the norms and standards, including land use requirements and provision of community amenities and common facilities, as laid down in the applicable building control regulations, bye-laws, rules and other regulations of the state government/ municipal/ local body concerned.

Details of credit ratings

The Embassy REIT has been given a long-term rating of [ICRA]AAA by ICRA. The outlook on the assigned rating is 'Stable'.

ICRA Disclaimer

All information contained in the Rating Communication Letters dated February 27, 2019 and rating rationale has been obtained by ICRA from sources believed by ICRA to be accurate and reliable. Although reasonable care has been taken to ensure that the information therein is true, such information is provided 'as is' without any warranty of any kind, and in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained therein must be construed solely as statements of opinion and not any recommendation of investment. ICRA shall not be liable for any losses incurred by users from any use of the Rating Communication Letters and Rating Rationale or its contents. Also, ICRA provides credit rating and other permissible services to the company which are provided at arms-length basis.

INDUSTRY OVERVIEW

*We commissioned the "Real Estate Market Report" (the "**CBRE Report**"), prepared by CBRE South Asia Pvt Ltd (CBRE) and the "Hotel Market Report" (the "**Hotel Market Report**" or "**HTL Report**"), prepared by Crowe Horwath HTL Consultants Pvt Ltd ("**CHHTL**") for the purposes of confirming our understanding of the industry in connection with the Issue. The information in this section has been reviewed and confirmed by CBRE and CHHTL, including all information derived from the CBRE Report and the HTL Report, except for other publicly available information as cited in this section. Unless otherwise stated, references to years shall refer to calendar years. None of us, the Sponsor, the Manager, the Trustee, any of the BRLMs, or any other person connected with the Issue have verified any information in this section, the CBRE Report or the HTL Report. Furthermore, the CBRE Report, the HTL Report and this section were prepared based on information as of specific dates, which may no longer be current or reflect current trends and opinions and which may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, the CBRE Report and the HTL Report is not a recommendation to invest / disinvest in any company covered in the report. Prospective investors are advised not to unduly rely on the CBRE Report and the HTL Report. See also, "Risk Factors—This Offer Document contains information from the CBRE Report and the Horwath Report which we have commissioned." on page 47.*

Note: The office market related data points as per the CBRE Report are for Grade A assets. All room inventory related data points in the HTL Report are with respect to Chain Affiliated Hotels.

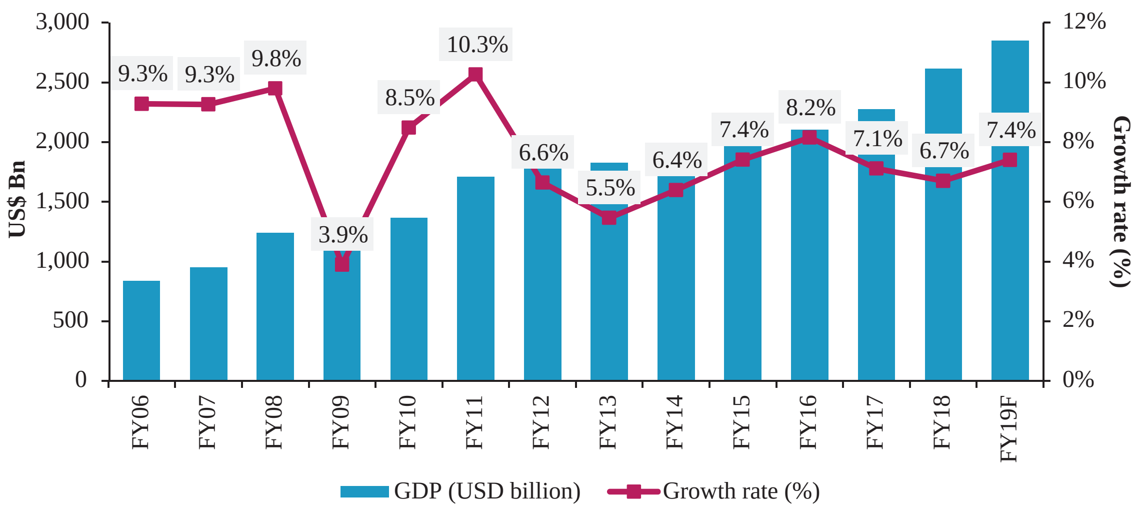
OVERVIEW OF THE INDIAN ECONOMY

One of the Largest and Fastest-Growing Economies Globally

India is the sixth-largest economy, seventh-largest country by area and the second-most populous country in the world. In FY2017 and FY2018, India's Gross Domestic Product ("**GDP**") grew by 7.1% and 6.7% respectively, and is expected to grow by 7.4% in FY2019. This will make India the fastest growing major economy in the world. In FY2018, India's economy was estimated to be approximately US$ 2.6 trillion (representing approximately 3.3% of the world's GDP) and since FY2006 has grown by approximately 210%. (*Source: Census of India: 2011, IMF*)

A snapshot of India's GDP from FY2006 to FY2019 is provided below:

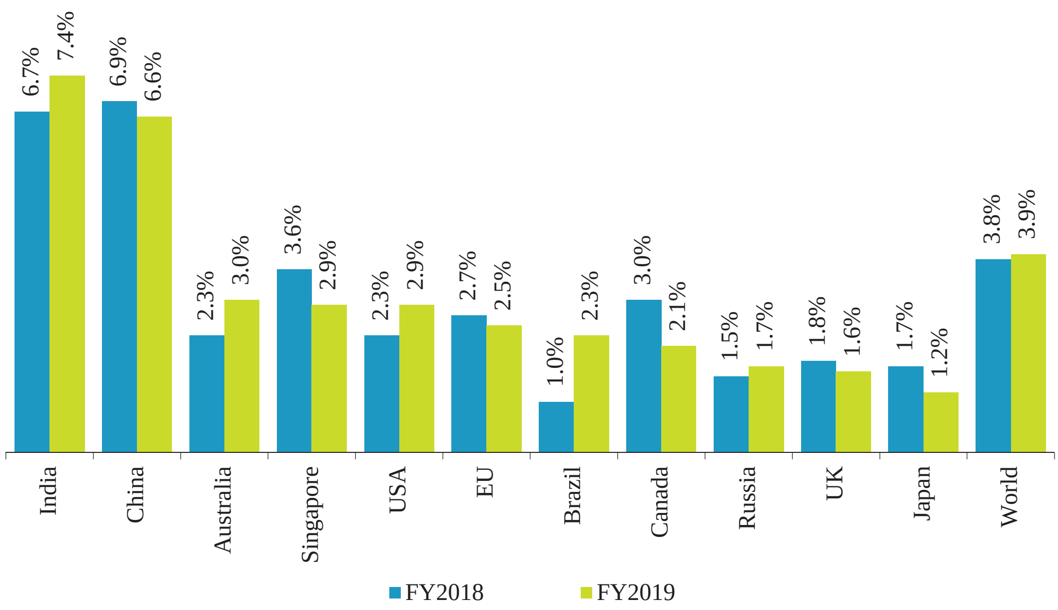
India GDP Size and Growth (FY2006-FY2019F)



Source: IMF, Data on a Financial Year basis

India's projected GDP growth for FY2019 of 7.4% compares favourably with the world's major economies, including China (6.6%) and the USA (2.9%):

Major World Economies - GDP Growth Rates (2018 & 2019)

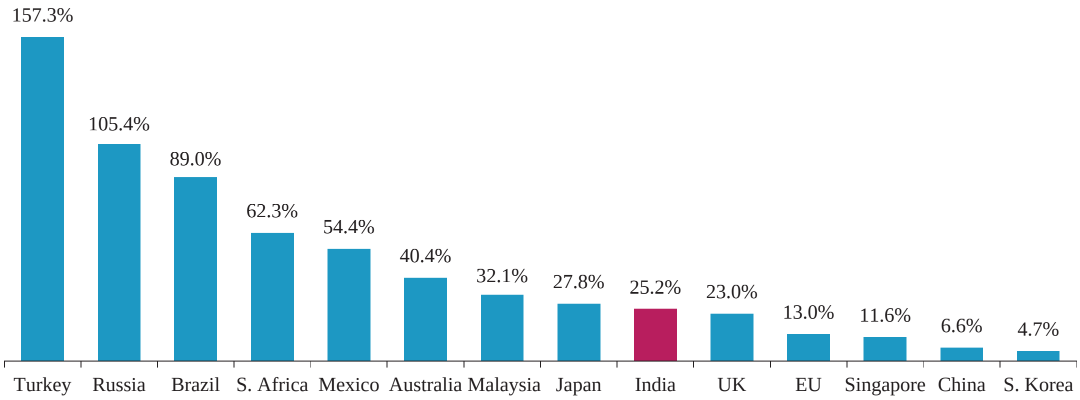


Source: IMF, FY 2018 refers to FY 2018 or CY2017; FY 2019 refers to FY 2019 or CY2018

Robust Economic Indicators

- ***Stable Inflation Environment***: Consumer Price Index ("**CPI**") based inflation in India has been stable and remained below 5% since FY2016 and is forecasted to be at 4.4% for FY2019 (*Source: World Bank FY17/18, OECD FY18/19F*)
- ***Stable Interest Rate Policy***: The Monetary Policy Committee of the RBI adopted a neutral stance on interest rates in its bi-monthly policy review on August 1, 2018 (current repo rate is 6.5% and 10 year government bond yield as of June 30, 2018 was trading at 7.9%) (*Source: RBI, Bloomberg*)
- ***Consistent FDI Flows***: India has attracted long-term foreign capital investments (typically referred as Foreign Direct Investments, "**FDI**") totalling US$ 546 bn from April 2000 to March 2018, of which US$ 45 bn was in FY2018 (*Source: Department of Industrial Policy and Promotion*)
- ***Robust FPI Flows***: Capital flows from Foreign Portfolio Investors ("**FPI**"), particularly in the equity segment, have remained robust in 2017 amounting to approximately US$ 30 bn (Rs. 2 lakh crore) *(Source: SEBI)*
- ***Stable Currency***: Forex reserves at near all-time high of US$ 406 bn as of June 30, 2018. Since 2013, India's currency has outperformed most of its emerging peers on the back of robust economic fundamentals and adequate forex reserve cover. (*Source: RBI data*)

Depreciation against USD (Jan 2013 - June 2018)



Source: Bloomberg

Strong Demographics

- India's population grew by 18% from 2001 to 2011, reaching 1.21 bn in 2011. Approximately 35% of the population is in the age group of 15-34, which makes it the country with the largest youth population globally *(Source: Census of India, 2011 & Ministry of Statistics & Programme Implementation)*
- India's urban population is expected to grow from 32.7% of the total population in 2015 to 40.0% in 2030 *(Source: IBEF)*
- India produces a vast pool of skilled labour which is growing at a rapid pace. In 2017, approximately 6.4 mn students graduated in India, which comprised of approximately 0.9 mn graduates each in engineering and technology and in commerce from over 39,000 higher education institutes (*Source: Ministry of Human Resource Development)*

Major Structural Reforms by Indian Government

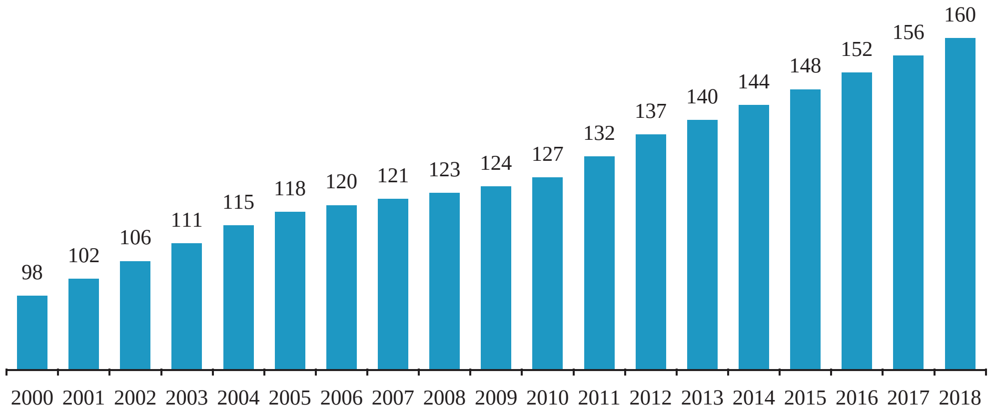
- Introduced Goods and Services Tax ("**GST**") in 2017 unifying multiple federal, state and municipal taxes
- Eased FDI norms across several sectors, including single brand retail, civil aviation, construction and power exchanges to improve investor sentiment and encourage further foreign investment
- Launched the 'Make in India' campaign in 2014 to showcase India as a global design and manufacturing hub. The campaign focuses on 25 selected sectors, including technology, construction, and biotechnology
- Launched initiatives like Digital India, Start-up India, e-Governance and Skill India to position India's digital economy for the next phase of growth

OVERVIEW OF INDIAN SERVICES SECTOR

The services sector led by technology and financial services continues to be the key driver of the Indian economy—it represented 55.2% of FY2018 GDP and has grown by 8.3% compared to the last year, approximately 160bps (basis points) higher than the overall economy. In 2016, India was the eighth largest exporter of commercial services in the world with a 3.4% share of global commercial services exports**.** Services exports CAGR between FY2007 and FY2017 was 8.3%, and accelerated to 16.2% in H1 FY2018. The country's ratio of services exports to merchandise exports increased from 35.8% in FY2001 to 58.2% in FY2017, highlighting the growing importance of the sector to the economy. *(Source: WTO, 2017; Economic Survey of India, 2017 – 18).*

With 4 mn additional jobs every year, services sector has been one of the key employment drivers in India. The sector currently employs 160 mn people.

Services Sector - No. of People Employed (mn)

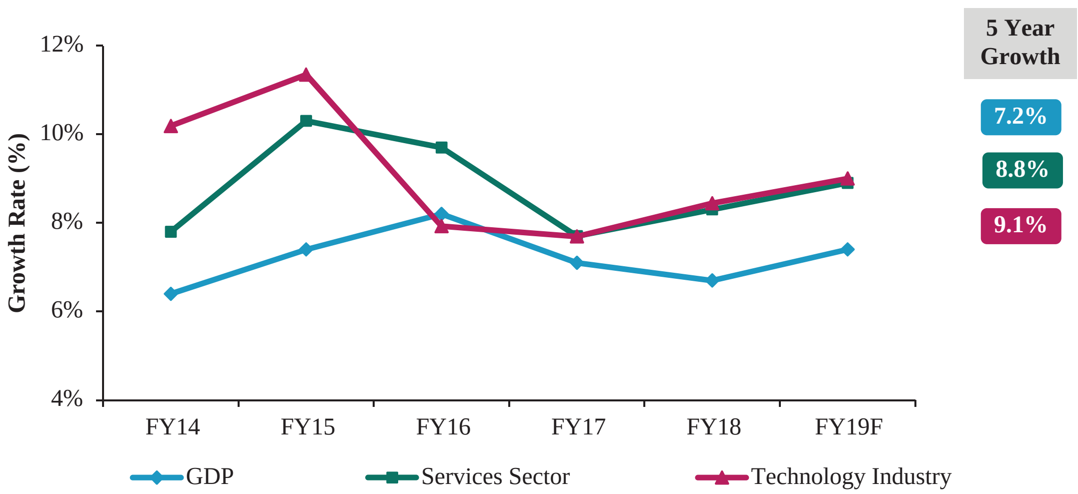


Source: MOSPI, Oxford Economics; Note: Data for 2013 – 2018 is estimated as per Oxford Economics

TECHNOLOGY INDUSTRY

The technology industry has been one of the fastest growing in India, with an estimated growth of 8.4% in FY2018. The industry represents approximately 7.9% of GDP for FY2018, with revenues doubling from approximately US$ 78 bn in FY2010 to approximately US$ 167 bn in FY2018. While merchandise exports have been volatile over the last 5 years, technology exports have consistently grown at near double-digit rates to reach US$ 126 bn in FY2018, and currently contribute approximately 45% of service exports of India. *(Source: NASSCOM, Ministry of Electronics and Information Technology, IBEF)*

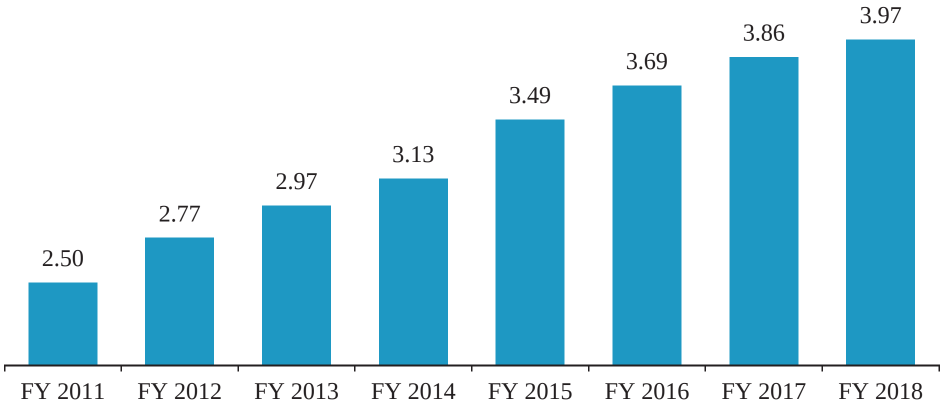
Growth Rate - India GDP, Services Sector & Technology Industry



Source: GDP—IMF, Services Sector—Economic Survey & Oxford Economics (Financial & Business Services), Technology Sector—IBEF, NASSCOM

The technology industry is one of the largest private sector employers, currently employing approximately 3.97 mn people directly and comprising more than 17,000 firms.

Technology Industry - No. of People Employed (mn)



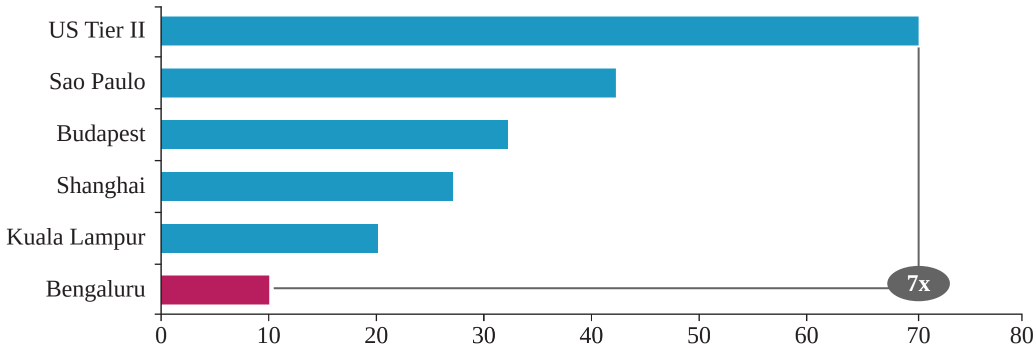
Source: NASSCOM

Key Drivers for Success of Indian Technology Industry

India has a substantial share of the world knowledge economy and has a 55% share of the global services sourcing business in FY18. Favourable government policies, English-speaking talent pool, competitive cost structure and affordable high quality real estate have been the key drivers for India's competitiveness and success in the global technology market.

- ***Competitive Cost Advantage***: Due to lower salary levels and more affordable real estate, India-based technology services are approximately 7 times cheaper compared to the US-based technology services. Its cost competitiveness has amounted to more than US$ 200 bn in cost savings for clients in the past 5 years. The chart below highlights Bengaluru's competitiveness as India's leading technology hub. The cost competitiveness of other cities in India is expected to be similar to Bengaluru. *(Source: CBRE Research, Ministry of Electronics & Information Technology)*

Operating Costs



Source: CBRE Research, NASSCOM 2016 Strategic Review Report, FY16

- ***Large, English Speaking Talent Pool***: The availability of English-speaking skilled manpower (second largest English-speaking population in the world), 6.4 mn graduates per annum (including 0.9 mn engineers and 0.9 mn commerce graduates) and the ever-increasing quality of multi-disciplinary educational institutions provide a vast and highly-skilled talent pool. Indian technology companies invest about 2% of industry revenue annually on training employees. *(Source: IBEF, NASSCOM, Census 2001)*
- ***Low Cost, High Quality Office Infrastructure***: India has an availability of high quality office space at affordable prices across major cities. Strong growth in technology industry in India (15% CAGR in technology industry employees between 2000 and 2018F) has resulted in an 8.6 times increase in space

occupied by the industry over the last 18 years (37 msf in 2000 compared to 318 msf in 2018F). Currently, more than 50 cities in India have good infrastructure and human resources for global delivery. *(Source: Ministry of Electronics & Information Technology)*

Evolution of Indian Technology Industry: Cost Arbitrage to New-generation Businesses

The Indian technology industry has transitioned from a provider of low cost technology solutions (such as call centres) to an enabler of new generation businesses (cloud, analytics, artificial intelligence, robotics and digital solutions). *(Source: IBEF, NASSCOM)*

	1980 – 1990[1]	1990 – 2000[2]	2000 – 2010[3]	2010 – 2018F[4]	2020F
Revenues (bn)	US$ 1	>US$ 8	~US$ 78	US$ 167	*Revenues ~ US$ 225 bn* *Employees ~ 5 mn* *Digital technology share ~23%*
Employees (mn)	0.06	0.34	2.30	3.97	
GDP Share	~1%	1.8%	6.1%	7.9%	
Export Share	<5%	10.5%	26%	>45%	
Global Sourcing Share	NA[5]	NA[5]	47%	55%	
Value Proposition	Cost arbitrage • Low end support & development	Collaboration • Standardization, productivity, improvement • Non critical functions • IT Support • Call Center, BPO testing	Value addition • End-to-end services global delivery centers • Improving business efficiencies • Moving up the value chain	Digital Business • Industrialization of digital, Intelligent products, personalized services • IoT, cognitive, Blockchain, cloud, analytics	

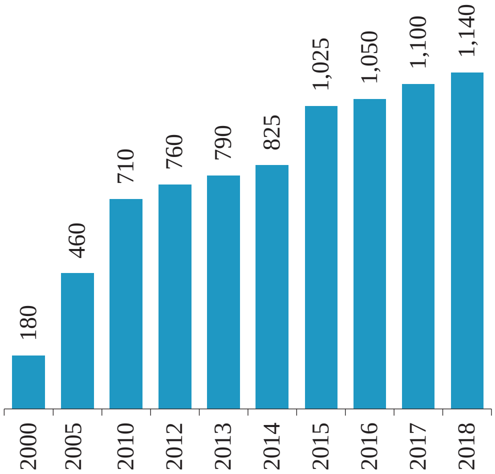
*Source: CBRE Research, NASSCOM; *Additional indirect employment generation typically approximately 2.5 times the direct employment. Notes: 1. Represents data for the year 1990; 2. Represents data for the year 2000; 3. Represents data for the year 2010; 4. Represents data for the year 2018F 5. Data not available.*

India continues to move up the global technology value chain with more multinationals using the country and its skilled workforce for value-added services. Almost 60% of the firms use India for testing services before taking software products global. Further, in 2016, 46 of the top 50 R&D spenders have their centres in India and top 500 global R&D spenders have 10% of their global R&D headcount in India. (*Source: Ministry of Electronics & Information Technology, NASSCOM)*

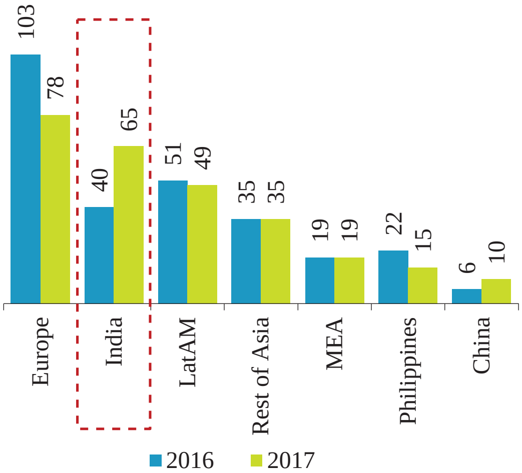
India has been at the forefront of new generation technology businesses with 8,100+ digital solution providers employing approximately 500,000 employees representing approximately 75% of the global digital talent base. Over the last three years, the industry's export revenue from these new generation businesses has grown approximately 2.3 times to reach $25 bn in FY2018 (*Source: NASSCOM*)

While the first two decades of India's growth in the technology industry was led by third party service providers, the last decade has seen emergence of Global In-house Centres (**"GICs"**, also called captives or Global Capability Centres **"GCCs"**). MNCs are moving to this model as it allows them access and ability to retain talent at a scale required by large global organizations while retaining full control of the operations. India now hosts approximately 1,140 offshore centres from 78 countries which generated revenue of almost US$ 23 bn and employed more than 0.79 mn people in FY2017. In FY2016, Indian GCCs employed 79% of the total Global GCC workforce. GCCs tend to focus on high-value, core business activities and tend to be less cost-sensitive— more than 50% of GCCs in India are focused on core-business activities like Engineering, Research & Development (**"ER&D"**). (*Source: NASSCOM*)

No. of GCCs in India



Offshore GCCs and Service provider delivery centres (Revenue, US$ bn)

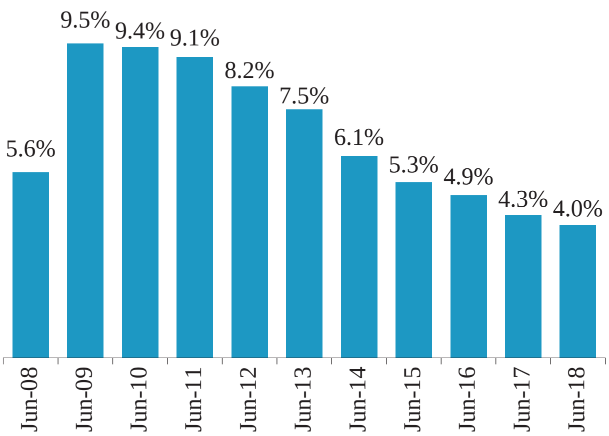


Source: NASSCOM, IBEF. LatAM: Latin America, MEA: Middle East and Africa.

Strong economic expansion coupled with tight labor market (low unemployment and accelerating rent growth) in the US has further improved India's attractiveness due to long-experience of Indian technology service providers in the US market and abundant availability of qualified, English-speaking workforce.

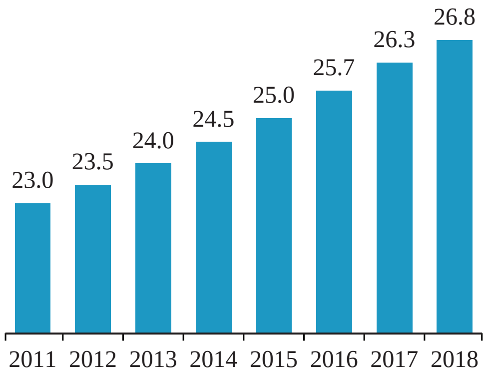
While the demand for STEM (Science, Technology, Engineering, and Mathematics) talent was robust (24% growth between 2004 and 2014), the supply has not been able to keep pace with the demand in the US – next year US employers will be unable to fill nearly 2.5 million job openings in STEM and STEM-related occupations. Similar to STEM job-market, the broader US labor market also continues to strengthen with unemployment rate (3.9% in August 2018) close to 18 year low, wage growth (2.9% y-o-y in August 2018) at highest level since Q1 2015, the number of Americans filing new claims for unemployment aid falling to near a 49-year low and number of job openings exceeding number of unemployed people for the first time since 2000. *(Source: U.S. Department of Labor, U.S. Bureau of Labor statistics, U.S. Department of Commerce)*

U.S. Unemployment Rate (%)



Note: Unemployment Rate as at Aug 2018 was 3.9% compared to a peak of 10.0% in Oct 2009

U.S. Average Hourly Wages



Note: Data for the years 2011 to 2017 is based on annual averages. Data for 2018 is based on average for the first 6 months till June 2018

Source: U.S. Department of Labor, U.S. Bureau of Labor statistics, U.S. Department of Commerce

Global, Diversified Demand Base Immune to Cyclicality

Historically, US and Indian companies have been the key drivers of office absorption in India. However, the market has become more diversified with companies in other advanced economies (such as Japan and Western Europe) increasingly engaging Indian firms for traditional technology services. In 2017, US accounted for 44% of office absorption in India while EMEA (Europe, Middle East and Africa) and APAC (Asia Pacific) absorbed 17% and 6% respectively. India still has less than a 1.5% penetration in Europe and Japan's technology markets (estimated market value of $450 bn) and, given India's competitive advantage, its penetration is expected to increase. *(Source: IBEF)*

Availability of talent at affordable cost and increasing number of unique tenants from various industries has reduced volatility in absorption by global occupiers in India. Due to this, office absorption over the last seven years has remained robust despite phases of market volatility, global macroeconomic uncertainties, and geopolitical uncertainties.

OTHER SERVICES INDUSTRIES

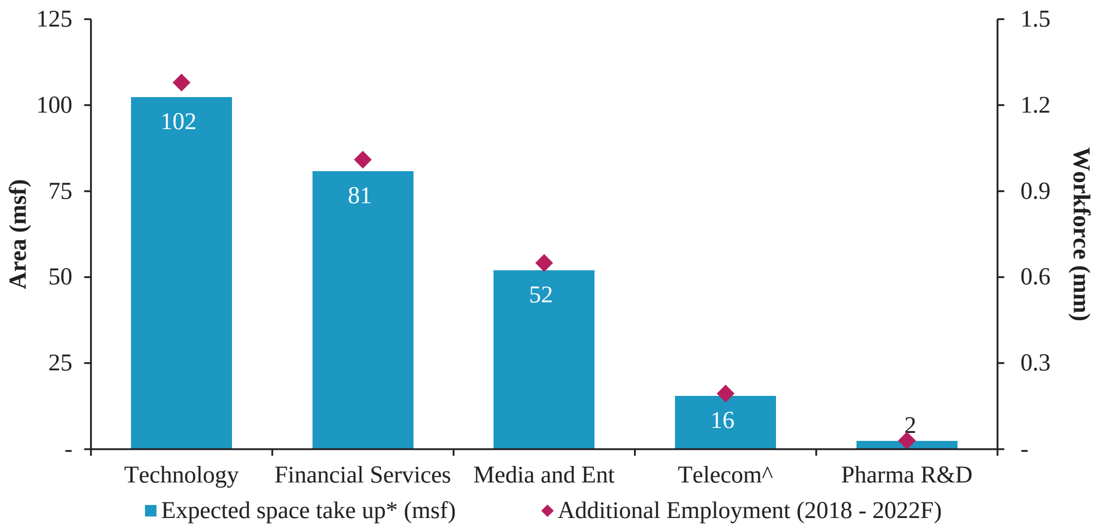
Financial Services: The Indian financial services sector comprises banks, insurance companies, non-banking financial companies (**"NBFC"**), co-operatives, pension funds, mutual funds and other smaller financial entities. The industry is expected to witness increased activity over the next decade due to the grant of new banking licenses, expansion of existing banks and NBFCs, and an increasing financial penetration led by government's push on digital services.

E-Commerce, Media: Newer sectors such as e-commerce and media have emerged as additional drivers for India's services growth. The e-commerce sector has seen rapid expansion over the past few years which has resulted in higher growth for ancillary services like technology and logistics. India's rising internet penetration is expected to further drive the growth of e commerce in India. The Media and entertainment industry in India has grown at a CAGR of 12.3% from 2011-2017. Traditionally dominated by television and print, it is evolving with the emergence of higher-quality animation, visual effects, online gaming, digital media and live events. *(Source: NASSCOM, IBEF)*

SERVICES SECTOR AND OFFICE DEMAND

Technology, financial services, media & entertainment, Telecom and Pharma R&D are expected to employ approximately 3.1 mn additional people by 2022 leading to an additional 250 msf of office space demand in India. Sector breakdown of this projected office demand is detailed below:

Additional Employment & Office Space Demand by Key Industries

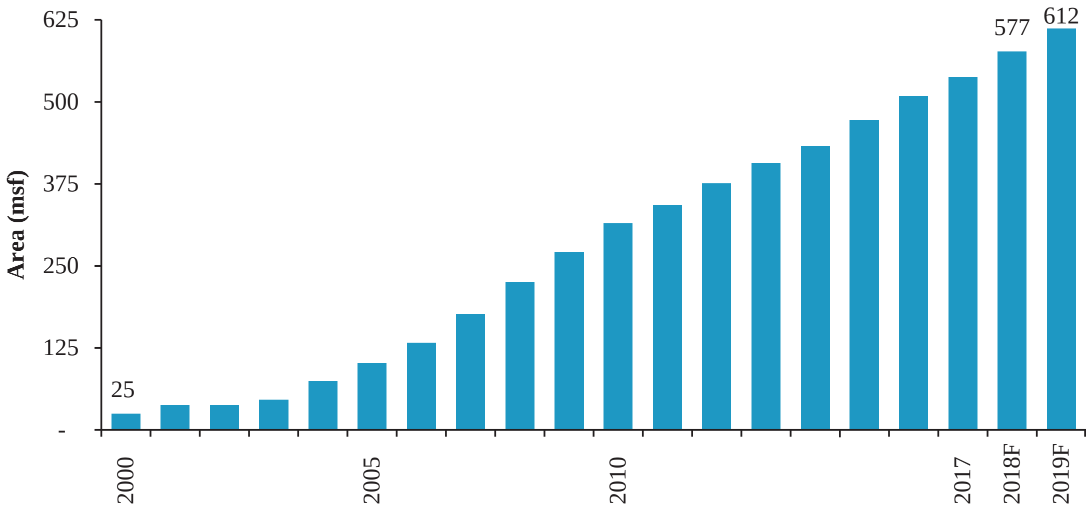


*Source: CBRE Research, National Skill Development Corporation *assuming 80 Sq. Ft. per person ^Network & IT Vendors*

OVERVIEW OF INDIA OFFICE MARKET

India's office real estate landscape has changed significantly in the past two and a half decades. Since the early 2000s, Grade A office stock has grown more than 20 times from approximately 25 msf as of 2000 to approximately 548 msf as of March 31, 2018 and is concentrated in the Top 7 cities comprising of Delhi NCR^, Mumbai Metropolitan Region (**"MMR"**), Bengaluru, Chennai, Hyderabad, Pune and Kolkata. Indian real estate has emerged as a favoured investment asset class due to various intrinsic factors including growth of the economy, demand-supply fundamentals, investor-friendly policies and increased transparency. Private equity investments in the Indian real estate sector have grown by 17.7% from US$ 3.8 bn in 2012 to US$ 8.6 bn in 2017. Various Sovereign and Pension Funds are setting-up and expanding their India presence, their long-term investment horizon of 10 to 15 years will add further stability to the Indian office market. *(Source: Venture Intelligence, CBRE Research)*

India - Total Office Stock (2000 - 2019F)



Source: CBRE Research

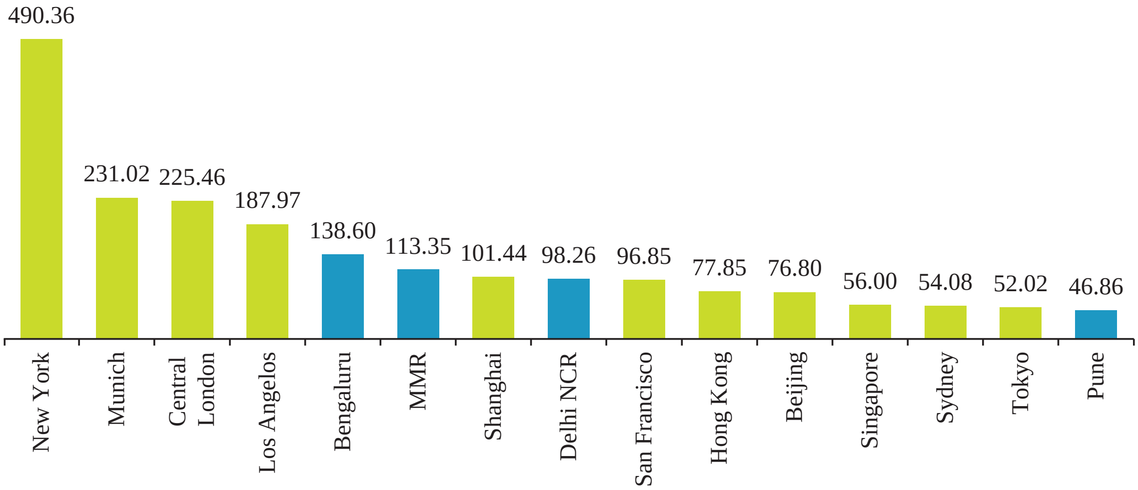
^ MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida.

COMPARISON BETWEEN KEY INDIAN AND SELECT GLOBAL CITIES

Total Office Stock (As at March 31, 2018)

Bengaluru, MMR and Delhi NCR are amongst the leading markets in Asia with total stock of 138.60 msf, 113.35 msf and 98.26 msf, respectively. In contrast, gateway cities of Asia such as Shanghai, Hong Kong and Singapore have a total stock of approximately 101.44 msf, 77.85 msf and 56.00 msf respectively.

Select Major Global Cities - Total Office Stock (msf)



Source: CBRE Research, Represents Grade A Office Stock. MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida.

Notes:

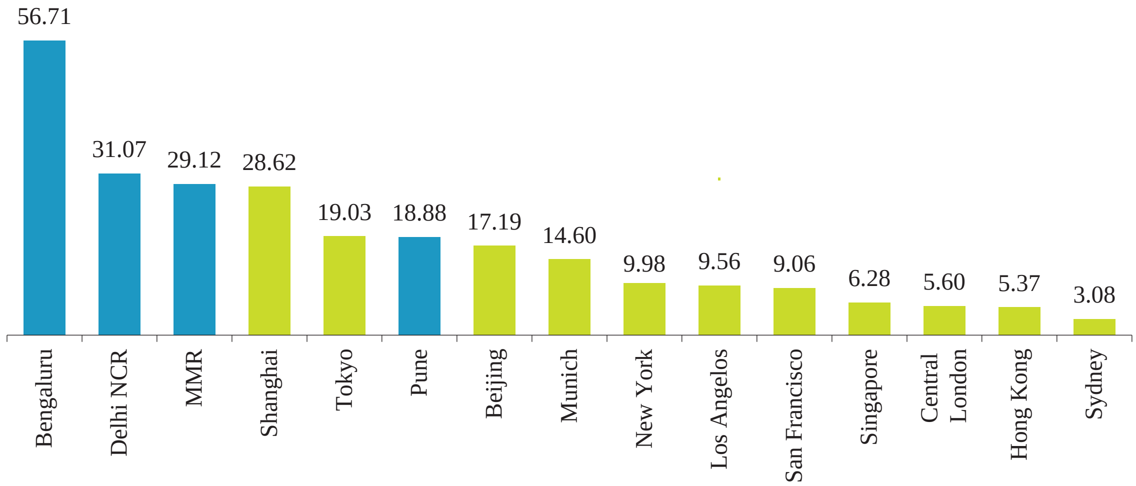
(1) For office stock in India, CBRE defines "Grade A" as a development type, of which tenant profile should include prominent multinational corporations, while the building area should not be less than 100,000 square feet. The development should include an open plan office with large size floor plates, adequate ceiling height, 24x7 power back-up, supply of telephone lines, infrastructure for access to internet, central air-conditioning, spacious and well-decorated lobbies, circulation areas, good lift services, sufficient parking facilities and should have centralized building management and security systems.

(2) For office stock outside of India, "Grade A" development has different definitions depending on the jurisdictions the developments are located in.

Total Office Absorption (2013 – Q1 2018)

Outsized services sector growth (160 bps higher than overall GDP growth in FY2018) has resulted in key Indian cities having the highest office absorption globally (the four key Indian cities absorbed more office space than the eleven global cities combined). As highlighted in the chart below, Bengaluru alone absorbed more space than Shanghai, Beijing and Hong Kong combined. *(Source: CBRE Research)*

Select Major Global Cities - Cumulative Absorption in msf (2013 - Q1 2018)



Source: CBRE Research, Represents Grade A Office Stock. MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida.

Notes:

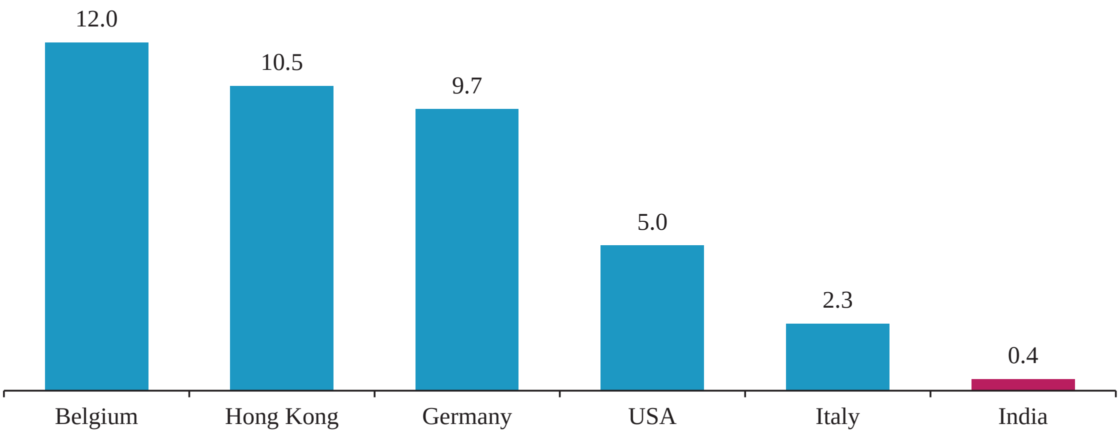
(1) For office stock in India, CBRE defines "Grade A" as a development type, of which tenant profile should include prominent multinational corporations, while the building area should not be less than 100,000 square feet. The development should include an open plan office with large size floor plates, adequate ceiling height, 24x7 power back-up, supply of telephone lines, infrastructure for access to internet, central air-conditioning, spacious and well-decorated lobbies, circulation areas, good lift services, sufficient parking facilities and should have centralized building management and security systems.

(2) For office stock outside of India, "Grade A" development has different definitions depending on the jurisdictions the developments are located in.

Per Capita Stock (As at March 31, 2018)

Although India's commercial office markets are well established, India's per capita office stock is minimal compared to developed markets such as United States, Germany, and Hong Kong.

Select Global Cities - Per Capita Office Stock (sf)

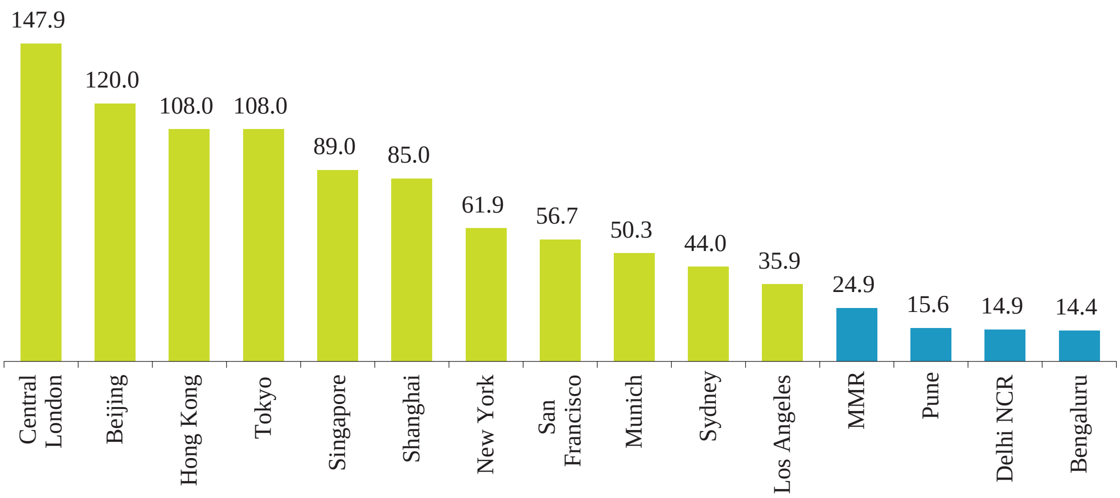


Source: CBRE Research, World Bank

Rentals across Global Locations

The key commercial markets in India offer significantly cheaper rentals compared to global commercial hubs.

Major Global Cities - Rents Comparison (Q1-2018, US$ psf / year)

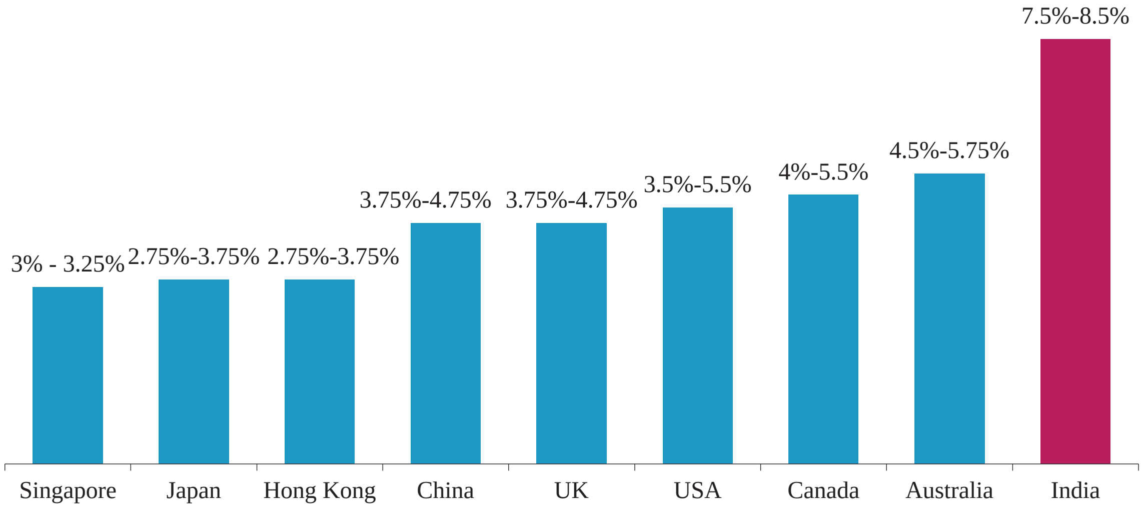


Source: CBRE Research, Bloomberg (exchange rates as on March 29, 2018)
Note: New York, Los Angeles and San Francisco represents Gross Asking Rent; Hong Kong, Tokyo, Singapore, Beijing, Shanghai represents Grade A rent on Net Floor Area; Sydney represents rent for all grades on Net Floor Area; Central London, Munich, MMR, Pune, Delhi NCR and Bengaluru represents Grade A rent on Gross Area. Rents for Central London and Munich are representative of Prime Rents. Rents for Bengaluru, Delhi NCR, MMR and Pune have been calculated based on the weighted average of market rents and occupied stock of the respective sub markets within the city. MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida.

Capitalization Rate Comparison

India is an attractive office real estate market with 7.5%-8.5% operating income yields, which are at a 175-575 bps spread to Grade A office assets in other Global cities.

Large Global Office Markets - Cap Rate Comparison

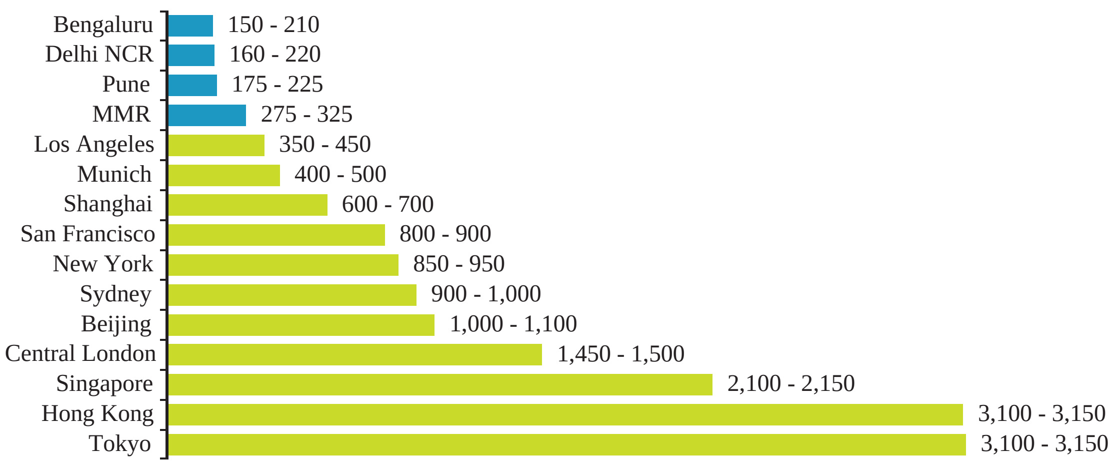


Source: CBRE Research
Note: Data pertains to 2017. Japan includes Tokyo; Australia includes Sydney, Melbourne, and Brisbane; USA includes Boston, Chicago, New York, San Francisco, Los Angeles and Seattle; Canada includes Vancouver and Toronto; UK includes Central London.

Capital Values Comparison

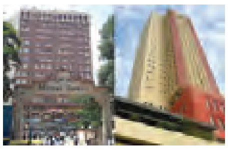
Capital values in Indian cities range between US$ 150—325 which are significantly below other global peers.

Major Global Cities - Capital Values (US$ psf)



Source: CBRE Research; Bloomberg (exchange rates as on March 29, 2018)
Note: For Bengaluru, Delhi NCR, Pune, MMR and Sydney, the capital values highlighted above have been computed based on the indicative yields prevalent in the respective markets and representative of Grade A office spaces. For all other cities the values are average capital values for strata sold developments in the respective cities. MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida.

EVOLUTION OF INDIAN OFFICE MARKET

	Pre 2000	2000 – 2007/08	2007/08 – 2012/13	2012/13 onwards
				
SPACE OPTIONS	• *Standalone buildings with small floor plates* • *Limited amenities* • *Owned buildings ~ limited leasing options*	• *Emergence of campus style concepts* • *Grade A facilities ~ basic amenities* • *Emergence of self-owned facilities as well as developer led supply*	• *Grade A campus style facilities ~ support amenities, parking facilities* • *Large scale standalone developments in secondary locations*	• *Large integrated developments with superior amenities, green and efficient buildings ~ holistic living concepts* • *Incubatory concepts such as shared work spaces*
OFFICE DEMAND DRIVERS	• *Government offices (PSUs)* • *Trade and commerce* • *Industrial houses* • *Banks* • *Corporate Houses*	• *Emergence of Technology and engineering services* • *Strong growth in Technology sector – India emerged as the most prominent outsourcing hub* • *Increase in corporate MNC occupiers*	• *Paradigm shift from outsourcing to BPM services ~ Unprecedented growth in IT-BPM across key markets* • *IT focused policies, emergence of SEZs, enhanced service offerings, emergence of biotech sector*	• *MNCs focusing on high end services ~ preference for larger integrated parks* • *Emergence of high end technology sectors – offshore R&D, e-commerce, start-up ecosystem, aeronautical, AI*

Source: CBRE Research

INDIA OFFICE MARKET—KEY STATISTICS

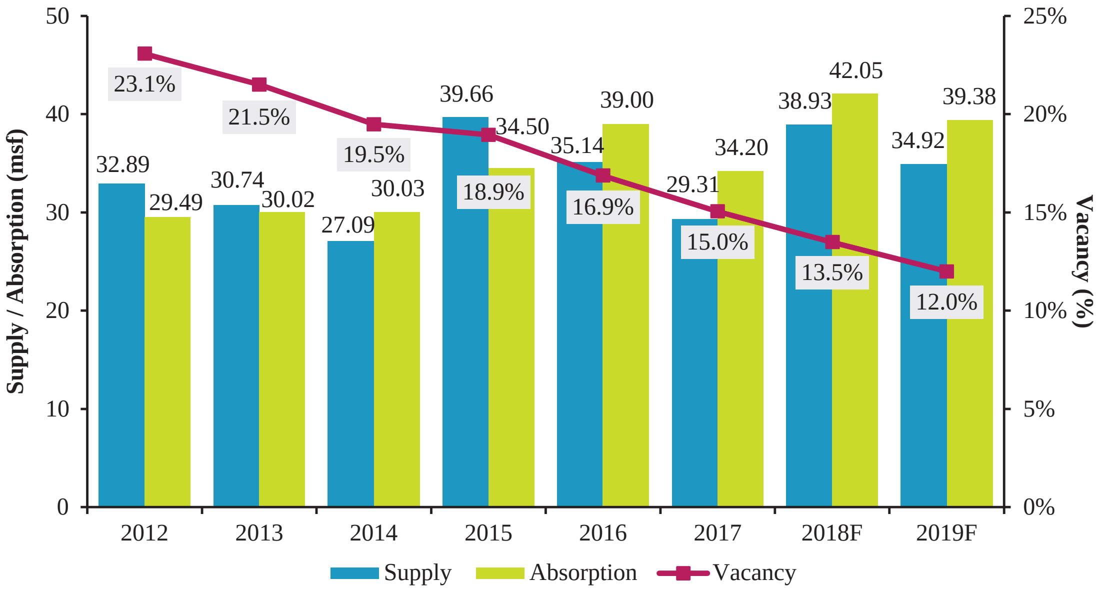
Supply, absorption, vacancy and rentals are dynamic in nature and the performance may vary from projections as they are dependent upon various factors such as economic and other market conditions, demographic trends, employment levels, availability of financing, prevailing interest rates, competition, bargaining power of tenants, availability and cost of land, construction and operating costs, government regulations and policies and market sentiment.

Constrained supply due to limited land availability in core locations and funding constraints faced by real estate developers together with strong demand led by technology tenants has led to falling vacancies and robust rent growth.

Supply, Absorption and Vacancy Trends

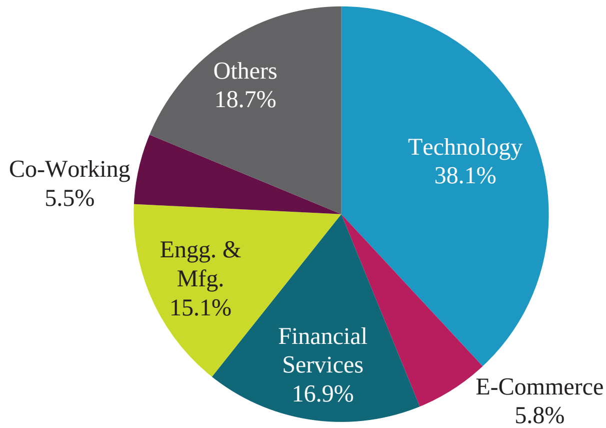
While supply has remained limited and averaged approximately 32.47 msf over the last 6 years due to limited land availability in core locations and funding constraints faced by real estate developers, absorption levels across India's top 7 cities have seen a steady increase from approximately 29.49 msf in 2012 to approximately 39.00 msf in 2016. Q1 2018 has witnessed robust absorption and the year is expected to be approximately 42.05 msf, its highest level since 2012. The supply is expected to be approximately 38.93 msf and 34.92 msf in 2018 and 2019 and will be driven by availability of suitable land parcels, residential catchments, and social/physical infrastructure. Due to strong demand for Grade A office space since 2012, the vacancy levels have declined by approximately 810 bps from approximately 23.1% in 2012 to approximately 15.0% in 2017 and are forecasted to be 12.0% as at December 31, 2019. (*Source: CBRE Research*)

India (Top 7 Cities) - Supply, Absorption & Vacancy



Source: CBRE Research: Vacancy numbers are as at December 31 for respective years, Vacancy as on March 31, 2018 is 15.0%.

Absorption: 2017 – Q1 2018 (43.05 msf)

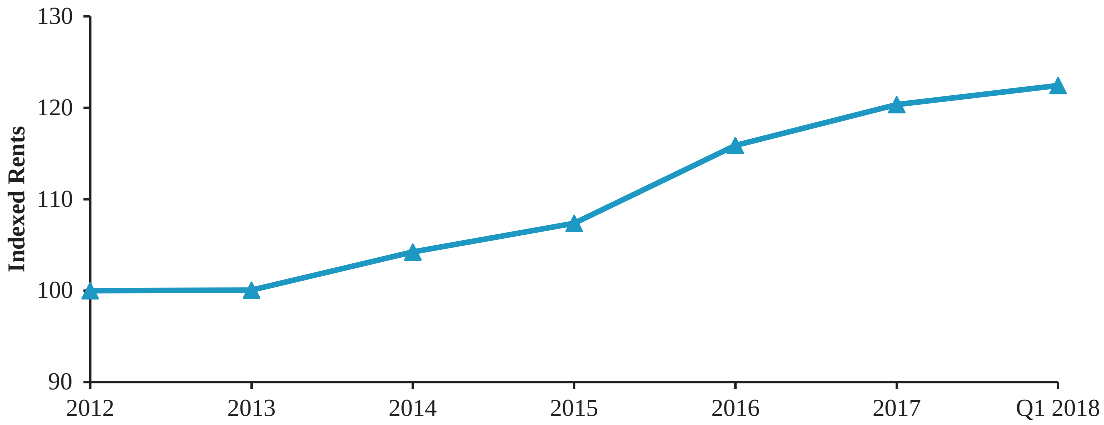


Source: CBRE Research
Note: Others include: FMCG, Telecom, Healthcare & Pharmaceuticals, Media, Automobiles, Aviation

Rental Trends

Since 2013, rents across the top 7 Indian cities have grown at an approximately 4.9% CAGR as of March 31, 2018. Strong absorption, moderating supply and declining vacancy are amongst the key drivers for this healthy, consistent rental growth.

India (Top 7 Cities) - Rental Trends



Source: CBRE Research

PROMINENT TRENDS IN INDIA OFFICE MARKET

Change in the Profile of Occupiers

The market has witnessed marked shift in activities undertaken by office occupiers—transitioning from call centres / BPO units to GCCs focused on high-value added, core business activities. Such high-value tenants tend to focus on building quality, amenities and facility management but are less sensitive to costs compared to the call centres and BPO units.

Increasing Demand for High Quality Office Space

With changing lifestyles, the need for flexible work environment, a young workforce and higher value add nature of work, companies are looking for superior quality office spaces with state-of-the-art lifestyle amenities. These facilities and amenities include integrated offices, relaxation spaces, day care centres, sports zones, support infrastructure (hotels, food and beverages, onsite convenience stores, retail facilities) and mobile enabled work spaces.

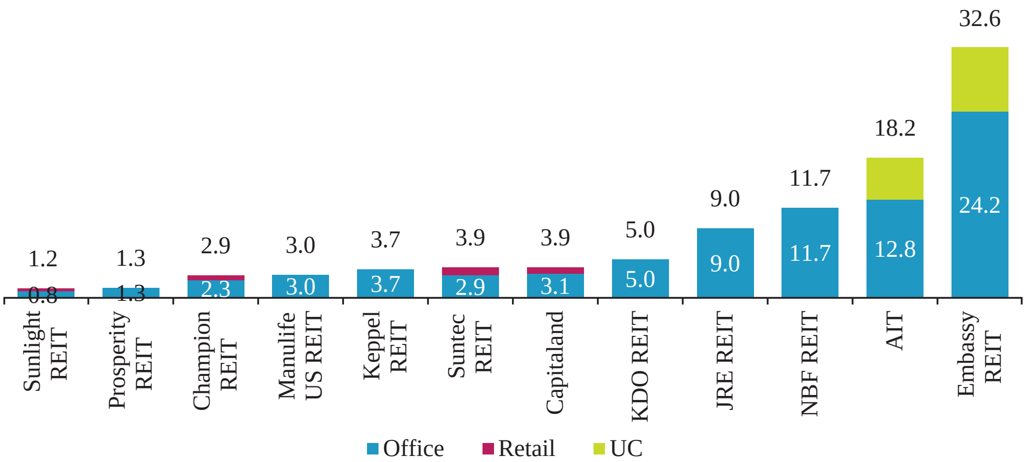
Consolidation and Expansion Strategies

In recent years, in order to improve operational efficiency and drive down costs through economies of scale, corporates in India are consolidating / expanding into single facilities. While tenants have consolidated / expanded to suburban locations due to availability of large office spaces, they continue to maintain select, core teams in the CBDs for various business reasons including access to government offices, courts, and social infrastructure.

Consolidation with Specialized, Organized Office Developers

In the early phase of growth, India's office sector was characterized by built-to-suit, captive campuses of various Indian technology companies. These campuses were typically developed by unorganized players such as landowners taking up one-time developments. However, in the last decade, this fragmentation has given way to the emergence of organized and specialised office-focused developers. Such large developers benefit from economies of scale, diversity of tenant base and strong tenant relationship due to their focused business model. Capitalizing on the changing office real estate landscape, Embassy REIT has emerged as one of the leading office development platforms in India, a snapshot of select Asian office REITs (including retail area) and Embassy REIT is described below:

Asian REITs Comparison - Area in msf



Source: CBRE Research, UC represents area under development. Area numbers given for Office and aggregate for the REIT. Data is based on information available in the public domain

Note: KDO REIT represents Kenedix Office Investment Corporation REIT, JRE REIT represents Japan Real Estate Investment Corporation REIT, NBF REIT represents Nippon Building Fund Management REIT, AIT Represents Ascendas India Trust

Further, as the office sector continues to attract global institutional capital, incumbents have increased their focus on delivering further value to tenants through initiatives such as shorter development cycles through use of newer technologies, greater amenities and more environment friendly buildings.

Tenant Relationship Strategies

Organized real estate developers in India have established tenant relationships by providing high-quality office spaces and aligning their development plans in-line with tenant demand. This has reduced dependence on tenant inducements (such as fully fitted out space, rent free periods) typically used in many developed office markets globally. Depending on the nature of business activity and office location, tenants typically spend Rs 2,000 to 4,500 psf (amounting to approximately 4 to 7 years of rents) for fitting out the premises. This is unlike other developed markets where landlords spend a significant amount of capex as tenant improvements. Given such high investments in the office premises, majority of the tenants occupy these spaces well beyond the 3-5 years lock-in period typically seen in Indian leases. Similarly, minimal rent free periods (one-time, ranging from 45 days to 90 days upfront), lower free parking (1 car park for 1,000 sf to 1,500 sf) and higher security deposits (6-12 months) provide visible cash flow growth for the developers.

Emergence of Special Economic Zones

In order to attract export-oriented industries, in 2005, the Government of India introduced the Special Economic Zone ("SEZ") Act. The policy introduced measures to streamline approval process and provide various fiscal benefits to developers and occupiers of SEZs under Income Tax Act, Customs Act and Goods and Services Tax Act "GST" (formerly Service Tax, Excise and VAT). Initially, companies used these tax incentives to take up space in SEZ developments. Gradually bigger strategic and operational needs such as access to talent, large office space requirements drove corporate real estate decision-making.

All tenants commencing their activities in an SEZ on or prior to 31st March 2020 can avail SEZ benefits under Income Tax Act (which last for up to 15 years) and Customs Act & GST Act (without any sunset date). Tenants commencing their activities after 31st March 2020 would continue to be eligible for benefits under Customs Act & GST Act. Real estate developers engaging in development of SEZs will continue to enjoy the benefits available under Customs & GST Act.

Advent of Co-working Spaces

India currently houses approximately 350 shared office operators spread across more than 800 locations. The segment has witnessed robust growth in India over the past few years, with an offtake of approximately 2.6 msf in 2017 and approximately 2.1 msf for the six months ending on June 30, 2018. Co-working operators are expected to increase penetration of organized commercial spaces by aggregating demand from individuals, start-ups and small businesses. (*Source: CBRE Research*)

INDIAN OFFICE MARKET—TOP 7 CITIES

Overview

India's Top 7 cities represent nearly the entire organized office market in the country and house its political capital, financial hub and prominent technology centres. Technology and Financial Services ("**FS**") tenants are the leading occupiers in Indian office market.

Particulars	Bengaluru	MMR	Delhi NCR	Chennai	Hyderabad	Pune	Kolkata	Total
Population (2011, mm)	~9.6	~23.5	~21.7	~4.6	~3.9	~3.3	~4.5	
Total Stock Q1 2018 (msf)	138.60	113.35	98.26	63.08	57.17	46.86	30.57	547.88
Occupied Stock Q1 2018 (msf)	131.85	88.26	75.95	56.92	50.15	43.78	18.75	465.68
Vacancy Q1 2018 (%)	4.9%	22.1%	22.7%	9.8%	12.3%	6.6%	38.7%	15.0%
Annual Absorption Avg. 2013 – 17 (msf)	10.54	5.62	5.85	3.40	3.81	3.76	0.57	33.55
Market Rents Q1 2018 (psf / mth)	78	135	81	75	57	85	49	86
Tenant Sector (2017 – Q1 2018)	Tech 30% FS 23%	FS 28% Tech 20%	Tech 42% E&M 15%	Tech 45% PH 15%	Tech 42% FS 17%	Tech 58% E&M 13%	Tech 58% FS 9%	Tech 38% FS 17%

Source: CBRE Research
Note: FS—Financial Services, E&M—Engineering and Manufacturing, PH—Pharmaceuticals
MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida.

Supply and Absorption Trends

Over the past 5 years, overall office space absorption has been concentrated in Bengaluru, Delhi NCR, MMR, Pune, and Hyderabad, with these five cities contributing greater than 85% of the total absorption witnessed in India. Bengaluru has recorded the highest absorption from 2013 – 2017 with an average of approximately 10.5 msf of space getting leased every year.

Absorption (msf)	2012	2013	2014	2015	2016	2017	2018F	2019F
Delhi NCR	4.28	5.96	6.80	4.61	6.55	5.35	7.90	8.00
MMR	8.47	6.08	5.36	5.41	7.09	4.18	5.00	5.00
Bengaluru	6.65	8.26	11.17	12.04	11.91	9.30	13.55	9.95
Chennai	2.52	4.01	1.13	4.64	2.87	4.36	4.10	5.00
Hyderabad	3.38	1.99	1.34	2.85	6.03	6.83	7.20	8.00
Pune	3.28	3.50	3.59	4.37	4.06	3.25	3.60	2.50
Kolkata	0.92	0.21	0.63	0.57	0.49	0.93	0.70	0.93

Source: CBRE Research, Data on Calendar Year basis
Note: Q1 2018—City (Absorption msf): Delhi NCR (1.84), MMR (1.03), Bengaluru (3.98), Chennai (0.90), Hyderabad (0.80), Pune (0.11), Kolkata (0.20); MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida.

Compared to previous years, Bengaluru and Delhi NCR are expected to witness higher supply over 2018 and 2019 given strong demand dynamics. MMR is forecasted to witness a significantly lower future supply in 2018 and 2019 (38% lower than historical average since 2012), which is expected to lead to a reduction in vacancy levels.

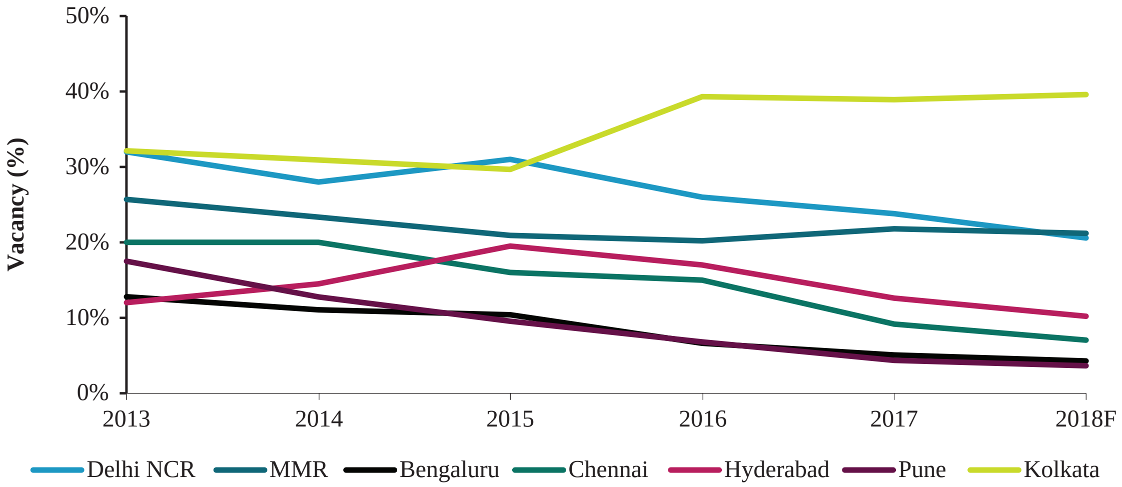
Supply (msf)	2012	2013	2014	2015	2016	2017	2018F	2019F
Delhi NCR	9.72	3.54	5.30	10.16	2.75	4.33	6.00	7.00
MMR	10.42	8.71	4.29	4.03	8.01	7.46	5.50	3.34
Bengaluru	7.28	7.70	10.70	12.67	7.93	7.74	13.03	9.00
Chennai	2.01	3.11	1.41	2.90	2.69	0.91	3.00	3.90
Hyderabad	0.81	2.65	2.64	5.98	5.90	5.24	6.50	8.60
Pune	1.90	4.08	2.25	3.53	3.18	2.29	3.40	1.94
Kolkata	0.76	0.95	0.50	0.38	4.67	1.35	1.50	1.14

Source: CBRE Research, Data on Calendar Year basis
Note: Q1 2018—City (Supply msf): Delhi NCR (1.00), MMR (1.81), Bengaluru (3.87), Chennai (1.40), Hyderabad (0.70), Pune (1.19), Kolkata (0.20); MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida.

Vacancy Trends

Cities with less than 10% vacancy are considered to have a healthy vacancy level which is reflected in both Bengaluru (approximately 5.1% in 2017 compared to approximately 10.4% in 2015) and Pune (approximately 4.4% in 2017 compared to approximately 9.5% in 2015). Delhi NCR and MMR demonstrate high city level vacancy, which is due to high vacancy in certain peripheral areas with limited infrastructure and in buildings with strata ownership and design challenges. However, institutional office buildings in in-fill locations continue to witness healthy absorptions leading to low vacancy levels.

Top 7 Cities - Vacancy Trends

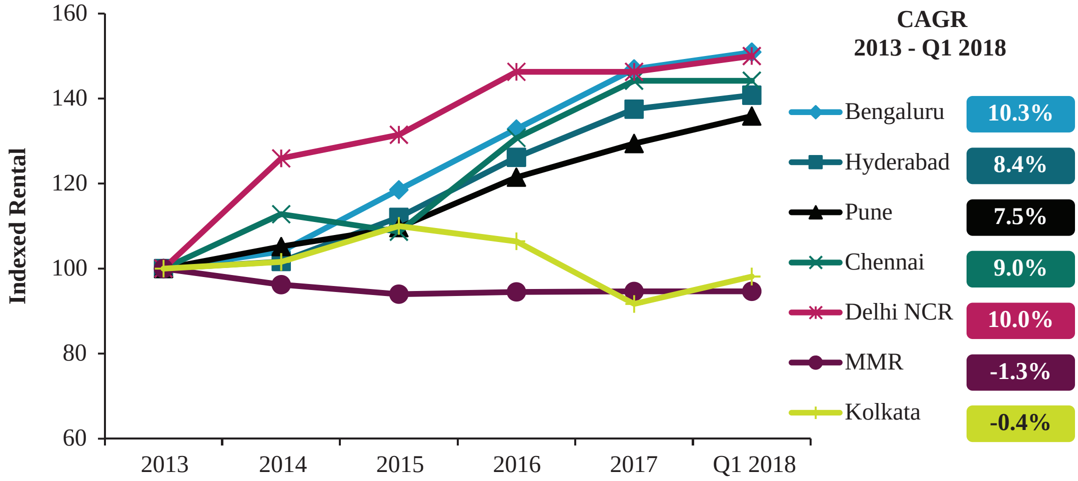


Source: CBRE Research
Note: MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida.

Rental Trends

Driven by constrained supply in prime locations coupled with robust demand from technology tenants, markets such as Bengaluru and Pune have consistently witnessed rent growth over the last 5 years. Given the sustained demand momentum, rental growth has further accelerated since 2015. The rental outlook continues to be attractive as demand for quality space in prime locations is expected to remain strong while supply continues to be constrained.

Top 7 Cities - Rental Trends



Source: CBRE Research;
Note: MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida.

INDIAN HOSPITALITY SECTOR

Overview

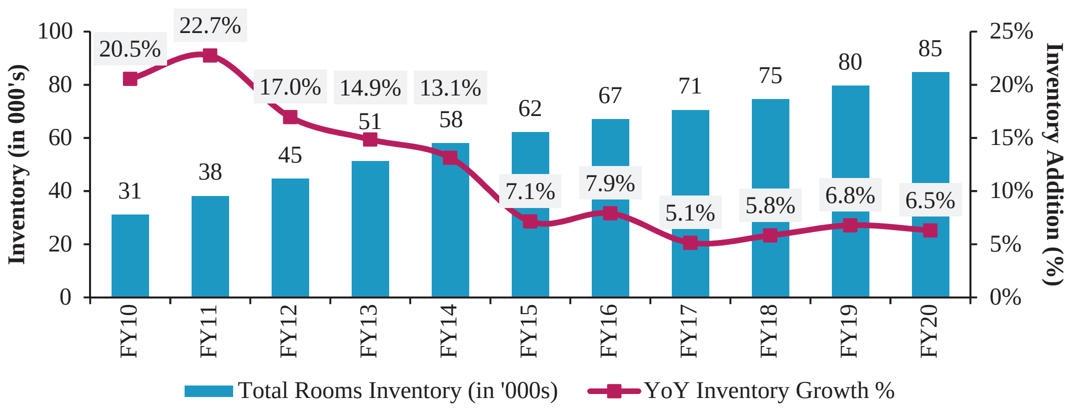
India had an inventory of 135,232 hotel rooms as of March 31, 2018, of which approximately 36% were in the Luxury and Upper Upscale categories. Indian hospitality sector is poised to benefit from structural tailwinds such as:

- Continued growth in business travelers due to strong GDP growth. Indian domestic air traffic grew by 16.5% in FY18 which partly reflects the same trend. (*Source: Airports Authority of India*)
- Sharp 57% increase in foreign tourist arrivals over the last 5 years (6.7 mn in FY13 compared to 10.5 mn in FY18 (*Source: Ministry of Tourism, Govt. of India*)
- Increase in MICE visitation due to favorable business environment and higher propensity for discretionary spend due to increasing income levels

Industry Fundamentals

Limited Inventory Addition: Net inventory addition (as a % of total inventory) for top 7 markets in India (MMR, Delhi NCR, Bengaluru, Chennai, Hyderabad, Kolkata and Pune) has been declining (20.5% growth in FY 2010 over FY 2009 vs 5.8% growth in FY 2018 over FY 2017) and is estimated to average approximately 6.7% CAGR between FY 2018 and FY 2020. Due to long development cycles, funding shortfalls and approval delays, hotel development in India tend to be challenging and time consuming. Completion and quality can be impacted unless the project is sponsored by a well-capitalized, organized developer with hospitality experience—out of 95,000 rooms developments announced in 2012, less than 50% have actually been delivered by March 2018.

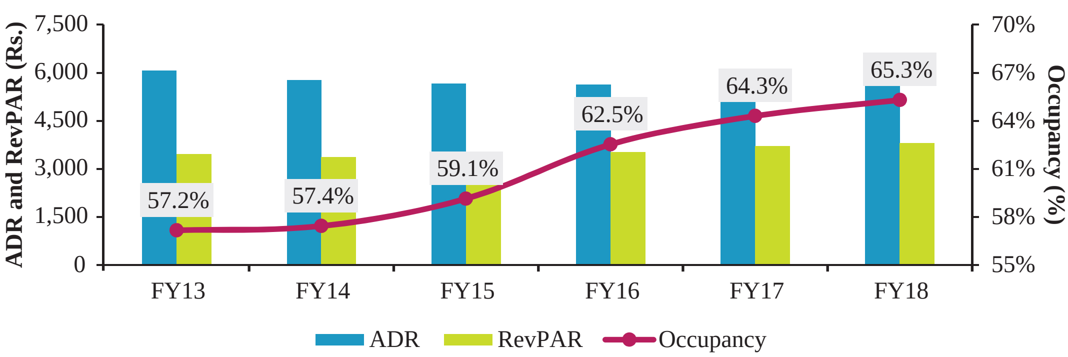
Indian Hospitality Sector - Total Inventory & Net Inventory Addition



Source: Horwath HTL Research

High Occupancies: Occupancy levels for Indian hotels have consistently grown over the last 6 years and have crossed the 65% mark in FY2018 for the first time since FY2008.

Indian Hospitality Sector - ADRs, RevPARs & Occupancy



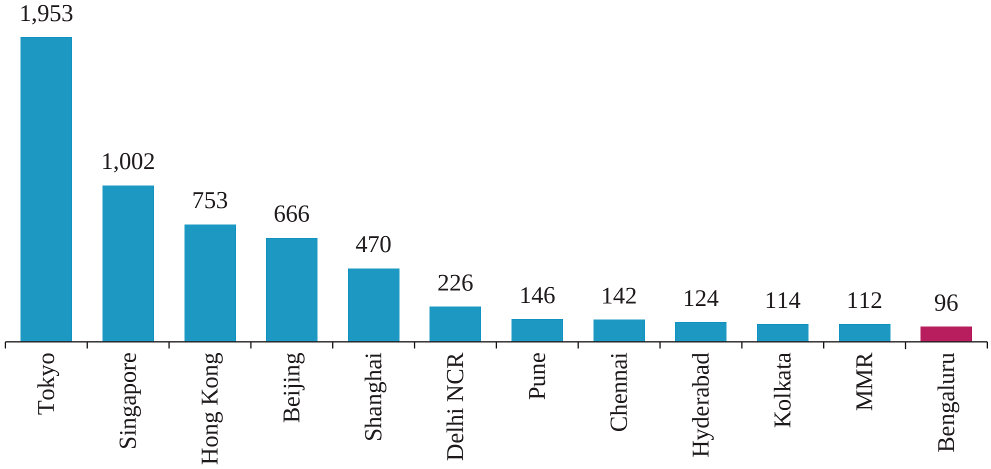
Source: STR

ADRs expected to witness robust growth: ADR growth is mainly dependent upon current and anticipated demand and supply conditions. Upward ADR movements generally lag occupancy growth. ADRs grew 26.6% in 2006-2008 gaining from 68% occupancy for 2006 and 2007. Given India wide occupancies have recently exceeded 65%, and future supply has moderated significantly, ADRs can reasonably be expected to witness stronger growth going forward.

Comparison with Global Cities

Despite ranking amongst the largest office markets by annual absorption globally, Bengaluru's hospitality market (where Embassy REIT's three hospitality assets are located) is highly underpenetrated (96 rooms / msf of office stock).

Global Cities Comparison -Rooms per msf of office stock

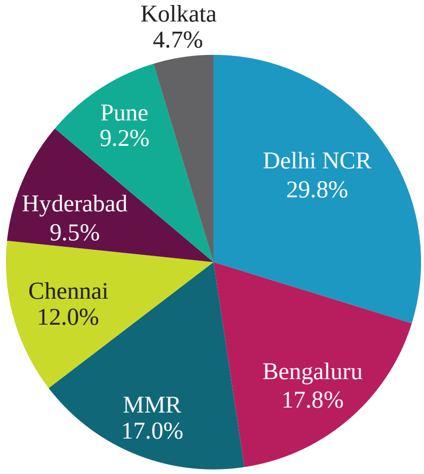


Source: Inventory Data from Horwath HTL Research; Office stock data from CBRE as at March 31, 2018
Note: Inventory data for (a) Indian cities is as at March 31, 2018; (b) Hong Kong and Singapore is as at December 31, 2017; (c) Shanghai, Beijing and Tokyo is as at December 31, 2016

Geographical Distribution of Branded Hotels in India

With 18% of room inventory in top 7 Indian cities at the end of FY2018, Bengaluru is the second largest hospitality market in India. The distribution of rooms across chain-affiliated hotels for the Top 7 Indian cities is described below. For further details on the Bengaluru hospitality sector, please refer the section titled "*Industry Overview—Bengaluru Hospitality Sector*" on page 99.

Indian Hospitality Sector - Geographical Distribution



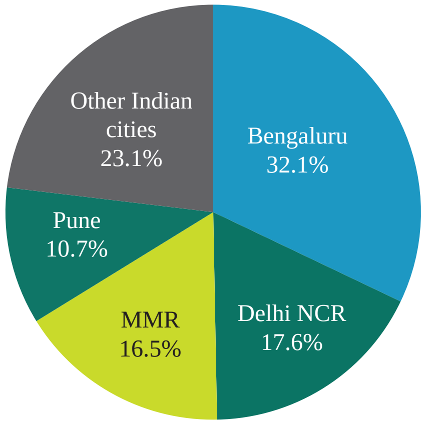
Source: Horwath HTL Research

OUR MARKETS

Overview of Embassy REIT Markets

The Embassy REIT portfolio is located in four gateway cities of India (Bengaluru, MMR, Delhi NCR and Pune) which include country's financial center, technology hubs and political capital. These markets represent 77% of India's office absorption from 2013 to Q1 2018.

Market Share of Indian Cities (Absorption 2013 to Q1 2018)



Source: CBRE Research
Note: MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida

Supply, Absorption, Vacancy Trends in Embassy REIT Markets

With 2018F absorption expected to be 32.5% higher than 2012 absorption and forecasted supply for 2018F and 2019F lower than 2012 supply, these four cities have robust demand supply dynamics. Due to this favorable demand supply dynamics (absorption was 6.8% higher than the supply between 2013 and 2017), vacancy in Q1 2018 is near 6-year low and is expected to go down to 11.4% by the end of 2019.

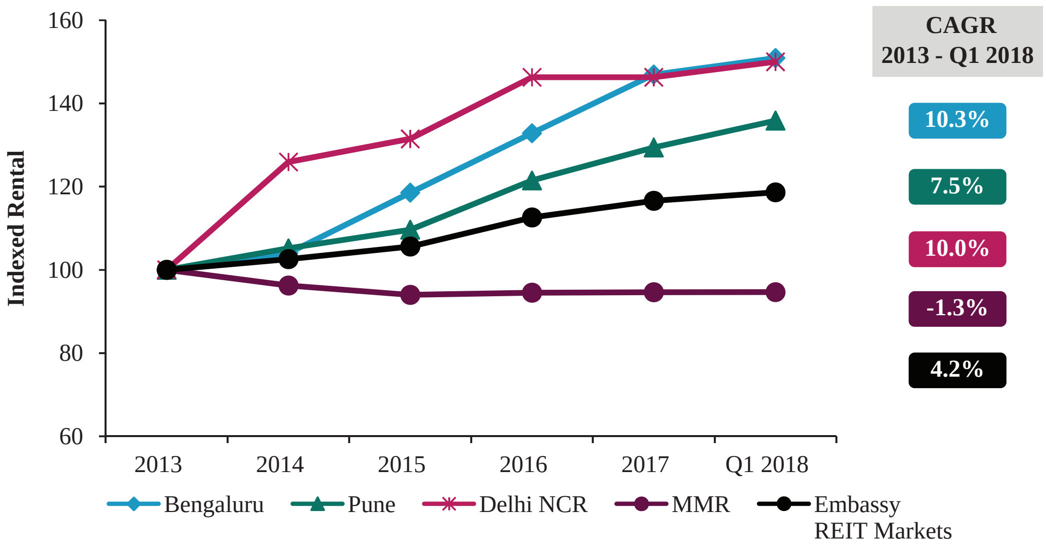
Particulars	2012	2013	2014	2015	2016	2017	2018F	2019F
Absorption (msf)	22.68	23.80	26.92	26.43	29.61	22.08	30.05	25.45
Supply (msf)	29.32	24.03	22.54	30.39	21.87	21.82	27.93	21.28
Vacancy	14.4%	22.2%	19.2%	18.6%	15.5%	14.5%	13.0%	11.4%

Source: CBRE Research
Note: Q1 2018: Absorption—6.96 msf, Supply—7.90 msf, Vacancy—14.4%.

Rental Trends in Embassy REIT Markets

Embassy REIT's markets have grown at a 4.2% CAGR since 2013 with Bengaluru and Delhi NCR representing double digit rent growth over the same period.

Embassy REIT Markets - Rental Trends



Source: CBRE Research
Note: Embassy REIT market's average rent, Q1 2018 – Rs. 94.2. MMR represents Mumbai Metropolitan Region, which includes Mumbai. Delhi NCR represents Delhi National Capital Region, which includes Noida.

OUR SUB-MARKETS

Embassy REIT's assets are present in 8 sub-markets across 4 cities in India. The table below highlights the key statistics for these sub-markets:

Particulars	Details
Total completed stock (Q1 2018)	Approximately 98.90 msf
Current occupied stock (Q1 2018)	Approximately 87.19 msf
Current Vacancy (Q1 2018)	Approximately 11.9%
Avg. Absorption (2013 – Q1 2018)	Approximately 5.22 msf
Market Rentals (Q1 2018)	Rs 112.9 psf / month
Market Rental Growth (2013 – Q1 2018)	Approximately 1.5% p.a.

Source: CBRE Research

Bengaluru

Overview

Bengaluru, also known as India's 'Silicon Valley', is the second largest technology hub in the world and a global destination for technology and R&D outsourcing. The city is the political capital and the main economic center of the Karnataka state and is India's third most populous city with approximately 9.62 mn people in 2011 (an increase of 47.2% compared to 2001). *(Source: Government of Karnataka, Census of India, 2011)*

With 950 technology companies, Bengaluru accounted for 38% of India's total technology exports in 2017 *(Source: Economic Survey of Karnataka, 2017 – 18; Note: Karnataka used as a proxy for Bengaluru)*. In addition, the city has emerged as the country's start-up hub with more than 1,300 technology start-ups now established there. *(Source: Indian Start-Up Ecosystem Maturing, 2016, NASSCOM & Zinnov Consultants)*

The key drivers of demand for office space in Bengaluru are as follows:

- ***Established technology hub:*** India's preferred technology destination and Asia's 'Fastest Growing Technopolis', attracting companies from sectors including technology, biotechnology, defense, aerospace and electronics
- ***Knowledge cluster:*** Large, diversified pool of skilled and technology-savvy workforce; presence of top educational institutions, such as Indian Institute of Science (IISc), Indian Institute of Management (IIM-Bengaluru), and Indian Space Research Organization (ISRO)
- ***Scale and quality office parks:*** The scale and high quality of office parks across various sub-markets has made Bengaluru a preferred destination for MNCs and domestic corporates across sectors
- ***Robust transport infrastructure:*** Access by road (Outer Ring Road "ORR", elevated expressway to airport and Electronic City), rail (Metro Phase 1 and 2) and air (Kempegowda International Airport)
- ***Ongoing/planned infrastructure improvements:*** Key initiatives include multiple metro lines (some of which are expected to provide superior connectivity to Embassy Manyata) and various road projects (such as Peripheral Ring Road—Phase 1)
- ***Well-developed social infrastructure:*** High quality large scale townships and residential developments, schools and established education institutions, hospitals, hotels and retail malls

Bengaluru Market

The table below highlights the key statistics pertaining to Bengaluru's Grade A office market.

Particulars	Details
Total Completed Stock (Q1 2018)	Approximately 138.60 msf
Current Occupied Stock (Q1 2018)	Approximately 131.85 msf
Current Vacancy (Q1 2018)	Approximately 4.9%
Average Absorption (2013 – 2017)	Approximately 10.54 msf
Future Supply (Q2 2018 – 2019)	Q2 to Q4 2018: Approximately 9.16 msf 2019: Approximately 9.00 msf
General Lease Terms	9 years (3+3+3) – traditional lease term, 15 years (5+5+5)

Source: CBRE Research

Bengaluru: Key Office Sub—Markets

The office market consists of six sub-markets: North Bengaluru District (NBD), Central Business District (CBD), South Bengaluru (SB), Outer Ring Road (ORR), Extended Business District (EBD), Whitefield and Other Peripheral Business District (PBD) as described below:

Embassy REIT Assets **Embassy REIT Sub-Market**

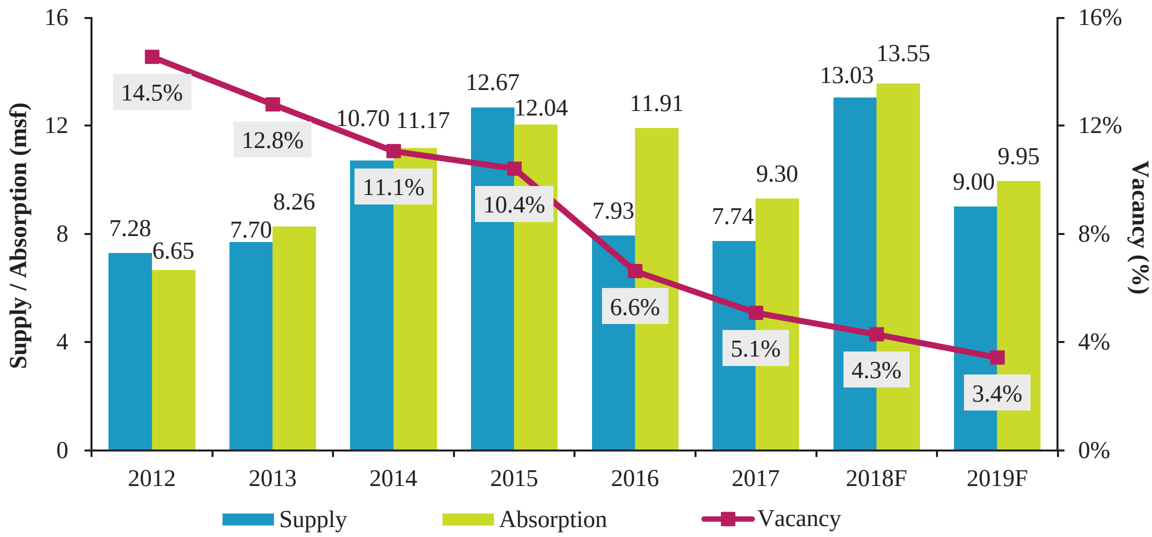
Sub-market	CBD	EBD#	North Bengaluru (NBD#)	ORR	Whitefield (PBD)	Other Peripheral Markets (PBD)	South Bengaluru (SB)
Locations	MG Road, Residency Road, Richmond Road, St. Marks Road, Kasturba Road, etc	Inner Ring Road, Koramangala, Old Madras Road, CV Raman Nagar, etc.	Nagavara ORR, Yeshwantpur, Bellary Road	KR Puram to Sarjapur Road Stretch	Whitefield	Electronic City, Hosur Road, etc.	Bannerghatta Road, JP Nagar, Jayanagar, Mysore Road, etc.
Total Completed Office Stock^ (msf)	9.26	19.59	16.74	46.23	23.95	8.76	14.07
Occupied Stock^ (msf)	9.08	19.33	15.46	44.38	23.38	6.47	13.75

Source: CBRE Research ^as at March 31, 2018 # Embassy REIT's sub-markets

Bengaluru: Supply, Absorption & Vacancy

Bengaluru has seen an unprecedented level of tenant demand since 2012 and this is expected to continue in 2018-19 with forecasted absorption of 23.50 msf, compared with forecasted new supply of 22.03 msf, which is expected to further push down vacancy from 5.1% in 2017 to 3.4% by the end of 2019. (*Source: CBRE Research*)

Bengaluru - Supply, Absorption & Vacancy

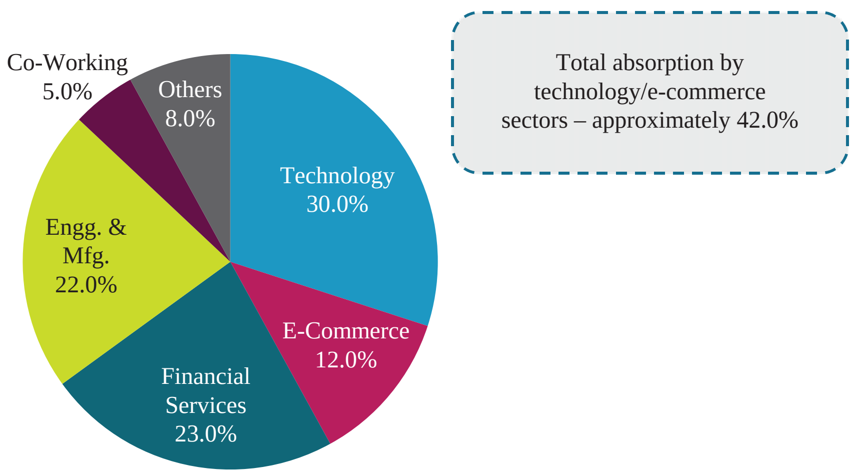


Source: CBRE Research
Note: Q1 2018 (msf): Supply—3.87, Absorption—3.98

Bengaluru: Absorption by Tenant Sector

Bengaluru is the gateway city for India's technology sector and almost 42.0% of demand since 2017 was generated by the technology and e-commerce sector. The city also attracted tenants from the engineering and financial services industries. (*Source: CBRE Research*)

Absorption: 2017 – Q1 2018 (13.28 msf)

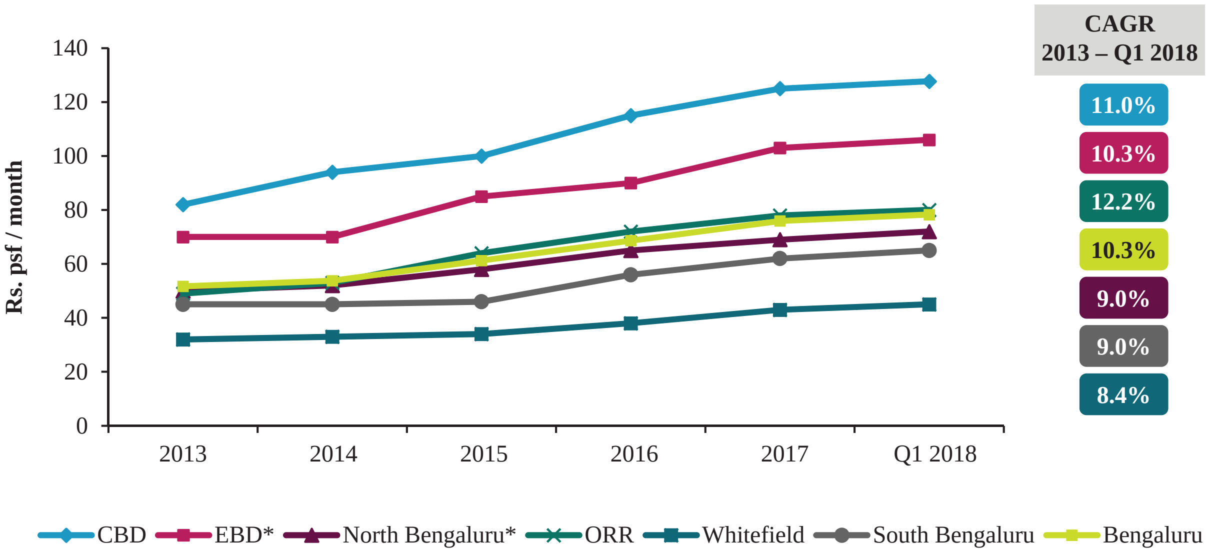


Source: CBRE Research
Note: Others include: Telecom, Healthcare & Pharmaceuticals, Media

Bengaluru: Rental Growth

Bengaluru's high absorption levels have led to strong rental growth of 10.3% since 2013, with average rents now at Rs. 78.3 psf / month. Embassy REIT's sub-markets of North Bengaluru and EBD have also performed strongly over this period, growing at 9-10%. (*Source: CBRE Research*)

Bengaluru - Rental Trends



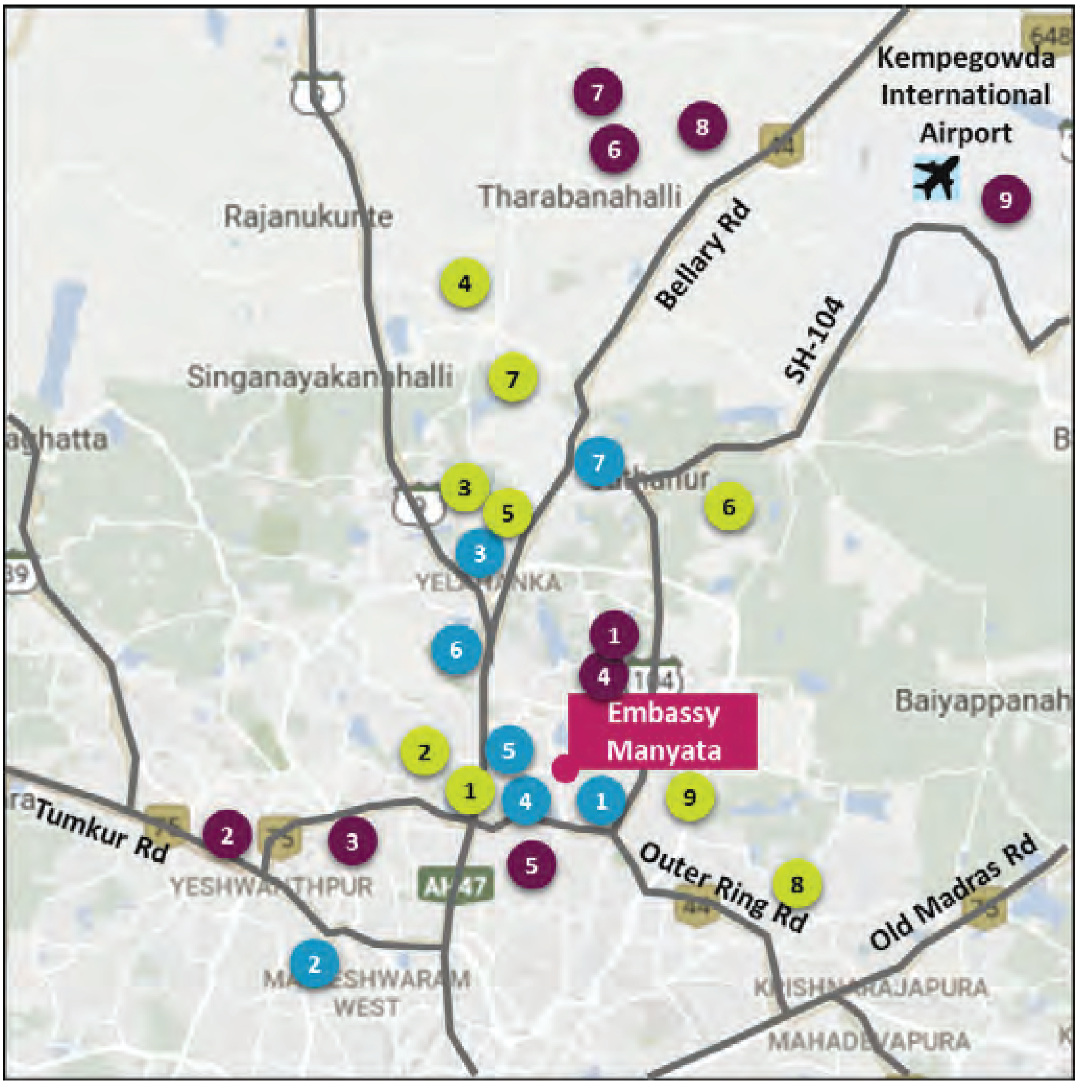
*Source: CBRE Research; *sub—markets with Embassy REIT assets*
Note: Does not include Other Peripheral Markets (PBD) due to limited quantum of transactions in the last 15 months. Sub-market rentals in 2016 was Rs. 34 psf / month

Embassy REIT's Sub-Markets

The two Grade A office parks in Bengaluru, Embassy Manyata and Embassy Golfinks, are located in the sub-markets of North Bengaluru and EBD respectively. Embassy One, is a mixed-use development comprising of a Four Seasons hotel, high end retail and small-format offices is also located in EBD.

North Bengaluru Profile

North Bengaluru has emerged as the growth corridor of Bengaluru—it is close to the international airport, has a growing residential catchment and has good connectivity to other parts of the city via a 8 lane ring road and proposed metro. Historically, the sub-market has attracted tenants for both SEZ and Non-SEZ space and this trend is expected to continue. Embassy Manyata is located in this sub-market and is the largest office park in Bengaluru and the second largest in India. (*Source: CBRE Research*)



Key Office Developments

Social Infrastructure

Lifestyle Infrastructure

#	Lifestyle Infrastructure	#	Social Infrastructure	#	Key Office Developments	Tenants
1	Elements Mall	1	Columbia Asia Hospital		Embassy Manyata	Cognizant, IBM
2	Vivanta byTaj	2	Aster CMI	1	MFAR Manyata Tech Park	Philips, NXP, AXA
3	Movenpick	3	Nitte Meenakshi Institute of Technology	2	Brigade Gateway (WTC)	Amazon, Micra Energy
4	Howard Johnson	4	Stonehill International School	3	RMZ Galleria	Apple
5	Country Inn & Suites	5	Canadian International School	4	Karle Town Centre	HCL Technologies, Diageo, Infosys
6	Goldfinch Retreat	6	Delhi Public School	5	Kirloskar Business Park	Mahindra Com Viva, Total Global Beverages
7	Clarks Exotica	7	Sir M Visvesvaraya Institute of Techonolgy	6	NCC Urban Windsor	National School of Journalism, Tata Advanced Systems
8	Club Cabana	8	Vibgyor High School	7	Hinduja Ecopolis	NA
9	Taj BIAL	9	Kristu Jayanti College			

Source: CBRE Research

North Bengaluru: Supply / Demand Dynamics

Particulars	North Bengaluru
Average Annual Office Absorption (2013 – 2017)	1.44 msf
Rental Growth (CAGR 2013 – Q1 2018, %)	Approximately 9.0%
Future Supply (Q2 2018 – 2019, msf)	Q2 to Q4 2018: Approximately 2.52 msf 2019: Approximately 0.77 msf
Forecasted Rental Increase p.a. (2018 & 2019, %)	Approximately 8.0%

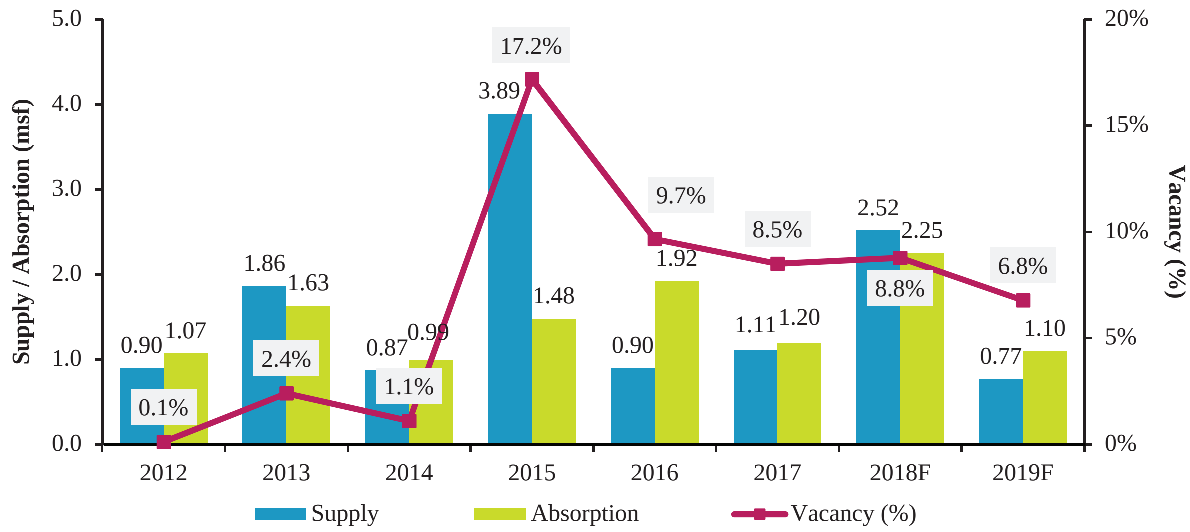
Source: CBRE Research

North Bengaluru: Supply, Absorption & Vacancy

Vacancy in North Bengaluru stood at 8.5% as at December 31, 2017, 870 bps lower than as at December 31, 2015. Absorption has averaged 1.38 msf per annum since 2012 and is expected to outweigh supply in 2019, driving vacancy levels down to 6.8%. The sub-market is the first frontier for high quality tenants from technology, engineering and telecommunications sectors looking to set-up large scale operations in the city. Due to on-campus scalability option required by these tenants, Embassy Manyata has emerged as the location of choice and given the lack of availability of large sized land parcels in the vicinity, Embassy Manyata is expected to maintain its position. (*Source: CBRE Research*)

CBRE estimates future supply of approximately 3.29 msf in North Bengaluru over 2018 – 2019. This supply will not compete with Embassy Manyata as it comprises of standalone, sub-scale assets (less than 0.75 msf leasable area with small floor plates) or is focused in peripheral locations with sub optimal connectivity to the rest of the city. Approximately 70-75% of future supply is SEZ space (in line with historical trends).

North Bengaluru - Supply, Absorption & Vacancy

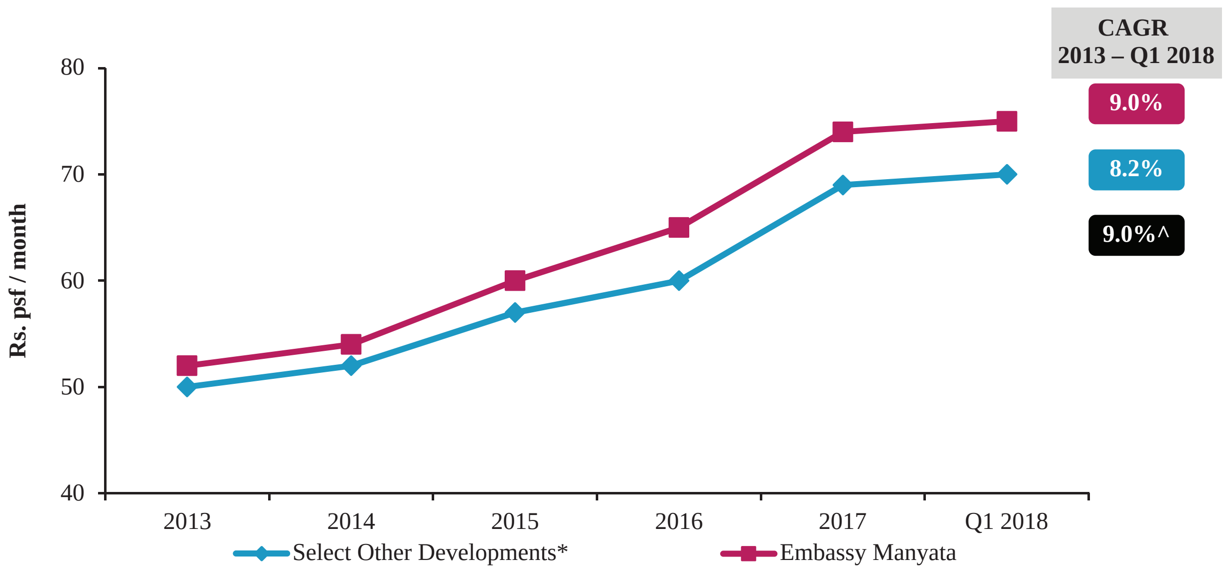


Source: CBRE Research;
Note: Q1 2018 (msf): Supply—Nil, Absorption—0.14

North Bengaluru: Rental Growth

Rents at Embassy Manyata are at a 10-15% premium to the NBD sub-market and have grown at a 9.0% CAGR since 2013. Given the park's quality, its significant market share and the profile of its marquee tenants, CBRE estimates its rents to continue to be at a premium to the rest of NBD. (*Source: CBRE Research*)

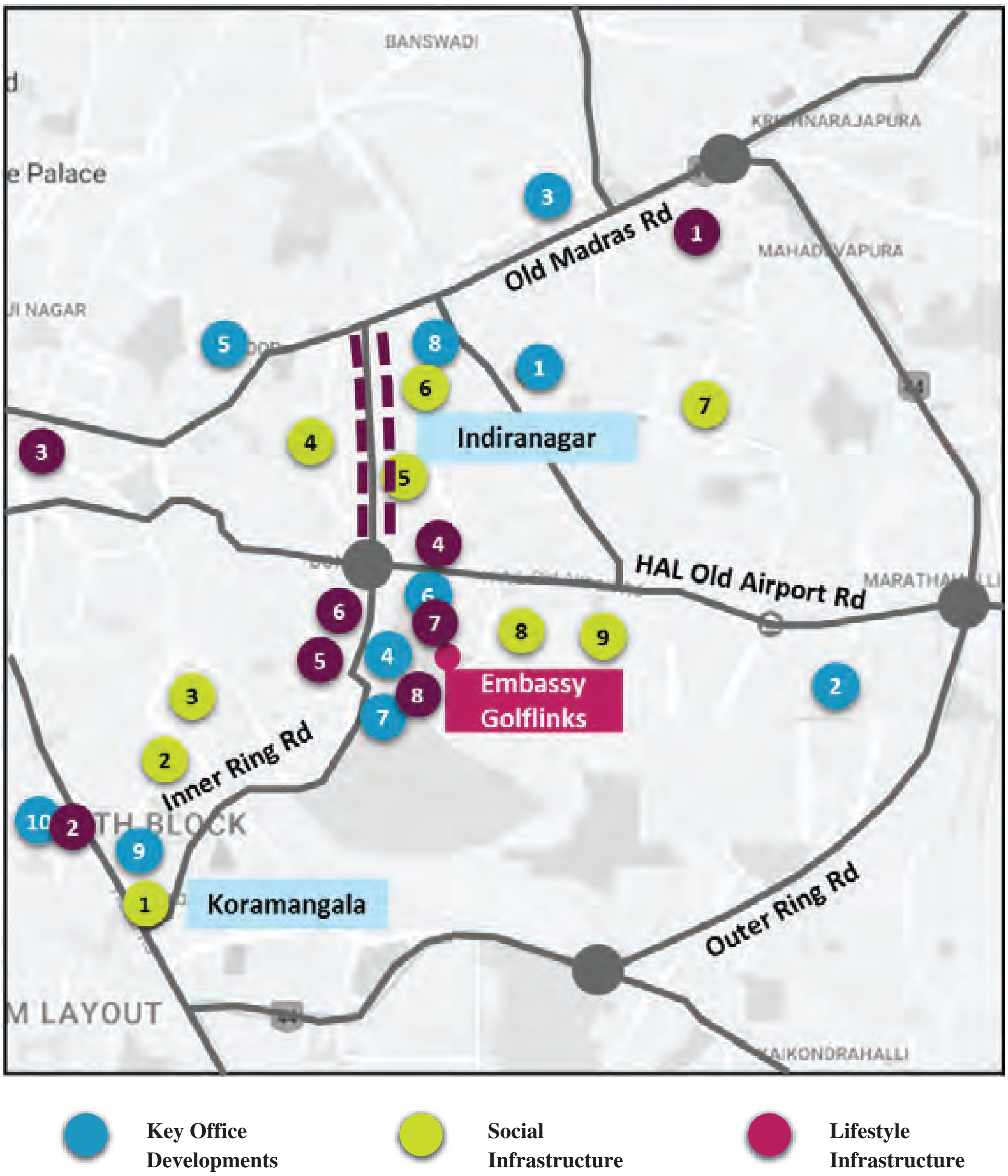
North Bengaluru - Rental Trends



*Source: CBRE Research; Embassy REIT's asset rental is representative of Marginal rent; *: Competing developments identified by CBRE; ^: Indicates sub-market rental growth CAGR over 2013-Q1 2018*

EBD Profile

EBD's established social infrastructure, high-end residential catchment and proximity to the CBD has made this sub-market a preferred location for tenants. Because of limited Grade A supply, fragmented ownership and growth in operations, EBD has now become a preferred market for front office tenants from financial services, e-commerce and professional services firms. Prominent occupiers in the sub-market typically focus their operations on high-value services and will often pay premium rents to be based there rather than other areas in the city. Embassy Golflinks, one of the city's first high quality integrated office parks is a landmark development in EBD and is strategically located overlooking a golf course and a large Indian defense services facility.



#	Lifestyle Infrastructure	#	Social Infrastructure	#	Key Office Developments	Tenants
	100 feet Road – High Street Retail	1	St. Johns Hospital		Embassy Golflinks	IBM, Microsoft, PWC
1	Gopalan Signature Mall	2	Bethany High School	1	Bagmane Tech Park	HP, Cypress, Volvo
2	Forum Mall	3	National Public School	2	Divyasree Technopolis	Accenture, Capgemini, CGI
3	Garuda Mall	4	ESI Hospital	3	RMZ Infinity	E&Y, Societe Generale
4	Leela Palace	5	New Horizon College	4	Divyasree Greens	Dell
5	The Paul	6	Chinmaya Mission Hospital	5	RMZ Millenia	EMC2, PWC
6	Ramada Encore	7	Medihope Hospital	6	Diamond District	Huawei, Zoom Cars
7	Royal Orchid	8	Manipal Hospital	7	Maruthi Infotech	Cagedim Software, Ericsson
8	Hilton at Golflinks (Embassy REIT Asset)	9	Institute of Aerospace Medicine	8	Mantri Cornerstone	NA
				9	Mantri Jupiter	NA
				10	Bren Optimus	NA

Source: CBRE Research

Embassy One is very well located on the main road from the international airport coming into the CBD. It will compete with premium, small-format office schemes across the city, such as UB City, Brigade World Trade Centre and Prestige Trade Towers. There are very few buildings in the city which are of the quality of Embassy One.

EBD: Supply / Demand Dynamics

Particulars	EBD
Average Annual Office Absorption (2013 – 2017)	1.21 msf
Rental Growth (CAGR 2013 – Q1 2018, %)	Approximately 10.3%
Future Supply (Q2 2018 – 2019, msf)	Q2 to Q4 2018: Approximately 1.93 msf 2019: Approximately 0.78 msf
Forecasted Rental Growth p.a. (2018 & 2019, %)	Approximately 7.0 – 8.0%

Source: CBRE Research

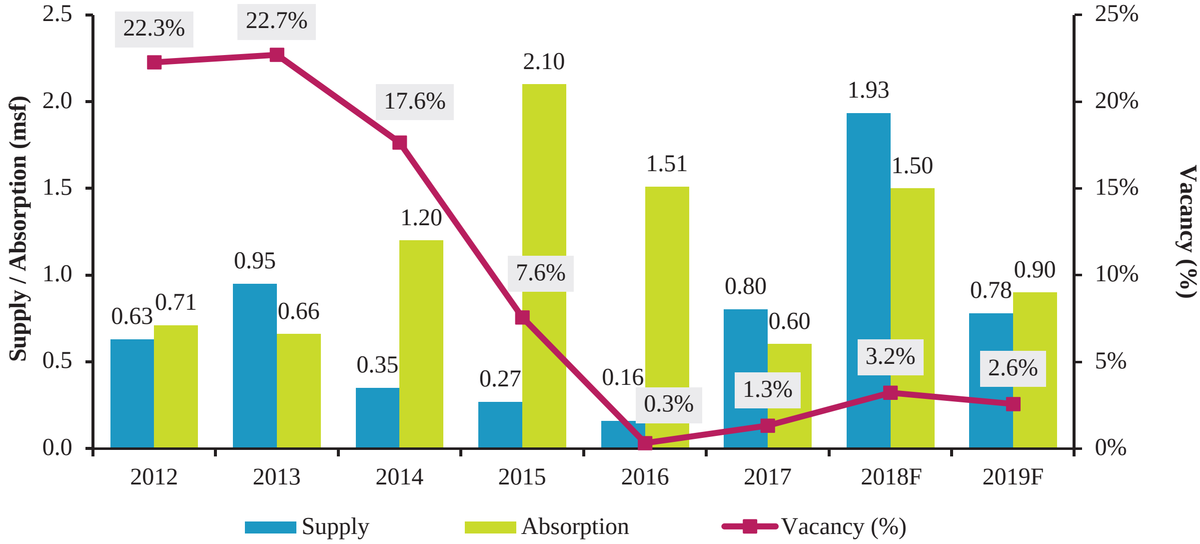
EBD: Supply, Absorption & Vacancy

Since 2012, average absorption in EBD has been 1.13 msf per annum, more than double the average level of new supply over the same time period. Vacancy was 1.3% as at December 31, 2017 and is projected to remain below 3% in 2019. (*Source: CBRE Research*)

Due to its proximity to the CBD and the availability of institutional grade office parks, EBD provides a preferred expansion option to CBD tenants. Large multinational corporates who have expanded into other peripheral markets continue to retain space in EBD business parks for their high-value operations due to its proximity to prominent residential areas. The sub-market also has a lack of available land parcels for development and most office buildings are sub-scale which do not compete with large office parks like Embassy Golflinks. Embassy Golflinks continues to be one of the most attractive and high quality integrated office parks in this market.

Approximately 2.71 msf of additional supply is expected in EBD until 2019, all of which comprises of non—SEZ space. Most of this supply is spread across the sub-market and is not in the vicinity of Embassy Golflinks. In addition, approximately 0.54 msf is for captive use and approximately 1.64 msf comprises of standalone projects of smaller scale (less than 0.6 msf of leasable area) which lack the offering of a business park, resulting in a net relevant supply of 0.53 msf. (*Source: CBRE Research*)

EBD - Supply, Absorption & Vacancy



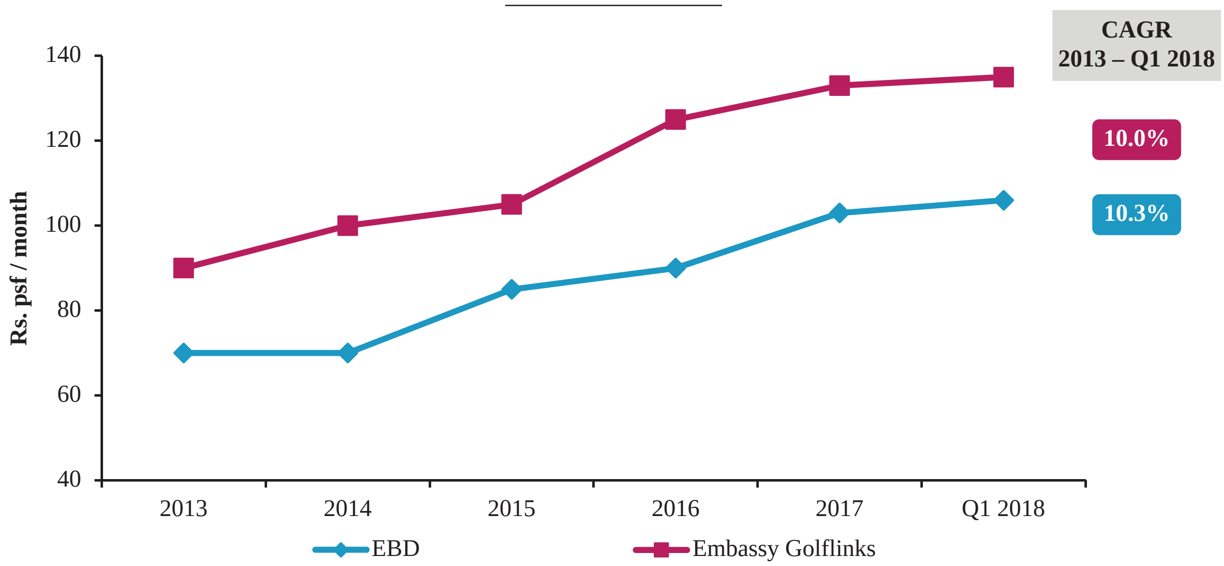
Source: CBRE Research;
Note: No Supply and Absorption in Q1 2018 in EBD

Embassy One is one of the few small format, premium, city-centric commercial developments in Bengaluru. Given the luxury standards of the project, CBRE expects it to attract high quality tenants such as family offices, high commissions, embassies, investment funds and consulting firms.

EBD: Rental Growth

Embassy Golflinks is a high-quality, large scale office park, which enjoys a preferred status in EBD and achieves a rental premium of 25-30% compared to other office developments. Limited historical supply, short re-leasing downtime and strong tenant demand has resulted in near zero vacancy at the park and rents have grown at a 10.0% CAGR since 2013. (*Source: CBRE Research*)

EBD - Rental Trends



Source: CBRE Research; Embassy REIT's asset rental is representative of Marginal rent

While there are very few developments comparable from a quality standpoint to Embassy One, prevailing rents for high quality small office space is Rs. 150 – 200 psf / month depending on the sub-market they are in. (*Source: CBRE Research*)

BENGALURU HOSPITALITY SECTOR

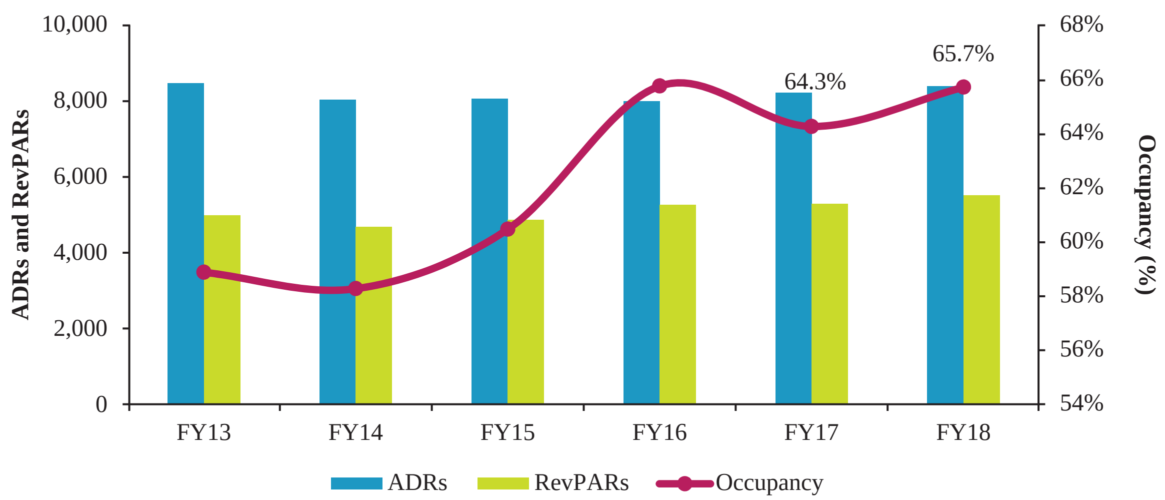
Bengaluru is the second largest hospitality market in India with an inventory as of March 31, 2018 of 13,321 hotel rooms, of which approximately 39% were in the Luxury and Upper Upscale categories. Bengaluru hospitality sector is expected to benefit from strong demand led by business travellers. The market is expected to benefit from following tailwinds:

- India's largest office market with 10.54 msf average absorption from 2013 to 2017 *(Source: CBRE)*
- Robust air traffic growth in Bengaluru also reflects strong business sentiment (17.6% growth in air travellers in FY18, 110bps higher than the Indian domestic air traffic growth rate) *(Source: Airports Authority of India)*
- Most under-penetrated hospitality market out of India's top 7 markets (96 rooms per msf of office space compared to 226 and 112 for NCR and MMR respectively)
- Strong MICE visitation due to various industry specific conferences and events such as Indian Technology Congress, RootConf and bi-annual aeroshow

Industry Fundamentals (Bengaluru—Luxury and Upper Upscale)

Market Performance: Since FY 2013, room nights demand for the Luxury and Upper Upscale segment in Bengaluru has grown at 9.4% CAGR leading to 680 bps increase in occupancy levels over the same period (65.7% occupancy in FY 2018). Due to recent hotel completions in last 6-12 months, the ADRs are still stabilizing and averaged Rs. 8,391 in FY 2018 (+2.1% over FY 2017).

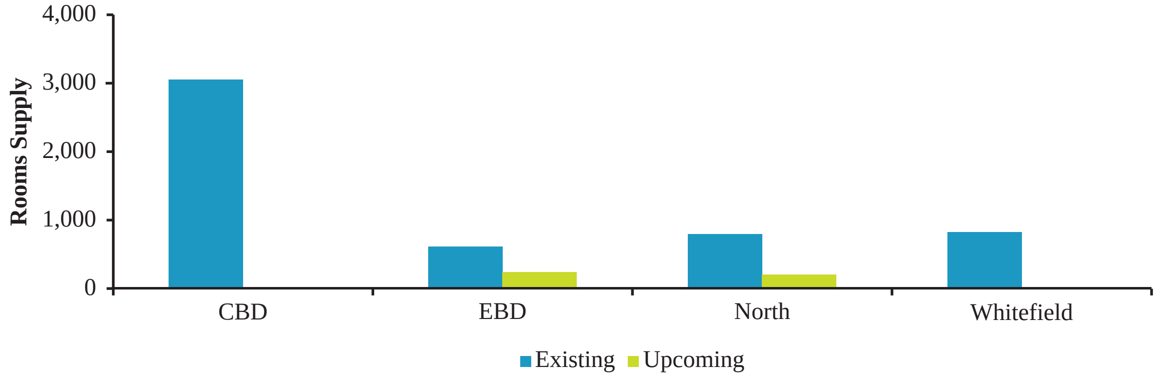
Bengaluru - Luxury and Upper Upscale Performance



Source: STR

Moderate Inventory Addition: Between April & July 2018, two hotels with 636 rooms (which commenced development prior to 2012) were added to the Upper Upscale inventory and further 430 rooms in the Luxury and Upper Upscale segment are in pipeline for completion in FY 2019 and FY 2020. Embassy REIT's under development hotel in EBD (Four Seasons at Embassy One) represents 53.5% of this upcoming supply. Given the strong office market momentum (23.50 msf additional office demand forecasted until 2019F) and low penetration of hotel rooms in the city, HTL expects this to further institutionalize the market.

Bengaluru Sub-market Supply - Luxury & Upper Upscale



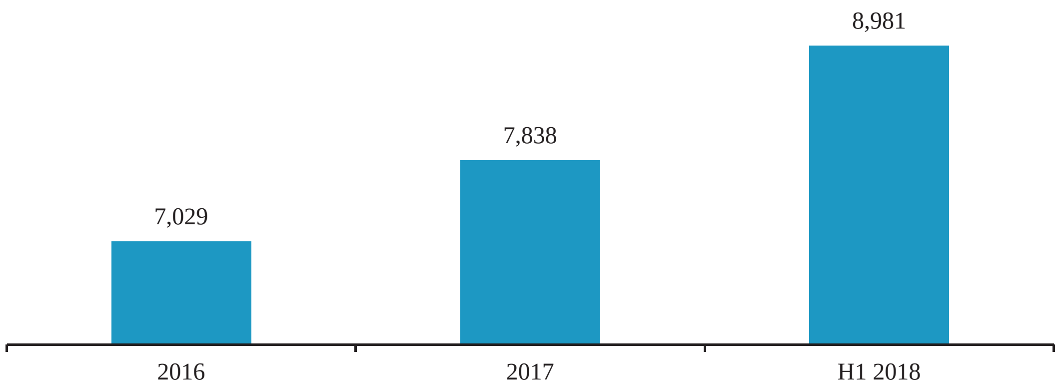
Source: Horwath HTL Research

Embassy REIT's Sub-Markets and Historical Performance

Embassy REIT's operational Hilton at Embassy Golflinks and the upcoming Four Seasons at Embassy One are both located in Bengaluru's EBD. The REIT has also commenced development of Hilton and Hilton Garden Inn hotels within its 14.21 msf Embassy Manyata office park in North Bengaluru. These 'captive' hotels are expected to benefit from hospitality demand originating from tenants within these business parks.

Benefitting from a similar trend, Hilton at Embassy Golflinks has outperformed the Luxury and Upper Upscale hotel segment in Bengaluru market with strong ADR growth (ADR growth between 2016 and year-to-date June 2018 was 27.8% for Hilton at Embassy Golflinks as compared to 9.2% for Luxury and Upper Upscale hotel segment in Bengaluru) and strong occupancy gains (640 bps outperformance for year-to-date June 2018, compared to 2016, for Hilton at Embassy Golflinks as compared to Luxury and Upper Upscale hotel segment in Bengaluru).

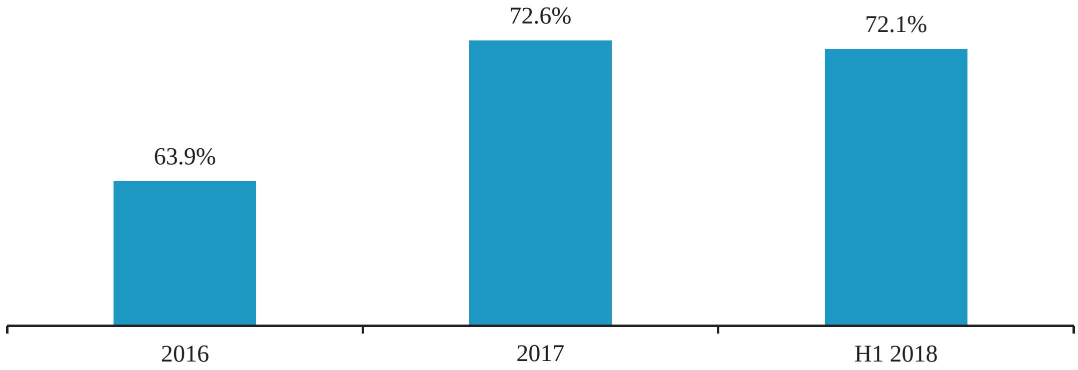
Hilton at Golflinks - ADRs



Hilton at Embassy Golflinks Growth Rate	11.5%	14.6%
Luxury and Upper Upscale Segment Growth Rate	4.0%	5.0%
Relative Performance	+750 bps	+955 bps

Source: Management Estimates, Performance data for Bengaluru Luxury and Upper Upscale hotel segment from STR

Hilton at Embassy Golflinks - Occupancy



Source: Management Estimates

Mumbai Metropolitan Region (MMR)

Overview

Mumbai is the financial capital of India and houses various financial regulators (such as the Reserve Bank of India, Securities and Exchange Board of India) as well as the largest stock and commodity exchanges of the country (National Stock Exchange, Bombay Stock Exchange and Multi Commodity Exchange). In addition, Mumbai is home to the headquarters/corporate offices of various multinational corporates and large domestic conglomerates. It is also India's media and entertainment hub, commonly referred to as 'Bollywood'. The city generates approximately 5% of Indian GDP and accounts for a significant portion of total FDI inflows (approximately 31% over 2000 – 2018). Mumbai is part of the Mumbai Metropolitan Region ("MMR") and is one of the most populous cities in India with 23.5 mn people in 2011 (12% growth over 2001 – 2011). *(Source: Department of Industrial Policy and Promotion, Quarterly Fact Sheet, March 2018; Economic Survey of Maharashtra 2017-18, Census of India, 2001, Census of India, 2011)*

The key drivers of demand for office space in MMR are as follows:

- ***Financial capital and established services hub:*** Mumbai is India's financial capital and is also a hub for legal services professionals, global consultancy firms and accounting professionals
- ***Renowned educational institutions:*** Presence of top educational institutions, such as the Indian Institute of Technology (IIT—Bombay), NMIMS University, SP Jain Institute of Management
- ***Well-developed social infrastructure:*** Schools and established premier education institutions, hospitals, hotels and retail malls
- ***Transport infrastructure:*** Well connected via road (such as Eastern Express Highway, Western Express Highway, Eastern Freeway and Bandra Worli sea link bridge), rail (three established mainline networks, Mumbai metro, monorail—Phase I) and air (Chhatrapati Shivaji International Airport, 2nd busiest airport in India with over 48.5 mn passengers in FY18)
- ***Ongoing/Planned infrastructure projects:*** Key initiatives include multiple metro lines, various road projects (proposed 29 km Coastal Road, Mumbai Trans Harbour Link), monorail (Phase II) and the Navi Mumbai International airport

MMR Office Market

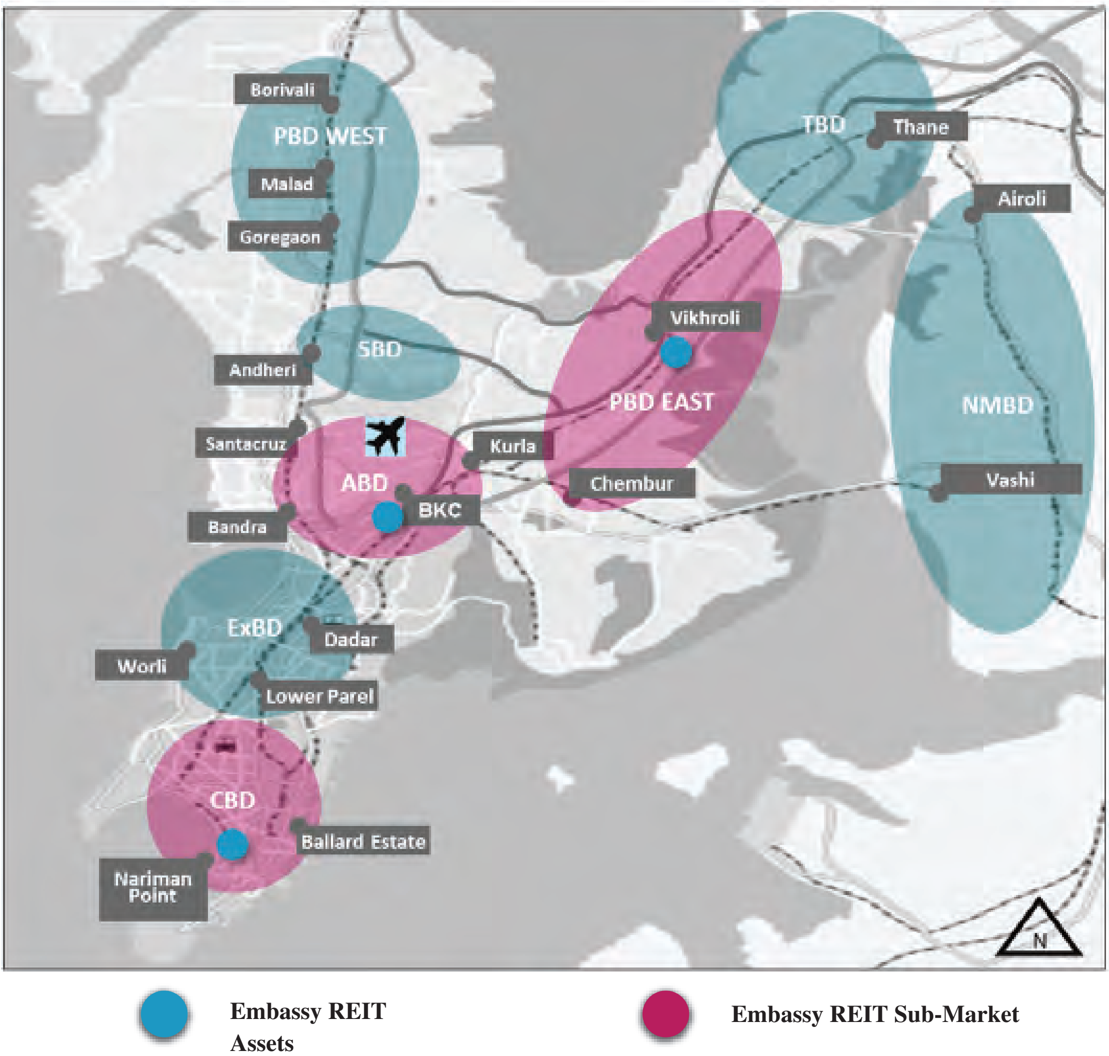
The table below highlights the key statistics of MMR's Grade A office market:

Particulars	Details
Total completed stock (Q1 2018)	Approximately 113.35 msf
Current occupied stock (Q1 2018)	Approximately 88.26 msf
Current Vacancy (Q1 2018)	Approximately 22.1%
Avg. Absorption (2013 – 2017)	Approximately 5.62 msf
Future Supply (Q2 2018 – 2019)	Q2 to Q4 2018: Approximately 3.70 msf 2019: Approximately 3.34 msf
General Lease Terms	9 years (5+4) or 9 years (3+3+3)

Source: CBRE Research

MMR: Key Office Sub—Markets

The MMR office market consists of eight sub-markets: Central Business District (CBD), Extended Business District (ExBD), Alternate Business District (ABD), Secondary Business District (SBD), Peripheral Business District West (PBD West), Peripheral Business District East (PBD East), Thane Business District (TBD) and Navi Mumbai Business District (NMBD).



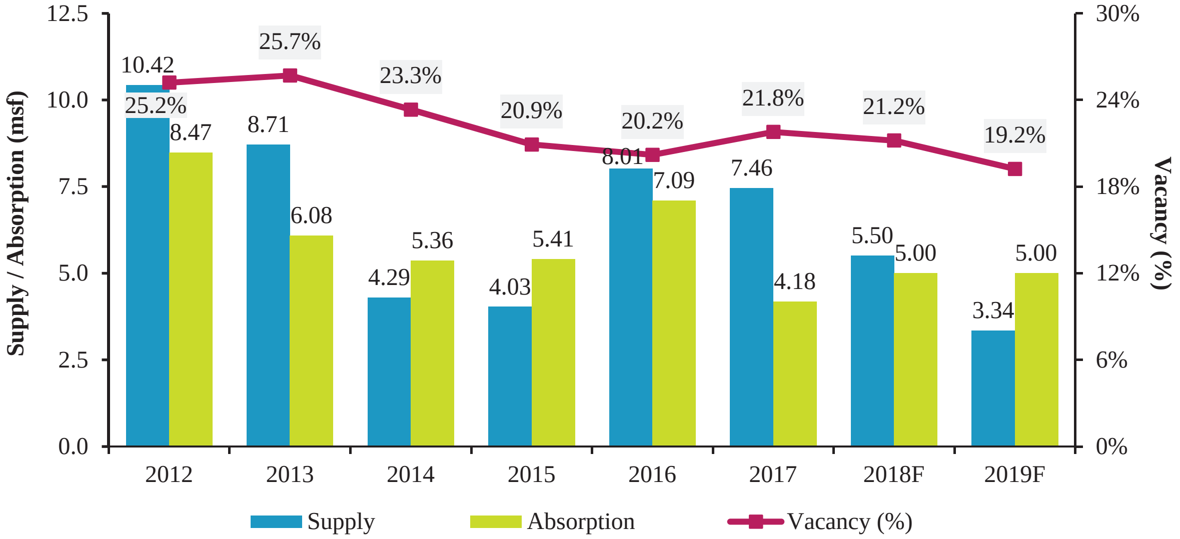
Sub-market	CBD^	ExBD	ABD^	SBD	PBD West	PBD East^	TBD	NMBD
Locations	Nariman Point, Fort, Ballard Estate, Cuffe Parade	Lower Parel, Worli, Parel and Prabhadevi	Bandra Kurla Complex, Kalina & Santacruz	Andheri (E), Saki Naka, MIDC, Sahar etc.	Malad, Goregaon, Jogeshwari, etc.	Kurla, Vikhroli, Kanjurmarg, Mulund & Powai	Thane	Navi Mumbai
Total completed office Stock (msf)^^	6.65	12.45	13.17	19.65	15.28	18.03	6.37	21.76
Occupied stock (msf)^^	6.27	10.90	10.14	15.16	11.35	13.88	5.38	15.17

Source: CBRE Research; ^Sub- markets with Embassy REIT assets; ^^ as at March 31, 2018

MMR: Supply, Absorption & Vacancy

As at March 31, 2018, MMR was the second largest office market in India by total supply and absorption. The city has witnessed higher vacancy as compared to other cities primarily due to high vacancies in certain sub-markets limited by sub-optimal infrastructure, inferior quality buildings with strata ownership and design challenges. New supply is forecasted to moderate over the next two years (approximately 38.2% lower than historical average) and, as a result, MMR vacancy levels are expected to decline to 19.2% by the end of 2019 (vs 25.2% in 2012). Given MMR is a gateway city for MNCs looking to enter India and also the corporate headquarters for large Indian conglomerates, further domestic growth is likely to drive office absorption in the city. *(Source: CBRE Research)*

MMR - Supply, Absorption & Vacancy

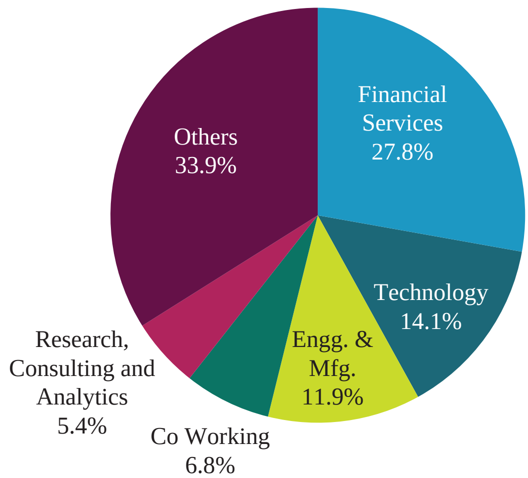


Source: CBRE Research
Note: Q1 2018 (msf): Supply—1.81, Absorption—1.03

MMR: Absorption by Tenant Sector

MMR has a diverse tenant base across India's key services sector industries.

Absorption 2017 – Q1 2018 (5.20 msf)

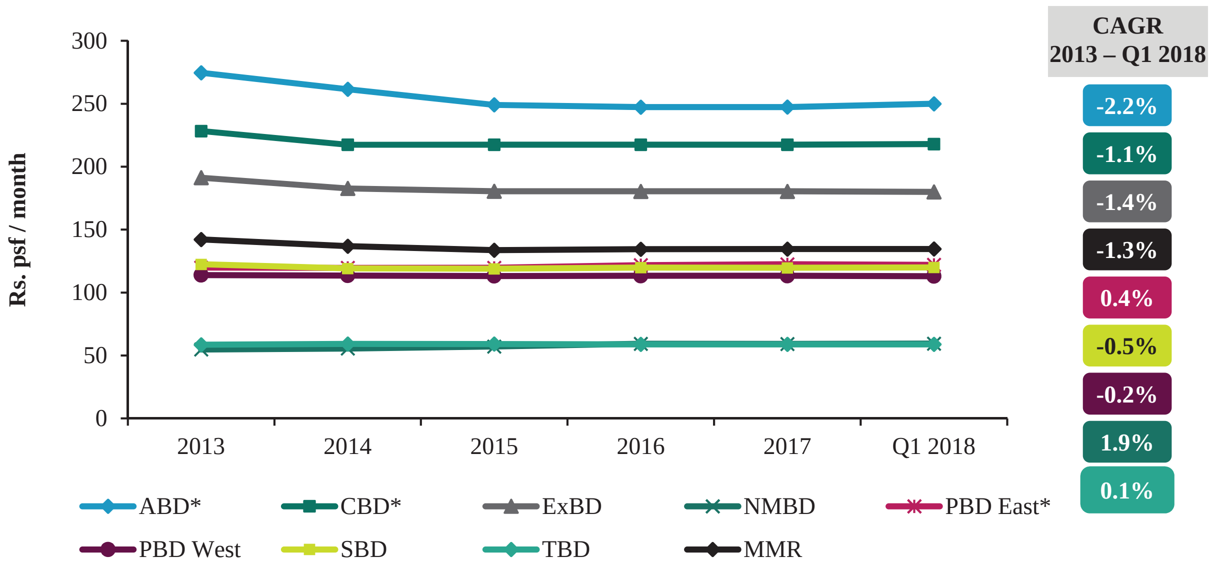


Source: CBRE Research
Note: Others include Infrastructure, Real Estate & logistics, Healthcare and Pharmaceuticals, FMCG, etc.

MMR: Rental Growth

Whilst there has been limited rental growth in MMR over the past few years, CBRE expects the market to witness accelerated growth in select markets going forward due to favorable demand/supply dynamics—for instance in ABD, there is limited forecasted Grade A supply (approximately 0.38 msf until 2019), thus providing existing high-quality buildings (such as Embassy REIT's asset, FIFC) an opportunity to command higher rents. *(Source: CBRE Research)*

MMR - Rental Trends



*Source: CBRE Research; *indicates sub-markets housing Embassy REIT developments*

Embassy REIT's Sub-Markets

Embassy REIT has three buildings in MMR, Express Towers, FIFC and Embassy 247, which are located in CBD, ABD and PBD East respectively.

CBD Profile

The CBD is characterized by the presence of the most expensive and exclusive residential neighborhoods, landmark hotels and other social and lifestyle infrastructure. It attracts marquee tenants and remains a hub for corporate headquarters and professional services as well as various Government and statutory authorities (such as Mantralay, Bombay High Court, RBI). Embassy REIT's asset, Express Towers, is located in Nariman Point in the heart of the CBD and is the only institutionally-owned building in the area. All the other office buildings in the CBD are either strata owned or owner occupied.

Key Office Developments **Social Infrastructure** **Lifestyle Infrastructure**

#	Lifestyle Infrastructure	#	Social Infrastructure	#	Key Office Developments
1	Zara	1	Jamnalal Bajaj Institute Of Management Studies	●	Express Towers
2	Oberoi/Trident Hotel	2	Narottam Morarjee Institute Of Shipping	1	Free Press House
3	The Taj Mahal Palace	3	KC College	2	Hoeschst House
4	Colaba High Street	4	HR College	3	Maker Chambers VI
5	Fashion Street	5	Elphinstone College	4	Mafatlal Centre
6	Regal Cinema	6	Jai Hind College		
7	NCPA	7	JB Petit School		
8	CR2 Mall	8	Cathedral and John Connon School		
		9	Wankhede Stadium		

Source: CBRE Research

CBD: Supply / Demand dynamics

Particulars	CBD
Average Annual Office Absorption (2013 – 2017)	50,000 sf^
Rental Growth (CAGR 2013 – Q1 2018, %)	Approximately -1.1%
Future Supply (Q2 2018 – 2019, msf)	Nil
Current Vacancy (%)	Approximately 5.7%

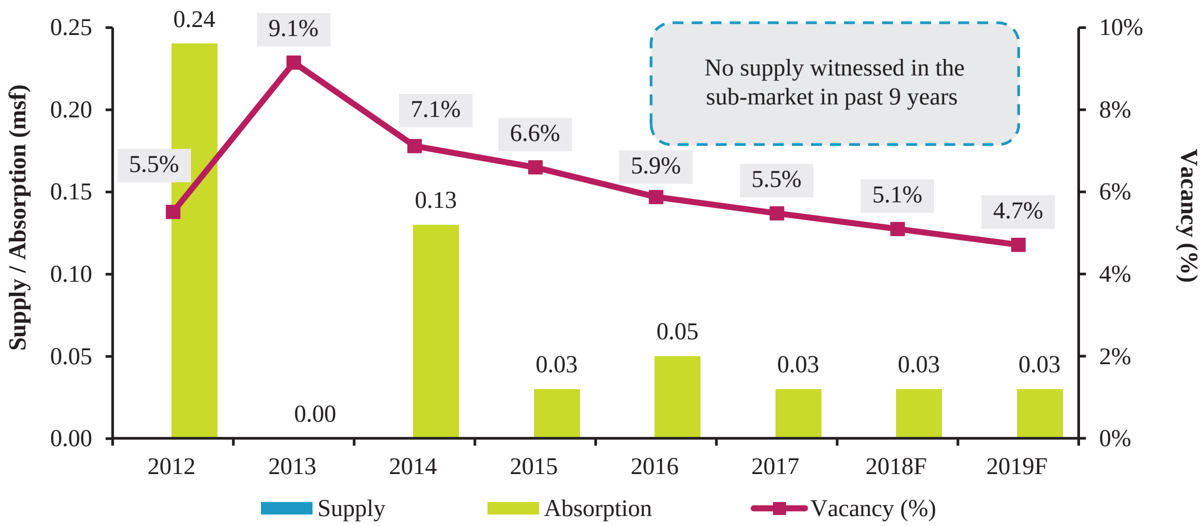
Source: CBRE Research; ^assuming zero absorption for years which had positive gross absorption but negative net absorption

CBD: Supply, Absorption & Vacancy

Due to the CBD's commercial importance, strong connectivity and well-developed social infrastructure, tenant demand is expected to remain stable in this sub-market. Absorption is largely driven by tenants providing high-value services (such as consulting and financial services) and there are only a few buildings within the sub-market considered to be Grade A standard. Given the market dynamics and very limited developable land, there has been no new supply over the past nine years. Continuing demand and no new supply since 2013 have resulted in vacancy levels declining by 340bps to 5.7% as at March 31, 2018. *(Source: CBRE Research)*

There is no new supply currently planned of comparable developments to Express Towers in the CBD. Further, due to dearth of developable land parcels and onerous construction regulations in this sub-market, no new supply is expected in the foreseeable future. *(Source: CBRE Research)*

CBD - Supply, Absorption & Vacancy

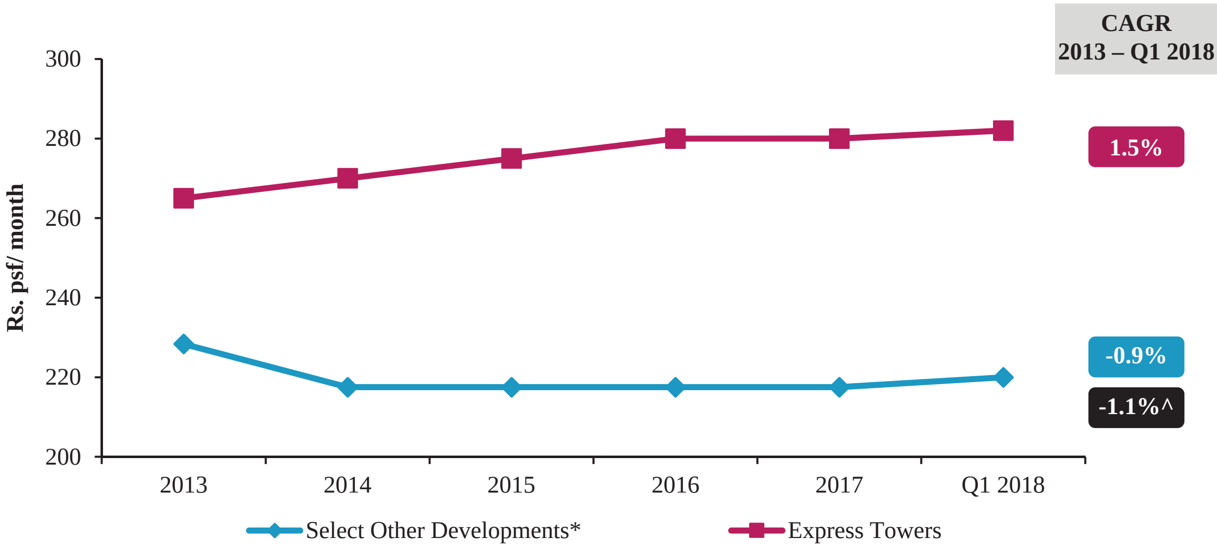


Source: CBRE Research, Considered zero absorption for year 2013 which had positive gross absorption but negative net absorption
Note: No Supply and Absorption in Q1 2018 in CBD

CBD: Rental Growth

CBD rents have declined by 0.9% since 2013 but have started to grow modestly over the past 12 months and now stand at Rs. 180–250 psf / month. Express Towers commands a rental premium to the rest of the CBD sub-market (current rents of Rs. 270-280 psf / month) due to its recent refurbishment, high standard of building specifications, superior maintenance and institutional ownership. It continues to attract high-quality tenants and has beaten the CBD market with rental growth of 1.5% since 2013 and approximately 4-6% over the last 12 months. *(Source: CBRE Research)*

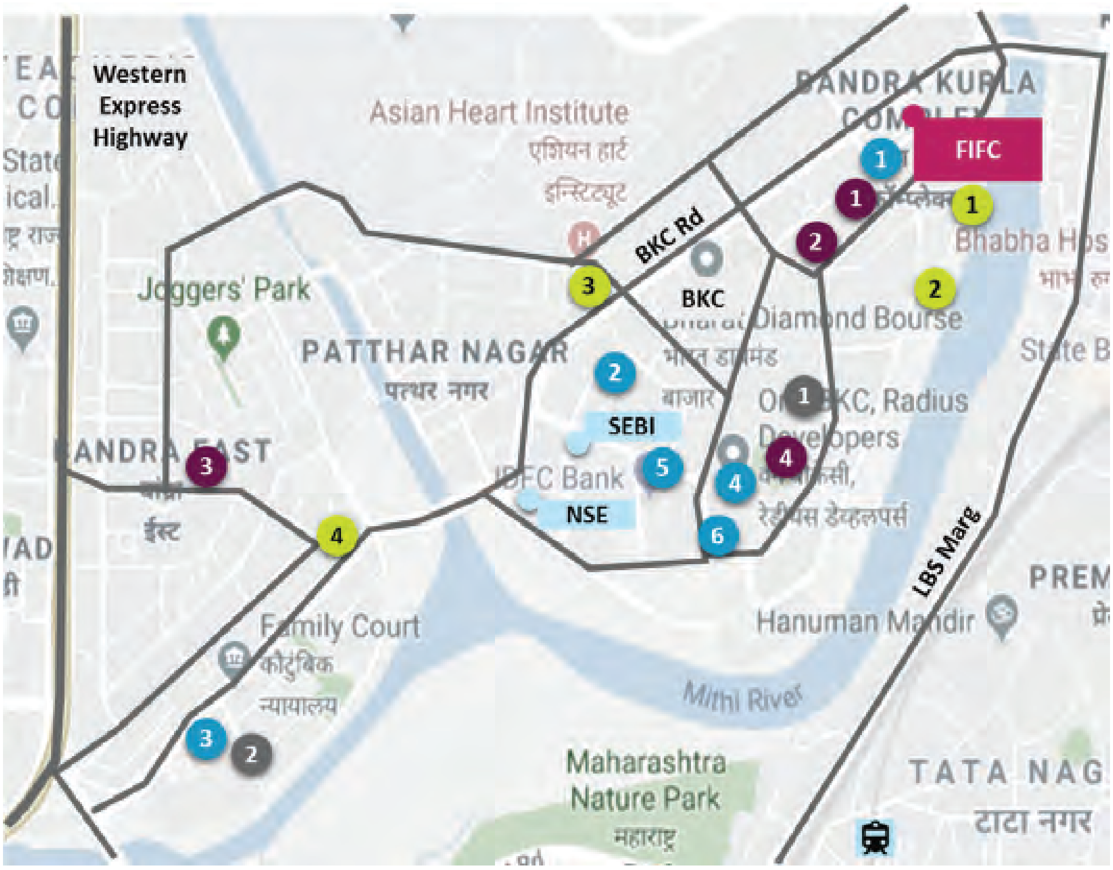
CBD - Rental Trends



*Source: CBRE Research; Embassy REIT's asset rental is representative of Marginal rent; *: Competing developments identified by CBRE; ^: Indicates sub-market rental growth CAGR over 2013-Q1 2018*

Alternate Business District (ABD) Profile

Bandra Kurla Complex ("**BKC**"), part of MMR's ABD sub-market, has emerged as one of the most important office destinations in MMR due to the presence of major financial institutions as well as other large corporates (such as pharmaceutical companies and consulting firms) and government entities. BKC is well-connected to the rest of the city via road and rail and is also in proximity to the airport. There are residential pockets in the locality of the complex as well as established social and physical infrastructure including hotels, hospitals and wide roads.



Key Office Developments **Social Infrastructure** **Lifestyle Infrastructure** **Proposed Infrastructure**

The surrounding social & lifestyle infrastructure and key office developments in ABD are as follows:

#	Lifestyle Infrastructure	#	Social Infrastructure	#	Key Office Developments	#	Proposed Infrastructure
1	Sofitel Hotel	1	American School of Bombay		FIFC	1	Reliance Convention Centre & Mall
2	Trident Hotel	2	Dhirubhai Ambani International School	1	TCG Financial Centre	2	Maker Maxity Mall & Hotel
3	RNA Cinemax	3	Asian Heart Hospital	2	The Capital		
4	Mumbai Cricket Association	4	Guru Nanak Hospital	3	Maker Maxity		
				4	One BKC		
				5	Raheja Tower		
				6	Godrej BKC		

Source: CBRE Research

ABD: Supply / Demand dynamics

Particulars	ABD
Average Annual Office Absorption (2013 – 2017)	Approximately 0.61 msf
Rental Growth (CAGR 2013 – Q1 2018, %)	Approximately -2.2%
Future Supply (Q2 2018 – 2019, msf)	Q2 to Q4 2018: Nil 2019: Approximately 0.38 msf
Current Vacancy (%)	Approximately 23.0% Vacancy in developments competing with FIFC is approximately 16.2% primarily on account of 0.57 msf of commercial space (60% vacant) launched in Q1 2018. Vacancy, prior to this recent supply injection, was less than 3.9%#

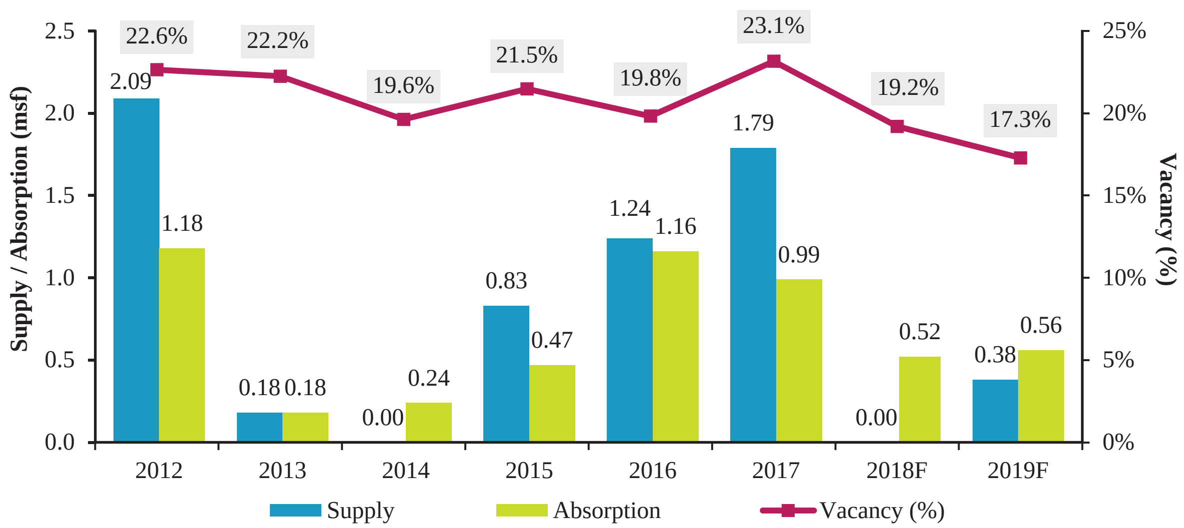
Source: CBRE Research; # FIFC faces competition from other buildings in BKC such as One BKC (A Wing), Godrej BKC, Maker Maxity, etc.

ABD: Supply, Absorption & Vacancy

ABD (primarily BKC and its surrounding areas) has witnessed sustained leasing activity from the financial services sector and, due to the presence of various banks and other financial sector players in the area, is expected to continue as the preferred hub for financial services tenants in MMR. There are a number of Grade A office buildings in BKC but only a few compare with FIFC (Embassy REIT's asset)—other developments are not comparable due to either sub-optimal location, strata ownership, smaller floor plates or inferior specifications. Although current vacancy in the sub-market is approximately 23.0%, the vacancy in buildings competing with FIFC is approximately 16.2% and this is primarily due to a 0.57 msf (60% vacant) space, which was only launched on the market in Q1 2018. Excluding this recent supply, vacancy in FIFC's comparable buildings is less than 3.9%. *(Source: CBRE Research)*

There is very limited supply expected in BKC (just 0.38 msf in 2018-19) and it may not be comparable with FIFC. There are also no other projects currently planned in BKC. In the last few years, no land deals have been executed by MMRDA (the agency which governs the development of land in BKC) and this is expected to curb the supply of office space over the next 3 years. There is a mixed-use supply forecast in the market—this is currently under construction, however, CBRE understands that this space is expected to be used for self-occupation and it has therefore been excluded from the competition set for future supply. *(Source: CBRE Research)*

ABD - Supply, Absorption & Vacancy

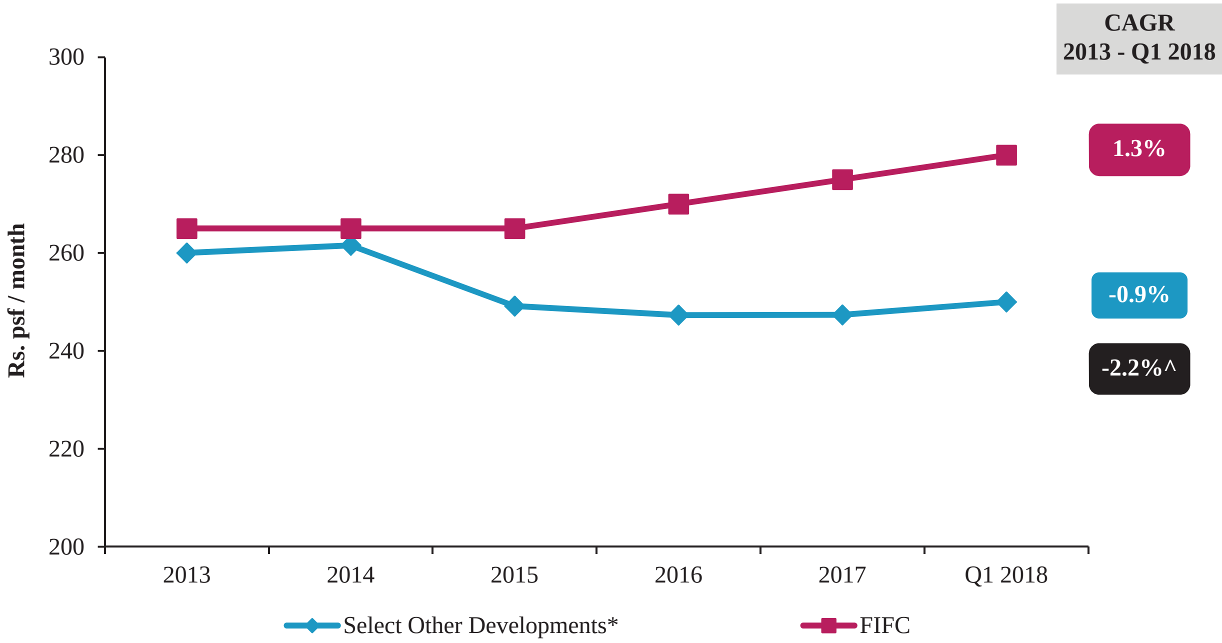


Source: CBRE Research
Note: Q1 2018 (msf): Supply—Nil, Absorption—0.02

ABD: Rental Growth

ABD (primarily BKC and its surrounding areas) houses the front offices of various banks and corporate headquarters and commands the highest rents in the city due to its well-planned infrastructure, superior connectivity to residential hubs and availability of high quality office space. Rents are expected to grow in 2019 due to the limited availability of high-quality office stock. Existing Grade A supply is concentrated in buildings such as FIFC, Godrej BKC, One BKC, Maker Maxity and these assets are expected to experience rent growth given the lack of high-quality alternative options for large office occupiers. Given lack of supply, superior quality and recent upgrades, FIFC has attracted marquee tenants such as Google & McKinsey and has commanded premium rentals.

ABD - Rental Trends



*Source: CBRE Research; Embassy REIT's asset rental is representative of Marginal rent; *: Competing developments identified by CBRE; ^: Indicates sub-market rental growth CAGR over 2013-Q1 2018*

PBD East Profile

Embassy REIT's Embassy 247 is located in PBD East, which comprises locations such as Kurla, Vikhroli, Kanjurmarg and Powai. PBD East is a hub for Non-IT and technology back offices and companies from the manufacturing sector also form a major component of tenant demand.

Key Office Developments **Social Infrastructure** **Lifestyle Infrastructure**

#	Lifestyle Infrastructure	#	Social Infrastructure	#	Key Office Developments
1	Galleria	1	Godrej Memorial Hospital		Embassy 247
2	The Fern	2	Hiranandani International School	1	Godrej IT Park
3	Powai Plaza	3	Indian Institute of Technology – Bombay	2	Empire Plaza
4	D-mart	4	Hiranandani Hospital	3	iThink Techno Park
5	Renaissance	5	The Orchid International School	4	Kensington
6	Haiko Supermart	6	Bombay Scottish School	5	Winchestor
				6	Fairmont
				7	Supreme Business Park
				8	L&T Business Park

Source: CBRE Research

PBD (East): Supply / Demand Dynamics

Particulars	PBD East
Average Annual Office Absorption (2013 – 2017)	0.20 msf^
Rental Growth (CAGR 2013 – Q1 2018, %)	Approximately 0.4%
Future Supply (Q2 2018 – 2019, msf)	Nil
Current Vacancy (%)	Approximately 22.8% Vacancy in technology and SEZ buildings in vicinity of Embassy 247 (i.e. Powai, Vikhroli and Kanjurmarg) is 14.3%

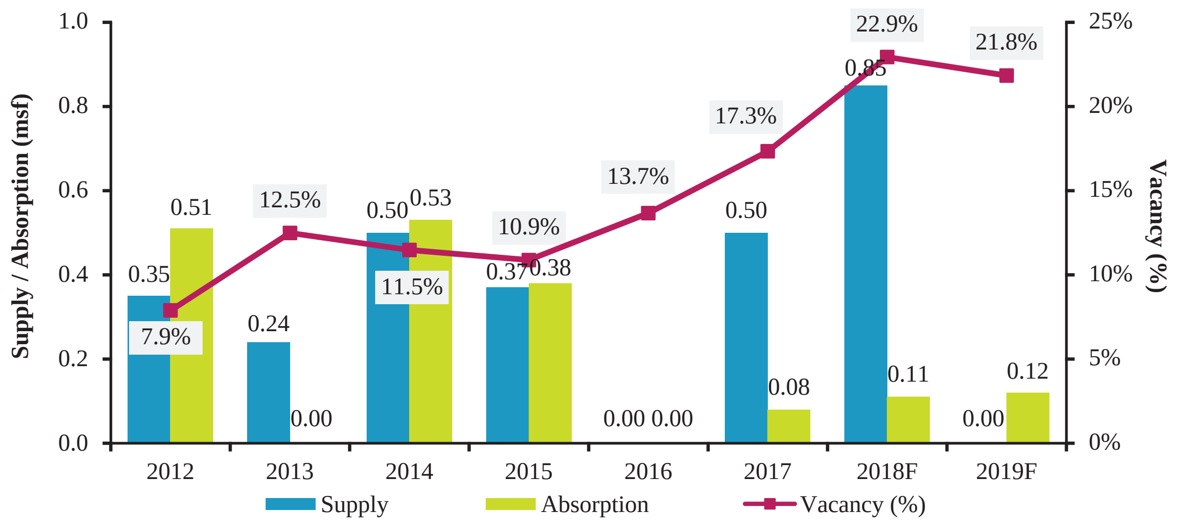
Source: CBRE Research; ^assuming zero absorption for years which had positive gross absorption but negative net absorption

PBD (East): Supply, Absorption & Vacancy

PBD (East) sub market over the past few years has witnessed stable year-on-year supply. Technology developments that have been launched in the vicinity of Embassy 247 (such as Powai, Kanjurmarg and Vikhroli areas) have been successfully leased and currently there is limited future technology supply in this area. Although current vacancy in the sub-market is approximately 22.8%, vacancy in technology and SEZ buildings in the vicinity of Embassy 247 is lower at approximately 14.3%. Due to superior asset management and recent upgrades, Embassy 247 has attracted high quality, new-age tenants like WeWork. Moreover, food court and retail area in Embassy 247 are currently being upgraded which will further improve the profile of the development.

There is no comparable technology supply forecasted in PBD (East) until 2019—this is expected to lead to a reduction in vacancy levels in the sub-market.

PBD (East) - Supply, Absorption & Vacancy

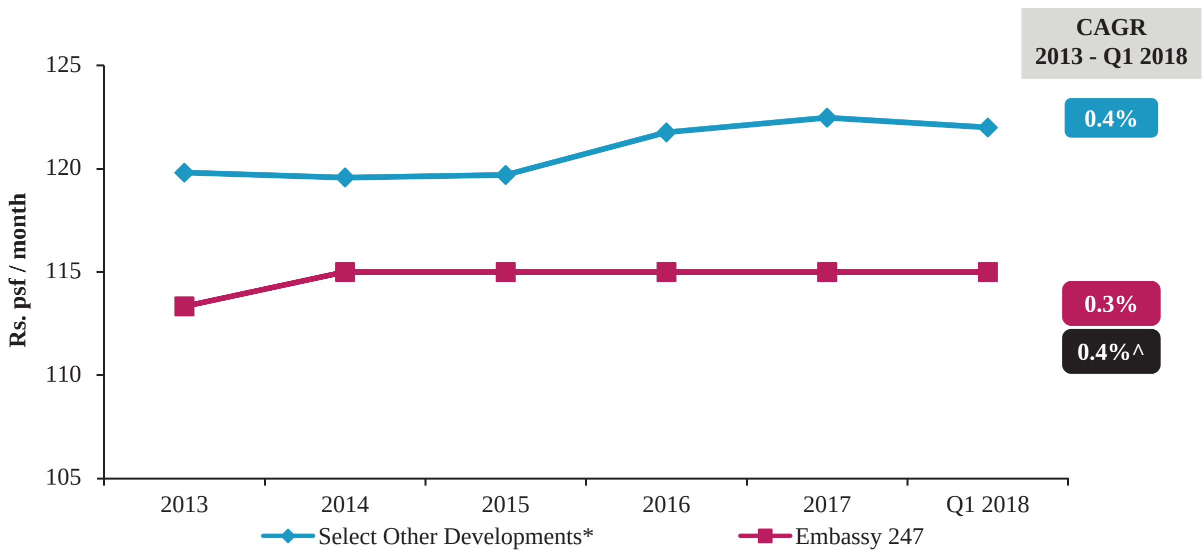


Source: CBRE Research.
Note: Data only includes Grade A, Multi Tenanted Buildings; with area > 75,000 sf; For technology developments in the sub-market. Considered zero absorption for years 2013 and 2016 which had positive gross absorption but negative net absorption; Q1 2018 (msf) for technology developments only: Supply – 0.85, Absorption – 0.13

PBD (East): Rental Growth

The comparable developments in the market have experienced moderate rent growth of 0.4% since 2013—however, the low level of technology supply in the market should support growth in the future for the technology buildings located here. Embassy 247 is well positioned and enjoys strong connectivity with the Western Suburbs, South Mumbai and Eastern Suburbs. Historically the asset has achieved rents of Rs. 110-115 per sf per month compared to Rs. 100-120 per sf per month for the broader PBD (East) market. Recently, marquee tenants have taken up space in the building and planned capex projects are expected to further improve its profile and attract high-quality tenants at higher rents.

PBD (East) - Rental Trends



*Source: CBRE Research; Embassy REIT's asset rental is representative of Marginal rent; *: Competing developments identified by CBRE; ^: Indicates sub-market rental growth CAGR over 2013 – Q1 2018*

Pune

Overview

Pune is the second largest city of Maharashtra (one of the most industrialized states in India) and is located approximately 150 km from Mumbai. Known as "Oxford of the East" due to its renowned educational institutions, it is considered one of India's most cosmopolitan cities and had a population of more than 3.3 mn people in 2011 (+30% increase since 2001). *(Source: Office of the Registrar General & Census Commissioner, India, Population of Pune City, 2011)*

The city is an established industrial, automobile and defense hub and is home to several large engineering and automobile companies but has also emerged as one of India's key technology locations. This has fueled strong tenant demand and led to numerous technology firms (such as TCS, Infosys, Wipro) establishing operations there.

The key drivers of demand for office space in Pune are as follows:

- ***Grade A office parks and SEZs:*** large, high quality technology parks and SEZs attract major companies including technology companies like IBM, Cognizant as well as Credit Suisse, Barclays, etc. to the city
- ***Educated, skilled workforce:*** large skilled and technology savvy workforce and a high literacy rate of 80.0% as per Census 2011 *(Source: Office of the Registrar General & Census Commissioner, India)*
- ***Robust transport infrastructure:*** well connected by existing rail and road links (such as Mumbai—Pune Expressway and Mumbai—Bengaluru Highway) and by air from Pune International airport
- ***Well-developed social infrastructure*****:** access to schools, hospitals, hotels and a good network of shopping options
- ***Ongoing/planned infrastructure upgrades:*** construction of multiple metro-rail phases, a new international airport, a six-lane ring road and an extension of Bus Rapid Transit System (BRTS)

Pune Market

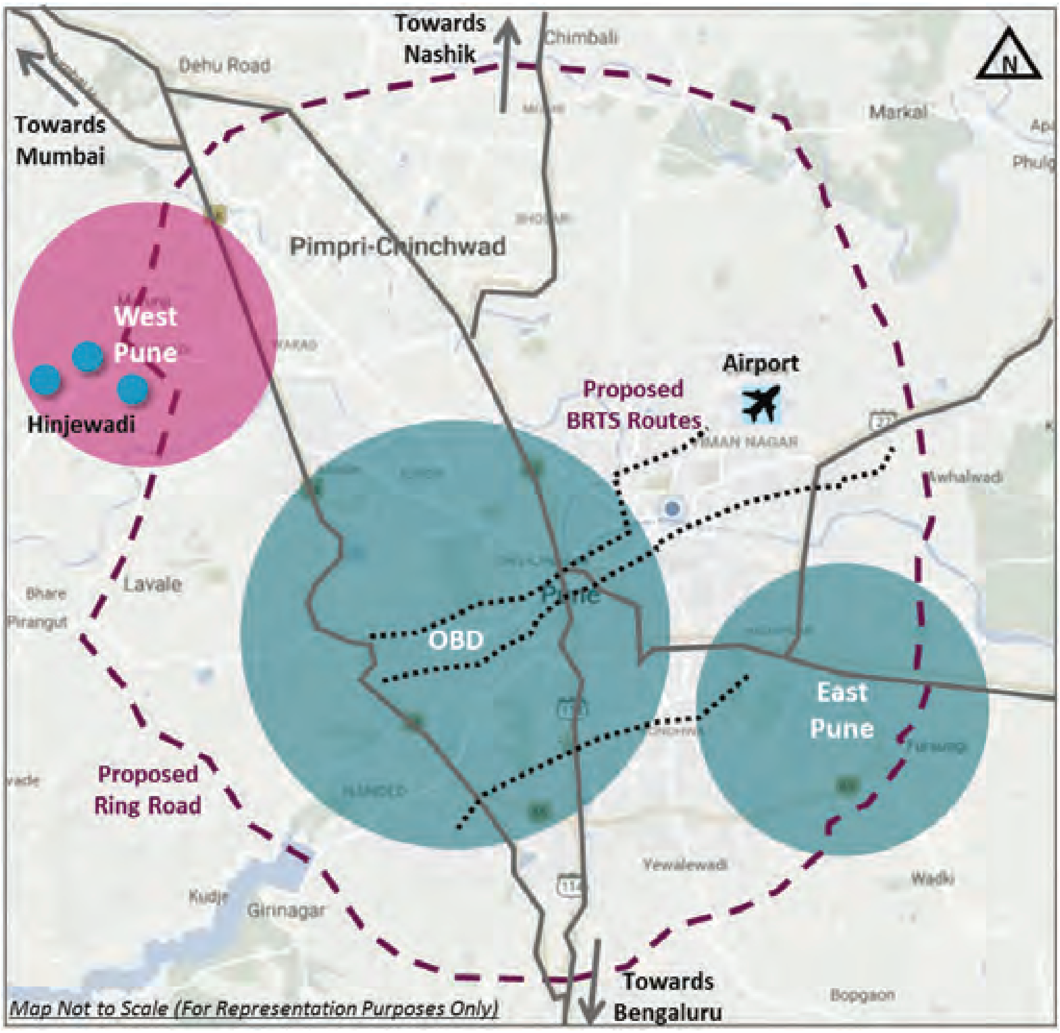
As at March 31, 2018, total Grade A office stock in Pune was approximately 46.86 msf with vacancy of approximately 6.6%. As at March 31, 2018, SEZ office stock accounted for 36% of total stock with more than 50% of the SEZ stock being concentrated in West Pune.

Particulars	Details
Total completed stock (Q1 2018)	Approximately 46.86 msf
Current occupied stock (Q1 2018)	Approximately 43.79 msf
Current Vacancy (Q1 2018)	Approximately 6.6%
Average Absorption (2013 – 2017)	Approximately 3.75 msf
Future Supply (Q2 2018 – 2019)^	Q2 to Q4 2018: Approximately 2.21 msf 2019: Approximately 1.94 msf
General Lease Terms	9 years (3+3+3), 10 years (5+5)

Source: CBRE Research; ^includes Technology, SEZ and Non-IT stock

Pune: Key Office Sub—Markets

The office market consists of three sub-markets: West Pune (where Embassy REIT's assets are located), East Pune and Other Business District ('OBD').



Embassy REIT Assets   Embassy REIT Sub-Market

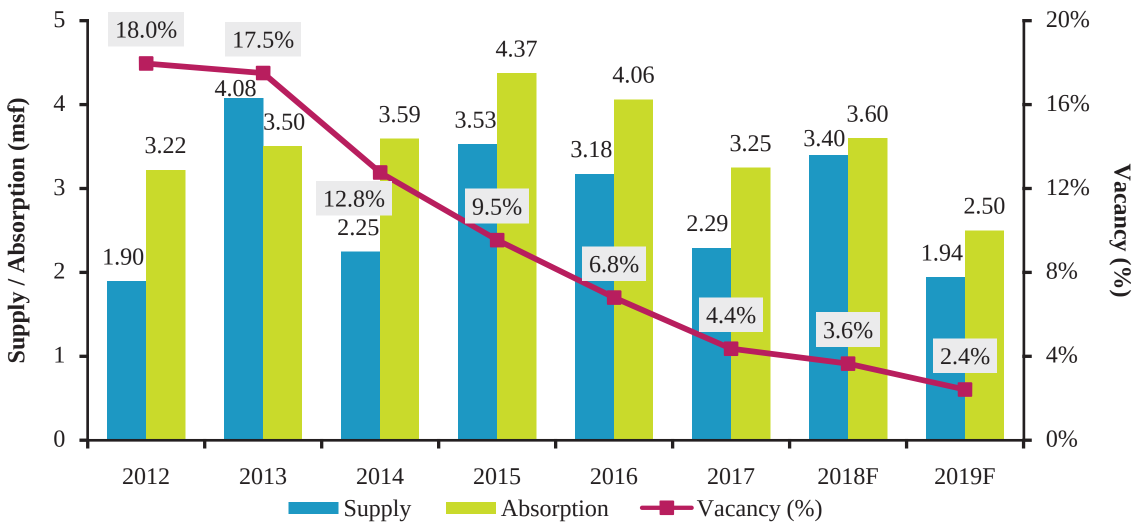
Sub-market	East Pune	West Pune (Embassy REIT Market)	Other Business Districts
Locations	Kharadi, Phursungi,	Hinjewadi	Koregaon Park, Bund Gardens, Wakdewadi, FC Road, Senapati Bapat Road, Aundh, Baner, Kalyani Nagar, Nagar Road etc.
Total completed office stock (msf) – as at March 31, 2018	8.59	9.96	28.29
Occupied stock (msf) – as at March 31, 2018	7.70	8.72	27.35

Source: CBRE Research

Pune: Supply, Absorption and Vacancy

Strong occupier interest and availability of quality office space at competitive rents have led to high absorption levels in Pune since 2012. As a result, vacancy has fallen sharply from 18.0% in 2012 to approximately 4.4% at the end of 2017 and, due to continuing supply constraints, is expected to decline further to 2.4% by the end of 2019.

Pune - Supply, Absorption & Vacancy

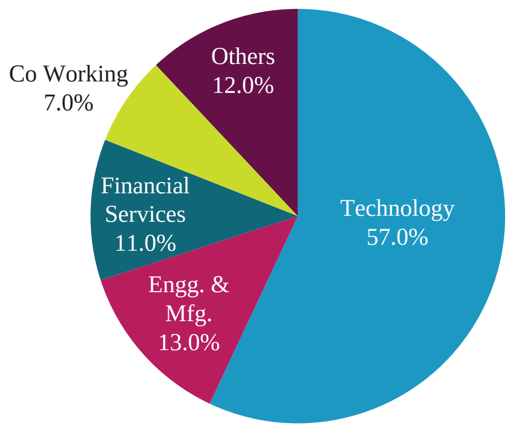


Source: CBRE Research;
Note: Q1 2018 (msf): Supply – 1.19, Absorption – 0.11

Pune: Absorption by Tenant Sector

Given Pune's position as a key technology hub in India, take up has predominantly been from technology tenants, which accounted for almost 57.0% of absorption since 2017.

Absorption: 2017 – Q1 2018 (approximately 3.36 msf)

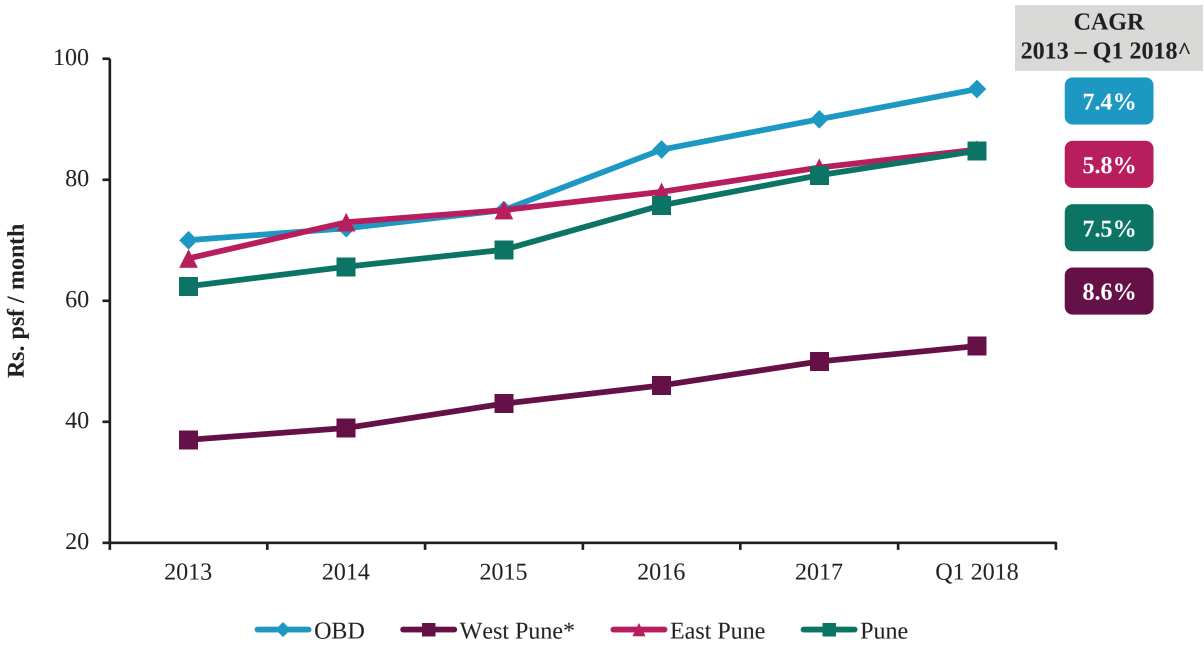


Source: CBRE Research
Note: Others include Research, Consulting and Analytics, FMCG, Infrastructure, Real Estate and logistics, etc

Pune: Rental Growth

Due to the high level of tenant demand, Pune office rents have grown by a robust 7.5% since 2013. Growth has been particularly strong in West Pune (where Embassy REIT's three office parks are located). Rents in West Pune have increased at a CAGR of 8.6% since 2013. Average rents in this sub-market are now between Rs. 40-50 psf/month, which offers significant value when compared to other areas of the city (such as East Pune at Rs. 65-90 psf/ month). (*Source: CBRE Research*)

Pune - Rental Trends



*Source: CBRE Research; *indicates sub-markets housing Embassy REIT developments ^December 31, 2013 to March 31, 2018*

Embassy REIT's Sub-Market

Embassy REIT's three office parks in the city (Embassy TechZone, Embassy Quadron and Embassy Qubix) are all located in West Pune, the sub-market with fastest rental growth (CAGR of 8.6%) in the city between December 31, 2013 and March 31, 2018.

West Pune

West Pune has become one of the most popular office locations in the city given its campus style office parks, transport links and connection to MMR via the Mumbai-Pune Expressway. Development of additional residential projects to cater to the growing technology workforce in the locality as well as its excellent social and lifestyle infrastructure have also further strengthened the market outlook for office leasing. The sub-market is home to major MNCs and Indian companies, such as Infosys, Wipro, TCS, Cognizant, Tech Mahindra, Credit Suisse, Barclays and Accenture.

Key Office Developments — Social Infrastructure — Lifestyle Infrastructure

#	Lifestyle Infrastructure	#	Social Infrastructure	#	Key Office Developments	Tenants
1	Courtyard by Marriott	1	Hinjewadi Hospital		Embassy TechZone	IBM, Mercedes
2	XION Mall	2	Ruby Hall Clinic		Embassy Quadron	Cognizant, Barclays, eClerx Service
3	Caspia Hotel	3	Blue Ridge School		Embassy Qubix	Accenture, L&T Infotech, Cisco
4	Lemon Tree Hotel	4	Mercedes School	1	International Tech Park	Infosys, Synechron
5	Hyatt Palace Hotel	5	Pumpkin Patch School	2	Panchshil Tech Park	Airtel, MLS Business Centre
6	Le Royale Hotel	6	Podar School	3	Radius Tech Park	Brintons Carpets, Symphony Tele.
7	Radisson Blu	7	Pawar School	4	Blue Ridge - Ascendas	L&T, Globant
8	Holiday Inn	8	International Institute of Information Technology			

Source: CBRE Research

West Pune: Supply / Demand Dynamics

Particulars		West Pune
Average Annual Office Absorption (2013 – 2017)		Approximately 0.70 msf
Rental Growth (CAGR 2013 – Q1 2018, %)		Approximately 8.6%
Total Future Supply (Q2 2018 – 2019, msf)	Q2 to Q4 2018:	Nil
	2019:	Approximately 0.30 msf
Forecasted Rental Growth p.a. (2018 & 2019, %)		Approximately 5.0 – 6.0%

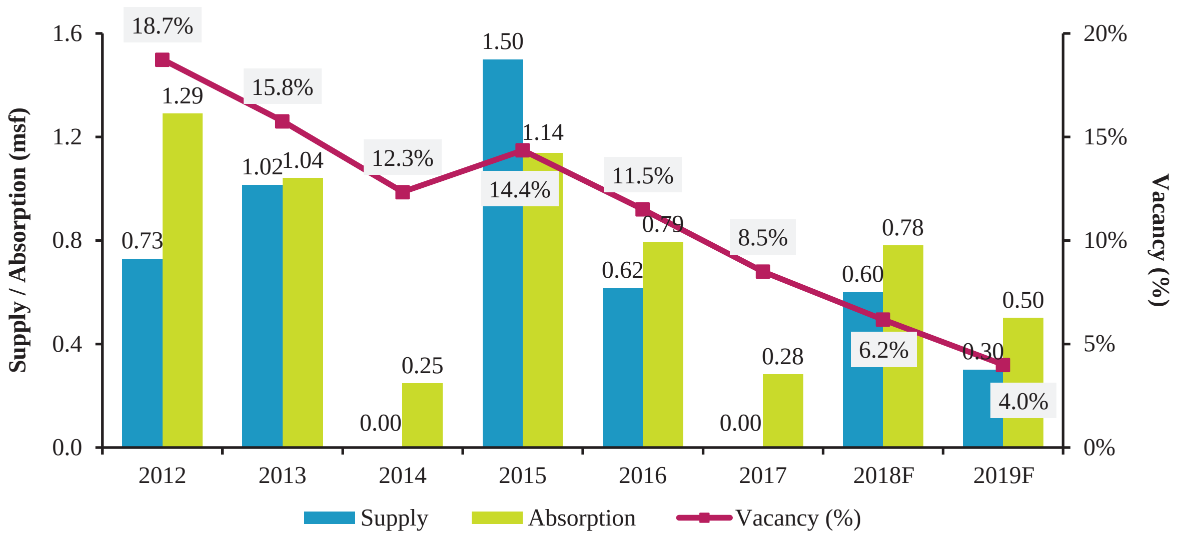
Source: CBRE Research

West Pune: Supply, Absorption & Vacancy

Vacancy levels in West Pune have declined significantly (by 1020 bps) over the past 5 years to 8.5% as of December 31, 2017. Demand continues to outweigh supply and vacancy is expected to further decrease to 4.0% in 2019.

There is limited new supply forecasted to complete in West Pune until 2019 and the entire new supply will be non-technology-focused and thus will not directly compete with Embassy REIT's assets.

West Pune - Supply, Absorption & Vacancy

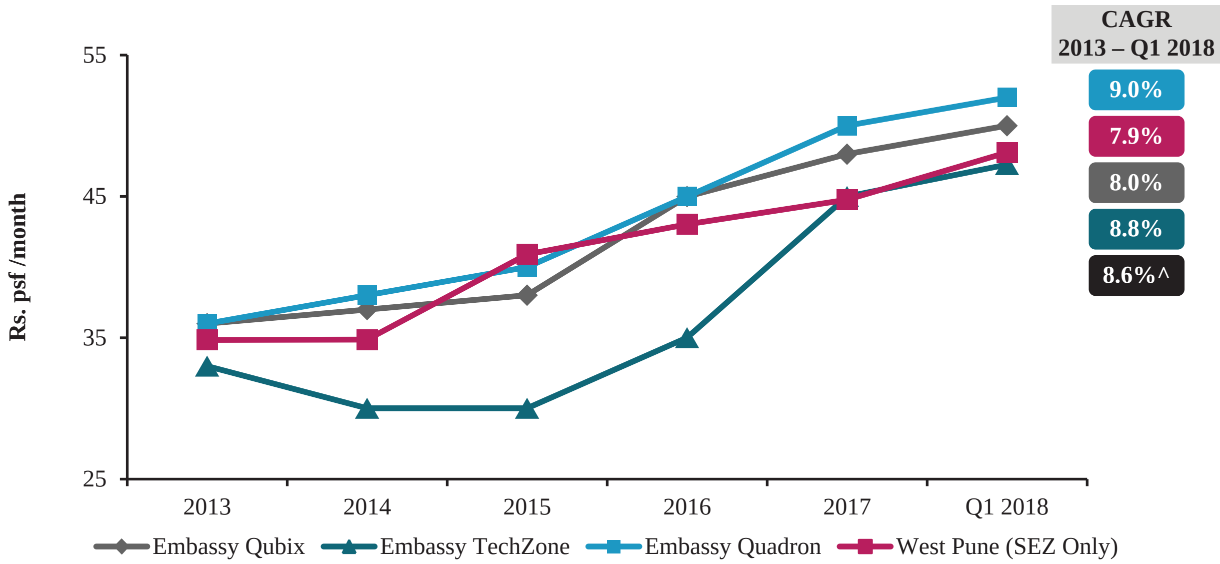


Source: CBRE Research
Note: Q1 2018 (msf): Supply – 0.60, Absorption – 0.16

West Pune: Rental Growth

Embassy REIT's three office parks in West Pune have all performed strongly over the last 5 years, achieving rental growth of 8-9%. All three parks command premium rentals (Rs. 48-50 psf / month) compared to other developments in the market (Rs. 40-50 psf / month) due to their prominent locations and the quality of amenities and facilities provided to tenants (such as gym, café, food court, amphitheatre). *(Source: CBRE Research)*

West Pune - Rental Trends



Source: CBRE Research; Embassy REIT's asset rental is representative of Marginal rent; ^: Indicates West Pune rental CAGR over 2013-Q1 2018

Noida

Overview

Noida forms part of the National Capital Region ("**Delhi NCR**") and is a key suburb of India's political capital, Delhi. The city is viewed as a technology hub and has also emerged as a cluster for electronics manufacturing—it has 13 mobile phone manufacturing units (including the world's largest). Noida's 'Film City' houses the Asian Academy of Film and Television as well as the studios of various prominent news channels in India. The presence in the city of multi-disciplinary, higher educational institutions ensures a significant pool of skilled and technology proficient workers.

The key drivers of demand for office space in Noida are as follows:

- ***Strategic location:*** Proximity to Delhi and Gurgaon (an established hub for MNC front offices in India)
- ***Cost effective market:*** Attractive destination for back office operations of large corporates due to its affordable office rents (compared to Delhi & Gurgaon) and availability of mid-priced residences *(Source: CBRE Research)*
- ***Technology & Outsourcing Hub:*** Cluster of technology, media, electronics' manufacturing and large public sector enterprises, supported by pro-industry government policies and initiatives
- ***Effective transport infrastructure:*** Well established road infrastructure (DND flyway, Dadri Road, Noida—Greater Noida Expressway) and rail (Delhi Metro, Mass Rapid Transit System "MRTS") connecting Noida with Delhi and Gurgaon
- ***Ongoing/planned infrastructure upgrades:*** Key initiatives include multiple road projects (an 8 lane bridge to Delhi, National Highway to Faridabad/ Ghaziabad, Inter – State Bus Terminal "ISBT") and rail extensions (metro links to MRTS)

Noida Market

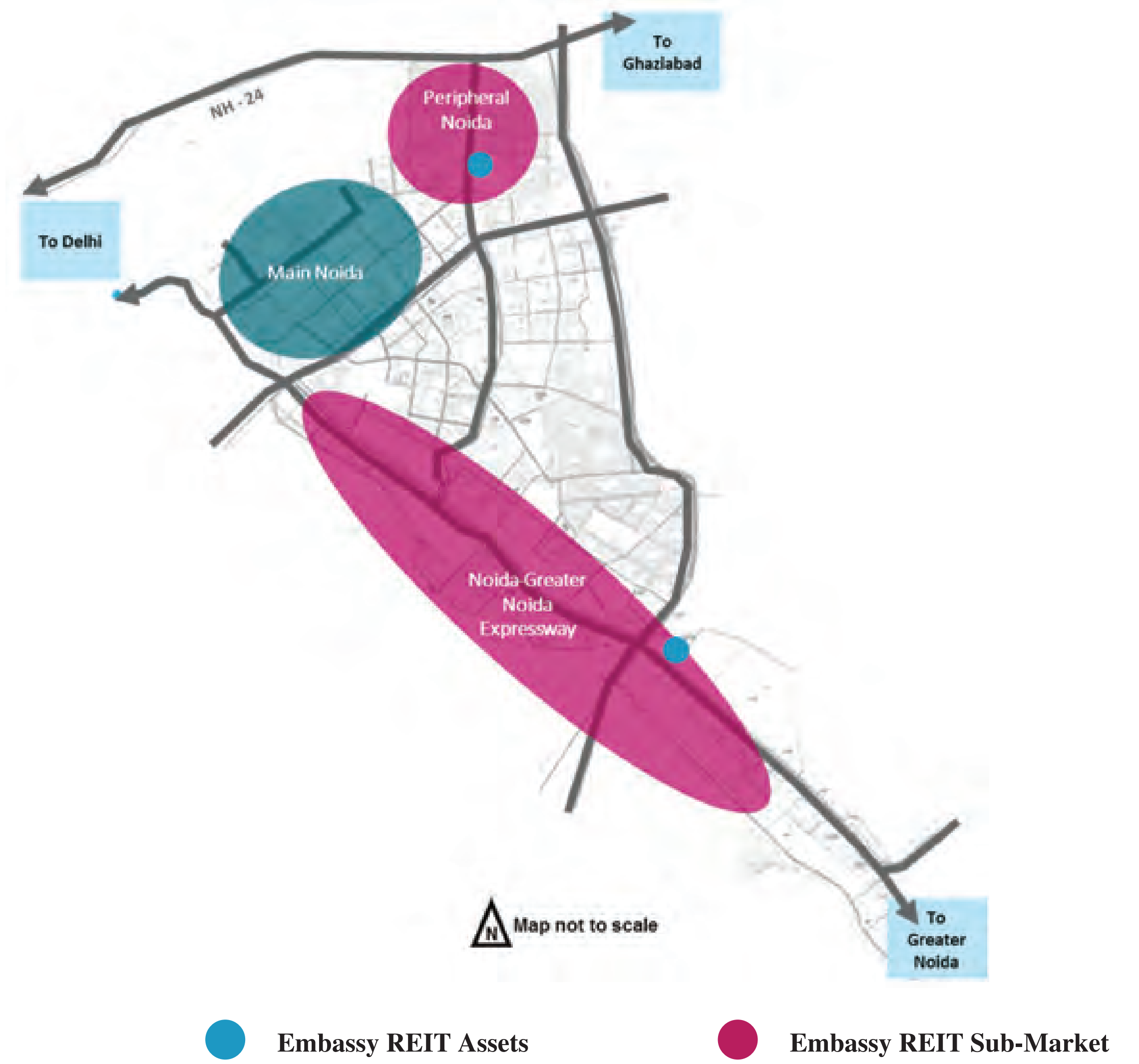
The table below highlights the key statistics of Noida's Grade A office market.

Particulars	Details^
Total completed stock (Q1 2018)	Approximately 17.17 msf
Current occupied stock (Q1 2018)	Approximately 15.11 msf
Current Vacancy (Q1 2018)	Approximately 12.0%
Average Absorption (2013 – 2017)	Approximately 1.21 msf
Future Supply (Q2 2018 – 2019)	Q2 to Q4 2018: Approximately 1.67 msf 2019: Approximately 1.18 msf
General Lease Terms	9 years (3+3+3), 15 years (5+5+5)

Source: CBRE Research
Note: Data provided for relevant peer set, i.e. buildings with area exceeding 75,000 sf & certain additional criteria; ^: includes Technology and SEZ stock

Noida: Key Office Sub—Markets

The Noida office market consists of three sub-markets: Main Noida, Peripheral Noida and Noida—Greater Noida Expressway ("**Noida Expressway**"). Peripheral Noida and Noida Expressway account for more than 85% of total office stock in the city. Noida only has two operational multi-tenanted SEZs—one of these is Embassy REIT's Oxygen.



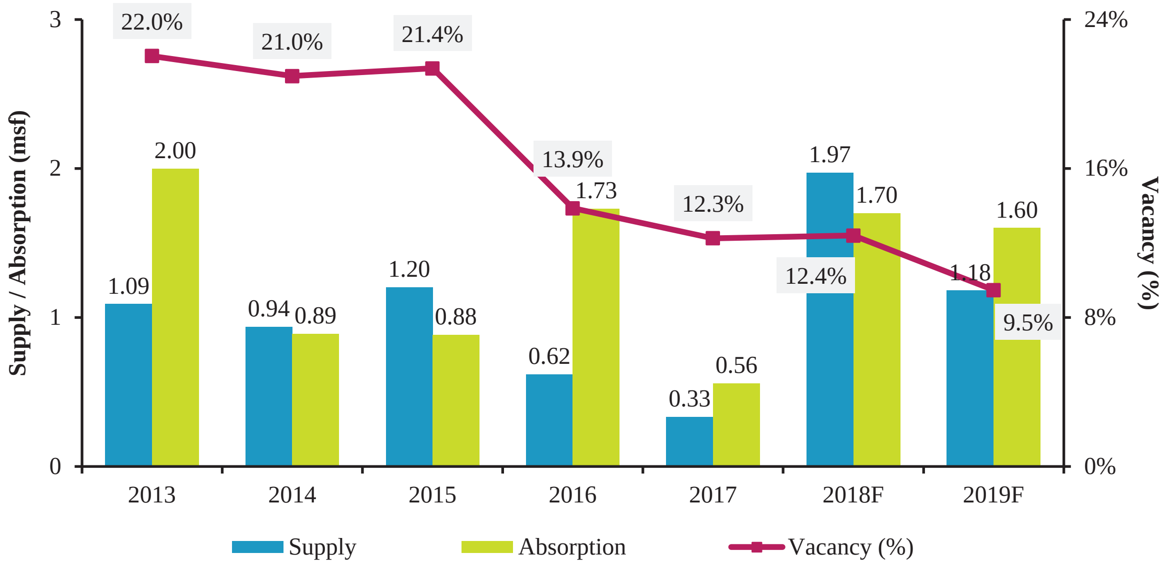
Sub-market	Main Noida	Peripheral Noida (Embassy REIT Market)	Noida Expressway (Embassy REIT Market)
Locations	Sectors 16, 16A, 18, etc.	Sectors 58-65	Sectors 125, 127, 132, 135, 140A, 142, and 144 located along / off Noida - Greater Noida Expressway, etc.
Total completed office stock (msf) – as at March 31, 2018^	2.35	6.61	8.21
Occupied stock (msf) – as at March 31, 2018^	1.71	5.89	7.51

Source: CBRE Research, ^includes Technology and SEZ stock

Noida: Supply, Absorption & Vacancy

Strong occupier interest and the availability of quality office space at competitive rents have resulted in sustained absorption in Noida over the past 4-5 years. As a result, vacancy levels in the city have fallen sharply from 22.0% in 2013 to 12.0% as at March 31, 2018. Vacancy is projected to further decline to 9.5% in 2019 due to continuing tenant demand exceeding upcoming supply over 2018 and 2019.

Noida - Supply, Absorption & Vacancy

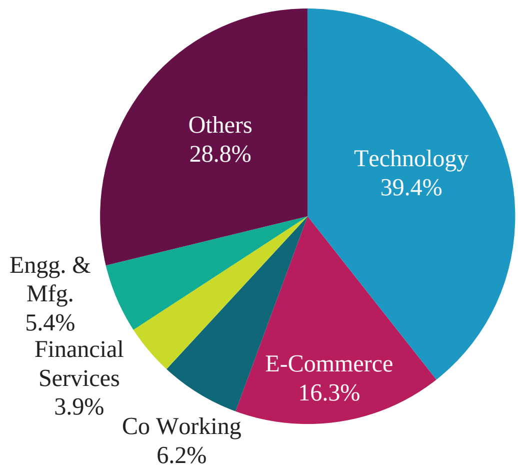


Source: CBRE Research;
Note: Q1 2018 (msf): Supply – 0.29, Absorption – 0.30

Noida: Absorption by Tenant Sector

Noida is a key technology and outsourcing hub in India. Since 2017, take-up has been predominantly by technology, e-commerce, and co-working companies, which accounted for approximately 62% of total absorption.

Absorption: 2017 - Q1 2018 (Approximately 0.86 msf)

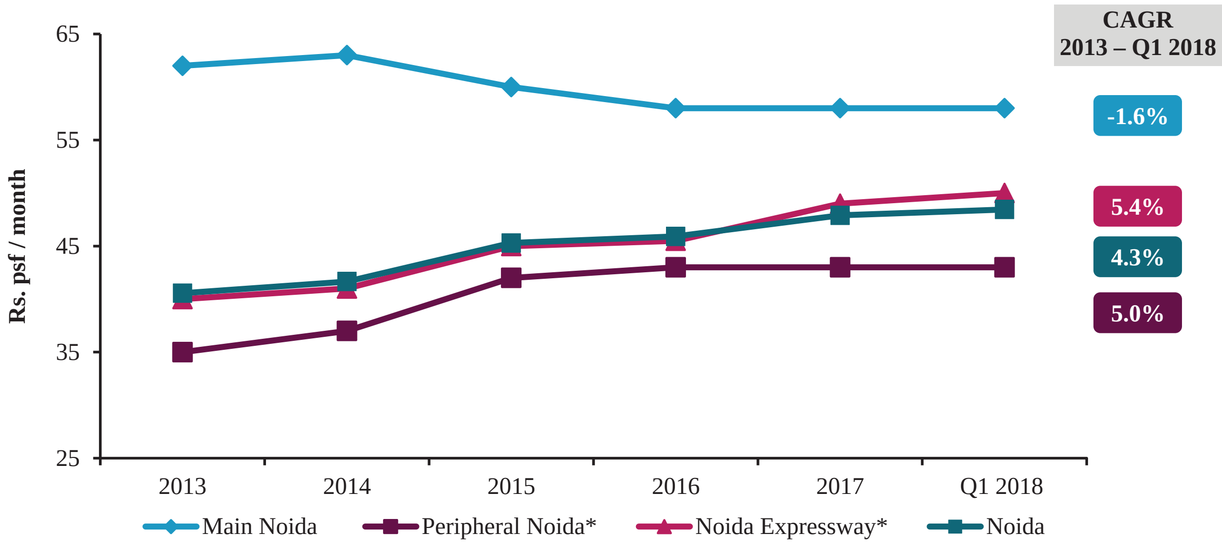


Source: CBRE Research
Note: Others include Research, Consulting and Analytics, Healthcare and Pharmaceuticals, Media, etc

Noida: Rental Growth

In recent years, occupier interest in Noida has shifted to the sub-markets of Noida Expressway and Peripheral Noida, given the availability of larger office spaces at affordable rents. As a result, both sub-markets have outperformed the broader Noida market since 2013, achieving CAGR of 5.4% and 5.0% respectively compared to market CAGR of 4.3%. Average rents in Noida Expressway and Peripheral Noida are now in the range of Rs. 45-55 psf / month and Rs. 40-50 psf / month respectively and therefore still remain attractive compared to Main Noida (Rs. 55-60 psf / month). (*Source: CBRE Research*)

Noida - Rental Trends



Source: CBRE Research, Indicates sub-markets housing Embassy REIT developments*

Embassy REIT's Sub-Markets

Embassy REIT's two office parks in the city, Embassy Oxygen and Embassy Galaxy, are located in Noida Expressway and Peripheral Noida respectively.

Noida Expressway: Profile

Noida Expressway has emerged as a preferred destination for large technology companies seeking expansion or entry strategies in Noida. It is the only sub-market in the city with SEZ stock and also has well-developed connectivity, social infrastructure (schools, hospitals, malls) and an availability of mid-priced housing. (*Source: CBRE Research*)

Key Office Developments | Social Infrastructure | Lifestyle Infrastructure

#	Lifestyle Infrastructure	#	Social Infrastructure	#	Key Office Developments	Tenants
1	Crystal Mall	1	Shiv Nadar School		Embassy Oxygen	EXL, Sapient, NTT Data Information
2	Supertech Mart	2	Jaypee Public School	1	Candor TechSpace	WNS, Accenture, Axtria, Xavient
		3	Indraprastha Global School	2	Advant Navis Business Park	Indiamart, British Council, Blackbox Corporation
		4	Jaypee Hospital	3	Assotech Business Cresterra	Regus, Techno Media Solutions
		5	Felix Hospital	4	Express Trade Towers 2	Naukri.com, Rekie Global
		6	Genesis Global School	5	Stellar 135	Genpact

Source: CBRE Research

Noida Expressway: Supply / Demand Dynamics

Particulars	Noida Expressway
Average Annual Office Absorption (2013 – 2017)	Approximately 0.56 msf
Rental Growth (CAGR 2013 – Q1 2018, %)	Approximately 5.4%
Future Supply (Q2 2018 – 2019, msf)	Q2 to Q4 2018: Approximately 1.67 msf
	2019: Approximately 0.59 msf
Forecasted Rental Growth p.a. (2018 & 2019, %)	Approximately 5.0 – 6.0%

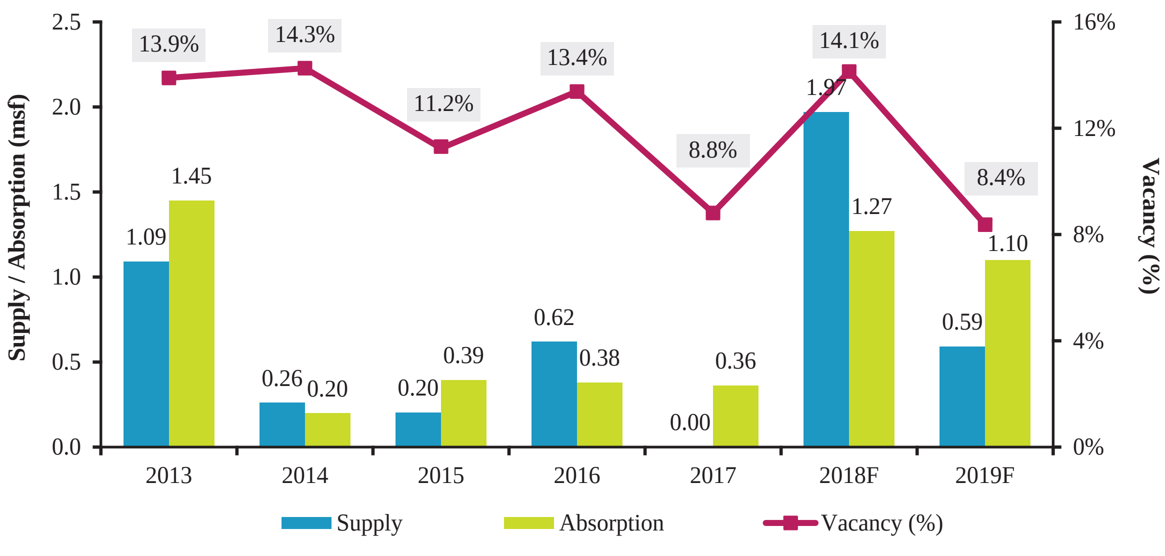
Source: CBRE Research

Noida Expressway: Supply, Absorption & Vacancy

Since 2015, Noida Expressway sub-market has benefitted from institutional investors acquiring its SEZ developments, which has led to superior asset management and maintenance of parks as well as introduction of tenant engagement programs. This has attracted high-quality tenants to the sub-market and reduced vacancy from 13.9% in 2013 to 8.8% in 2017. Vacancy is expected to drop to 8.4% in 2019.

CBRE estimates a supply pipeline of approximately 2.25 msf in Noida Expressway over Q2 2018 – 2019 of which 0.55 msf is already pre-leased. Approximately 58.7% of this supply is at Embassy Oxygen and competing developments. The supply at Embassy Oxygen is 'on-campus' and considerable demand is expected from existing occupiers due to their increasing preference to consolidate office space into a single location. (*Source: CBRE Research*)

Noida Expressway - Supply, Absorption & Vacancy

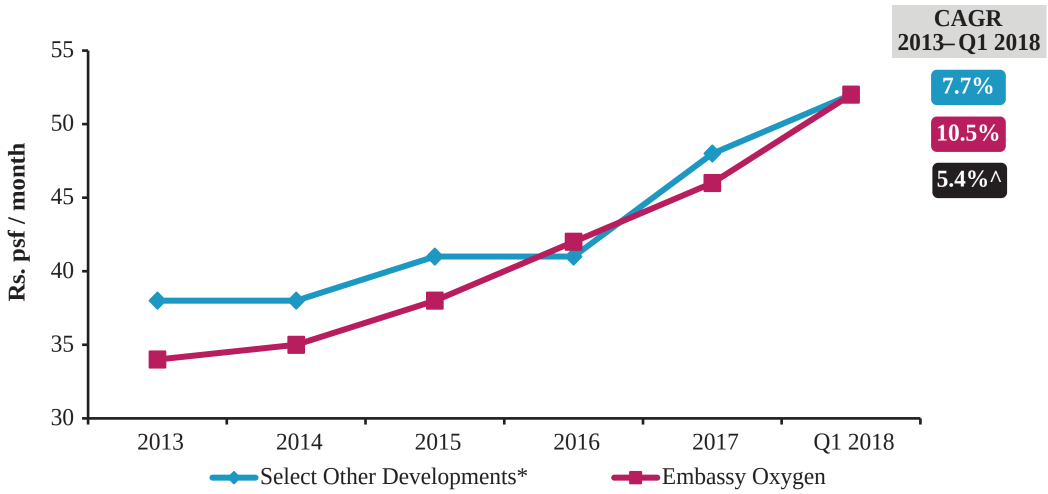


Source: CBRE Research
Note: Q1 2018 (msf): Supply – 0.29, Absorption – 0.29

Noida Expressway: Rental Growth

Rents in Noida Expressway have grown at 5.4% since 2013 and now stand at Rs. 45-55 psf/ month. Embassy REIT's office park, Embassy Oxygen, has grown at 10.5% over the same period, beating both the sub-market which has grown by 5.4% and competing developments which have grown by 7.7%. Given the limited stock of comparable buildings, Embassy Oxygen's rent is expected to continue to grow faster than the rest of its sub-market *(Source: CBRE Research).*

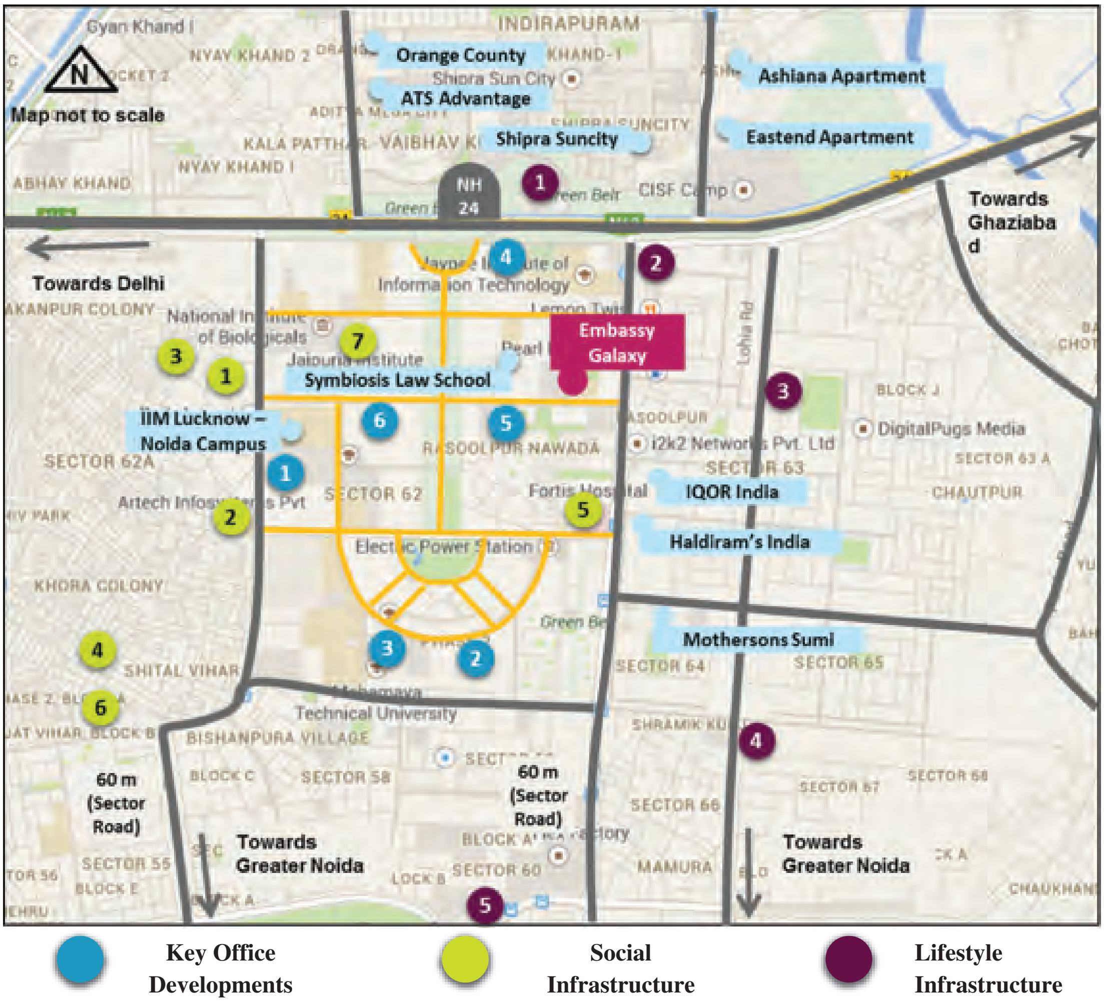
Noida Expressway - Rental Trends



*Source: CBRE Research; Embassy REIT's asset rental is representative of Marginal rent; *: Competing developments identified by CBRE; ^: Indicates sub-market rental growth CAGR over 2013-Q1 2018*

Peripheral Noida: Profile

Peripheral Noida is a well-known technology and outsourcing hub due to its affordable rents, its established connectivity and its social infrastructure—it houses numerous educational institutions such as IIM Lucknow—Noida Campus, Symbiosis Law School.



#	Lifestyle Infrastructure	#	Social Infrastructure	#	Key Office Developments	Tenants
1	Shipra Mall	1	Karl Huber School		Embassy Galaxy	DXC Technologies, TCS
2	Zygon Square	2	Indus Valley Public School	1	Candor TechSpace	Barclay, Pine Labs, Amazon
3	Furniture Mall	3	Indian National Public School	2	Logix Cyber Park	Samsung, Ebizon, Citibank
4	Nx One Mall	4	Krishna's Karmel Public School	3	Stellar IT Park	Prudential, Stefanini India
5	Shopprix Mall	5	Fortis Hospital	4	Knowledge Boulevard	Ericsson, Sendin Blue
		6	Shivam Hospital	5	Green Boulevard	Accenture, Dominion, Zenshar Tech
		7	Jaipuria Institute of Management	6	Okaya Center	Kone Elevator India

Source: CBRE Research

Peripheral Noida: Supply / Demand Dynamics

Particulars	Peripheral Noida
Average Annual Office Absorption (2013 – 2017)	Approximately 0.54 msf
Rental Growth (CAGR 2013 – Q1 2018, %)	Approximately 5.0%
Future Supply (Q2 2018 – 2019, msf)	Q2 to Q4 2018: Nil
	2019: Approximately 0.59 msf
Forecasted Rental Growth p.a. (2018 & 2019, %)	Approximately 5.0 – 6.0%

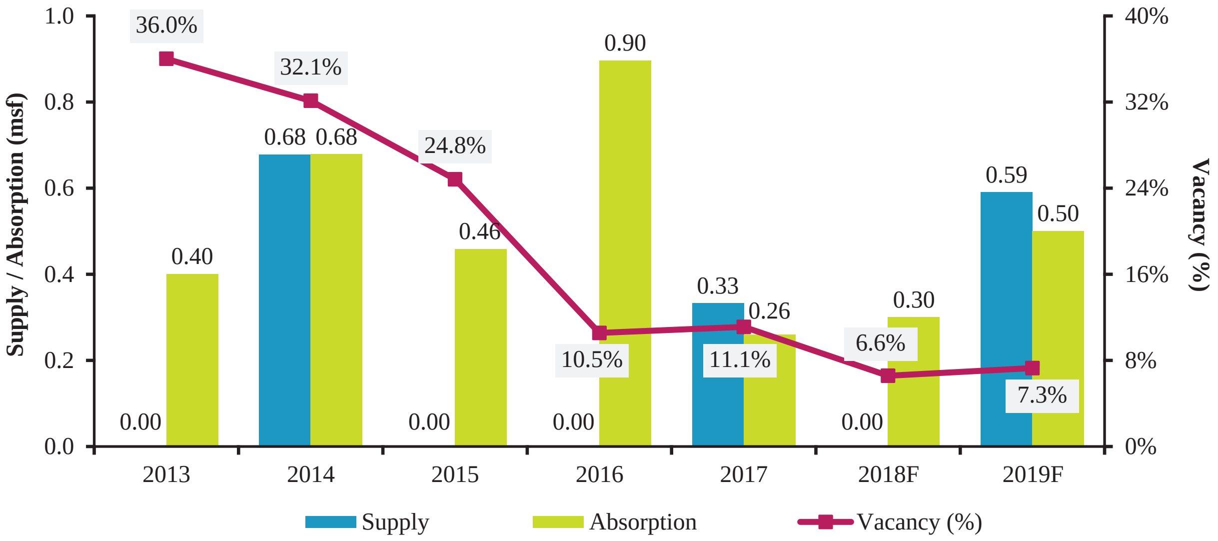
Source: CBRE Research

Peripheral Noida: Supply, Absorption & Vacancy

Between 2013 and 2017, total absorption in Peripheral Noida was approximately 2.70 msf which is substantially higher than the supply of approximately 1.01 msf. This has led to a reduction in vacancy levels from 36.0% to 11.1% over the same period. The drop in vacancy is expected to continue with vacancy forecasted to decline to 7.3% in 2019. (*Source: CBRE Research*)

CBRE estimates the future supply pipeline in Peripheral Noida to be approximately 0.59 msf until end of 2019, which is approximately 25% pre-leased. The availability of developable land parcels in the sub-market is negligible and this restricts supply.

Peripheral Noida - Supply, Absorption & Vacancy

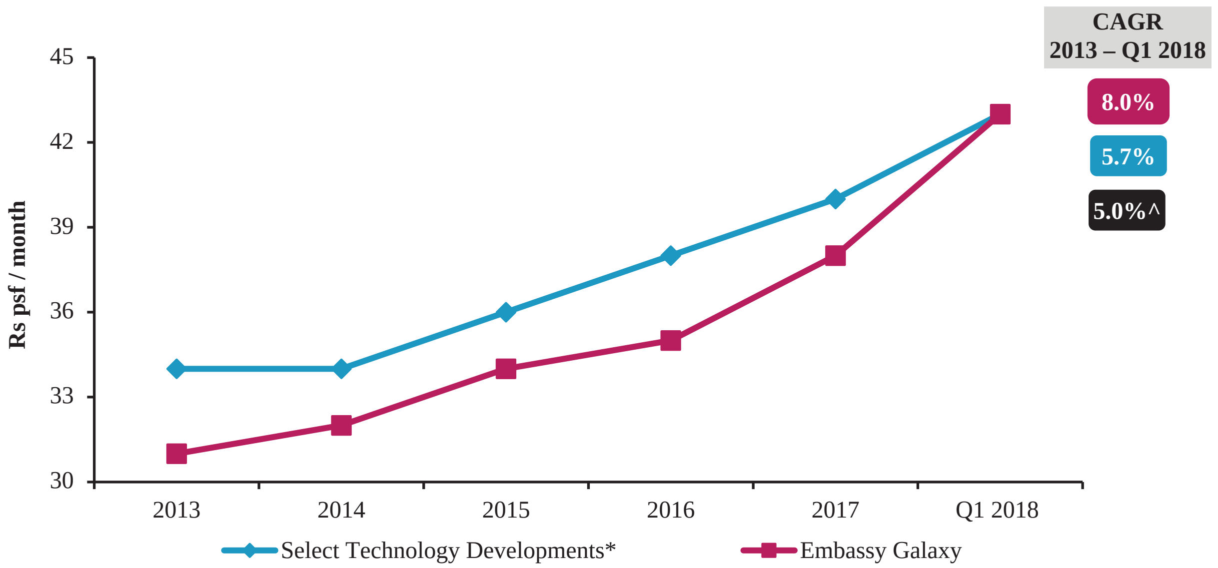


Source: CBRE Research;
Note: Q1 2018 (msf): Supply – Nil, Absorption – 0.02

Peripheral Noida: Rental Growth

From 2013 to March 31, 2018, rents at Embassy Galaxy (Embassy REIT's asset in Peripheral Noida) have grown by 8.0% and outperformed both the Peripheral Noida sub-market (5.0% growth) and comparable developments (5.7% growth). As per CBRE, the prevailing market rents both for the sub-market and Embassy Galaxy are now at Rs. 40–50 psf/ month. Given the limited stock of comparable buildings, Embassy Galaxy's rent growth is expected to continue to surpass the rest of its sub-market.

Peripheral Noida - Rental Trends



*Source: CBRE Research; Embassy REIT's asset rental is representative of Marginal rent; *: Competing developments identified by CBRE;*
^: Indicates sub-market rental growth CAGR over 2013-Q1 2018

OUR BUSINESS AND PROPERTIES

The following description of our business should be read together with our Condensed Combined Financial Statements for the nine months ended December 31, 2018 and 2017 and Fiscals 2018, 2017 and 2016 and the schedules and notes thereto, which appear elsewhere in this Offer Document.

References herein to "we", "our" and "us" are to the Embassy REIT, together with the Asset SPVs and, as the context requires, the Investment Entity, GLSP. The Embassy REIT will indirectly own a 50.0% economic interest in GLSP which holds Embassy Golflinks and it will be accounted for as an investee under the equity method of accounting. Unless otherwise stated, all operating data presented in this section includes 100% of the data relating to GLSP and should therefore be relied on with caution. For the details on GLSP and how GLSP is accounted for in our financials, please refer to "Presentation of Financial Data and Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 7 and 279 respectively. The Market Value of Embassy Golflinks presented in this section reflects only our 50.0% economic interest in GLSP.

The discussion below may contain forward-looking statements and projections of income, and reflects our current views with respect to future events and financial performance, which are subject to numerous risks and uncertainties. Such statements are based on the assumptions set forth in "Projections" and are subject to certain risks and uncertainties which could cause actual results to differ materially from those anticipated in these forward-looking statements and/or projections. As such, you should also read "Projections", "Risk Factors" and "Forward Looking Statements" on pages 321, 22 and 13, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Industry, macro-economic and market data and all industry related statements in this section have been extracted from either the CBRE Report (which we commissioned), the Valuation Report or the HTL Report. For further details, see "Industry Overview" on page 64. For further details and risks in relation to commissioned reports, see "Risk Factors—This Offer Document contains information from the CBRE Report which we have commissioned." on page 47 and "Presentation of Financial Data and Other Information" on page 7, respectively.

Unless otherwise specified, in this section, (i) references to area or square footage of the Portfolio as a whole or of any individual office property is to Leasable Area; (ii) all operational data of the Portfolio is presented as of December 31, 2018 and (iii) references to tenure of our leases with our tenants and WALE for our assets assumes renewals by our tenants after the initial commencement period (which is typically three to five years).

In this section, "last three years" refers to the period covering Fiscal 2016, 2017 and 2018 (i.e., April 1, 2015 to March 31, 2018); the "last three years and nine months" refers to the period covering Fiscal 2016, 2017 and 2018 and the nine months ended December 31, 2018 (i.e., April 1, 2015 to December 31, 2018); the "last two years and nine months" refers to the period covering Fiscal 2017 and 2018 and the nine months ended December 31, 2018 (i.e., April 1, 2016 to December 31, 2018); and "last five years and nine months" refers to the period covering Fiscal 2014, 2015, 2016, 2017 and 2018 and the nine months ended December 31, 2018 (i.e., April 1, 2013 to December 31, 2018).

For the definitions of technical terms (such as "market rent" and "in-place rent"), please see "Definitions" on page 487.

Overview

We are the owner of a high quality office portfolio in India that serves as essential corporate infrastructure to multinational tenants and has significant embedded growth prospects. We expect to be the first listed REIT in India upon the listing of our Units on the Stock Exchanges and believe that there is no other office portfolio of comparable scale, diversity and quality in India today. Over the last two decades, India has emerged as a leading services hub for global corporations due to its large talent pool and cost advantage for high value services. This along with the growth of domestic companies, has resulted in robust demand for commercial office space and strong growth across India's major office markets.

Our Portfolio comprises seven best-in-class office parks and four prime city-center office buildings totaling 32.7 msf as of December 31, 2018, with strategic amenities, including two completed and two under-construction hotels totaling 1,096 keys, food courts, employee transportation and childcare facilities. We believe we have invested in amongst the highest quality assets in the best performing submarkets of India's key office markets of Bengaluru, Pune, Mumbai and Noida. These markets have exhibited strong market dynamics with world leading absorption (from 2013 – Q1 2018) and constrained forecast supply resulting in high rent growth and low vacancy on average.

We own one of India's largest office portfolios and believe that replicating such a platform would be difficult given land acquisition complexities and long development timelines in India. Approximately 80.9% of the Gross Rentals from our 160+ marquee tenant base is contracted with leading multinational corporations and approximately 43.4% is contracted with Fortune 500 companies such as JP Morgan, IBM and Microsoft, as of December 31, 2018. Our high quality tenant base along with long-term contracted rentals (with a WALE of 7.0 years) provides considerable stability to our Portfolio.

While our Portfolio is highly stabilized at 95.0% Committed Occupancy, we are well positioned to achieve further organic growth through a combination of contractual rent escalations, re-leasing at market rents (we estimate that the market rents of our properties are 33.6% above in-place rents), lease-up of vacant space and new construction within the Portfolio to accommodate tenant expansion. Portfolio revenue from operations is projected to grow by 55.8% over the Projections Period primarily due to these factors. We believe the scale and quality of our business that has given us a market leading position, makes our properties the preferred office location in each of their respective submarkets and allows us to offer consolidation and expansion options for our tenants. This has enabled us to attract, retain and grow multinational tenants in our parks leading to tenant stickiness. As a result, we have grown our revenue from operations by 15.4% over FY2016 to FY2018.

Over the last three years and nine months, through our disciplined operating and investment expertise, we have:

- Leased 6.8 msf of total office space and achieved average re-leasing spreads of 48.0% on approximately 2.7 msf of re-leased space;
- Achieved 80.9% tenant retention rate, with 7.7 msf of office space renewed (including exercise of renewal options), without incurring material tenant improvement capital expenditure ("TI capex");
- Demonstrated a 7.1% Same-Store Rental CAGR across the Portfolio Assets and the Portfolio Investment over FY2016 to FY2018, by attracting and retaining high quality tenants;
- Grown our Portfolio by 3.1 msf through strategic acquisitions and the continued build out of our office parks;
- Achieved a Committed Occupancy of 95.0% as of December 31, 2018 and maintained Occupancy at greater than 93.4% at the end of the last three fiscal years; and
- Undertaken extensive renovation programs, including successful upgrades of 33 office lobbies and 7 food courts.

In addition to best-in-class asset management capability, we believe that our team has the expertise to capitalize on a fragmented office market and expand business through strategic acquisitions by using our strong balance sheet. Post the utilisation of the IPO proceeds, our total indebtedness is expected to be less than 15.0% of Market Value initially.

Our Portfolio as of December 31, 2018

	Leasable Area (msf)	Committed Occupancy (%)	Revenue from Operations (FY18, INR mn)	Market Value[1] (INR mn)	% of Total Market Value	WALE[2] (Years)
Commercial Office						
Portfolio Assets						
Bengaluru						
Embassy Manyata	14.2	99.7%	7,393.17	132,739	42.2%	7.6
Embassy One	0.3	2.0%	—	5,968	1.9%	10.0
Mumbai						
Express Towers	0.5	97.5%	1,347.90	18,812	6.0%	5.0
Embassy 247	1.2	88.1%	1,027.40	17,155	5.4%	3.3
FIFC	0.4	55.4%[3]	254.90	14,920	4.7%	4.9
Pune						
Embassy Techzone	5.5	84.8%	1,003.67	20,720	6.6%	5.4
Embassy Quadron	1.9	91.4%	1,484.07	14,524	4.6%	6.4
Embassy Qubix	1.5	100.0%	825.40	10,185	3.2%	5.7
Noida						
Embassy Oxygen	3.3	91.9%	1,081.82	19,580	6.2%	10.5
Embassy Galaxy	1.4	100.0%	823.79	8,367	2.7%	4.3
Sub-total Portfolio Assets	**29.9**	**94.4%**	**15,242.13**	**262,970**	**83.5%**	**6.7**
Portfolio Investment						
Embassy Golflinks[4]	2.7	100.0%	—[5]	26,067	8.3%	8.4
Sub-Total Office[4]	**32.7**	**95.0%**	**15,242.13**	**289,037**	**91.8%**	**7.0**
Infrastructure / Amenities	**Keys/MW**	**Hotel Occupancy**				
Four Seasons at Embassy One	230 Keys	—	—	7,920	2.5%	
Hilton at Embassy Golfinks[6]	247 Keys	67.7%	770.58	4,844	1.6%	
Hilton at Embassy Manyata[7]	266 Keys	—	—			
Hilton Garden Inn at Embassy Manyata[7]	353 Keys	—	—	2,148	0.7%	
Embassy Energy	100 MW (AC)		105.29	10,820	3.4%	
Sub-total Infrastructure / Amenities	**1,096 keys, 100MW**	**67.7%**	**875.87**	**25,772**	**8.2%**	
Total Portfolio[5]	**32.7msf, 1,096 keys, 100MW**		**16,118.00**	**314,809**	**100.0%**	

**All figures are as of December 31, 2018 except for Revenue from Operations which are for FY2018.*

(1) *Market Value as determined by the Valuer as of December 31, 2018.*

(2) *Weighted against Gross Rentals assuming tenants exercise their renewal options after the end of the initial commitment period.*

(3) *Does not include 141,634 sf (39.2% of completed area) which was under hard option as of December 31, 2018 with an existing tenant; if this hard option is considered, committed occupancy for FIFC is 94.6%.*

(4) *Details included in the table above are for a 100.0% stake in GLSP, except Market Value which reflects only our 50.0% economic interest in GLSP. For details on how GLSP is accounted for in our financials, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Presentation of Financial and Other Information" on pages 279 and 7 respectively.*

(5) *Embassy Golflinks' revenue from operations for FY2018 was INR 3,163.43 mn. As we own a 50% economic interest in GLSP, which owns Embassy Golflinks, its revenues are not consolidated into our combined revenue from operations. We share profit for our 50% shareholding in GLSP. For details, see "Management's Discussion and Analysis of Factors Affecting the Financial Condition and Results of Operations" on page 279.*

(6) *Occupancy for 9MFY19*

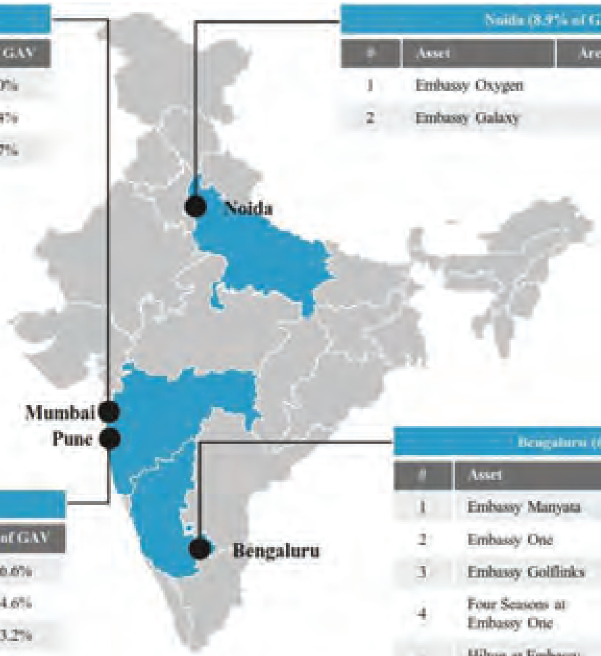
(7) *Under Construction as of December 31, 2018.*

Our Portfolio is geographically well diversified across India's key office markets of Bengaluru, Mumbai, Pune and Noida which have exhibited strong fundamentals with robust absorption, high rent growth and low vacancy on average. We focus on these markets due to their strong demographics, skilled talent pools and well-developed infrastructure, which has led to sustained tenant demand for high-quality office space.

The Market Value of our Portfolio as of December 31, 2018 as per the Valuer is Rs. 314.8 bn, which is mapped below:

Mumbai (16.2% of GAV)			
#	Asset	Area (msf)	% of GAV
1	Express Towers	0.5	6.0%
2	Embassy 247	1.2	5.4%
3	FIFC	0.4	4.7%

Noida (8.9% of GAV)			
#	Asset	Area (msf)	% of GAV
1	Embassy Oxygen	3.3	6.2%
2	Embassy Galaxy	1.4	2.7%

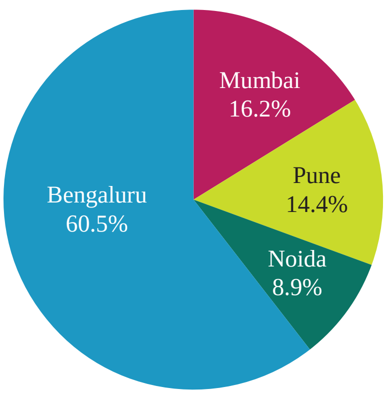


Pune (14.4% of GAV)			
#	Asset	Area (msf)	% of GAV
1	Embassy Techzone	5.5	6.6%
2	Embassy Quadron	1.9	4.6%
3	Embassy Qubix	1.5	3.2%

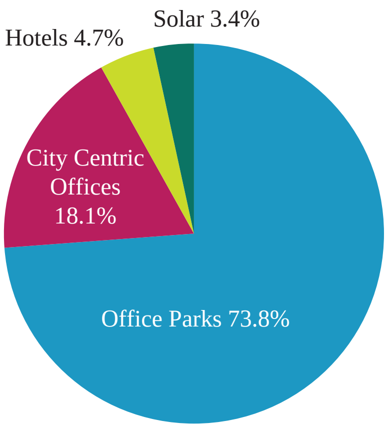
Bengaluru (60.5% of GAV)			
#	Asset	Area (msf)	% of GAV
1	Embassy Manyata	14.2	42.2%
2	Embassy One	0.3	1.9%
3	Embassy Golflinks	2.7	8.3%
4	Four Seasons at Embassy One	230 Keys	2.5%
5	Hilton at Embassy Golflinks	247 Keys	1.6%
6	Hilton at Embassy Manyata	266 Keys	0.7%
7	Hilton Garden INN at Embassy Manyata	353 Keys	
8	Embassy Energy*	100 MW	3.4%

Note:
* *Located at Bellary, Karnataka*

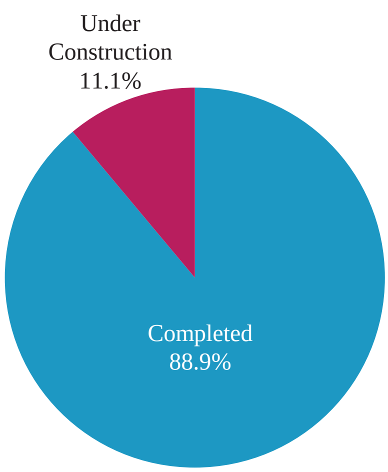
Market Value by Geography



Market Value by Asset Type



Market Value by Construction Status



Note: Market Value reflects only our 50.0% economic interest in Golflinks

Our Competitive Strengths

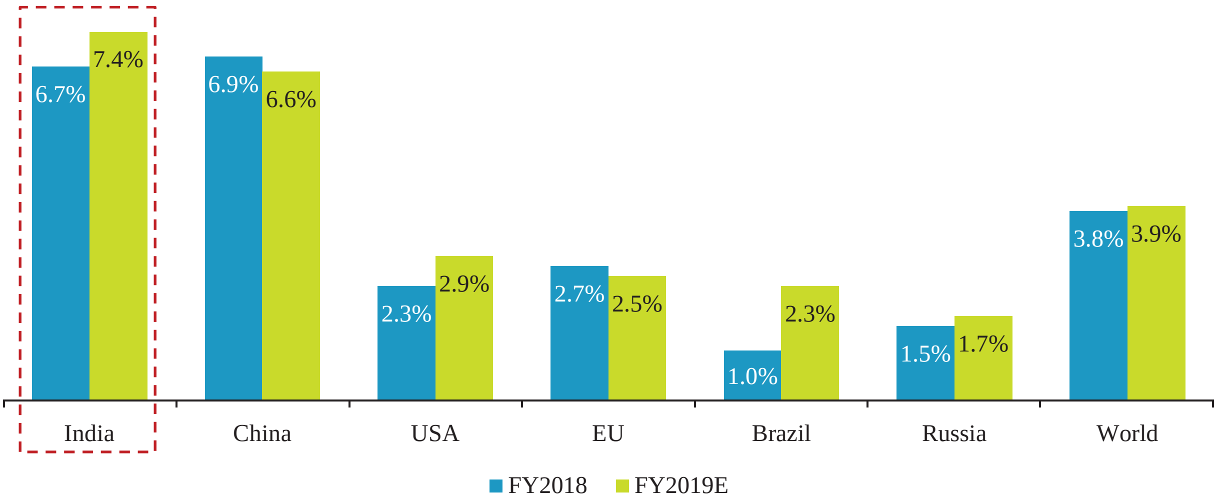
We believe our position as a leading owner and developer of high quality office properties in India is founded on the following competitive strengths:

- Located in India, a leading services hub for global corporates
- Best-in-class office properties with high quality infrastructure
- Highly occupied by a diversified, high quality, 'sticky' multinational tenant base
- Simple business with embedded growth
- Strategically located in the top-performing markets with high barriers to entry
- Highly experienced management team
- Renowned Sponsors with global expertise and local knowledge

Located in India, a leading services hub for global corporates

Our Portfolio is located in India, the sixth-largest and the fastest growing major economy in the world (for FY2019E). With an estimated GDP of approximately $2.6 tn in FY2018, India is expected to grow by 7.4% in FY2019, versus 6.6% for China and 2.9% for the United States as illustrated below:

GDP growth across select countries



(Source: CBRE Research. FY2018 refers to FY2018 or CY2017; FY2019E refers to FY2019 or CY2018)

The services sector, which comprises 72.2% of our tenant base in terms of Gross Rentals as of December 31, 2018 continues to be the key driver of India's growth. It represented 55.2% of GDP in FY2018 and is expected to grow at 8.9% in FY2019, approximately 150bps faster than the overall Indian economy.

India's Services Sector

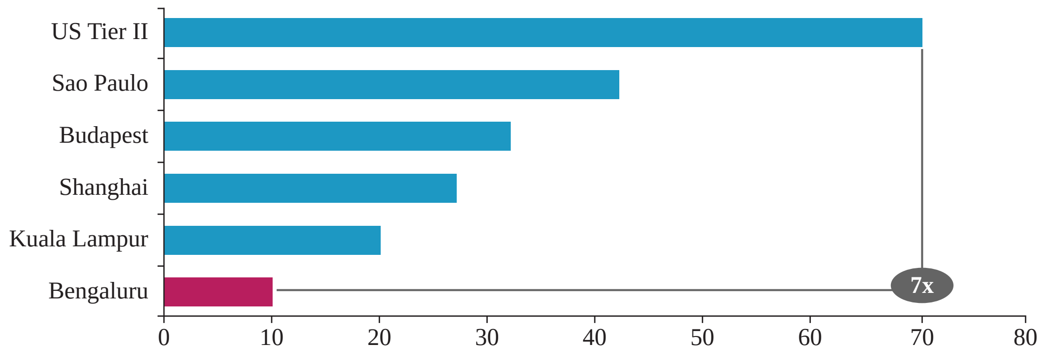
Within the services sector, the technology industry has been the major growth driver, with revenues more than doubling from approximately $78 bn in 2010 to approximately $167 bn in 2018. In 2016, 46 of the top 50 R&D spenders globally had an India presence and the top 500 global R&D spenders had 10% of their global R&D headcount in India on average. This growth has been enabled by:

- *Large, English Speaking Talent Pool:* With one of the largest working age populations and the second largest English speaking population in the world, India has a deep talent pool which is growing at a rapid pace. In

2017, 0.9 mn engineers, 0.9 mn commerce graduates and 0.2 mn MBAs graduated from Indian colleges. India has more than 1.5 mn schools and more than 39,000 higher education institutes and has the second largest e-learning market globally after the United States.

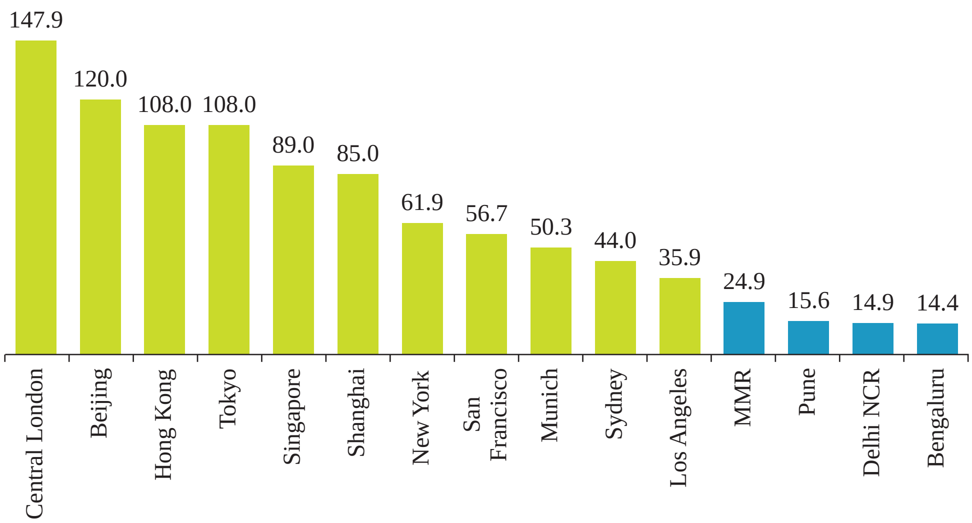
- *Competitive Cost Advantage:* India provides services at over 85% lower costs than in Tier II cities in the United States due to lower salaries and lower occupancy costs. Rents in its key services markets are $14.4-$24.9 psf/year versus $108.0-$147.9 psf/year for major global cities such as Central London, Beijing and Hong Kong.

Relative cost per employee in select cities (for FY2016)



(Source: CBRE Research)

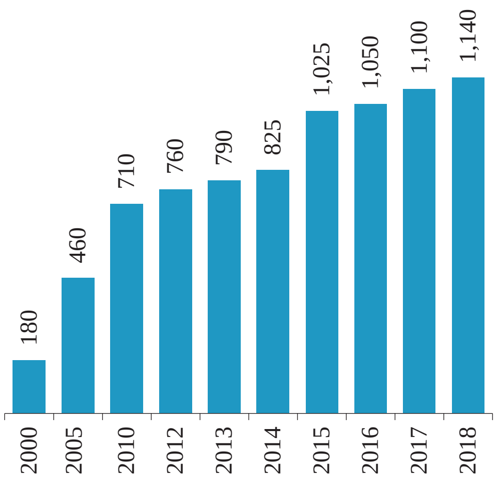
Market rent comparison across major global cities (as of March 31, 2018)



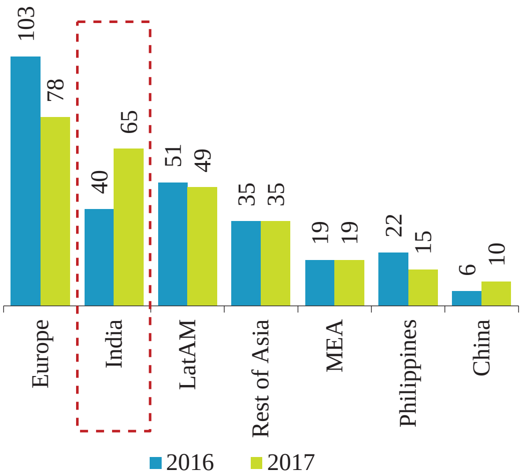
(Source: CBRE Research)

- *Transition to Value Add Services:* Recent growth in India's services sector has been driven by its successful transition from being a low cost business process outsourcing and call centre location to a hub for higher value add services and new generation businesses (such as cloud services, analytics, robotics and digital solutions). Over the last three fiscal years (FY2016 – FY2018), the sector's export revenue from these new generation businesses has grown approximately 2.3 times to reach $25 bn in FY2018. The quality of India's workforce, quality office infrastructure and significant cost advantage have also resulted in a number of multinational companies (for example Microsoft, Goldman Sachs, Target and Cerner) from diverse sectors setting up large captive operations (called Global Capability Centres or GCCs) as outlined below:

Number of GCCs in India



Global GCC revenue comparison ($bn)



(Source: CBRE Research)

Some of our tenants have amongst their largest global operations in India. With 72.2% of our Gross Rentals as of December 31, 2018 coming from tenants in the services sector, our Portfolio has been a key beneficiary of the rapid growth of the Indian services sector.

Best-in-class office properties with high quality infrastructure

Our properties are amongst the highest quality assets in India. Due to their scale, best-in-class asset quality, amenities and asset management our properties command a rent premium to other properties within their respective submarkets on average. Our infrastructure-like office parks are constructed to international standards and some of them are amongst the largest in their respective submarkets. This allows us to provide a business ecosystem to our tenants and their estimated 200,000+ employees working in our assets, with high quality infrastructure and amenities. We believe this has allowed us to lease an additional 6.8 msf to blue-chip multinational and domestic tenants over the last three years and nine months, and it has also enabled us to renew 7.7 msf of leases with our existing tenants without incurring material TI capex.

High quality assets with significant scale

Our assets are developed and managed to international standards making them amongst the preferred options for both domestic and multinational corporations in their respective submarkets. Located in dense, in-fill locations, our properties are easily accessible with excellent connectivity to transport systems and are distinguished by scale and infrastructure. Some of our assets are amongst the largest in their submarkets. For example, spread across 121.76 acres, Embassy Manyata is the largest business park in its submarket with a Leasable Area of 14.2 msf and our tenants employ an estimated 100,000 employees in the park. Similarly, Express Towers is the only institutionally owned building in Mumbai's CBD, a submarket characterized by fragmented ownership structures and the largest among prominent competing developments.

Our Portfolio also satisfies the demanding standards of global multinational corporate tenants, providing back-end services and modern amenities that support an efficient work place, combined with active asset management to sustain their attractiveness.

International standard infrastructure and amenities at attractive capital values

Our assets provide a complete business ecosystem with modern infrastructure and amenities that enable our tenants to give their employees a safe, efficient and sustainable working environment. The size and scale of our office parks allows us to develop campus style, infrastructure-like assets. Further, our office parks and city center office buildings are both characterised by landscaped environments and amenities. Core infrastructure includes dual source power supply with redundant and automatic 24x7 back-up power, integrated building management systems, state-of-the-art fire-fighting and security mechanisms. Some of our larger office parks have dedicated power sub-stations. The amenities that we provide are designed to cater to the needs of our tenants and their employees and include 98 retail and F&B outlets, amphitheatres, a training centre, childcare facilities approximately 40,000 parking spaces and health and recreation facilities (such as gyms and other sporting facilities) across our Portfolio. We also organize tenant engagement programs (such as Energize and Q-Life) which have witnessed overwhelming participation from the employees of our tenants.

Additionally, some of our office parks include hotels that generate incremental revenues given the captive demand from our tenants. Our hotel assets are, or will be, managed by well-known hotel operators such as Hilton and Four Seasons and are as follows:

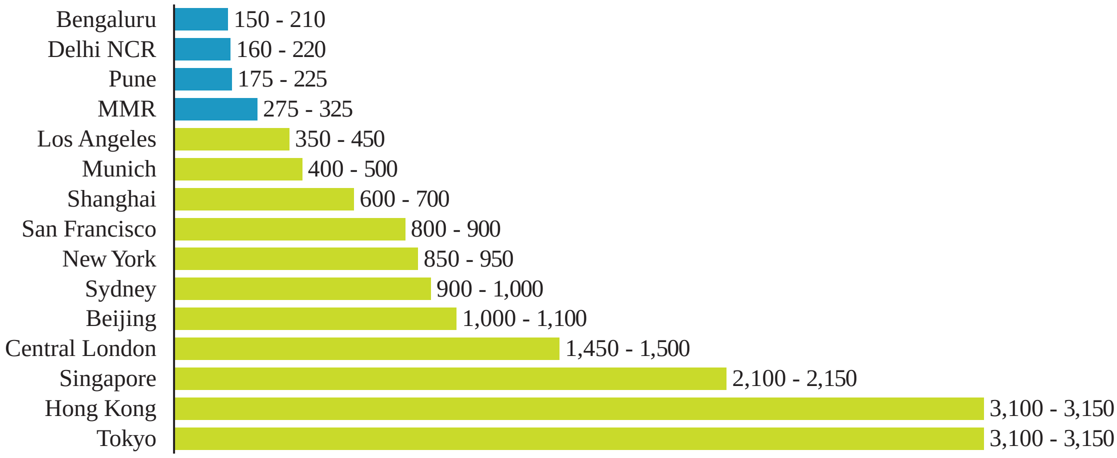
The Hilton at Embassy Golflinks is a 247-key business hotel, located within Embassy Golflinks in Bengaluru. The hotel commenced operations in 2014 and has benefited from captive demand from employees of the tenants at the office park, resulting in an occupancy of 72.0% as of March 31, 2018 (630 bps higher than the Bengaluru Luxury and Upper Upscale market as at March 31, 2018) and a 18.1% RevPAR CAGR over the last two years and nine months. To leverage similar captive demand at Embassy Manyata, we are developing two new hotels there: a Hilton Hotel (proposed to have 266 keys) and Hilton Garden Inn Hotel (proposed to have 353 keys) with 58,000 sf of convention space to cater to tenant requirements. Both hotels are currently Under Construction and are expected to be completed by the middle of 2021. We also own the 230-key Four Seasons at Embassy One, which is expected to be operational in the first half of 2019. We believe that these hotel assets will be a significant amenity for our tenants who often have visiting executives and clients.

We have also implemented various sustainability initiatives across our Portfolio. Many of our assets are LEED Platinum / Gold rated thereby ensuring maximum energy conservation for our tenants. We also own a 100MW solar park which provides green power to our office parks and hotels located in Bengaluru.

We believe our international standard infrastructure, best-in-class asset management and environmentally friendly green initiatives act as a differentiator from competition in our submarkets.

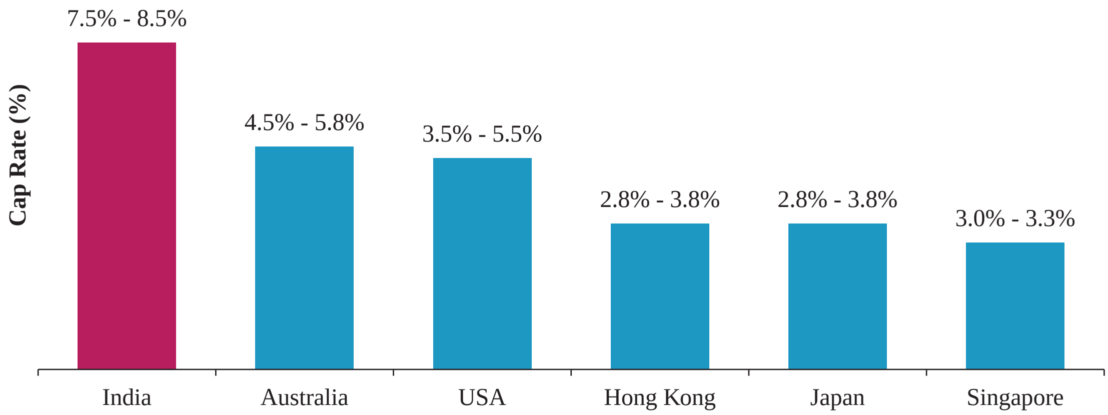
Despite our high quality, high growth infrastructure-like assets, capital values for our assets as per the Valuer are $150 psf as of March 31, 2018, implying a 82.9% – 95.2% discount to Grade A properties in Tokyo, Hong Kong and New York. Moreover, capitalization rates for such properties in India at 7.5% – 8.5% represent a 175 – 575bps premium to capitalization rates for assets of similar quality and tenant profile in countries like the United States, Japan and China.

Major Global Cities - Capital Values (US$ psf) (as of March 31, 2018)



Source: CBRE Research; Bloomberg (exchange rates as on March 29, 2018)
Note:
For Bengaluru, Delhi NCR, Pune, MMR and Sydney, the capital values highlighted above have been computed based on the indicative yields prevalent in the respective markets and representative of Grade A office spaces
For all other cities the values are average capital values for strata sold developments in the respective cities

Grade A capitalization rate comparison across select locations (for CY2017)



(Source: CBRE Research)

Tenant Expansion and Consolidation Options

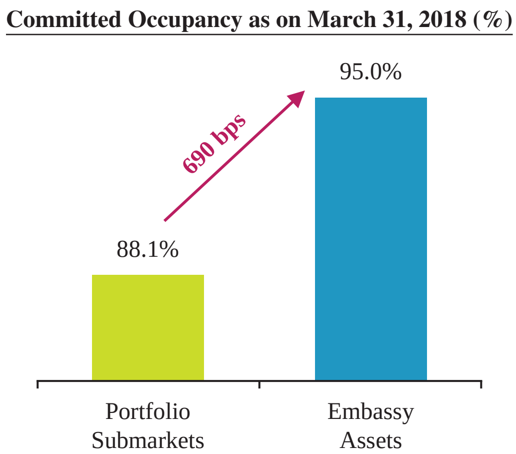
The size and scale of our Portfolio allows us to construct built-to-suit premises and provide expansion options to our tenants. Over the last three years and nine months our existing tenants have grown by 4.2 msf within our assets.

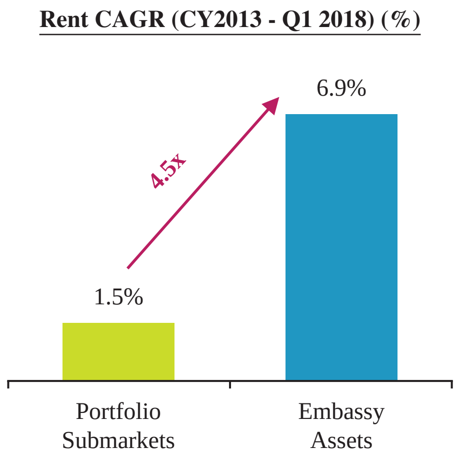
Select examples of tenant expansion within the Portfolio

Asset quality drives premium rents and lower vacancy

The quality of our assets, best-in-class infrastructure and tenant amenities have resulted in some of our assets being perceived as premium offerings. We believe this has made us the landlord of choice within our Portfolio submarkets, driving increased tenant retention, higher Committed Occupancy (95.0%, as of March 31, 2018, 690bps higher than average occupancy in the Portfolio's submarkets), premium rents and superior rent growth 6.9% rent CAGR from CY2013 - Q1 2018–approximately 4.5 times higher than their respective submarkets) as illustrated below:

Relative performance of our Portfolio vs performance of relative submarkets

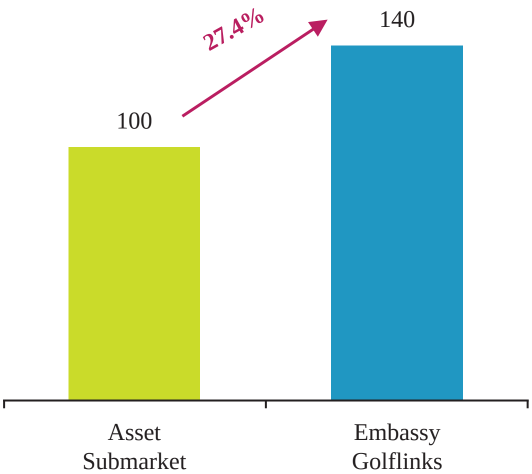




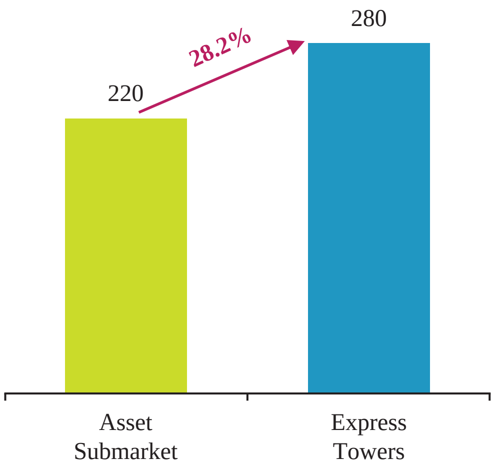
(Source (for Portfolio submarket): CBRE Research)

Select examples of market rent premium commanded by assets in our Portfolio (as of March 31, 2018)

Market Rent (Rs. psf/mth)



Market Rent (Rs. psf/mth)



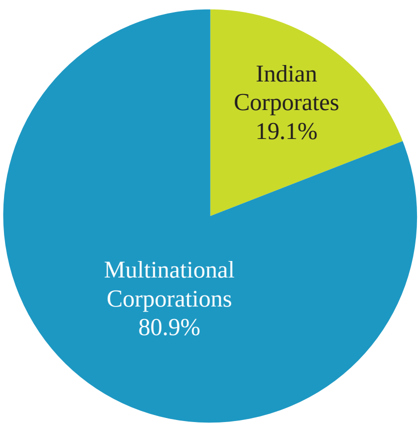
(Source (for Asset submarket): CBRE Research)

Highly occupied by a diversified, high quality, 'sticky' multinational tenant base

We have 160+ tenants comprising a mix of blue-chip multinational and Indian corporates (such as JP Morgan, DBS, PwC, Swiss Re, Target, Warburg Pincus, Google, McKinsey, Cerner, Cognizant, IBM, L&T Technology Services and NOKIA). Approximately 80.9% of our Gross Rentals as of December 31, 2018 are from leading multinational corporations and approximately 43.4% are from Fortune 500 companies such as JP Morgan, IBM and Microsoft.

Portfolio Gross Rentals as of December 31, 2018 split by tenant type

80.9% of Gross Rentals from Multinational Corporations



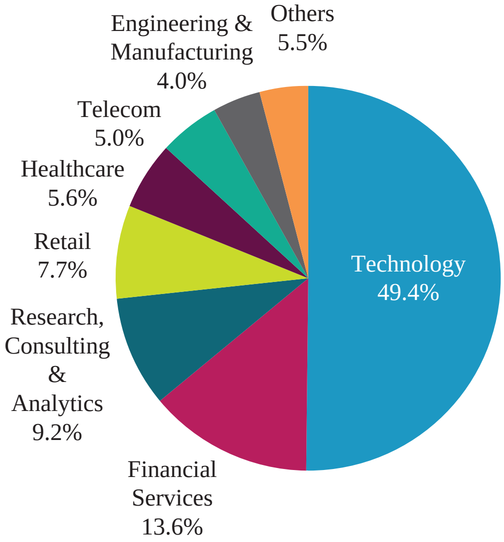
43.4% of Gross Rentals from Fortune 500 Tenants

Technology	Google	Microsoft	IBM	Cognizant
Financial Services	Goldman Sachs	JP Morgan	Wells Fargo	
Consulting	PwC	Accenture		
E&M	Volkswagen	NOKIA	Rolls-Royce	
Healthcare	Legato			
Others	Maersk	Target	Lowe's	

Diverse Tenant Mix

49.4% of our Gross Rentals are derived from our tenants in the technology sector, which is India's fastest growing segment of GDP. The remaining 50.6% is well diversified across various industries and sectors including financial services, healthcare and telecommunications.

Split of Portfolio across sectors (based on Gross Rentals as of December 31, 2018)



In addition, we have a diverse tenant base, with our top 10 tenants contributing only approximately 42.3% of our Gross Rentals as illustrated below:

	Top 10 Tenants	Total Area (msf)	Gross Rentals % of Total	WALE (years)[(1)]	Sector
1	IBM	3.6	13.9%	5.7	Technology
2	Cognizant	3.2	10.8%	7.3	Technology
3	Cerner	0.6	2.6%	6.1	Healthcare
4	PwC	0.3	2.5%	12.4	Research, Consulting & Analytics
5	NOKIA	0.6	2.4%	5.9	Telecom
6	JP Morgan	0.3	2.3%	7.1	Financial Services
7	NTT Data	0.5	2.2%	13.6	Technology
8	Lowe's	0.5	2.0%	13.6	Retail
9	McAfee	0.3	1.8%	7.2	Technology
10	Atos	0.5	1.8%	2.5	Technology
	Total Top 10 Tenants	**10.4**	**42.3%**	**7.4**	

(1) Calculated assuming tenants exercise all their renewal options post the expiry of their initial commitment period.

We believe that our ability to attract and retain tenants across multiple sectors is a reflection of the leading position of our assets in their respective markets. This is driven by the high quality, infrastructure and amenities of our assets, and our best-in-class asset management capabilities. In our office parks, tenants from the technology sector have traditionally comprised and continue to comprise our largest tenant segment. However, with the movement of the Indian services sector up the value chain, we have also attracted tenants in other sectors such as financial services (for example, Goldman Sachs, JP Morgan), engineering and manufacturing (for example, Mercedes-Benz, Rolls-Royce), healthcare (for example, Cerner, Access Healthcare), retail (for example, Lowe's and Target), e-commerce (for example, leading cab aggregator start-up and Pepperfry) and co-sharing workspaces (for example, WeWork). Our city center offices have a diverse mix of tenants across industry sectors with financial services tenants (for example, DBS, Khazanah and Warburg Pincus) being the largest segment, followed by the technology sector (for example, Google) and retail (for example, Future Retail).

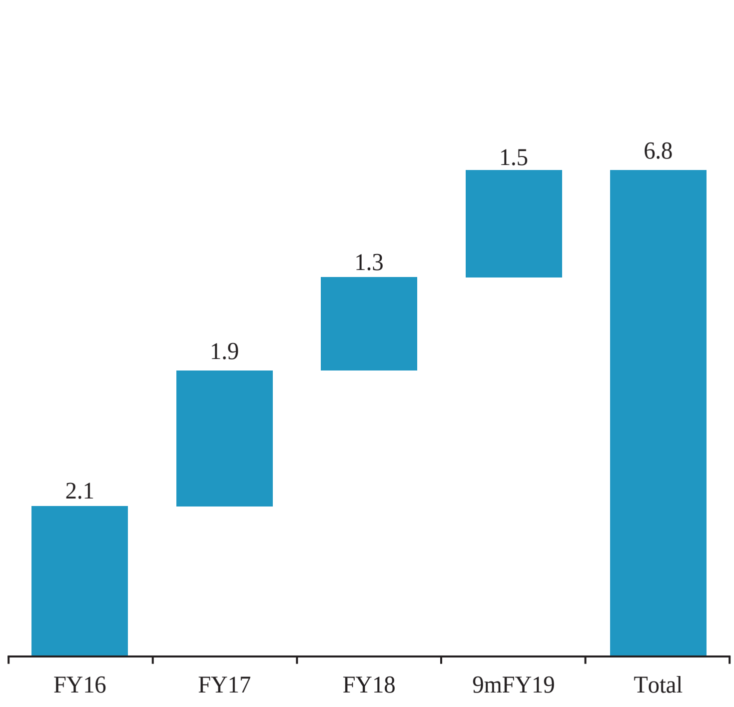
Apart from increasing the diversity of tenants, a key focus area has been to target tenants with higher value add operations and services. We believe these tenants prioritize a high quality work environment, which our assets offer.

Deep tenant relationships driving strong tenant retention and growth

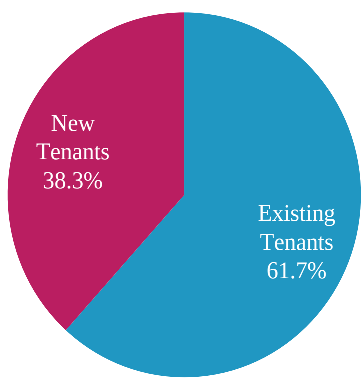
We maintain regular communication with the corporate real estate heads of our tenants through a dedicated customer relationship management program which ensures we anticipate and cater to tenant needs. This has resulted in robust tenant engagement which drive tenant growth in the Portfolio. Out of 6.8 msf of new leasing over the last three years and nine months, 4.2 msf (61.7%) has come from existing tenant expansions and has led to high and stable Occupancy levels of over 93.4% as at the end of each of the last three fiscal years. For example, Target, a tenant at Embassy Golflinks, moved to Embassy Manyata to accommodate their business requirements of a larger space at a more affordable price point. Due to our regular communication, our management team was able to anticipate this transition and actively market space at Embassy Manyata to meet the tenants' requirements. This resulted in tenant retention, lower down-time and expansion from an existing tenant within the Portfolio. Moreover, as a result of actively marketing the Manyata space to Target, we were able to achieve a significant mark-to-market upside at Embassy Golflinks as we were able to lease the space vacated by Target at a significantly higher rental.

New leases signed over the last three years and nine months

Area leased (msf)



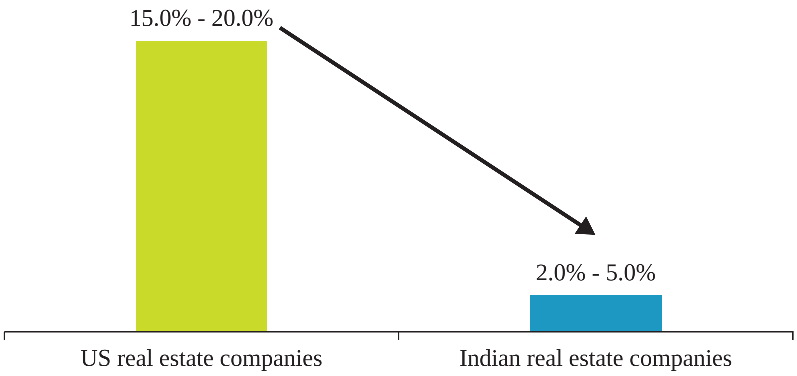
Split of area leased



Tenant investment in TI capex driving stickiness

Leases in India are typically on a "warm shell" basis, resulting in landlords incurring TI capex of only 2.0-5.0% of rental revenue. This compares favorably to markets where landlords incur significant TI capex to attract and retain tenants—for example, in the United States TI capex is approximately 15.0-20.0% of rental revenues. Since our tenants typically undertake significant TI capex at their own expense, often equivalent to 4-7 years of rent, they have significantly higher "stickiness" due to high moving costs.

Typical TI capex as a % of rental revenue



(Source: CBRE Research)

Simple business model with embedded growth

Our Portfolio is highly stabilized with 95.0% Committed Occupancy and 7.0 year WALE as of December 31, 2018 and 80.9% tenant retention rate over the last three years and nine months. We have demonstrated strong growth over the last three years and nine months with 6.8 msf of new leasing, including 48.0% re-leasing spreads on 2.7 msf of re-leasing, and 2.7 msf of new development completions.

Stable cash flow with contracted escalations

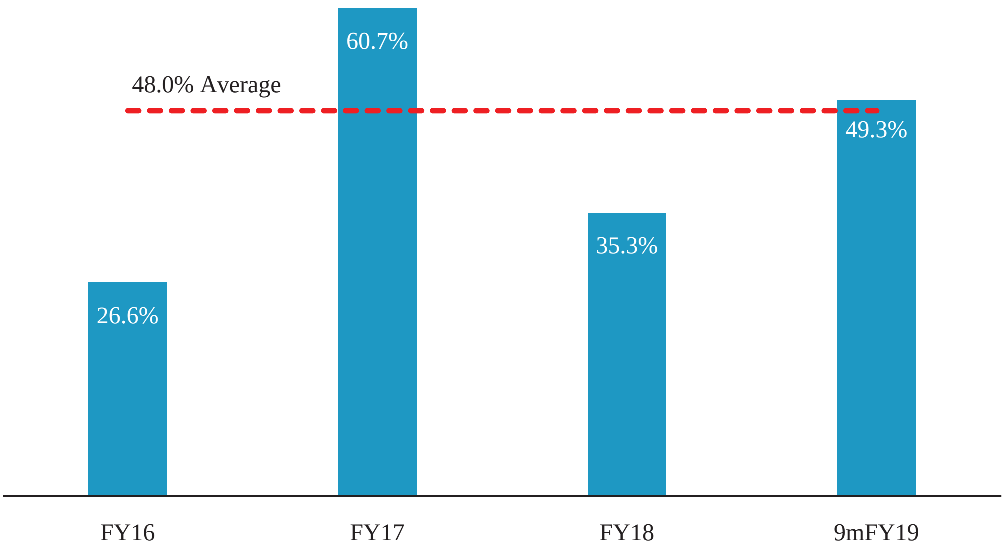
We have 24.8 msf of Completed Area, with a 7.0 year WALE and 80.9% tenant retention rate over the last three years and nine months. As of March 31, 2018, we had Committed Occupancy of 95.00%, which was 10.00% higher than the overall India market.

We typically enter into long-term leases with our tenants. The tenure of leases for our office parks is typically nine to fifteen years, with a three to five year initial commitment period with renewal options. Our leases include contractual escalations of 10.0-15.0% every three to five years. For our city center office buildings the lease tenure is typically five to nine years with a three to five year initial commitment period and contractual escalations of 15.0% every three years. Over the period FY2020 and FY2021, contractual rent escalations are expected to contribute 36.0% (Rs 2,268 million) of the total increase in revenue from operations.

Demonstrated mark-to-market growth

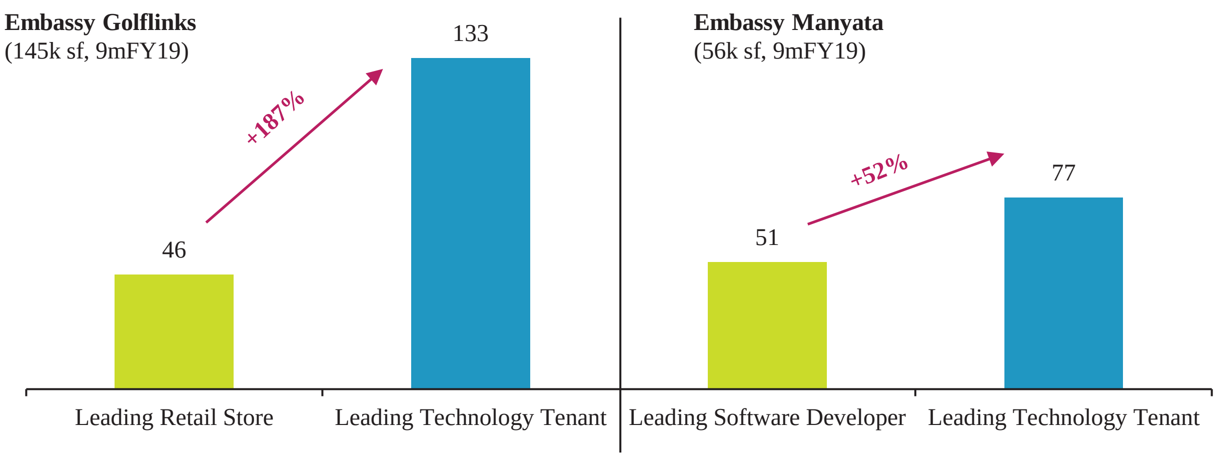
We have a demonstrated track record of driving rent growth by re-leasing to existing tenants at market rents or replacing them with new higher value tenants. Over the last three years and nine months, we have re-leased approximately 2.7 msf at rents that were on average 48.0% above in-place rents as illustrated below:

Re-leasing spread achieved over the last three years and nine months



Re-leased	0.3 msf	1.1 msf	0.5 msf	0.8 msf

Average re-leasing spread achieved for select tenants



"On-Campus" development

We have strong experience of developing additional area on land within our parks ("on-campus" development). Due to strong tenant demand, we have constructed 4.1 msf over the last five years and nine months (which has a 96.0% Committed Occupancy). We follow a disciplined budgeting and planning process, aimed at delivering our developments on-time and within budget. We believe that our reputation for on-time delivery, high construction quality and best-in-class park infrastructure has made us one of the preferred developers for tenants looking for expansion or consolidation space. Our new developments are de-risked due to:

- *High pre-leasing:* We undertake new construction based on tenant demand feedback and market supply conditions. Historically, this has resulted in our new developments being significantly pre-leased prior to completion. For example, our 0.5 msf block (Tower 3) in Oxygen, which was completed in November 2018, was 91.7% pre-leased (including hard options).

- *Limited financing risk:* We have procured financing commitments for our under construction projects. Going forward, we expect to have funding commitments in place prior to commencing construction, thereby de-risking any development that we undertake.

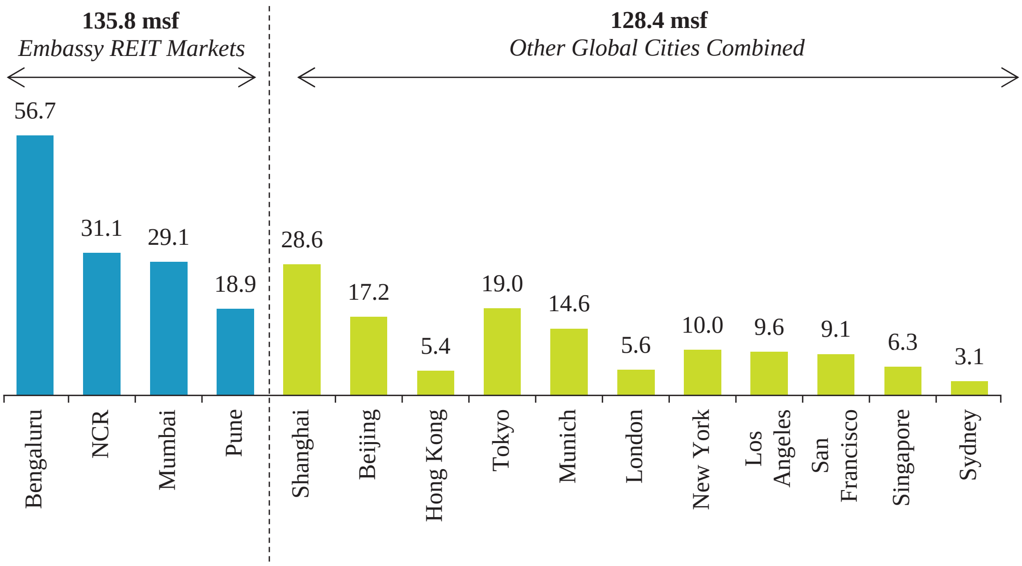
Strategically located in the top-performing markets with high barriers to entry

We own leading assets in attractive in-fill locations of India's key office markets. We believe that our assets are infrastructure-like, and, given land acquisition complexities and long development time frames, are very difficult to replicate.

Presence in high growth markets with strong absorption and low forecast supply

Our Portfolio is located in Bengaluru, Pune, Mumbai and Noida which are amongst the world's largest real estate markets by absorption. According to CBRE, 135.8 msf was leased in these markets between CY2013 and Q1 2018, which exceeds the total combined absorption of eleven global cities including New York, San Francisco, London, Shanghai and Tokyo over the same period. Also, average absorption for our four markets is 3.7 times and 3.4 times the absorption in San Francisco and New York respectively over the same period.

Absorption across major global office markets (CY2013 – Q1 2018)

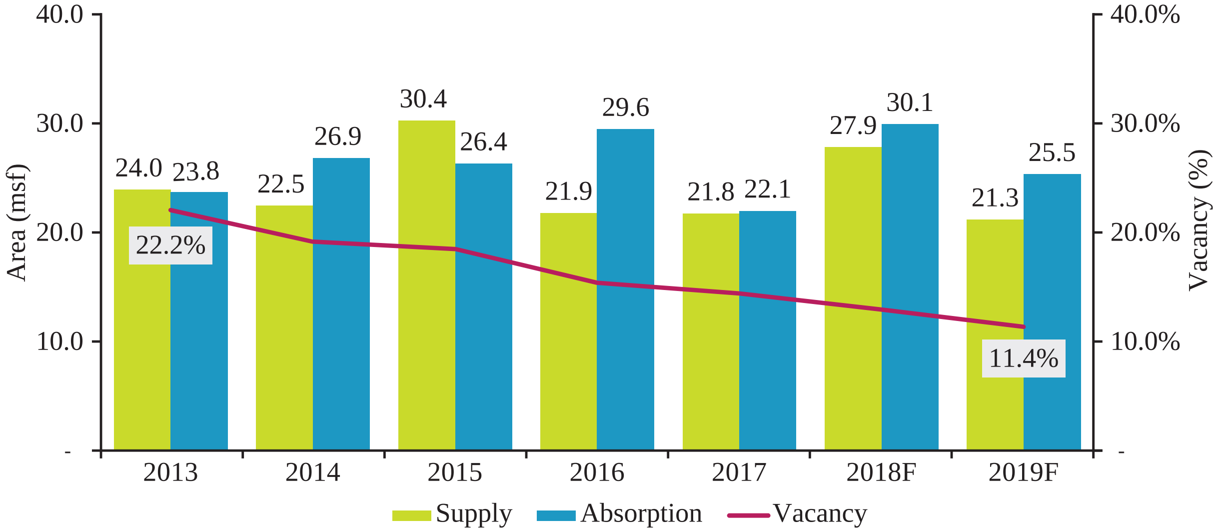


(Source: CBRE Research)

Our markets are amongst the top performing in India, accounting for 72.5% of the total Grade-A office stock and 76.9% of total absorption over the last five years and three months. Additionally, our markets have witnessed robust absorption with 26.2% growth (CY2013 – 2018F) along with constrained supply – this is forecast to continue with an average annual supply of 24.6 msf per annum over the next two years, 4.9% below average historical absorption levels since 2013.

Robust tenant absorption on the back of strong domestic growth and services expansion will result in declining vacancy in our Portfolio's markets declining from 22.2% to 11.4% as of 2019F as represented below. This trend is expected to continue until CY2019 with demand expected to outpace supply:

Supply, absorption and vacancy in the Portfolio's office markets



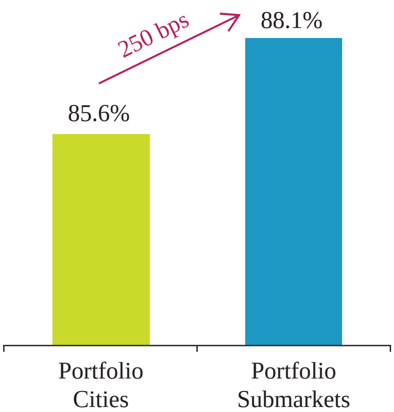
(Source: CBRE Research)

Strategically located assets within the best performing submarkets

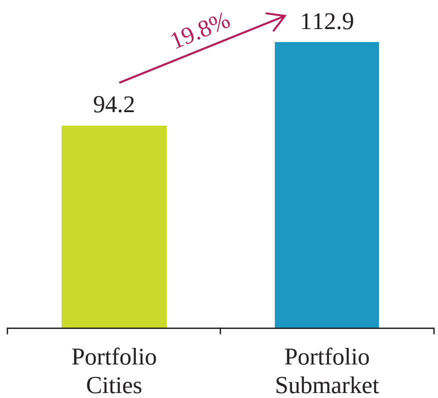
We believe our assets are located in amongst the best performing submarkets of their respective cities. The submarkets where our assets are located have outperformed their overall markets with an average of 250bps lower vacancy and 19.8% higher average rents as of March 31, 2018, as represented below:

Relative performance of the Portfolio's submarkets to the performance of the broader city (as of March 31, 2018)

Committed Occupancy (%)



Market Rent (Rs. psf/mth)



(Source: CBRE Research)

Our assets are located in the best in-fill locations which are well connected to key transport infrastructure, social infrastructure and residential catchments as described below:

Bengaluru Assets

- *Embassy Manyata*, the largest operational office park in Bengaluru, is located in North Bengaluru, a prominent growth corridor due to its connectivity to the international airport and the city center. The park is surrounded by a dense residential catchment which supports an estimated 100,000 people working in the park. The proposed extension of the metro rail and the construction of a new flyover (expected completion by FY2021) at the entrance of the park is expected to further improve connectivity to the park;

- *Embassy Golflinks,* is located on a strategic arterial road close to central Bengaluru. The asset is located in close proximity to affluent residential neighborhoods and is adjacent to a golf course. Due to its location close to the city center along with high quality amenities and infrastructure, Embassy Golflinks has a strong tenant pipeline with no vacancy as of December 31, 2018. The park has emerged as a preferred destination for high value tenants like financial services and e-commerce companies;
- *Embassy One* is strategically located on the main road entering Bengaluru CBD from the international airport. It provides premium small format office space to corporate tenants with the added benefit of being part of a mixed use project with a luxury Four Seasons hotel, high end residential as well as retail.

Mumbai Assets

Our city center offices, Express Towers and FIFC are trophy assets within their submarkets on account of their prestigious locations, high quality specifications and prominent tenant profile.

- *Express Towers*, located in Mumbai's CBD (Nariman Point), enjoys a prominent location in close proximity to some of India's most exclusive residential neighborhoods and state infrastructure, such as the State Legislative Assembly and the State High Court. Its prime location along with panoramic sea views has attracted high profile tenants and the asset commands a 28.2% rent premium compared to its submarket (as of March 31, 2018), which is characterized by fragmented ownership structures;
- *FIFC* is located in the Bandra Kurla Complex ("**BKC**"). BKC has emerged as Mumbai's financial hub and one of the most prominent corporate destinations in India today due to its proximity to the city's domestic and international airport terminals and two different suburban rail networks;
- *Embassy 247* is well located on an arterial road (LBS Marg) between Mumbai's two major freeways–the Eastern and Western Express Highway. The asset is located close to two prominent suburban railways stations and multiple metro stations. The location of the park allows for easy connectivity from key nodes of the city.

Pune Assets

- *Embassy Quadron, Embassy Techzone, Embassy Qubix* are well located in West Pune, Pune's second largest submarket with a stock of approximately 10.0 msf. It is also Pune's fastest growing submarket with an 8.6% rent CAGR from December 31, 2013 and March 31, 2018. The submarkets' excellent social and lifestyle infrastructure has made it one of Pune's most popular submarkets, and it is home to major multinational corporations and Indian companies such as IBM, Mercedes-Benz, Atos, Accenture and Tech Mahindra.

  West Pune is well connected to Mumbai by the Mumbai-Pune Expressway and has large residential developments by local and national developers. The availability of large campus style office spaces and residential projects with established social infrastructure makes this an attractive location for our prospective tenants.

Noida Assets

- *Embassy Oxygen* is well located close to the Noida-Greater Noida Expressway, a major six lane highway connecting Noida with Greater Noida. The Noida Expressway submarket is emerging as an integrated development corridor for large scale technology parks, Special Economic Zones, corporate office spaces, and residential developments. Embassy Oxygen is one of only two Special Economic Zones in its submarket, and is strategically located with a metro rail station being developed in proximity of the park. The park has witnessed strong occupier interest, resulting in the asset being fully occupied over the last two fiscal years (FY2017 and FY2018).
- *Embassy Galaxy* is located in the Peripheral Noida submarket which is a well-known technology hub due to its affordable rents, established connectivity and social infrastructure. Embassy Galaxy, an IGBC Gold certified park, is a preferred office destination in this submarket resulting in consistently high Occupancy of over 93.1% as of the end of each of the last three fiscal years.

Difficult to replicate platform with high barriers to entry

With limited land available for development in in-fill locations and land aggregation complexities across the country, we believe it would be challenging to replicate the scale of our Portfolio. Some examples include:

- *Embassy Manyata (14.2 msf, 121.76 acres land area)* is located on a major arterial road in North Bengaluru and is the largest office park in Bengaluru and the second largest in India. Manyata with 14.2 msf of Leasable Area spread across 121.76 acres has a significant competitive advantage as it allows tenants to expand and consolidate operations in a campus style environment with dedicated core infrastructure and amenities. Given the unavailability of large land parcels in the vicinity, most of the under-development projects in the submarket are less than approximately 0.8 msf of Leasable Area and are located in standalone buildings or inferior locations with poor access;
- *Embassy Golflinks (2.7 msf, 37.11 acres land area)* is amongst the largest assets near Bengaluru's Central Business District and the leading asset of its submarket. Given the park's in-fill location, there are no developable land parcels of comparable size in the submarket resulting in approximately 60.5% of under-development projects having less than 600,000 square feet of Leasable Area;
- *Express Towers (0.5 msf, 1.46 acres land area)* is located in Mumbai's Central Business District, and was completed in 1970. Given the scarcity of vacant developable land in the area, higher use of land due to residential demand, government development rules and fragmented ownership structures of other assets, it is unlikely an asset of similar size can be developed in this submarket.

Highly experienced management team

We will be managed by the Manager, led by Michael Holland (CEO of the Manager, founder and former country head of JLL India, ex-CEO of Assetz Property Group) and Vikaash Khdloya (who will be Deputy CEO / Chief Operating Officer of the Manager prior to the listing of the units). Our senior management team comprises eight people and has an average experience of 20 years in operating, developing, leasing and managing commercial real estate in India. The Manager is well regarded in the real estate community and has extensive relationships with industry stakeholders such as brokers, owners, tenants, contractors and lenders. The Manager and the Asset SPVs together have over sixty employees, many of whom have demonstrated active asset management expertise across the Portfolio in various ways:

- Leased 6.8 msf of total office space and achieved average re-leasing spreads of 48.0% on approximately 2.7 msf of re-leased space over the last three years and nine months;
- Achieved 80.9% tenant retention rate, with 7.7 msf of office space renewed over the last three years and nine months (including exercise of renewal options), without incurring material TI capex;
- Grown our Portfolio by 3.1 msf over the last three years and nine months through strategic acquisitions and the continued build out of our office parks;
- Demonstrated a 7.1% Same-Store Rental CAGR across the Portfolio Assets and the Portfolio Investment over FY2016 to FY2018, by attracting and retaining high quality tenants;
- Undertaken extensive renovation programs, including successful upgrades of 33 office lobbies and 7 food courts over the last three years and nine months;
- Undertaken major asset upgrade and repositioning programs across the Portfolio including the revamp of Express Towers;
- Pioneered tenant engagement programs such as 'Energize' and 'Q-Life' across Portfolio assets.

Embassy REIT is externally managed, in accordance with REIT Regulations. We have focused on keeping our management fees in line with costs in order to align the management with unitholders' interests, so our management fee structure is one of the lowest amongst key comparable Asian office REITs.

Renowned Sponsors with global expertise and local knowledge

Our Sponsors are EPDPL, one of India's leading office developers, and BRE/Mauritius Investments, a part of Blackstone, the world's largest real estate investment manager. Our Sponsors bring deep knowledge of local markets along with global best practices in development, investment and asset management.

Overview of the Embassy Group

The Embassy Sponsor is part of the Embassy group, which is one of the leading real estate developers in India with over 25 years of experience in the real estate development business. Embassy is a leading Indian real estate company which has developed over 45 msf of area in the commercial and residential segments. In addition, the Embassy group owns hospitality developments totaling to 444 completed hotel keys and is in the process of developing industrial parks and warehouses across India. The Embassy Sponsor also holds an extensive land bank across India. The Embassy Sponsor has demonstrated expertise across all aspects of the real estate development business including land identification, conceptualization, design, land acquisition, approvals, development, project management, sales, marketing and leasing, property management and facilities management. We also stand to benefit from the asset base of the Embassy Sponsor pursuant to the Deed of Right of First Offer which grants us a right of first offer to acquire certain projects being developed or proposed to be developed by the Embassy Sponsor. For further details see "*Formation transactions in relation to the Embassy REIT – Acquisition of future assets*" on page 274.

Overview of Blackstone

Blackstone Sponsor is a part of Blackstone, one of the world's leading investment, real estate and alternative asset management firms. Blackstone Real Estate was founded in 1991 and is the largest real estate investment manager in the world with $119 billion of investor capital under management as of June 30, 2018. Blackstone Real Estate operates as one globally integrated business with 473 real estate professionals globally as of June 30, 2018 and has investments in north America, Europe, Asia and Latin America. Blackstone's real estate group has extensive experience building leading companies and taking them public such as Hilton and Invitation Homes.

Business and Growth Strategies

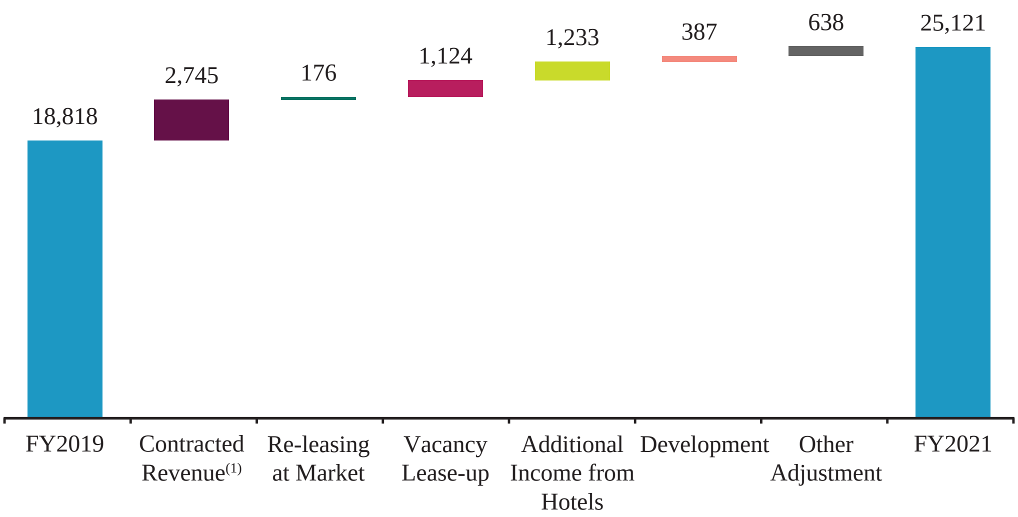
We aim to maximize the total return for Unitholders by targeting growth in distributions and in NAV per unit. The operating and investment strategies we intend to execute to achieve this goal include:

Capitalize on our Portfolio's embedded organic growth and new development opportunities

We believe our Portfolio is well positioned to achieve further organic growth through a combination of re-leasing to existing tenants at market rents (we believe the market rents of our properties are 33.6% above in-place rents), lease-up of existing vacancy, and delivery of planned development projects in our parks. As illustrated below, 46.4% of the increase in revenue from operations for the period FY2020 and FY2021 is expected to come from contracted revenue and re-leasing to existing tenants at market rents. Moreover, we have limited development risk, with only 6.1% of Portfolio revenue increase due to on campus development over the period FY2020 and FY2021.

Key revenue growth drivers (FY2020E-FY2021E)

Figures in Rs mn

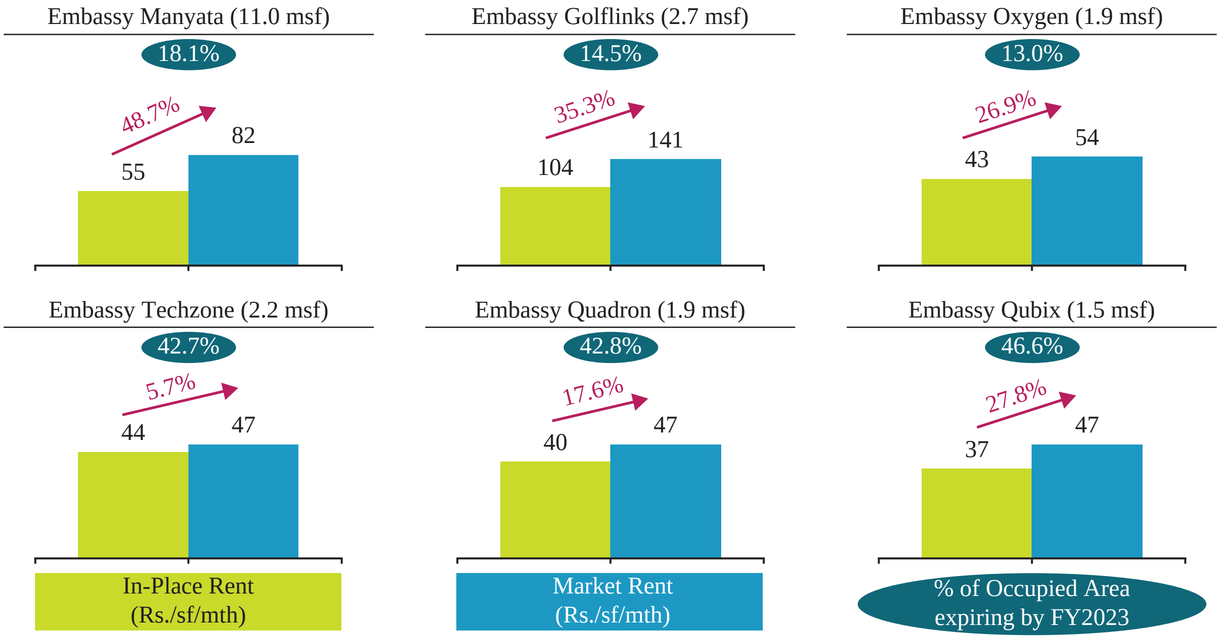


Note: For further details, please see "Projections" on page 321 and "Risk Factors - Our actual results may be materially different from the expectations expressed or implied in this Offer Document. The independent auditor's' report on our projections of revenue from operations, net operating income, earnings before interest, tax, depreciation and amortization, cash flow from operating activities and net distributable cash flows and the underlying assumptions contains restrictions with respect to the purpose of the report and, use of the report by investors in the United States" on page 28

(1) Comprises revenue from rent escalations and from Embassy Energy

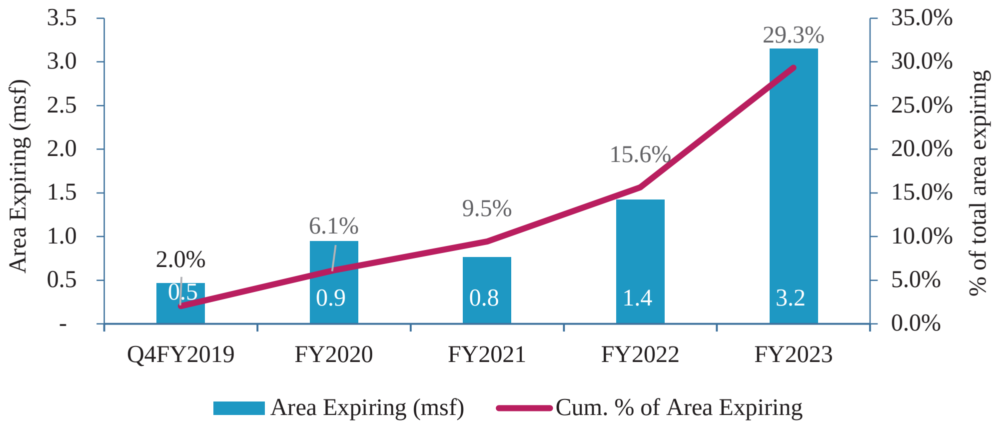
Due to the long-term nature of our existing leases and strong market rent growth, we believe the market rents of our properties are 33.6% above in-place rents, as reflected in the charts below:

Mark-to-market upside for select Portfolio assets as of December 31, 2018



With 29.3% of our area expiring over Q4 FY2019 – FY2023, and strong fundamentals in our markets, we expect to add Rs 176 mn of additional rent over FY2020 and FY2021 due to the significant mark-to-market re-leasing opportunity at lease expiry. Our Occupied Area and Gross Rentals expiring as of December 31, 2018 is represented below:

Area and Gross Rentals expiring across the Portfolio over Q4 FY2019 – FY2023



	Q4FY2019	FY2020	FY2021
Mark to Market Opportunity	8.3%	37.3%	59.3%
% of Gross Rentals expiring	1.8%	4.9%	3.8%

Lease-up of vacant space

Given the robust demand for high quality Grade A office space, we believe that we can achieve growth through the leasing of existing vacant space in our Portfolio. As of December 31, 2018 our Portfolio has a 95.0% Committed Occupancy. The remaining 5.0% vacancy is primarily concentrated in Embassy Techzone in Pune, Embassy One in Bengaluru and Embassy 247 and FIFC in Mumbai, which comprise 26.3%, 19.7%, 11.4% and 12.9% respectively of the remaining 5.0% vacancy. Most of this vacancy is due to recent construction completion or transitional factors, such as ongoing repositioning and strategic upgrades. We have healthy leasing prospects and expect to lease it up over the next 15 months resulting in Rs 1,124 mn of additional rental revenue over the period FY2020 and FY2021.

Continue "on-campus" development programs

As of December 31, 2018, our Portfolio has a 7.9 msf development pipeline on land which is located within our parks. Of the total, 2.5 msf was Under Construction and includes 1.8 msf at Embassy Manyata and 0.6 msf at Embassy Oxygen. We also have two hotels which are Under Construction, namely Hilton at Embassy Manyata and Hilton Garden Inn at Embassy Manyata, with a total of 619 keys. Four Seasons at Embassy One (with 230 keys) was completed recently, with an F&B outlet at the hotel currently operational and rest of the hotel in final stages of pre-opening work. The final finishing work for the rest of the hotel area is being completed and is expected to commence operations in the first half of 2019. The other Under Construction Hotels are expected to be completed after FY2021. Our construction plan as per the below table is expected to add Rs 387 mn of rental revenue by FY2021.

Construction plan over FY2019—FY2021:

Asset	Location	Area (msf /keys)	Expected Completion
Development completed by FY2021			
Embassy Manyata Front Parcel Offices	Bengaluru	0.8	FY2021
Embassy Manyata M3 Office Block	Bengaluru	1.0	FY2021
Embassy Oxygen Tower 2	Noida	0.6	FY2021
Embassy Techzone Hudson Block	Pune	0.3	FY2021
Total FY2019-2021		**2.7msf**	
Development completed post FY2021			
Embassy Manyata	Bengaluru	1.5	
Embassy Oxygen	Noida	0.7	
Embassy Techzone	Pune	3.0	
Hotels at Embassy Manyata	Bengaluru	619 keys	
Total post FY2021		**5.2msf / 619 keys**	
Total Development		**7.9msf / 619 keys**	

Disciplined acquisition strategy with strong balance sheet

Our management team has a demonstrated track record of executing value accretive acquisitions in their prior roles. We intend to continue our core strategy of acquiring, owning and managing best-in-class office assets within submarkets that have strong tenant demand and limited supply due to high entry barriers. In addition to new acquisitions, we intend to undertake strategic consolidation and expansion acquisitions adjacent to our existing assets that enhance the value of our Portfolio. We believe that owning the best assets in India's top submarkets will allow us to generate strong cash flow and strong long-term returns.

Our acquisition strategy will focus on long-term growth and total return potential, rather than short term cash returns. We believe we are well positioned to undertake both core and value-add acquisition opportunities given our pan-India presence, knowledge of local markets, best-in-class asset management capabilities and deep tenant relationships.

Following the listing of our units, we expect to have a strong balance sheet with low levels of leverage resulting in high capital structure flexibility. Post the utilisation of the IPO proceeds, our total indebtedness is expected to be less than 15.0% of Market Value initially, which compares favourably to key comparable office REITs in Asia and the 49.0% regulatory limit (for details, please see "*Corporate Governance—Policies of the Board of Directors of the Manager in relation to the Embassy REIT—Borrowing Policy*"). Our lowly levered balance sheet is expected to enable us to drive growth by undertaking value accretive future acquisitions, both through new transactions and acquisition of ROFO assets from the Embassy Sponsor. Further, we believe our management team and Sponsors have strong relationships with numerous lenders, investors and other capital providers. We believe these relationships, coupled with our demonstrated financing track record, will provide us with significant financial flexibility to fund future growth.

Right of First Offer ("ROFO") Assets to drive growth and increase geographical diversification

We stand to benefit from the asset base of the Embassy Sponsor as we will have a ROFO on certain assets owned by the Embassy Sponsor or its subsidiaries if it seeks to sell them. Please see "*Formation Transactions in Relation to the Embassy REIT – Acquisition of Future Assets*" on page 274 for more details on the ROFO arrangement. Our potential ROFO assets are located in Bengaluru (3 assets) and Chennai (1 asset), which are major Indian markets that are highly complementary to our Portfolio. An indicative list of assets that could be offered as ROFO assets by the Embassy Sponsor as of December 31, 2018 is set out below:

Asset	Location	Approximate Leasable Area (msf)
Embassy TechVillage	Bengaluru	Over 12.2
Embassy Knowledge Park	Bengaluru	Over 17.7
Embassy Concord	Bengaluru	Over 7.9
Embassy Splendid TechZone	Chennai	Over 5.0
Total		**Over 42.8**

Proactive asset management to drive value

Given our continued focus on providing quality services to our tenants, we continue to evaluate opportunities to upgrade our infrastructure and environmental standards.

Proactive Property Management

Our assets are differentiated by our best-in-class property management and tenant amenities. Our property management practices are driven by a set of standard operating procedures across all assets to ensure a consistent tenant experience. We have instituted international practices such as regular health, safety and environmental audits and online customer helpdesks, to ensure tenant safety and grievance redressal. We aim to ensure provision of zero down-time services for our tenants through regular mid-cycle assessments to identify equipment vulnerabilities, and we constantly undertake preventive maintenance programs to ensure the upkeep of our systems.

We believe our assets attract best-in-class tenants due to their high quality and superior tenant experience. We intend to continue to invest in upgrading the look and feel of our assets by upgrading our facades, landscape and lobbies to be in-line with global standards. We will also continue to enhance our tenant amenities and park infrastructure to ensure stickiness of our existing tenants. Since acquisition we have undertaken a number of such upgrade programs such as changing the façade of Express Towers, upgrading the lobby in Embassy Quadron, improving the landscaping in Embassy Techzone and refurbishing a food court in Embassy Galaxy.

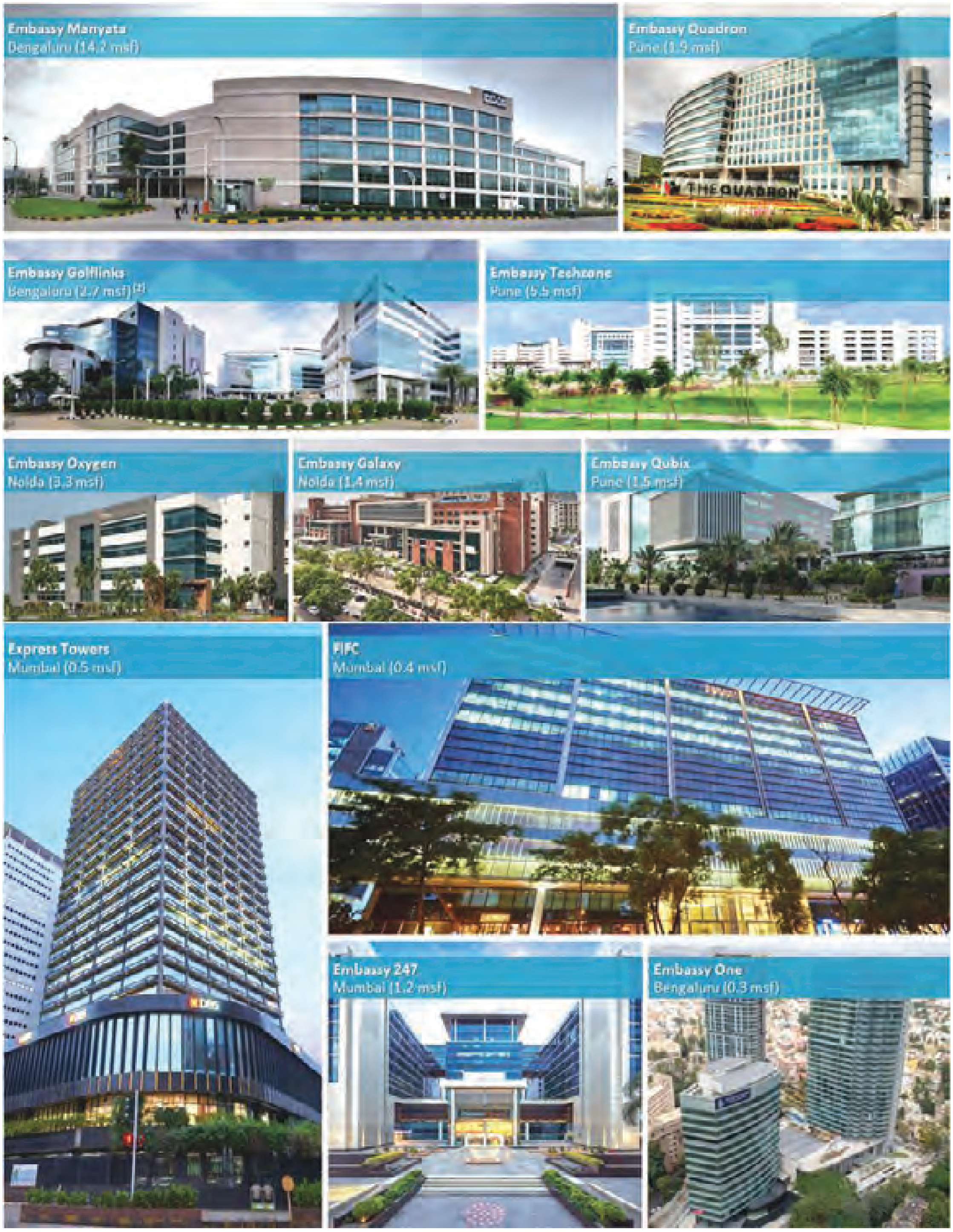
Leasing Strategy

We intend to continue our proven leasing strategy and maintain high occupancy with premium rents across our assets. Our pan-India presence and strong local teams have helped us drive platform-level leasing synergies and establish deep relationships with tenants and brokers. This has enabled us to negotiate attractive leasing deals and to attract and retain high quality tenants. We are focused on maintaining strong tenant relationships through frequent interactions with the corporate real estate heads of our major tenants. We also engage directly with our tenant's employees through engagement programs such as 'Energize' at Embassy Manyata and Embassy Techzone; 'QLife' at Embassy Quadron and Embassy Qubix; and 'Timeout' at Embassy Galaxy and Embassy Oxygen. As part of such programs, we organize cultural, sports, lifestyle and corporate social responsibility events which drive a sense of community amongst our tenants. Through these events, we endeavor to create a quality work environment for the employees of our tenants, leading to low employee turnover for our tenants.

We continue to make concerted efforts to add tenants from diverse sectors such as financial services, research, consulting and analytics, e-commerce and healthcare in order to broaden our tenant base and insulate our Portfolio from changes in demand from any single sector. We are also focused on attracting tenants that house higher value add functions as these tenants add to the premium positioning of our parks, and tend to be less sensitive to rent increases.

Set forth below are details of our Portfolio:

EMBASSY REIT COMMERCIAL OFFICE PORTFOLIO[1]



Note:

(1) Includes 7.9 msf of Under Construction and Proposed Development Area.

(2) Details for 100% of GLSP; Embassy REIT will own a 50% economic interest in GLSP.

Key Portfolio Information—Commercial Offices

Leasable Area (msf)	32.7
Completed Area (msf)	*24.8*
Under Construction Area (msf)	*2.5*
Proposed Development Area (msf)	*5.4*
Occupancy (%)	92.9%
Committed Occupancy (%)	95.0%
Same-Store Rental CAGR(1)(3)	7.1%
Number of Office buildings	75
Number of Tenants(2)	260
Market Value (INR mn)	289,037

Notes:

(1) *For definition of Same-Store Rental CAGR, please see "Other Information—Definitions" on page 487.*

(2) *Including 98 support retail tenants*

(3) *Same-Store Rental CAGR over FY16 to FY18*

Tenant Profile

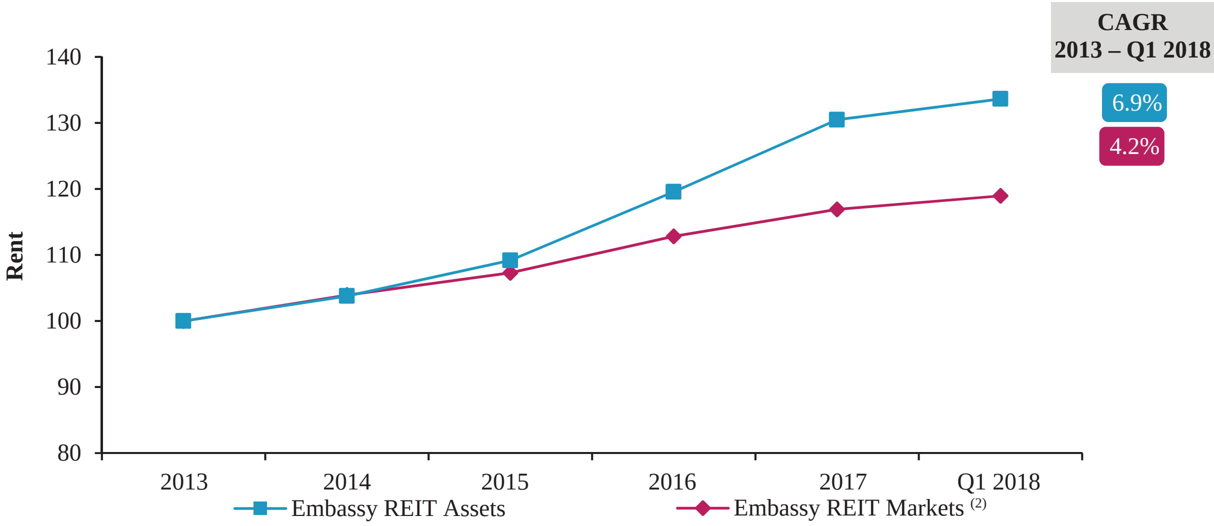
Our Portfolio has a marquee tenant roster of 160+ office tenants comprising blue chip multinationals and Indian corporates, such as IBM India Private Limited, Google India Private Limited, Microsoft, Goldman Sachs Services Private Limited, DBS Bank Ltd., McKinsey & Company India LLP, Tata Consultancy Services Limited. and Rolls-Royce India Private Limited. Our top 10 tenants contribute 42.3% of our Gross Rentals, as illustrated below:

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	IBM India Private Limited	Technology	13.9%
2	Cognizant Technology Solutions India Private Limited	Technology	10.8%
3	Cerner Healthcare Solutions	Healthcare	2.6%
4	PwC	Research, Consulting & Analytics	2.5%
5	NOKIA	Telecom	2.4%
6	JP Morgan	Financial Services	2.3%
7	NTT Data Information Processing Services Private Limited	Technology	2.2%
8	Lowe's Services India Private Limited	Retail	2.0%
9	McAfee Software (India) Private Limited	Technology	1.8%
10	Atos	Technology	1.8%
	Top 10 Total		**42.3%**

Rent and Occupancy Analysis

High quality assets backed by professional asset management has resulted in strong outperformance of our Portfolio both in terms of rent growth and occupancy levels. Rents for our assets have increased by 6.9% between CY2013 – Q12018 compared to a growth of 4.2% in the markets we are in:

Historical Rent Growth (CY2013-Q1 2018)(1)



Source: CBRE Report

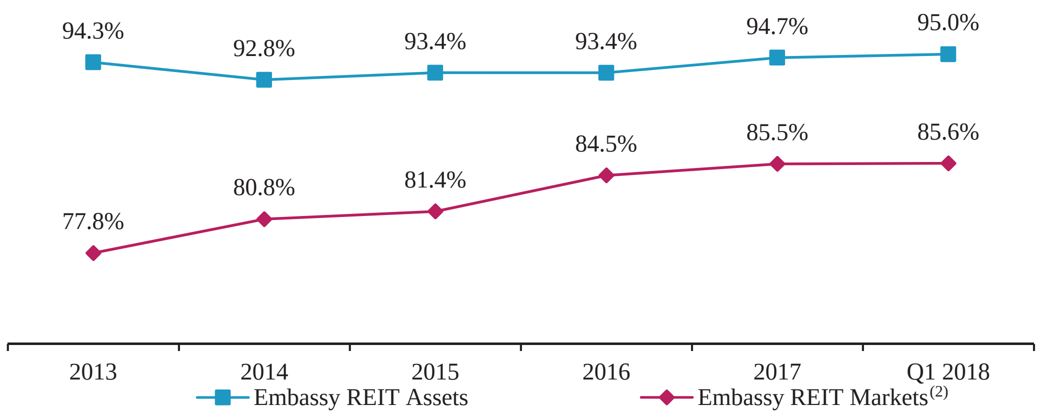
Notes:

(1) Rents indexed with 2013 as base (Indexed 2013 Rent = 100)

(2) Includes Bengaluru, Pune, Mumbai and Noida

Portfolio occupancy for our assets has remained above 92.8% at the end of each of the last five fiscal years. As at March 31, 2018, Committed Occupancy for our portfolio is 95.0% as compared to 85.6% for the markets where we have a presence (higher by 940 bps)

Committed Occupancy(1)



Notes:

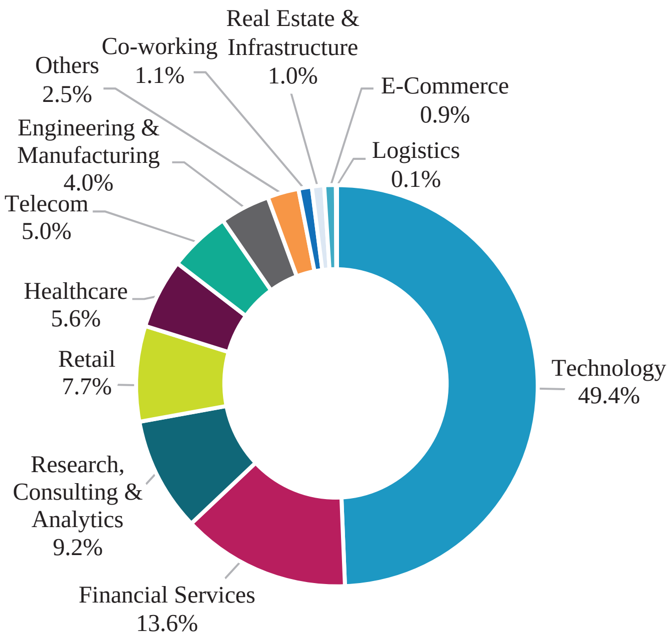
(1) Occupancy for REIT assets is as on March 31 of the respective year whereas REIT market occupancies are as of December of the respective years.

(2) Includes Bengaluru, Pune, Mumbai and Noida

Tenant Sector Mix

Our largest tenant segment is the technology sector (India's fastest growing segment) but we also attract tenants from other sectors such as financial services, consulting and retail:

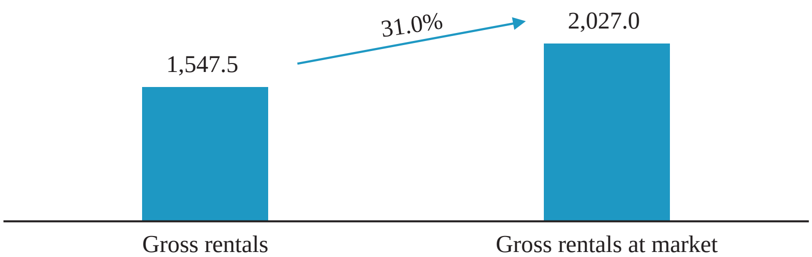
Sector Mix Gross Rentals (%)



Mark to Market Opportunity

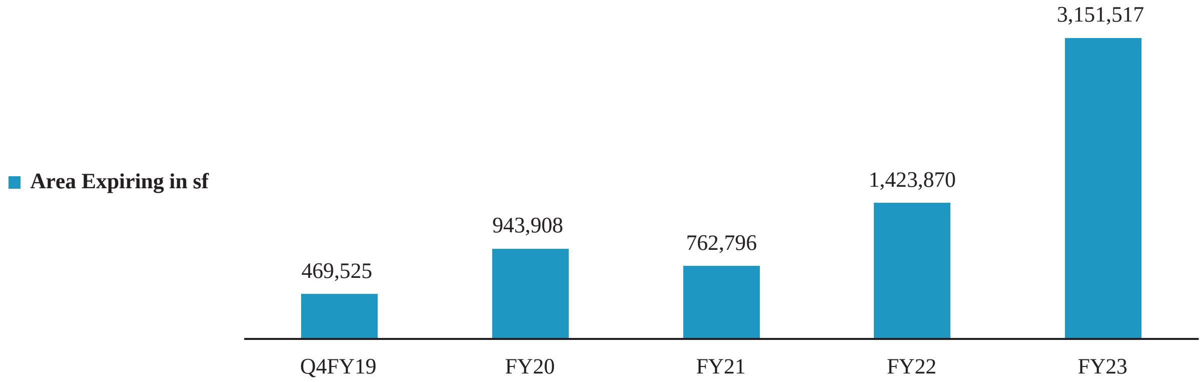
The average in-place rent across the Portfolio is INR 62 psf compared to market rent of INR 83 psf, resulting in mark to market upside of 31.0% on Gross Rentals. This is attributable to the long-term nature of our existing leases and strong market rent growth:

INR mn/mth



Lease Expiry Profile

The WALE of the Portfolio is 7.0 years[(1)], with 29.3% of Occupied Area expiring between Q4FY2019 and FY2023 as shown in the chart below:



Year	Q4FY2019	FY2020	FY2021	FY2022	FY2023
% Expiration of Gross Rentals	1.8%	4.9%	3.8%	6.1%	9.4%
Base Rents at Expiration (INR psf/mth)[(2)]	58	73	72	61	49

Notes:

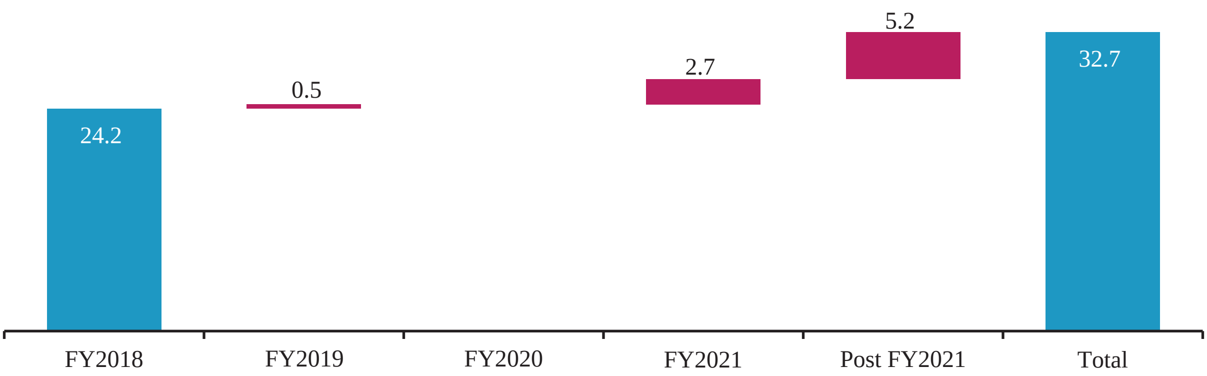
(1) Weighted by Gross Rentals

(2) Weighted by area expiring in that year

'On Campus' Development Projects

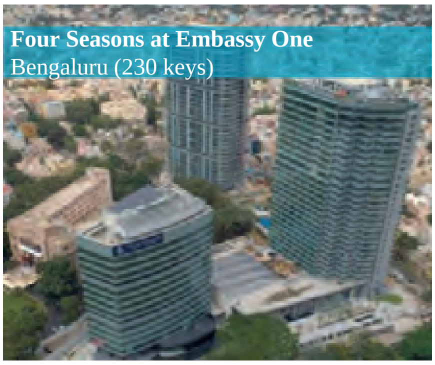
We have completed construction of 0.5msf in 9MFY19 and have a strong development pipeline of approx. 7.9 msf (excluding hotels) on land within our Portfolio of which we expect to complete approx. 2.7 msf by FY2021:

(Area in msf)

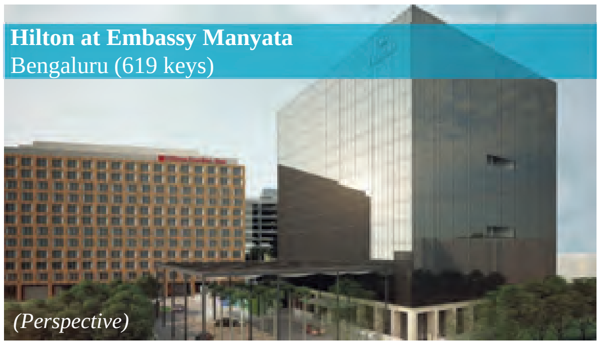


EMBASSY REIT—INFRASTRUCTURE/ AMENITIES

Hilton at Embassy Golflinks
Bengaluru (247 keys)



Four Seasons at Embassy One
Bengaluru (230 keys)



Hilton at Embassy Manyata
Bengaluru (619 keys)
(Perspective)

Embassy Energy
Karnataka (100MW)

Key Asset Information—Infrastructure/ Amenities

Hotels	
Number of Hotels	4
Completed	*2*
Under Construction	*2*
Number of Hotel keys	1,096
Completed	*477*
Under Construction	*619*
Market value (INR mn)	14,952
Solar	
Capacity	100MW (AC)
Market value (INR mn)	10,820

EMBASSY MANYATA, BENGALURU

Asset Description

Embassy Manyata is a Grade A, freehold office park located in Bengaluru. The park is well positioned within the submarket of Northern Bengaluru, a major commercial and residential hub, has excellent connectivity given its location on the northern section of the Outer Ring Road (the main arterial road circling Bengaluru) and its close proximity to the Kempegowda International Airport. Connectivity to the park is expected to be further enhanced with the construction of a flyover in front of the site with a shoulder road into the estate and by the proposed extension of the metro rail which is expected to be completed in FY2022.

Spread across 121.76 Acres and with 14.2 msf of Leasable Area, Embassy Manyata is the largest office park in the city and the second largest in India. It has 11.0 msf of Completed Area and houses 64 tenants with more than 100,000 tenant employees. The park has an additional 1.8 msf of office area and two hotels with 619 keys currently Under-Construction as well as 1.4 msf of Proposed Development

The asset offers an integrated "business ecosystem" to its occupiers, with various on-site facilities and amenities including intra-city transportation, outdoor sports zone, rooftop football arena, refurbished food court with more than 1,000 seats and an amphitheater with 600 seats. It has also received many awards and accolades including the British Safety Council Sword of Honor for 2017, IGBC Green Campus Platinum Certificate 2017 and the Times Business Award 2018 for "Most Environment Friendly Commercial/Office Space".

Embassy Manyata's scale, quality and wide-ranging amenities have enabled it to attract and retain marquee international tenants including IBM India Private Limited, Cognizant Technology Solutions India Private Limited, Cerner Healthcare Solutions and Target Corporation India Private Limited. The Park has also been able to provide space solutions to occupiers as their businesses grow.

Key Asset Information

Entity	Manyata Promoters Pvt. Ltd.
Interest owned by REIT (%)	100.0%
Year of Commencement	2006
Asset Type	Office Park
Submarket	Northern Bengaluru
Site Area (Acres)	121.76
Freehold/ Leasehold	Freehold[(1)]
Leasable Area (msf)	14.2
Completed Area (msf)	*11.0*
Under Construction Area (msf)	*1.8*
Proposed Development Area (msf)	*1.4*
Occupancy (%)	99.5%
Committed Occupancy (%)	99.7%
Number of Hotel keys (Under Construction)	619
Number of Tenants[(2)]	64
Market Value (INR mn)	134,887

Notes:

(1) Excluding the M-3 land parcel (6.64 Acres) which is being developed on a leasehold land. For details, see " 'On Campus' Development Projects" on page 165.

(2) Including 20 support retail tenants

Typical rent escalation is approximately 15.0% every 36 months, or 15.0% every 5 years

Tenant Profile

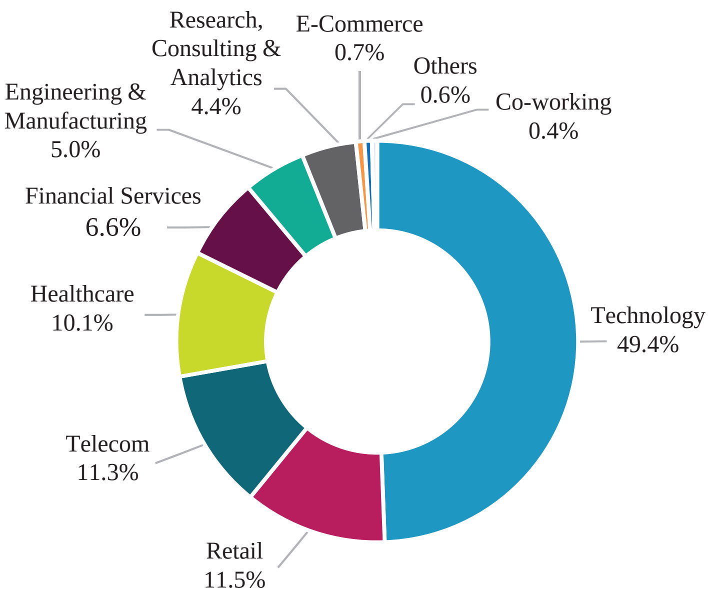
As at December 31, 2018, Embassy Manyata had 64 tenants including companies such as IBM India Private Limited, Cognizant Technology Solutions India Private Limited and Rolls-Royce India Private Limited. The park's top 10 tenants account for 69.2% of its Gross Rentals:

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	IBM India Private Limited	Technology	19.9%
2	Cognizant Technology Solutions India Private Limited	Technology	17.1%
3	Cerner Healthcare Solutions	Healthcare	5.9%
4	NOKIA	Telecom	5.5%
5	Lowe's Services India Private Limited	Retail	4.5%
6	ANSR Global Corporation Pvt. Ltd.	Research, Consulting & Analytics	3.9%
7	ALCATEL-LUCENT	Telecom	3.4%
8	Target Corporation India Private Limited	Retail	3.3%
9	Legato Health Technologies LLP	Healthcare	2.9%
10	L&T Technology Services	Technology	2.8%
	Top 10 Total		**69.2%**

Tenant Sector Mix

49.4% of Embassy Manyata's occupiers are from the fast growing technology industry, with the remaining well diversified across various sectors:

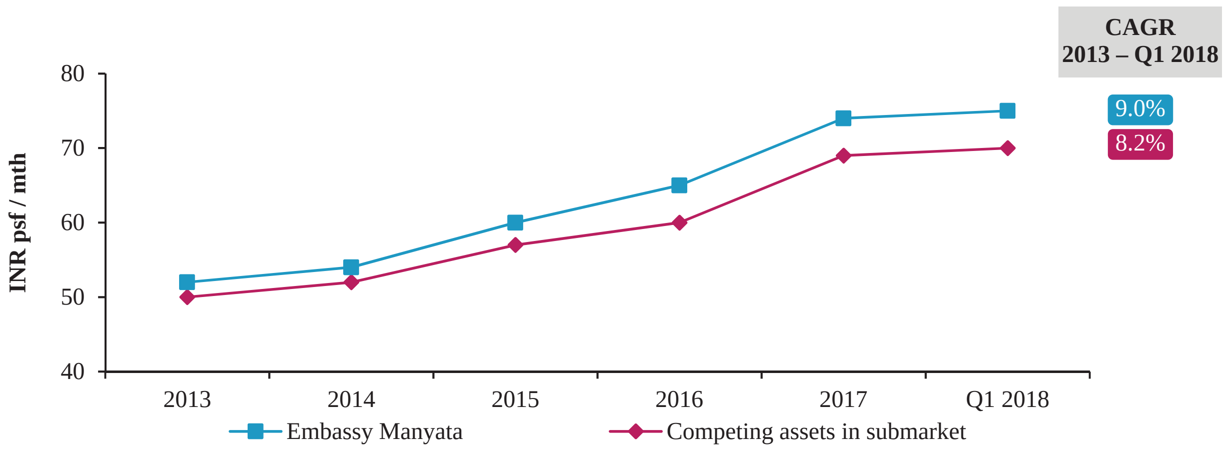
Sector Mix by Gross Rentals (%)



Rent Analysis

Market rents at Embassy Manyata have grown at 9.0% CAGR between CY2013 – Q12018 and have outperformed competing assets. Rents in the competing assets are expected to continue to grow over the next three years due to a lack of quality supply in large scale business parks. Given Embassy Manyata's significant share of the submarket and the profile of its marquee tenants, rents at the park are expected to be at a premium:

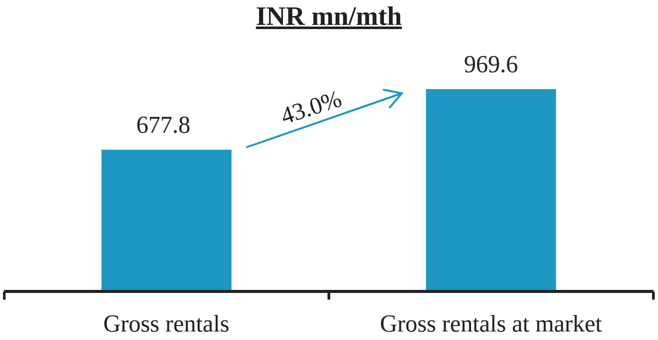
Historical Rent Growth (CY2013-Q1 2018)



(Source: CBRE Report)

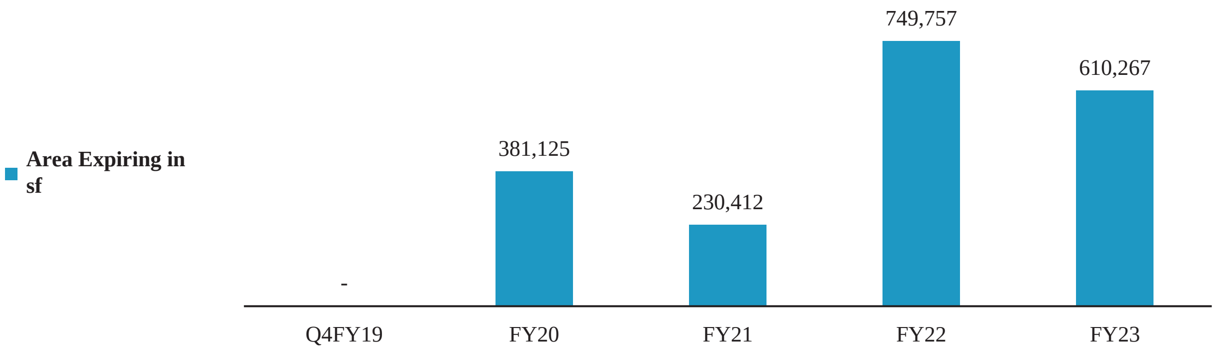
Mark to Market Opportunity

The average in-place rent at Embassy Manyata is INR 55 psf compared to market rent of INR 82 psf, resulting in mark to market upside of 43.0% on Gross Rentals:



Lease Expiry Profiles

The WALE of Embassy Manyata is 7.6 years[(1)], with 18.1% of the Occupied Area expiring between Q4FY2019 and FY2023 as shown in the chart below:



Year	Q4FY2019	FY2020	FY2021	FY2022	FY2023
Lease Expiry % of Gross Rentals	0.0%	3.4%	2.9%	6.4%	4.3%
Base Rents at Expiration (INR psf/mth)[(2)]	-	57	76	40	37

Notes:

(1) Weighted by Gross Rentals

(2) Weighted by area expiring in that year

'On Campus' Development Projects

Embassy Manyata has two office blocks under-construction totaling 1.8 msf of Leasable Area which are expected to complete by FY2021. In addition, we are currently constructing two hotels in the park, a 353 key 3-star Hilton Garden Inn Hotel and a 266 key 5-star Hilton Hotel. Both the hotels are expected to complete in FY2022. Further details on these projects are as follows:

Block Name	Leasable Area (sf) / No. of Keys	Expected Completion	Percentage Completion as at December 31, 2018
Front Parcel Offices	839,350[(1)]	FY2021	33.6%
M-3 Office Block[(2)]	997,057	FY2021	1.0%
Hilton/ Hilton Garden Inn Hotel	619 Keys	FY2022	11.9%
Total	**1,836,407 sf /619 keys**		

Notes:

(1) Comprises smaller format premium commercial space and includes retail space of 58,083 sf

(2) *Being co-developed by MPPL and Embassy Sponsor on leasehold land.* For details, see *"Our Business and Properties—Business and Growth Strategies—Continue "on-campus" development programs"* on page 153.

The picture below represents the construction status for the front parcel offices and the two Hilton hotels as at December 31, 2018:

Proposed Development: Embassy Manyata has potential to develop an additional 1.4 msf (proposed development) which is part of the overall development plan.

Key value add initiatives

Through our disciplined operating and investment expertise, we have:

- Grown leasable area by 5.0 msf over the last five years and nine months including 3.6 msf of new construction and 1.4 msf of new acquisitions across three blocks.
- Leased 3.2 msf and achieved average re-leasing spreads of 28.4% on 0.5 msf over the last three years and nine months.
- Maintained occupancy levels of above 97.0% at the end of the last three years and nine months.
- Achieved 45.9% growth in Base Rent during the last five years and nine months.
- Undertaken extensive renovation programs including upgrades of 12 lobbies and a food court over the last three years and nine months.

The table below shows our Completed Area, occupancy and Base Rents for the periods mentioned:

	March 2013	December 2018
Completed Area	7.0 msf	11.0 msf
Occupancy %	99.7%	99.5%
Base Rents	INR 38 psf	INR 55 psf

EXPRESS TOWERS, MUMBAI


Asset Description

Express Towers is an iconic, trophy office building situated in Nariman Point within Mumbai's Central Business District. It is in a prime location in close proximity to some of India's most exclusive residential neighborhoods and state infrastructure (such as the State High Court and State Legislative Assembly) and has panoramic views of the city's promenade (Marine Drive), South Mumbai and the Arabian Sea. The property also has excellent transport links via the public transportation network and the Mumbai Metro (currently under construction) is expected to further enhance its connectivity.

Express Towers comprises 0.5 msf of Completed Area. Its prime location and top-class facilities have attracted marquee tenants, including international private equity funds, multinational banks, top-tier consulting firms and law practices. This property is one of the very few Grade A office buildings in this submarket, which is institutionally held. This, along with the lack of developable land for new supply in the submarket, further enhances the competitive advantage of this asset.

The property underwent a major repositioning program, which included façade replacement for the entire building exterior, lobby refurbishment, canopy installation, elevator revamp and enhanced security controls. Subsequently, it was awarded the "Best Commercial Renovation/ Redevelopment in India" at the Asia Pacific Property Awards in FY2017.

Key Asset Information

Entity	Indian Express Newspapers (Mumbai) Pvt. Ltd.
Interest Owned by REIT (%)	100.0%
Year of Commencement	1970
Asset Type	City Centre Office
Submarket	CBD (Nariman Point), Mumbai
Site Area (Acres)	1.46
Freehold/ Leasehold	Leasehold
Remaining lease life (# of years)	43 years
Leasable Area (msf)	0.5
Completed Area (msf)	*0.5*
Under Construction Area (msf)	—
Proposed Development Area (msf)	—
Occupancy (%)	92.5%
Committed Occupancy (%)	97.5%
Number of Tenants[(1)]	28
Market Value (INR mn)	18,812

Notes:

(1) Including 1 support retail tenant

Typical rent escalation is approximately 15.0% every 36 months

Tenant Profile

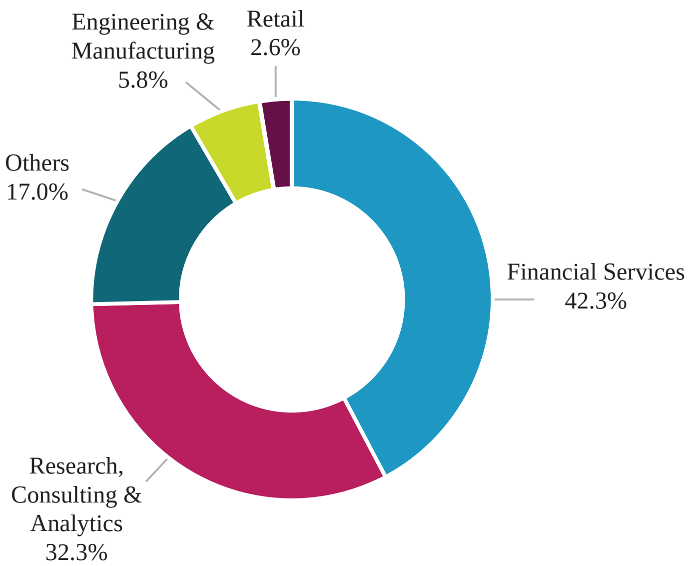
Express Towers has 28 occupiers including blue chip companies, such as DBS Bank Ltd., McKinsey & Company, Inc. and Warburg Pincus India Private Limited. Its top 10 tenants account for 79.9% of its Gross Rentals:

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	DBS Bank Ltd.	Financial Services	21.6%
2	McKinsey & Company, Inc.	Research, Consulting & Analytics	15.5%
3	Shardul Amarchand Mangaldas & Co	Research, Consulting & Analytics	9.6%
4	The Indian Hotels Company Ltd.	Others	7.8%
5	Lintas India Private Limited	Research, Consulting & Analytics	5.3%
6	Leading export insurance company	Financial Services	4.3%
7	ENAM Holdings Private Limited	Financial Services	4.2%
8	JBF Industries Limited	Engineering & Manufacturing	4.1%
9	Warburg Pincus India Private Limited	Financial Services	3.7%
10	Blackstone Advisors India Private Limited	Financial Services	3.7%
	Top 10 Total		**79.9%**

Tenant Sector Mix

Given its prime CBD location, the building's tenant mix is weighted towards financial services and consulting sectors:

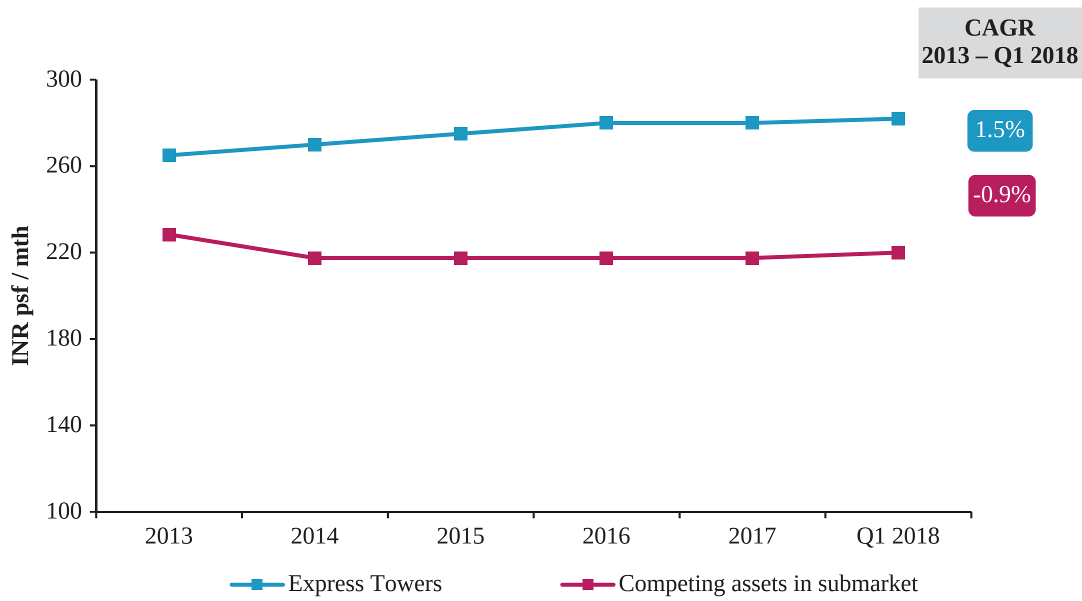
Sector Mix by Gross Rentals (%)



Rent Analysis

Market rents at Express Towers are 28.2% higher than its competing assets and have grown at 1.5% CAGR between CY2013 – Q12018. The building commands a rental premium to its competition due to its quality, institutional ownership and active asset management:

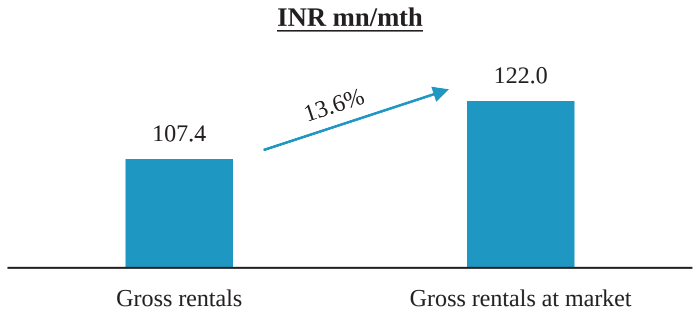
Historical Rent Growth (CY2013-Q1 2018)



(Source: CBRE Report)

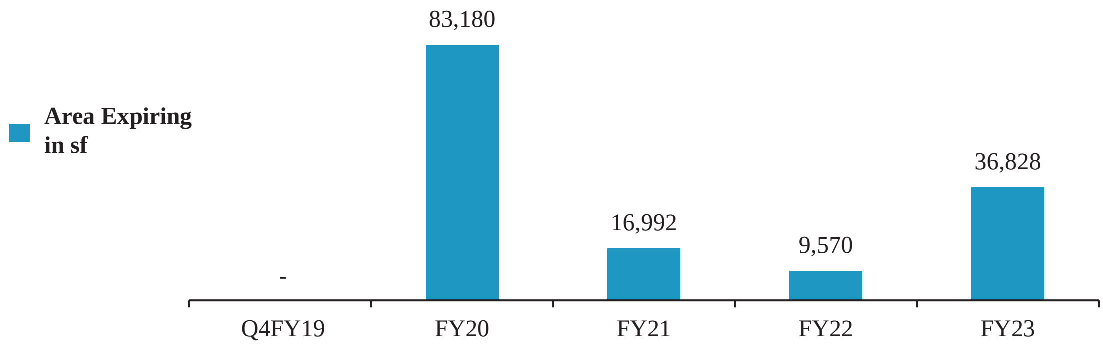
Mark to Market Opportunity

The average in-place rent at Express Towers is INR 246 psf compared to market rent of INR 280 psf, resulting in mark to market upside of 13.6% on Gross Rentals:



Lease Expiry Profiles

The WALE of the property is 5.0 years(1), with 33.9% of Occupied Area expiring between Q4FY2019 and FY2023 as shown in the chart below:



Year	Q4FY2019	FY2020	FY2021	FY2022	FY2023
% Expiration of Gross Rentals	0.0%	21.1%	4.1%	1.8%	8.3%
Base Rents at Expiration (INR psf/mth)(2)	-	210	257	167	276

Notes:
(1) Weighted by Gross Rentals
(2) Weighted by area expiring in that year

Key value add initiatives

Through our operating, investment and asset management expertise, we have:

- Increased Leasable Area by 0.1 msf since May 2014
- Leased 0.2 msf in last three years and nine months
- Increased occupancy by 26.0% from 66.5% as of May 2014 to 92.5% in December 2018
- Substantially repositioned building through a comprehensive upgrade program which included:
  - Façade renovation including lighting and mosaic painting
  - Lobbies refurbishment
  - Canopy at entrance
  - Elevators revamp

The table below shows our Completed Area, Occupancy and In-place rents for the periods mentioned:

	May 2014	December 2018
Completed Area	0.4 msf	0.5 msf
Occupancy %	66.5%[1]	92.5%
In-place rents	INR 229 psf[1]	INR 246 psf

Notes:

(1) Excludes 70k sf of area occupied by a bank which was known to be vacating

EMBASSY 247, MUMBAI

Asset Description

Embassy 247 is a freehold, Grade A city-center office building located in the Peripheral Business District East submarket of Mumbai, an emerging location for corporates due to its well-planned infrastructure and proximity to residential areas. It is well positioned in the submarket and has excellent transport connectivity with multiple metro and suburban railways stations in close proximity. This is a key differentiating factor, given an increasing focus by corporate occupiers on the ease of commute for their employees.

The property is IGBC LEED Gold rated and comprises three high quality office blocks totaling 1.2 msf of Leasable Area and includes state-of-the-art infrastructure, a large format retail departmental store on its ground floor, a recently revamped food court and open landscaped areas and public spaces at the podium. It has a Committed Occupancy of 88.1% with a diversified tenant mix of well-known international and domestic brands, including Maersk Tankers India Private Limited, Future Retail Limited and DHL Logistics Private Limited. A comprehensive upgrade program over the last three years, coupled with the addition of Wework India Management Private Limited as a major occupier, has led to the asset being repositioned as a new-age corporate destination.

Key Asset Information

Entity	Vikhroli Corporate Park Pvt. Ltd.
Interest Owned by REIT (%)	100.0%
Year of Commencement	2009
Asset Type	City Centre Office
Submarket	PBD East, Mumbai
Site Area (Acres)	7.27
Freehold/ Leasehold	Freehold
Leasable Area (msf)	1.2
Completed Area (msf)	*1.2*
Under Construction Area (msf)	—
Proposed Development Area (msf)	—
Occupancy (%)	73.8%
Committed Occupancy (%)	88.1%
Number of Tenants[(1)]	28
Market Value (INR mn)	17,155

Notes:

(1) Including 6 support retail tenants

Typical rent escalation ranges from approximately 10.0% to 15.0% every 36 months

Tenant Profile

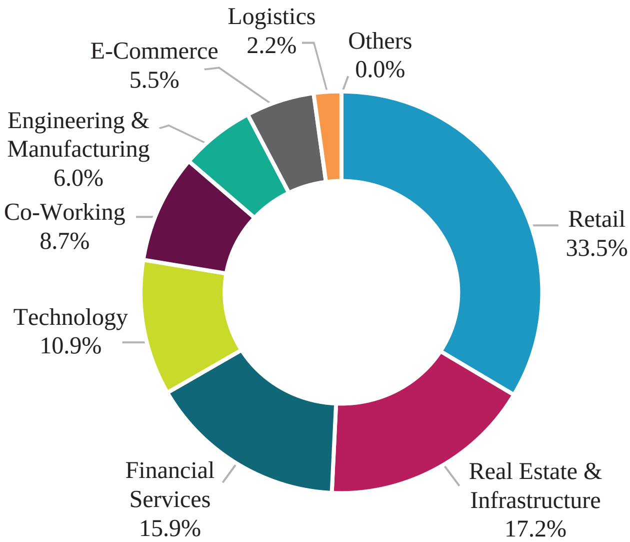
The building's tenant base comprises well-known multinational corporates, such as Wework India Management Private Limited, as well as large Indian corporates such as Future Retail Limited:

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	Future Retail Limited	Retail	29.1%
2	Radius Corporate Solutions (India) Private Limited	Real Estate & Infrastructure	11.0%
3	Wework India Management Private Limited	Co-working	8.7%
4	Leading Registrar	Financial Services	5.6%
5	Pepperfry	E-Commerce	5.5%
6	Leading Insurance Company	Financial Services	5.1%
7	Gravitas Technology Private Limited	Technology	4.7%
8	Indian Real Estate Developer	Real Estate & Infrastructure	4.3%
9	Leading Banking Institution	Financial Services	3.7%
10	Leading Automobile Manufacturer	Engineering & Manufacturing	2.4%
	Top 10 Total		**80.1%**

Tenant Sector Mix

The property has a diverse tenant sector base, including technology tenants, retail occupiers and co-working space providers:

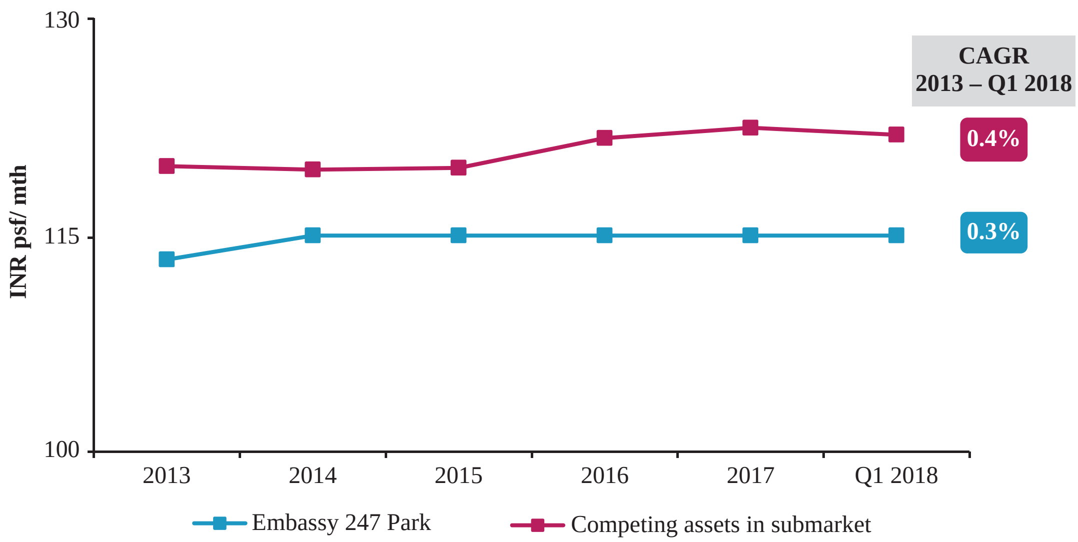
Sector Mix by Gross Rentals (%)



Rent Analysis

Market rents at Embassy 247 have remained stable between CY2013 – Q12018. As a part of the comprehensive upgrade program over last three years, the property has been able to attract leading occupiers from diverse sectors such as Wework India Management Private Limited (co-working), Maersk Tankers India Private Limited (Engineering & Manufacturing) and Pepperfry (E-Commerce). In addition, an existing tenant has committed to upgrade the entire ground floor to a high-end retail departmental store. This is expected to further help the property consolidate its position in the submarket.

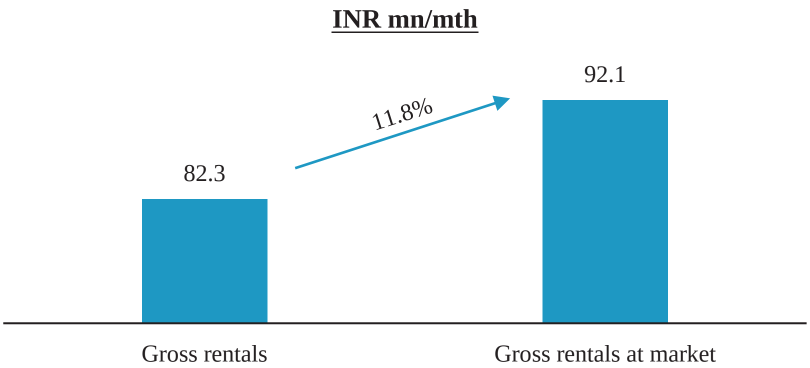
Historical Rent Growth (CY2013-Q1 2018)



(Source: CBRE Report)

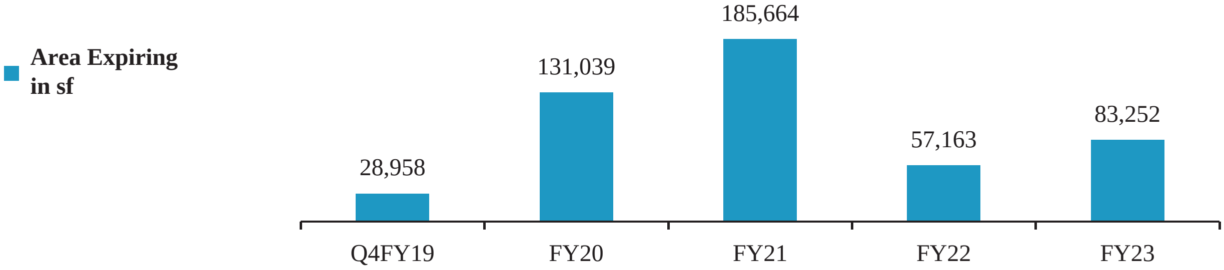
Mark to Market Opportunity

The average in-place rent at Embassy 247 is INR 93 psf compared to market rent of INR 104 psf, resulting in mark to market upside of 11.8% on Gross Rentals.



Lease Expiry Profile

The property has a WALE of 3.3 years(1), with 55.5% of Occupied Area expiring between Q4FY2019 and FY2023 as shown in the chart below:



Year	Q4FY2019	FY2020	FY2021	FY2022	FY2023
Lease Expiry % of Gross Rentals	4.3%	18.4%	21.0%	5.6%	10.8%
Base Rents at Expiration (INR psf/mth)(2)	121	114	99	92	120

Notes:
(1) Weighted by Gross Rentals
(2) Weighted by area expiring in that year

Asset Upgrades

Phase I of the park upgrade was recently completed and includes a new food court, open landscaped areas and refurbished lobbies. The visuals below are examples of the repositioning program:

We are currently revamping the building's exterior façade, which will further enhance the visual appeal of the asset. Additionally, the planned upgrade of the retail store on the ground floor to a high-end popular format of the same tenant is expected to be completed in 2019 which is likely to further consolidate the asset's position as a premium building in this submarket.

FIFC, MUMBAI

Asset Description

The First International Finance Centre (“**FIFC**”) is an iconic, Grade-A city centre office building located in the Bandra Kurla Complex (“**BKC**”), Mumbai’s Alternate Business District (“**ABD**”) and one of the most prominent office districts in the country.

FIFC is a 0.7 msf building of which the Embassy REIT owns 0.4 msf and the balance is owned by a leading multinational bank.

BKC has emerged as Mumbai’s financial hub and one of the most popular corporate destinations today, due to its proximity to the city’s domestic and international airport and two different suburban rail networks. It houses the front offices of various banks and corporate headquarters and commands the highest rents in the city due to its well-planned infrastructure, connectivity to residential hubs and availability of modern high quality office space. Within BKC, FIFC is a sought after front office development given its superior design, high quality, institutional management, marquee occupants, efficient floor plate and availability of contiguous stacks and F&B options.

Designed by the New York-based Kohn Pedersen Fox, the building is an energy-efficient, IGBC LEED Gold Certified.

Key Asset Information

Entity	Earnest Towers Pvt. Ltd.
Interest Owned by REIT (%)	100.0%
Year of Commencement	2012
Asset Type	City Centre Office
Submarket	Alternate Business District, Mumbai
Site Area (Acres)	1.99
Freehold/ Leasehold	Leasehold
Remaining lease life (# of years)	69 years
Leasable Area (msf)	0.4
Completed Area (msf)	*0.4*
Under Construction Area (msf)	—
Proposed Development Area (msf)	—
Occupancy (%)	55.4%
Committed Occupancy (%)	55.4%(2)
Number of Tenants(1)	10
Market Value (INR mn)	14,920

Notes:

(1) Including 5 support retail tenants

(2) Additionally, Google India Private Limited has a hard option for 141,634 sf until April 30, 2019. If this hard option is considered then the occupancy will be 94.6%.

Typical rent escalation ranges from approximately 5.0% every 12 months or approximately 15.0% every 36 months

Tenant Profile

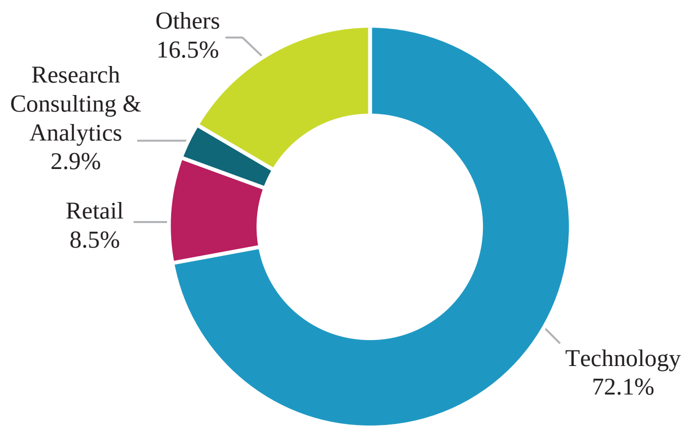
The building's tenant base comprises well-known multinational corporates and renowned F&B operators. FIFC was re-launched after completion of a refurbishment program, and has been leased to marquee multi-national tenants, such as Google India Private Limited and McKinsey & Company India LLP:

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	Google India Private Limited	Technology	43.3%
2	Leading Technology Company	Technology	28.7%
3	Leading Multinational	Others	15.8%
4	McKinsey & Company India LLP	Research, Consulting & Analytics	2.9%
5	Restaurants		8.5%
6	Others		0.8%
	Top 10 Total		**100.0%**

Tenant Sector Mix

The property's tenant sector mix is weighted to the technology and retail segments:

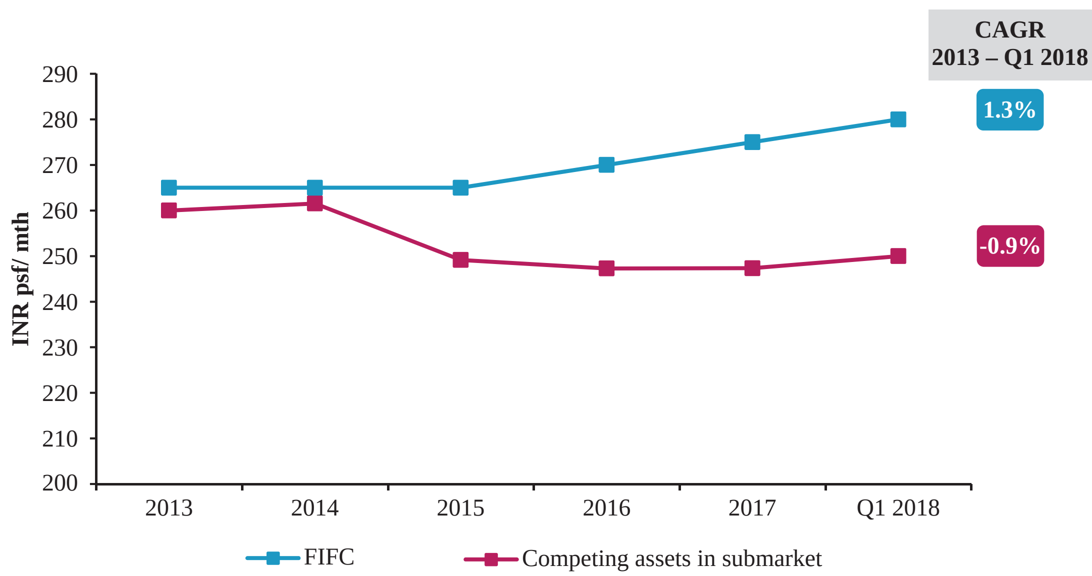
Sector Mix by Gross Rentals (%)



Rent Analysis

Market Rent for FIFC has out-performed the market over the last three years growing at 1.3% between CY2013 – Q12018. Buildings providing quality office spaces in the submarket (such as FIFC) are expected to continue to witness premium rent due to a lack of Grade A supply in the near future and limited options for large office space in competing assets:

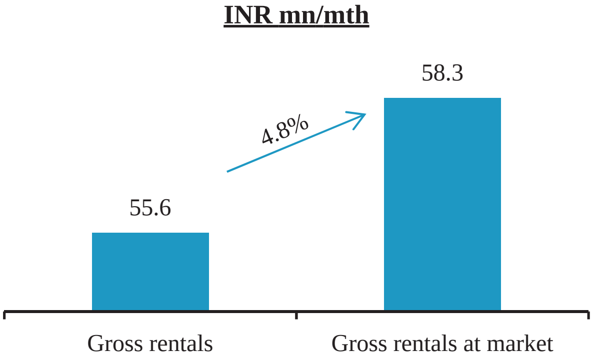
Historical Rent Growth (CY2013-Q1 2018)



(Source: CBRE Report)

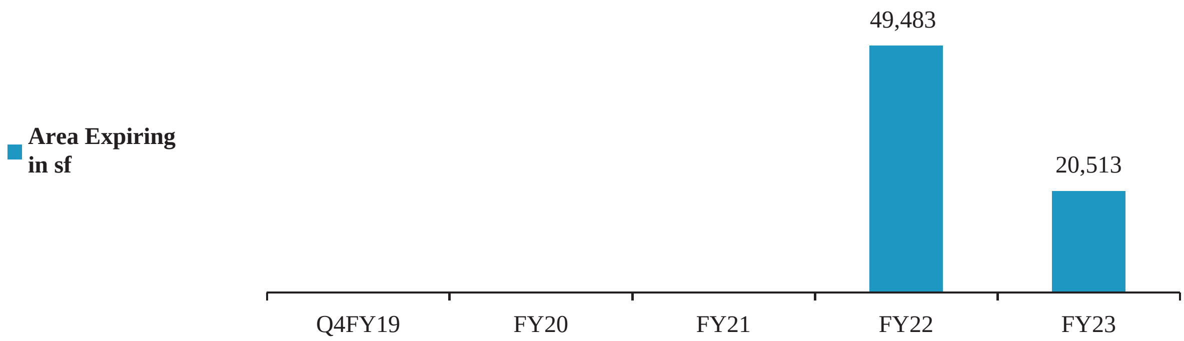
Market Rent Comparison

The average in-place rent at FIFC is INR 277 psf compared to market rent of INR 291 psf:



Lease Expiry Profile

FIFC has a WALE of 4.9 years[(1)], with 35.0% of Occupied Area expiring between FY2022 and FY2023 as shown in the chart below:



Year	Q4 FY2019	FY2020	FY2021	FY2022	FY2023
% Expiration of Gross Rentals	-	-	0.1%	28.7%	10.8%
Base Rents at Expiration (INR psf /mth)[(2)]	-	-	NM	368	329

Notes:

(1) Weighted by Gross Rentals

(2) Weighted by area expiring in that year

EMBASSY TECHZONE, PUNE

Asset Description

Embassy Techzone is a Grade A, high quality open campus office park located close to the Mumbai-Pune Expressway and is one of the larger developments in its submarket. The park is located in West Pune, which is one of the more popular office locations in the city, providing excellent social and lifestyle infrastructure, various transportation links to both Mumbai & Pune CBD and a good residential catchment catering to the growing technology workforce.

The park is spread over 67.45 Acres with 5.5 msf of Leasable Area and comprises six operational towers (2.2 msf) and a further 3.3 msf of Proposed Development Area. Of the 67.45 Acres, 42.30 Acres are currently designated as SEZ. We have applied for the conversion of 18.03 Acres into SEZ.

Embassy Techzone offers various on-site facilities and amenities, including intra-park shuttle services, breakout zone, sports ground, fitness centre, training centre and an amphitheatre. The park has received numerous awards and certifications for its operations, health & safety standards including the IGBC Green Campus Platinum Certification and British Council Sword of Honour 2017.

Key Asset Information

Entity	Embassy Office Parks Pvt. Ltd.
Interest Owned by REIT (%)	100.0%
Year of Commencement	2008
Asset Type	Office Park
Submarket	West Pune
Site Area (Acres)	67.45
Freehold/ Leasehold	Leasehold
Remaining lease life (# of years)	81 years
Leasable Area (msf)	5.5
Completed Area (msf)	*2.2*
Under Construction Area (msf)	—
Proposed Development Area (msf)	*3.3*
Occupancy (%)	81.5%
Committed Occupancy (%)	84.8%
Number of Tenants[1]	23
Market Value (INR mn)	20,720

Notes:

(1) Including 7 support retail tenants

Typical rent escalation ranges from approximately 12.0% to 15.0% every 36 months

Tenant Profile

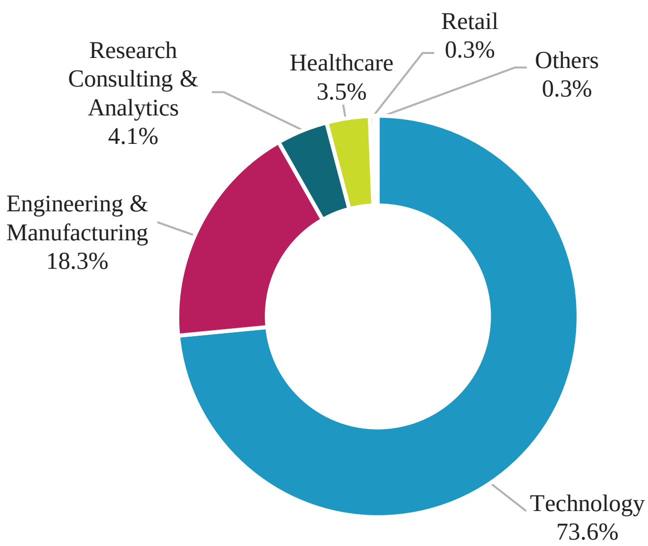
As of December 31, 2018, Embassy Techzone had 23 tenants including blue chip occupiers such as IBM India Private Limited, Atos and Mercedes-Benz Research and Development India Private Limited. The park's top 10 tenants accounted for 90.7% of its Gross Rentals:

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	IBM India Private Limited	Technology	29.2%
2	Atos	Technology	28.1%
3	Mercedes-Benz Research and Development India Private Limited	Engineering & Manufacturing	6.5%
4	Flextronics Technologies (India) Pvt. Ltd.	Engineering & Manufacturing	5.7%
5	Nice Interactive Solutions (India) Private Limited	Technology	5.2%
6	Nitor Infotech Private Limited	Technology	4.3%
7	Access Healthcare Services Pvt. Ltd.	Healthcare	3.5%
8	Tech Mahindra Limited	Technology	3.4%
9	eClerx Services Limited	Research, Consulting & Analytics	2.4%
10	Rockwell Automation India Pvt. Ltd.	Engineering & Manufacturing	2.3%
	Top 10 Total		**90.7%**

Tenant Sector Mix

The park's largest tenant segment is technology (73.6%). It also attracts tenants from other sectors such as engineering & manufacturing and healthcare:

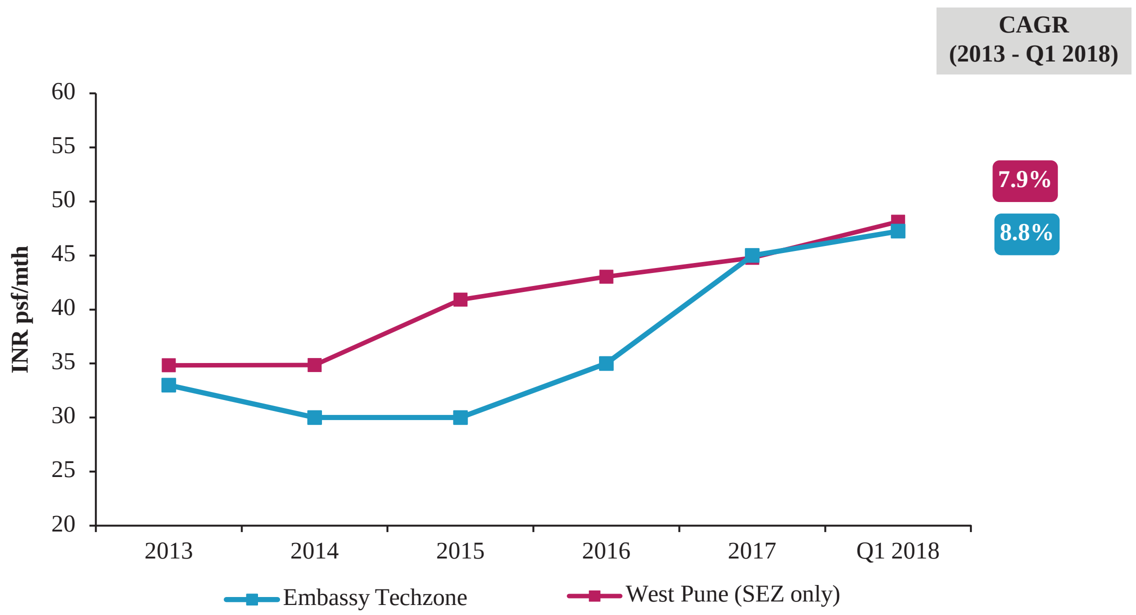
Sector Mix by Gross Rentals (%)



Rent Analysis

Market rents at Embassy Techzone have grown at an 8.8% CAGR between CY2013 – Q12018 and have outperformed the West Pune (SEZ only) submarket (7.9%). It is expected that the sustained occupier interest and supply pipeline will result in stable rental growth and absorption levels in the submarket going forward:

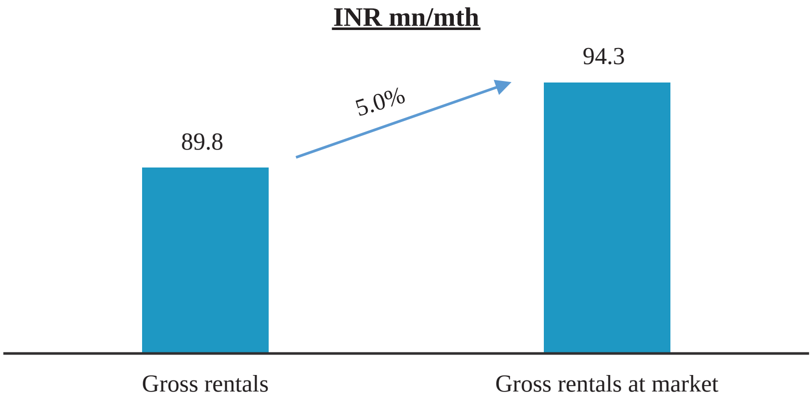
Historical Rent Growth (CY2013 – Q1 2018)



(Source: CBRE Report)

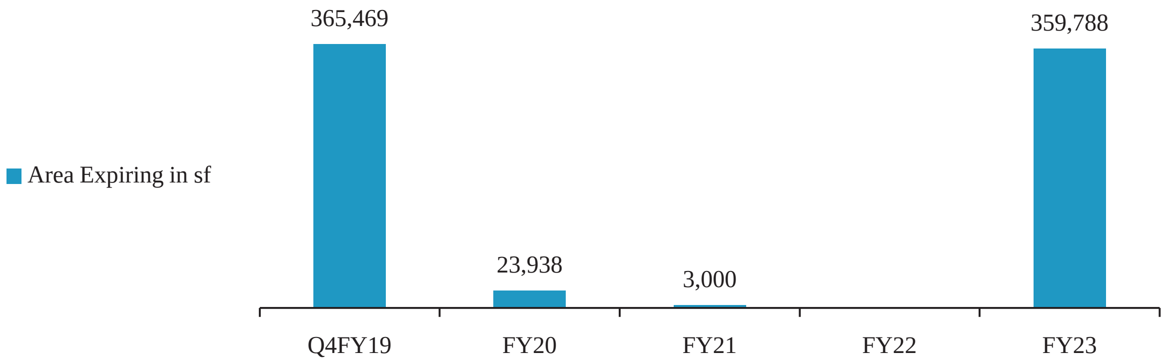
Mark to Market Opportunity

The average in-place rent at Embassy Techzone is INR 44 psf compared to market rent of INR 47 psf resulting in mark to market upside of 5.0% on Gross Rentals:



Lease Expiry Profile

The property has a WALE of 5.4 years[1], with 42.7% of occupied area expiring between Q4FY2019 and FY2023 as shown in the chart below:



Year	Q4FY2019	FY2020	FY2021	FY2022	FY2023
% Expiration of Gross Rentals	17.9%	1.1%	0.1%	—	20.3%
Base Rents at Expiration (INR psf/mth)[2]	44	39	—	—	43

Notes:
(1) Weighted by Gross Rentals
(2) Weighted by area expiring in that year

'On Campus' Development Projects

Proposed Development: Embassy Techzone has a further development potential of 3.3 msf with construction of approximately 0.3 msf expected to commence in 2019.

EMBASSY QUADRON, PUNE

Asset Description

Embassy Quadron is a high-quality, Grade A office park located in the West Pune submarket, one of the most popular office locations in the city and a large hub of technology companies. The submarket has good transportation links to Mumbai and central Pune (via the Mumbai-Pune Expressway), established social infrastructure and a large residential catchment to cater to the growing technology workforce.

The property is spread over 25.52 Acres and comprises four buildings with 1.9 msf of Leasable Area. It has high-quality specifications, infrastructure and tenant amenities, including a state-of-the-art 2,000+ seat food court (including alfresco seating), indoor sports zone, fitness center, day-care facilities, refurbished lobbies, enhanced landscaping and various retail offerings. The park has also received several quality, health & safety and environment standard certifications. As a result, Embassy Quadron has consistently maintained high occupancy levels and has a marquee tenant roster.

Key Asset Information

Entity	Quadron Business Park Pvt. Ltd.
Interest Owned by REIT (%)	100.0%
Year of Commencement	2008
Asset Type	Office Park
Submarket	West Pune
Site Area (Acres)	25.52
Freehold/ Leasehold	Leasehold
Remaining lease life (# of years)	81 years
Leasable Area (msf)	1.9
Completed Area (msf)	*1.9*
Under Construction Area (msf)	—
Proposed Development Area (msf)	—
Occupancy (%)	91.4%
Committed Occupancy (%)	91.4%
Number of Tenants[(1)]	24
Market Value (INR mn)	14,524

Notes:

(1) Including 20 support retail tenants

Typical rent escalation is approximately 10.0% to 15.0% every 36 months

Tenant Profile

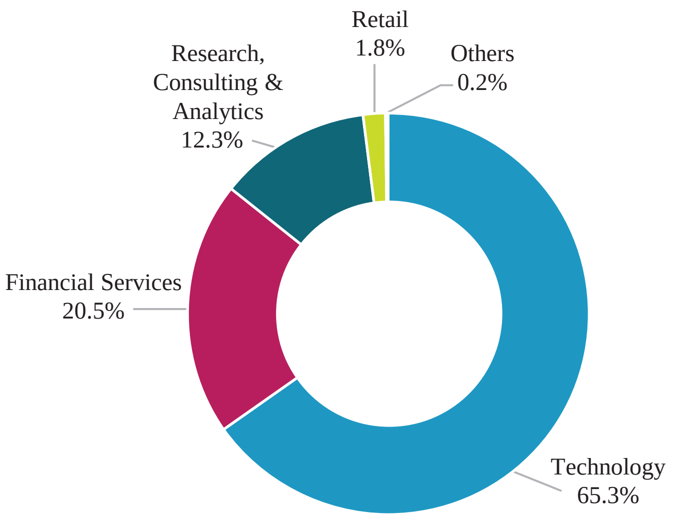
Embassy Quadron's major occupiers include Cognizant Technology Solutions India Private Limited, eClerx Services Limited and a leading multinational bank:

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	Cognizant Technology Solutions India Private Limited	Technology	64.6%
2	Leading multinational bank	Financial Services	20.5%
3	eClerx Services Limited	Research, Consulting & Analytics	12.3%
	Others	—	1.3%
	Top 10 Total		**98.7%**

Tenant Sector Mix

The property's tenant sector mix is weighted to the technology and financial services sectors:

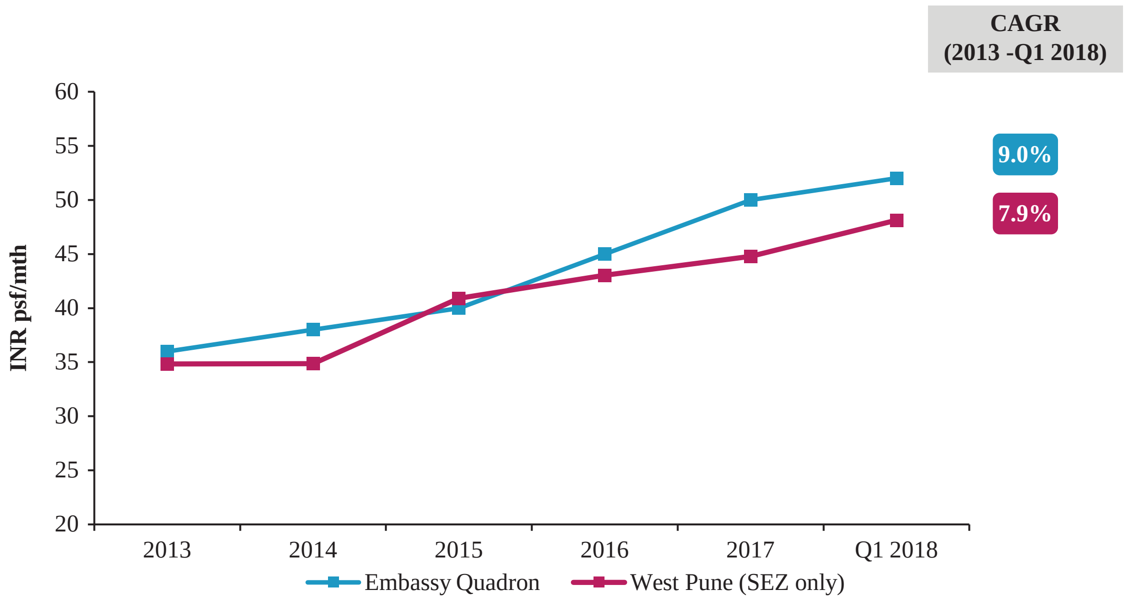
Sector Mix by Gross Rentals (%)



Rent Analysis

Market rents at Embassy Quadron have grown by 9.0% CAGR between CY2013 – Q12018 and have outperformed West Pune (SEZ only) submarket (7.9%). CBRE expects that the sustained occupier interest and supply pipeline will result in stable rental growth and absorption levels in the submarket going forward. Due to its prominent location and high-standard facilities, Embassy Quadron is expected to command a rental premium to other competing developments.

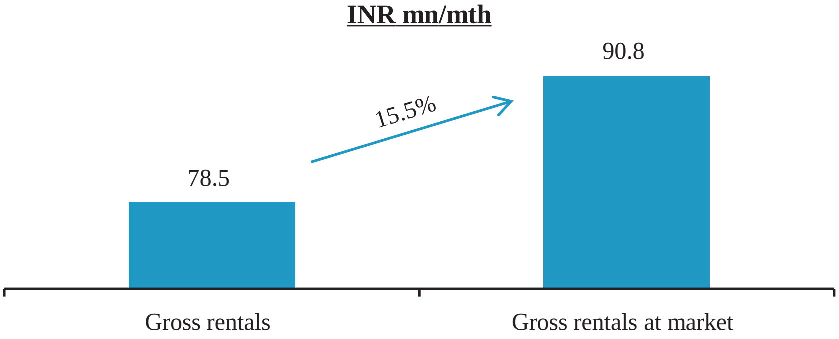
Historical Rent Growth (CY2013-Q1 2018)



(Source: CBRE Report)

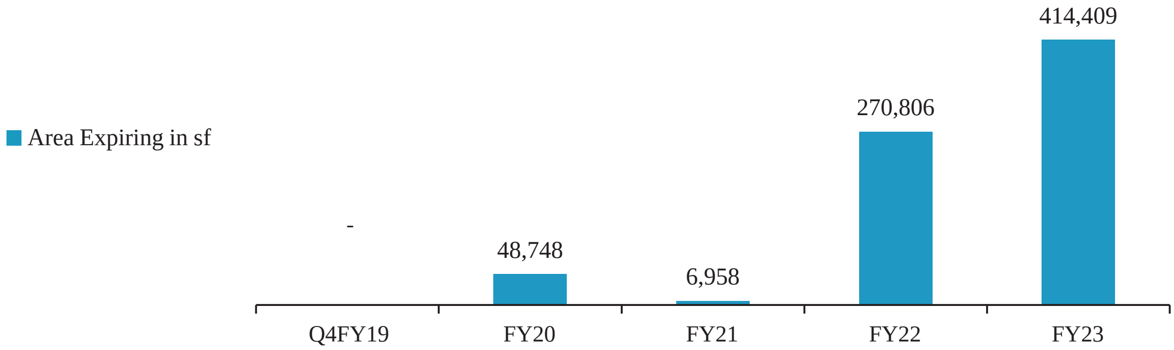
Mark to Market Opportunity

The average monthly in-place rent at the Embassy Quadron is INR 40 psf compared to market rent of INR 47 psf, resulting in mark to market upside of 15.5% on Gross Rentals:



Lease Expiry Profile

Embassy Quadron has a WALE of 6.4 years(1), with 42.8% of Occupied Area expiring between Q4FY2019 and FY2023 as shown in the chart below—this provides an opportunity to lease below-market space at market levels:



Year	Q4 FY2019	FY2020	FY2021	FY2022	FY2023
% Expiration of Gross Rentals	NM	2.5%	0.5%	12.6%	22.9%
Base Rents at Expiration (INR psf/mth)(2)	NM	40	34	41	50

Notes:

(1) Weighted by Gross Rentals

(2) Weighted by area expiring in that year

EMBASSY QUBIX, PUNE

Asset Description

Embassy Qubix is a Grade A office park strategically located close to the Mumbai-Pune Expressway in the submarket of West Pune. This submarket is the largest hub of technology companies in the city and has good transportation links to both Mumbai and Pune, established social infrastructure and a large residential catchment to cater for the growing technology workforce.

The office park is spread over 25.16 Acres and has six office buildings totalling 1.5 msf of leasable area. It provides occupiers with a full suite of amenities, including a recently fully renovated food court, refurbished lobbies, and a 150-seat auditorium. Embassy Qubix has also received various quality, health & safety and environment standard certifications.

The park is currently 100.0% occupied and houses well-known technology, manufacturing and consulting tenants such as Cisco, Larsen & Toubro Infotech Limited, Accenture Solutions Private Limited and CRISIL Limited.

Key Asset Information

Entity	Qubix Business Park Pvt. Ltd.
Interest Owned by REIT (%)	100.0%
Year of Commencement	2011
Asset Type	Office Park
Submarket	West Pune
Site Area (acres)	25.16
Freehold/ Leasehold	Freehold
Leasable Area (msf)	1.5
Completed Area (msf)	*1.5*
Under Construction Area (msf)	—
Proposed Development Area (msf)	—
Occupancy (%)	99.2%
Committed Occupancy (%)	100.0%
Number of Tenants(1)	47
Market Value (INR mn)	10,185

Notes:

(1) Including 20 support retail tenant

(2) Typical rent escalation ranges from approximately 10.0% to 15.0% every 36 months

Tenant Profile

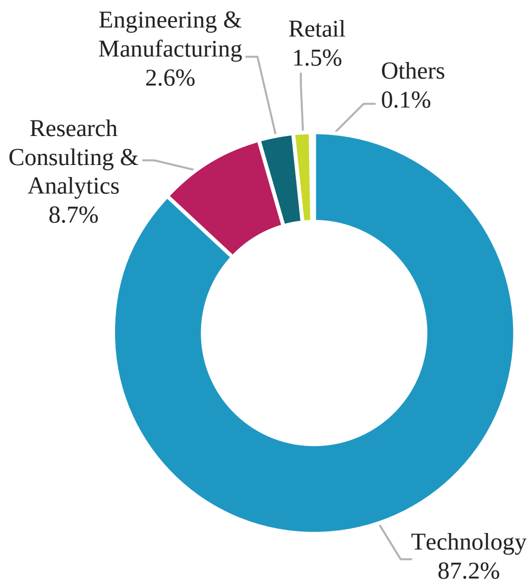
The property has 47 tenants, including blue-chip occupiers such as Accenture Solutions Private Limited and Cisco.

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	Accenture Solutions Private Limited	Technology	27.8%
2	Larsen & Toubro Infotech Limited	Technology	9.9%
3	Leading Technology Company	Technology	6.8%
4	Leading Multinational Company	Technology	6.8%
5	Cisco	Technology	5.5%
6	CRISIL Limited	Research, Consulting & Analytics	4.4%
7	Leading Technology Company	Technology	4.2%
8	Sciformix Technologies Private Limited	Technology	3.9%
9	KPIT Technologies Limited	Technology	3.9%
10	Indian Corporate	Technology	3.2%
	Top 10 Total		**76.5%**

Tenant Sector Mix

Embassy Qubix is a technology-focused office park and 87.2% of its area is occupied by tenants from that sector:

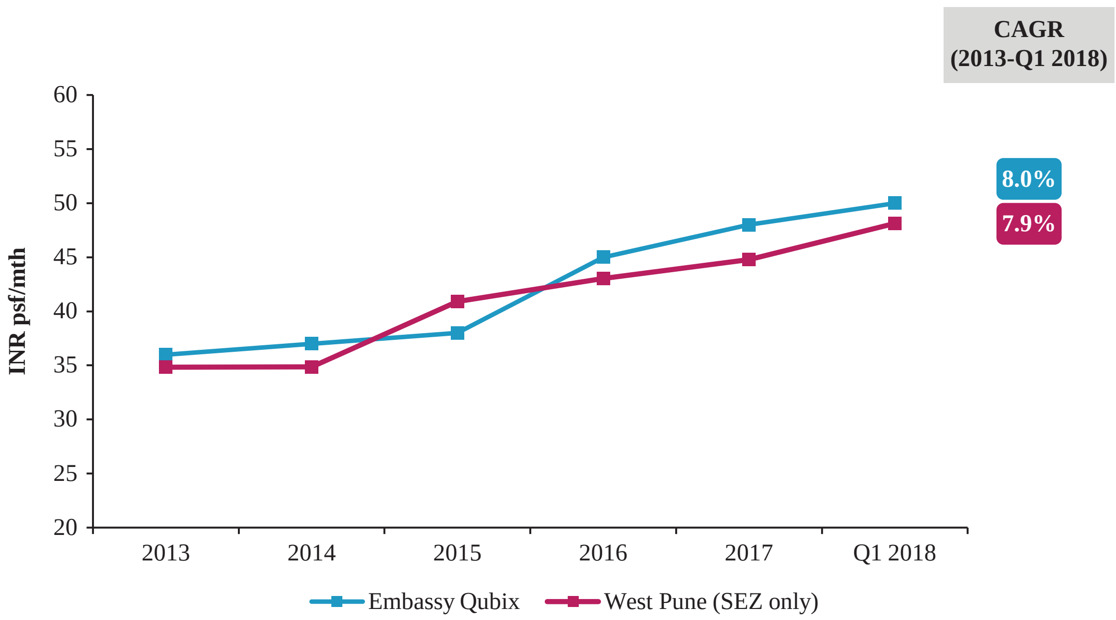
Sector Mix by Gross Rentals (%)



Rent Analysis

Market rents at Embassy Qubix have grown by 8.0% CAGR between CY2013 – Q12018. CBRE expects that sustained occupier interest and demand pipeline will result in continued rental growth in the submarket.

Historical Rent Growth (CY2013-Q1 2018)

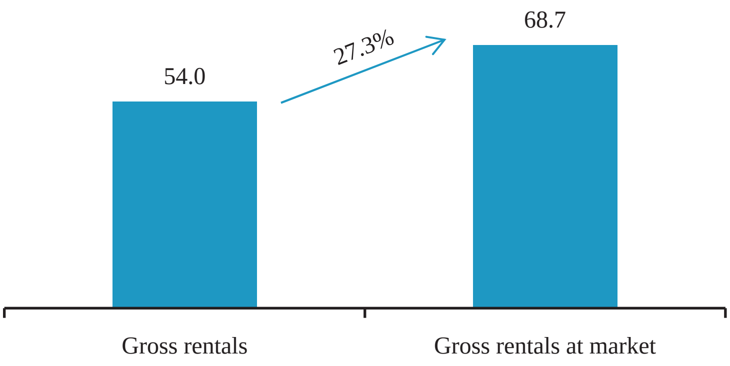


(Source: CBRE Report)

Mark to Market Opportunity

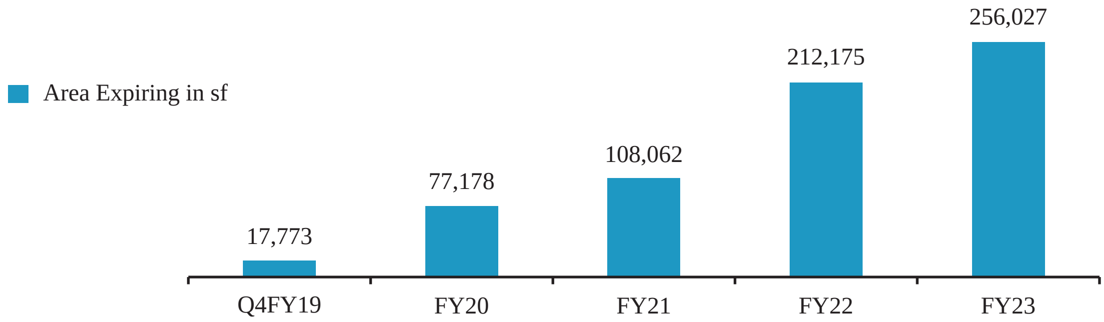
The average monthly in-place rent at Qubix is INR 37 psf compared to market rent of INR 47 psf, resulting in mark to market upside of 27.3% on Gross Rentals:

INR mn/mth



Lease Expiry Profile

The WALE of the property is 5.7 years[(1)], with 46.6% of occupied area expiring between Q4FY2019 and FY2023 as shown in the chart below:



Year	Q4FY2019	FY2020	FY2021	FY2022	FY2023
% Expiration of Gross Rentals[(2)]	1.4%	4.9%	6.5%	16.6%	19.9%
Base Rents at Expiration (INR psf /mth)[(2)]	40	32	33	45	47

Notes:
(1) Weighted by Gross Rentals
(2) Weighted by area expiring in that year

EMBASSY OXYGEN, NOIDA

Asset Description

Embassy Oxygen is one of the few high-quality, institutionally-owned, Grade A office parks in Noida. It is well-positioned in the Noida Expressway submarket, which has witnessed robust tenant demand due to its affordable rents, established infrastructure, access to employee talent pools and excellent connectivity.

The property is amongst the largest office parks in the city and one of only two SEZ developments in its submarket. It is spread over 24.83 Acres with 3.3 msf of leasable area and comprises seven completed towers (1.9 msf), one under-construction towers (0.6 msf) and a further 0.7 msf of proposed development. The park is IGBC LEED Gold certified (Phase II being pre-certified LEED Gold) and has also received many quality, health and safety and environment standards

Embassy Oxygen's open campus-style provides occupiers with reliable infrastructure, landscaped greenspace, a recently revamped food court and a suite of tenant amenities (such as a sports zone, auditorium, café, fitness center and day-care facilities).

Key Asset Information

Entity	Oxygen Business Park Pvt. Ltd.
Interest Owned by REIT (%)	100.0%
Year of Commencement	2011
Asset Type	Office Park
Submarket	Noida Expressway
Site Area (acres)	24.83
Freehold/ Leasehold	Leasehold
Remaining lease life (# of years)	78 years
Leasable Area (msf)	3.3
Completed Area (msf)	*1.9*
Under Construction Area (msf)	*0.6*
Proposed Development Area (msf)	*0.7*
Occupancy (%)	89.2%
Committed Occupancy	91.9%
Number of Tenants(1)	22
Market Value (INR mn)	19,580

Notes:

(1) Including 15 support retail tenants

Typical rent escalation is approximately 15.0% every 36 months

Tenant Profile

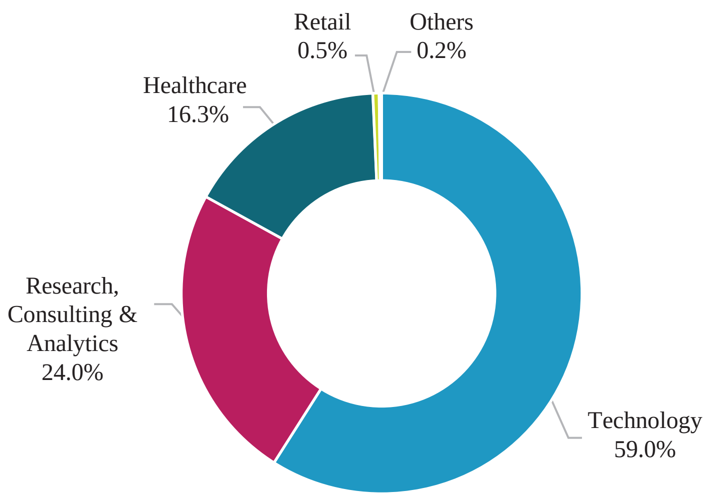
Embassy Oxygen has 22 tenants, including global technology companies such as NTT Data Information Processing Services Private Limited and Global Logic India Limited:

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	exlService.com (India) Private Limited	Research, Consulting & Analytics	24.0%
2	Global Logic India Limited	Technology	22.1%
3	NTT Data Information Processing Services Private Limited	Technology	19.2%
4	Information and Health Services Company	Healthcare	16.3%
5	Newgen Software Technologies Limited	Technology	9.7%
6	Technology Consulting Company	Technology	8.0%
	Others	—	0.2%
	Top 10 Total		**99.6%**

Tenant Sector Mix

The property's sector mix is weighted towards technology, which accounts for 59.0% of Gross Rentals, as well as research and healthcare sectors:

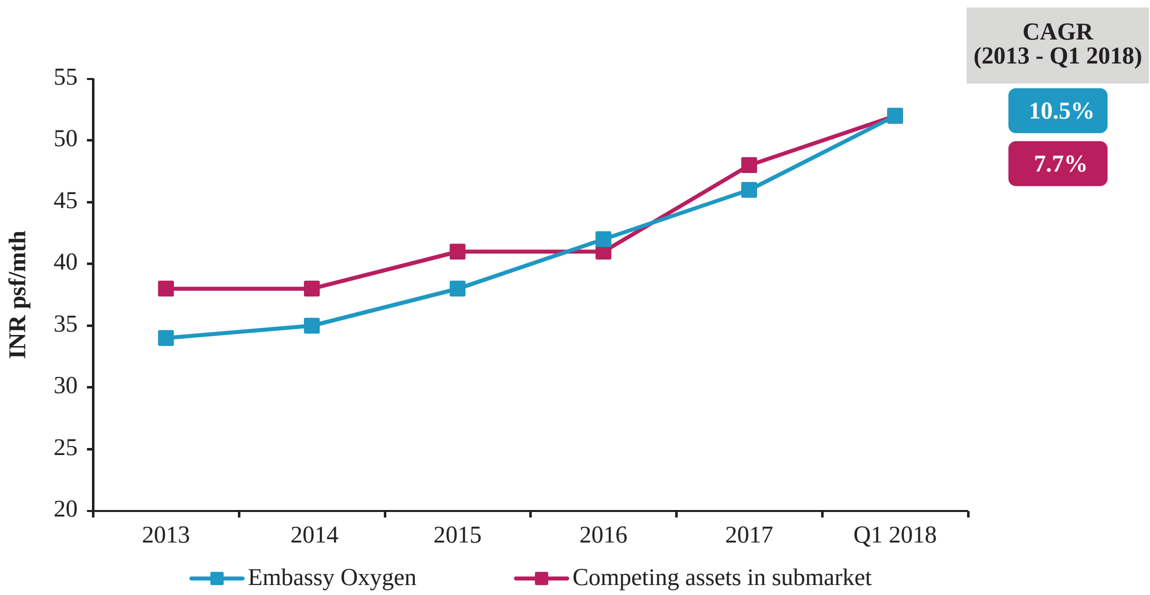
Sector Mix by Gross Rentals (%)



Rent Analysis

Embassy Oxygen's Market rents have grown at a CAGR of 10.5% between CY2013 – Q12018, outpacing the market rents at competing assets which are currently at INR 52 psf/mth. Given the submarket's locational advantage, the presence of a well-developed social infrastructure and nature of operations by tenants in the submarket, CBRE believes that demand for office space is expected to be stable:

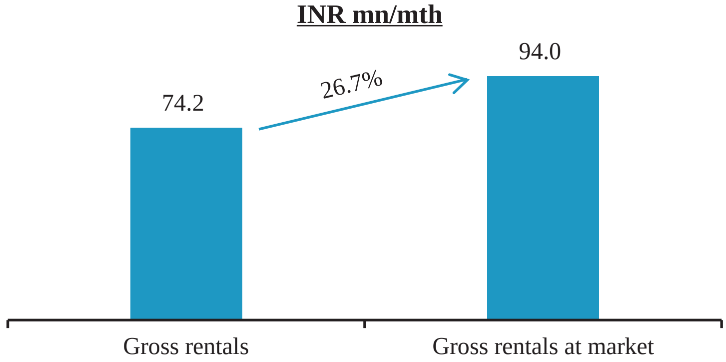
Historical Rent Growth (CY2013-Q1 2018)



(Source: CBRE Report)

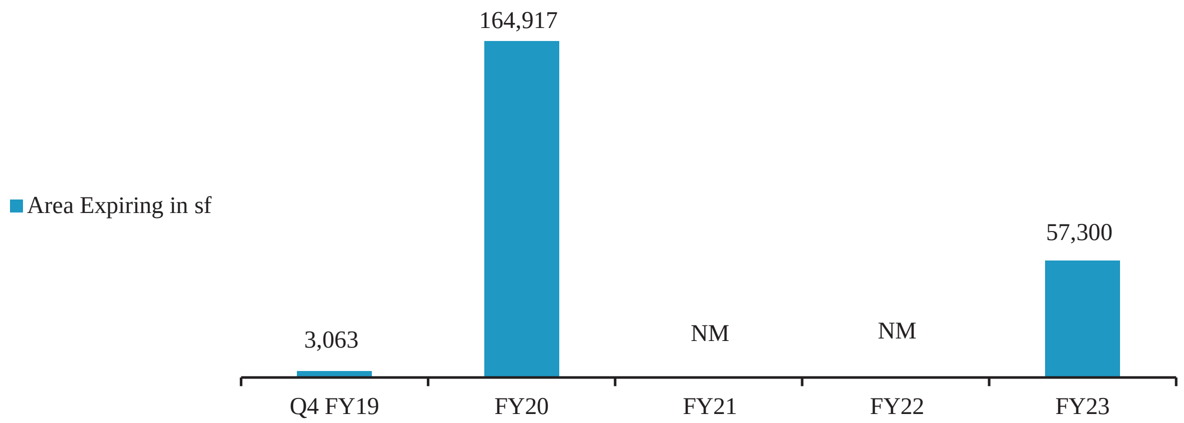
Mark to Market Opportunity

The average monthly in-place rent at Oxygen is INR 43 psf compared to market rent of INR 54 psf, resulting in mark to market upside of 26.7% on Gross Rentals.



Lease Expiry Profile

Embassy Oxygen has a WALE of 10.5 years[1], with 13.0% of occupied area expiring between Q4FY2019 and FY2023 as shown in the chart below:



Year	Q4FY2019	FY2020	FY2021	FY2022	FY2023
% Expiration of Gross Rentals	NM	8.3%	NM	NM	4.9%
Base Rents at Expiration (INR psf/mth)[2]	NM	37	NM	NM	73

Notes:

(1) Weighted by Gross Rentals

(2) Weighted by area expiring in that year

'On Campus' Development Project

Embassy Oxygen has one "on-campus" under construction project totaling 0.6 msf—this is expected to be completed by FY2021. The project has been designed by Singapore based architects, H-Star, and has large efficient floor plates, a grand entrance boulevard, dedicated bus bays, vehicle-free central podium a range of tenant amenities, such as multi-purpose outdoor sports court, 200 seater amphitheater, 1,100+ seater food court and open landscapes and public spaces:

Block Name	Leasable Area (sf)	Expected Completion	Percentage Completion[1]
Tower 2	579,000	FY2021	39.7%
Total	**579,000**		

Notes:

(1) As on December 31, 2018

The pictures below represent the completed Tower 3 and the construction status for Tower 2:

Tower 3

Tower 2

Proposed Development: The office park also has an additional proposed development of 0.7 msf.

Asset Upgrade

We have recently completed a comprehensive asset upgrade program between FY2017 and FY2018 which includes refurbishing of the food-court, energizing open spaces and upgrading landscaping and horticulture.

EMBASSY GALAXY, NOIDA

Asset Description

Embassy Galaxy is a Grade A office park located in Noida with a Leasable Area of 1.4 msf. Its submarket (Peripheral Noida) has number of multinational corporate occupiers, prominent universities (ensuring a large talent pool), co-located residential catchments allowing a walk-to-work culture, well-planned infrastructure and excellent connectivity.

Spread across 9.88 Acres, the property is an open-campus style development with a range of amenities including a recently refurbished state-of-the-art food court, cafes and numerous retail options. Embassy Galaxy has established itself as a preferred office destination in Noida and this has been reflected in its marquee tenant roster (Fiserv, DXC Technology India Private Limited and Tata Consultancy Services Limited) and continuous high occupancy.

The park is IGBC "LEED Gold" certified and has also received other quality, health & safety and environment standards.

Key Asset Information

Entity	Galaxy Square Pvt. Ltd.
Interest Owned by REIT (%)	100.0%
Year of Commencement	2007
Asset Type	Office Park
Submarket	Peripheral Noida
Site Area (Acres)	9.88
Freehold/ Leasehold	Leasehold
Remaining lease life (# of years)	77 years
Leasable Area (msf)	1.4
Completed Area (msf)	*1.4*
Under Construction Area (msf)	—
Proposed Development Area (msf)	—
Occupancy (%)	100.0%
Committed Occupancy (%)	100.0%
Number of Tenants[(1)]	31
Market Value (INR mn)	8,367

Notes:

(1) Including 24 support retail tenants

Typical rent escalation is approximately 15.0% every 30 months or 15.0% every 36 months

Tenant Profile

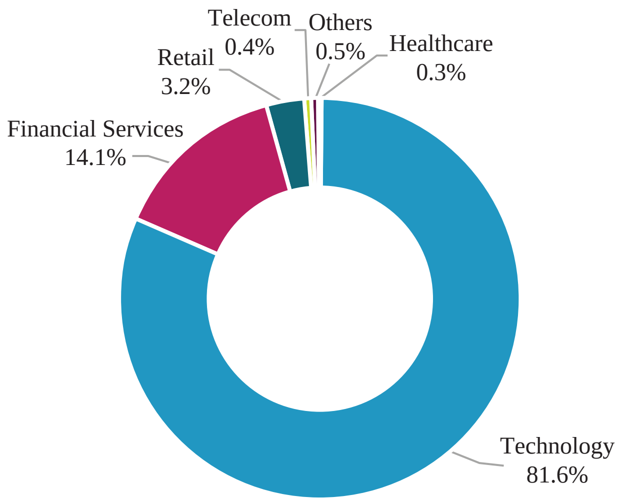
As of December 31, 2018, the property houses 31 tenants including blue chip occupiers such as DXC Technology India Private Limited, Fiserv and Tata Consultancy Services Limited:

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	DXC Technology India Private Limited	Technology	48.1%
2	Tata Consultancy Services Limited	Technology	32.1%
3	Fiserv	Financial Services	14.1%
	Others	—	3.2%
	Top 10 Total		**97.5%**

Tenant Sector Mix

Embassy Galaxy is a technology-focused office park and 81.6% of its area is occupied by tenants from that sector:

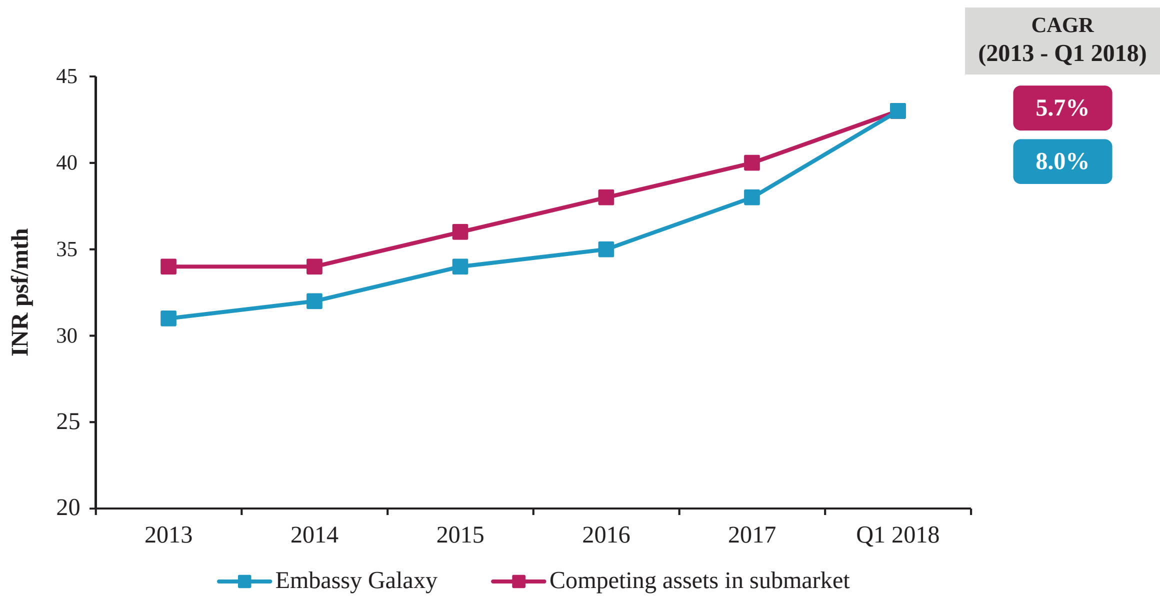
Sector Mix by Gross Rentals (%)



Rent Analysis

Market rents at Embassy Galaxy have grown at a CAGR of 8.0% between CY2013 – Q12018 and have outperformed the competing assets in the submarket. Driven by the quality of the Business Park, institutional asset management, locational advantage and sustained occupier demand, the rents are expected to continue to grow:

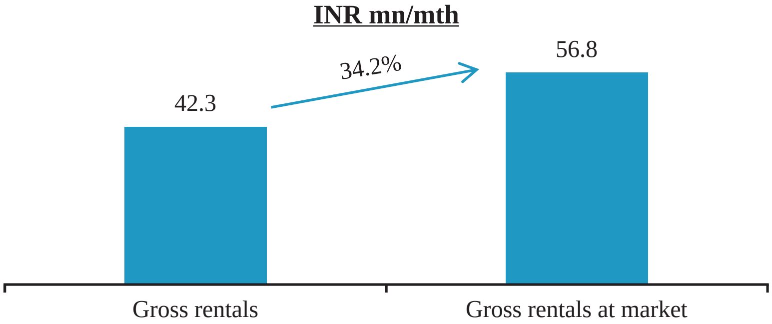
Historical Rent Growth (CY2013-Q1 2018)



(Source: CBRE Report)

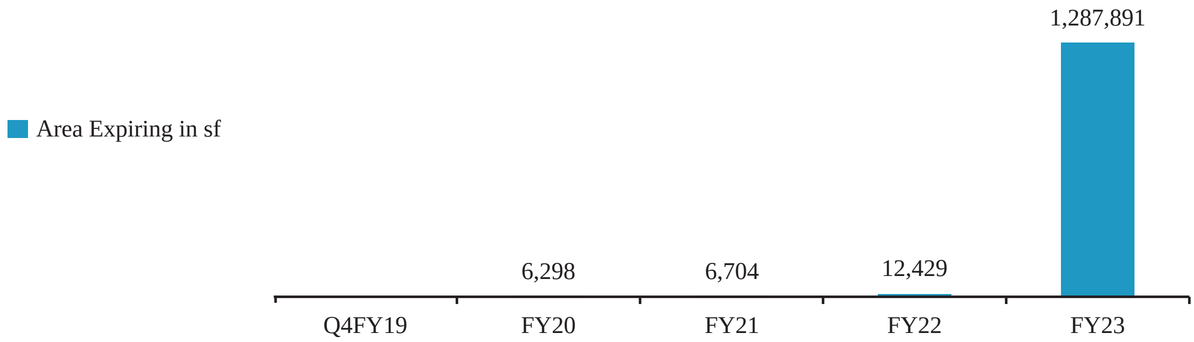
Mark to Market Opportunity

The average in-place rents at Embassy Galaxy are INR 31 psf compared to market rent of INR 42 psf resulting in mark to market upside of 34.2% on Gross Rentals:



Lease Expiry Profile

The property has a WALE of 4.3 years [(1)], with 96.8% of occupied area expiring in FY2023 as shown in the chart below:



Year	Q4FY2019	FY2020	FY2021	FY2022	FY2023
% Expiration of Gross Rentals	0.0%	0.5%	1.2%	1.1%	94.3%
Base Rents at Expiration (INR psf/mth)[(2)]	NA	36	40	34	39

Notes:

(1) Weighted by Gross Rentals

(2) Weighted by area expiring in that year

Asset Upgrade

We have recently completed a comprehensive asset upgrade program between FY2017 and FY2018 which includes refurbishing of the food-court, revamp of retail spaces, energizing open spaces and improvement of landscaping and horticulture.

EMBASSY GOLFLINKS, BENGALURU

Asset Description

Embassy Golflinks is one of India's most recognized and awarded business parks and is strategically located in the heart of Bengaluru next to the Karnataka Golf Association (KGA) Golf Course. The park is situated close to the Central Business District (CBD) and is easily accessible for the employees of its occupiers.

The park offers a fully integrated office ecosystem in a dense in-fill location in the EBD submarket with 4.5 msf of completed office space, of which GLSP owns 2.7 msf, two large food courts and a 500 seat amphitheatre. The park is well known for its high-end specifications, green landscape and community spaces and offers a full suite of amenities to its occupiers including various F&B options, intra-park shuttles, golf-buggy services, ambulance and crèche.

Due to its prime location, scale and best-in-class infrastructure, Embassy Golf Links is the choice for blue-chip multinationals such as JP Morgan, Goldman Sachs Services Private Limited and IBM India Private Limited. This preferred status amongst occupiers in the submarket has resulted in superior rent growth, high re-leasing spreads and near zero vacancy.

Embassy Golflinks has won a number of awards including Vestian FM Zone—Best IT Park of the year—India Leadership Awards 2012 and CNBC Awaaz Real Estate Awards 2010—Best Commercial Property in Southern Region.

Key Asset Information

Entity	Golflinks Software Park Pvt. Ltd.
Interest Owned by REIT (%)	50.0%
Year of Commencement	2004
Asset Type	Office Park
Submarket	EBD, Bengaluru
Site Area (Acres)	37.11
Freehold/ Leasehold	Freehold
Leasable Area (msf)	2.7[1]
Completed Area (msf)	*2.7*
Under Construction Area (msf)	—
Proposed Development Area (msf)	—
Occupancy (%)	94.2%
Committed Occupancy (%)	100.0%
Number of Tenants[2]	20
Market Value (INR mn)[3]	26,067

Notes:

(1) Of the total park area of 4.5 msf, GLSP owns 2.7 msf of leasable area

(2) Including 3 support retail tenants

(3) Based on CBRE valuation for 50.0% economic interest

Typical rent escalation is approximately 15.0% every 36 months

Tenant Profile

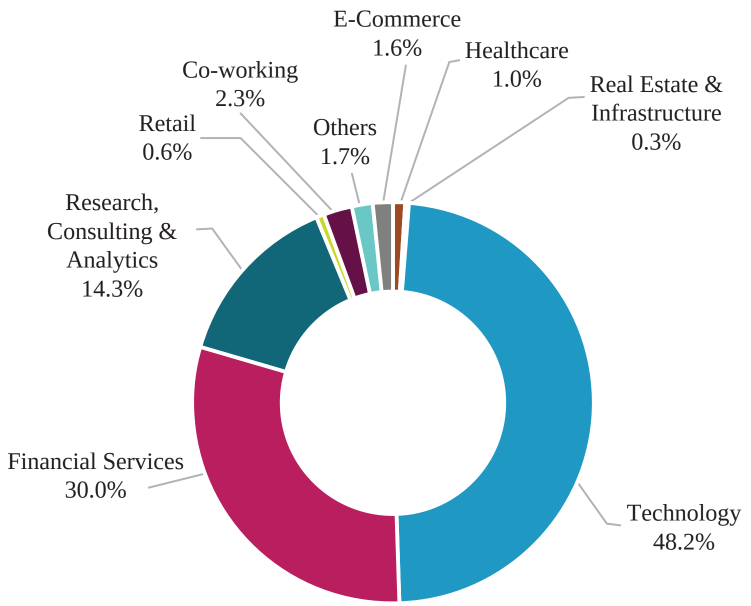
Embassy Golflinks houses 20 tenants including blue chip technology, banking and insurance occupiers such as IBM India Private Limited, Yahoo Software Development India Private Limited, JP Morgan, Goldman Sachs Services Private Limited and Swiss Re Global Business Solutions India Private Limited (formerly known as Swiss Re Shared Services (India) Private Ltd):

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	IBM India Private Limited	Technology	19.1%
2	PwC	Research, Consulting & Analytics	13.8%
3	JP Morgan	Financial Services	12.5%
4	McAfee Software (India) Private Limited	Technology	9.7%
5	Swiss Re Global Business Solutions India Private Limited (formerly known as Swiss Re Shared Services (India) Private Ltd)	Financial Services	8.5%
6	Goldman Sachs Services Private Limited	Financial Services	8.4%
7	Akamai Technologies India Private Limited	Technology	7.9%
8	Leading Technology Company	Technology	7.2%
9	Yahoo Software Development India Private Limited	Technology	4.4%
10	ANI Technologies Pvt. Ltd.	E-Commerce	1.6%
	Top 10 Total		**93.1%**

Tenant Sector Mix

The park has a diversified tenant sector mix with technology and financial services being the largest component:

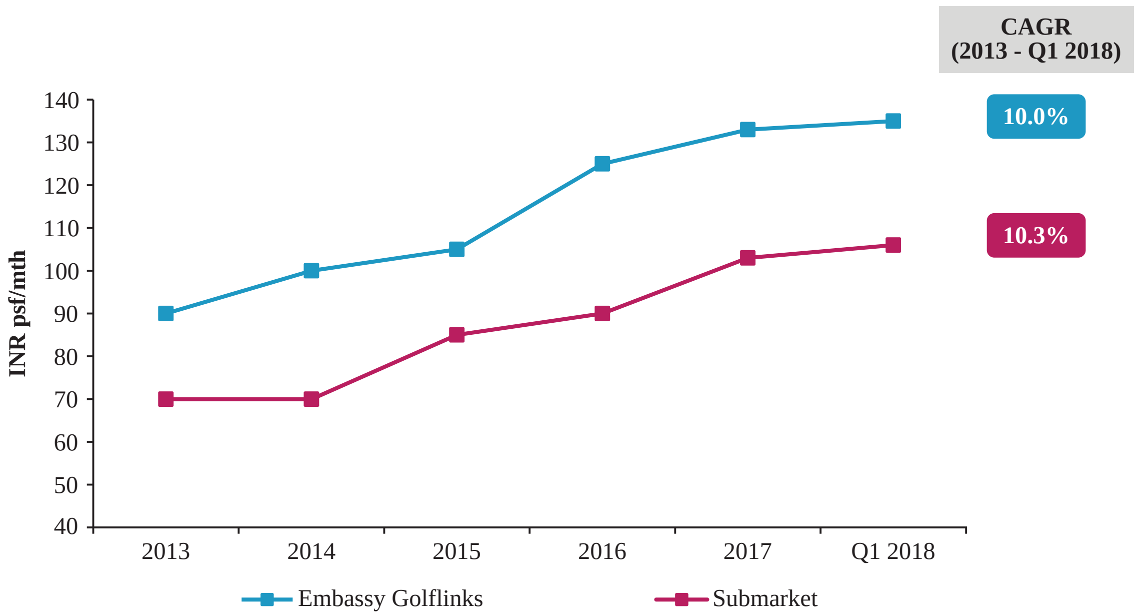
Sector Mix by Gross Rentals (%)



Rent Analysis

Market rents at Embassy Golflinks have grown at a CAGR of 10.0% between CY2013 – Q12018 given its locational advantage and lack of quality supply in the CBD. Within the EBD submarket, Embassy Golflinks is a preferred choice for occupiers because of its high quality infrastructure, landscaping and campus environment leading to superior rent growth and near zero vacancy over the last few years.

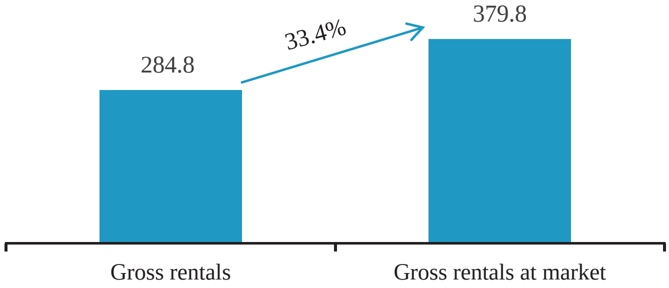
Historical Rent Growth (CY2013-Q1 2018)



(Source: CBRE Report)

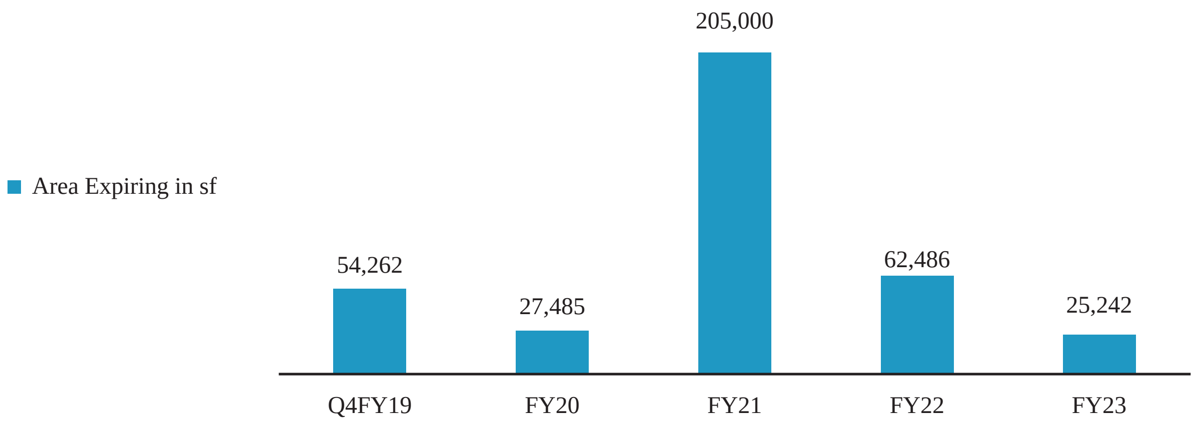
Mark to Market Opportunity

The average in-place rent at Embassy Golflinks is INR 104 psf compared to market rent of INR 141 psf resulting in mark to market upside of 33.4% on Gross Rentals:



Lease Expiry Profile

The property has a WALE of 8.4 years[1], with 14.5% of Occupied Area expiring between Q4FY2019 and FY2023 as shown in the chart below:



Year	Q4FY2019	FY2020	FY2021	FY2022	FY2023
% Expiration of Gross Rentals	2.6%	1.2%	4.6%	3.4%	0.6%
Base Rents at Expiration (INR psf/mth)[2]	127	96	52	160	75

Notes:

(1) Weighted by Gross Rentals

(2) Weighted by area expiring in that year

EMBASSY ONE, BENGALURU

Asset Description

Embassy One is a mixed-use development located in India's high-tech capital, Bengaluru comprising 0.3 msf of leasable office and retail area, a 230 key proposed Four Seasons hotel and 109 proposed Four Seasons branded residences[1]. The Four Seasons hotel was completed recently, with an F&B outlet at the hotel currently operational and rest of the hotel in final stages of pre-opening work. The final finishing work for the rest of the hotel area is being completed and it is expected to commence operations in the first half of 2019. The project is strategically located on the main arterial Bellary Road between Kempegowda International Airport and the Central Business District (CBD)

The newly completed office space (195k sf) is one of the few high-quality, small floor plate, city-centric developments available in Bengaluru today and is expected to attract high quality tenants such as family offices, high commissions, embassies, venture funds and consulting firms. The project also includes 55k sf of retail space on the podium, which is expected to be leased to premium international brands. The luxury Four Seasons hotel will be the second Four Seasons hotel in India.

The project is LEED Pre-Certified Gold and has won Best Luxury Integrated Project—Times Business Award for 2018.

Notes:

(1) 109 proposed Four Seasons branded residences are not part of REIT portfolio

Key Asset Information

Entity	Quadron Business Park Pvt. Ltd. (QBPL)[1]
Interest Owned by REIT (%)	100.0%
Year of Commencement	2017[2]
Asset Type	City Centre Office & 5 Star Hotel
Submarket	Bellary Road, Bengaluru
Site Area (Acres)	3.19
Freehold/ Leasehold	Freehold
Leasable Area[3] (msf)	0.3
Completed Area (msf)	*0.3*
Hotel Brand	Four Seasons
Number of Hotel keys	230
Occupancy (%)	2.0%
Market Value (INR mn)	13,889

Notes:
(1) To be acquired by QBPL on as-if completed basis
(2) The Four Seasons hotel is expected to commence operations in 2019
(3) Including retail area of 55k sf

Tenant Profile

As of December 31, 2018, the property houses 1 tenant i.e. Korea Trade-Investment Promotion Agency.

Rank	Tenant	Tenant Sector	Percentage of Gross Rentals
1	Korea Trade-Investment Promotion Agency	Other	100.0%

HILTON at EMBASSY GOLFLINKS, BENGALURU

Asset Description

Hilton at Embassy Golflinks is a 247 key hotel, set within the Embassy Golflinks business park in Bengaluru. Overlooking the spectacular Karnataka Golf Course, the hotel complements the business park and benefits from the captive demand of its large marquee tenant base. It is also conveniently located with easy access to the airport, city centre as well as a large number of restaurants, and recreational hubs.

Hilton at Embassy Golflinks offers among the largest rooms in the city with studios and suites fully equipped with kitchenettes, dining, living and work areas and are ideal for a business trip or relaxing vacation. The hotel also features two indoor dining venues, an *al fresco* restaurant by the poolside, a bar, six meeting rooms with natural light, 24-hour fitness centre, outdoor temperature-controlled swimming pool and spa.

Key Asset Information

Entity	Umbel Properties Pvt. Ltd.
Interest Owned by REIT (%)	100.0%
Year of Commencement of Operations	2014
Asset Type	5-star business Hotel
Submarket	EBD, Bengaluru
Site Area (Acres)	3.58
Freehold/ Leasehold	Freehold
Number of Hotel keys	247
Average Room Rate (INR) (9MFY2019)	9,013
Revenue per Available Room (INR) (9MFY2019)	6,102
Occupancy (%) (9MFY2019)	67.7%
Market Value (INR mn)	4,884

EMBASSY ENERGY, KARNATAKA

Asset Description

We own a 100MW solar park which we consider an ancillary asset, supplying green energy to our assets in Bengaluru. It was commissioned in February 2018 and is located in Bellary district in Karnataka over 460 acres of land.

The plant has a capacity to generate 215 mn units p.a. A Power Purchase Agreement (PPA) has been entered into between Embassy Energy and our assets located in Bengaluru for secured offtake of its entire generation. These include Embassy Manyata, Embassy Golflinks, Hilton at Embassy Golflinks and Embassy TechVillage for a period of 25 years. Embassy Energy indirectly provides power to tenants in the park and its tariff is linked to the BESCOM tariff.

Key Asset Information

Entity	Embassy Energy Pvt. Ltd.
Interest Owned by REIT (%)	100.0%
Year of Commencement of Operations	2018
Asset Type	Solar Park
Location	Bellary District, North Karnataka
Site Area (Acres)	over 460[1]
Freehold/ Leasehold	Freehold
Capacity (MW)	100 (AC);
Annual Generation (mn units—KWh)	215
Existing Tariff (INR per KWh unit)	Commercial : 8.8 Industrial: 7.2
Key Customers	Embassy Manyata Embassy Golflinks Hilton at Embassy Golflinks Embassy TechVillage
PPA Terms	25 Years
Market Value (INR mn)	10,820

Notes:

(1) Refer to risk factor on page 34.

Gross Rentals and Summary of outgoings

The table below presents the asset-wise breakdown of Gross Rentals, Property Tax and Insurance expenses for FY2018.

		Summary of outgoings (monthly)	
INR in mn	**Gross Rentals**	**Property Tax**	**Insurance expenses**
Portfolio Assets			
Embassy Manyata	655.5	38.5	0.1
Express Towers	105.8	2.4	0.3
Embassy 247	81.7	2.0	1.0
FIFC	22.6	1.5	0.2
Embassy Techzone	89.0	0.6	0.1
Embassy Quadron	85.3	0.8	0.8
Embassy Qubix	52.7	0.7	0.6
Embassy Oxygen[1]	61.9	1.5	0.5
Embassy Galaxy[1]	42.3	0.5	0.4
Subtotal	**1,196.8**	**48.8**	**4.6**
Portfolio Investments			
Embassy Golflinks	257.6	5.2	0.2
Total	**1,454.4**	**55.2**	**4.8**

Notes:

(1) Computed by dividing annual expenses for FY2018 by Twelve

(2) Annual lease rent is payable to Noida instead of property tax for Embassy Oxygen and Embassy Galaxy

Marketing and Leasing Activities

The Manager's leasing team is responsible for marketing and promoting our Portfolio to our tenants and potential tenants. The promotion of our assets is done through international property consultants, local consultants, agents and brokers; as well as directly with potential clients and through constant interaction with existing tenants. The leasing team comprises the head of leasing operations, who is supported by senior leasing managers and leasing executives.

When looking for office space to lease in India, corporate occupiers typically mandate property consultants to engage with developers and asset owners to help negotiate appropriate solutions and leases to suit their real estate strategy. The leasing team remains in constant touch with all key property consultants by way or physical meetings, electronic communications and networking and industry forum interactions. They also invite key stakeholders for regular meetings and networking events, using those opportunities to apprise the consultant community of new offerings and initiatives in the portfolio, whilst actively strengthening the relationship, reinforcing our brand and interest in doing business with them.

The leasing team is also responsible for cultivating and managing relationships with existing and prospective customers. The team undertakes initiatives to engage directly with Commercial Real Estate ("**CRE**") teams and Facility teams at various levels on a regular basis in order to understand their real estate needs, future expansion and /or consolidation plans and offer appropriate solutions.

Lease Agreements and Lease Management

The lease agreements and leave and license agreements that we enter into with our tenants contain customary terms and conditions generally included in typical commercial real estate leases, including those relating to the duration of the leases and the renewals, rent and escalation term, provision of security deposit, as well as refurbishment works, if any. These lease agreements typically do not contain clauses which provides high grace period in lieu of higher rental values.

The leased premises comprise office space along with a select number of parking slots generally allocated in accordance to size of the leased premises. Our leases generally include an interest free, refundable security deposit, which is paid by client on signing of letter of intent or the lease agreement. The amount of security deposit is typically in the range of six to 12 months of base rent. The rent is generally payable in advance on a monthly basis. Rentals under our lease agreements are a function of various factors, including prevailing market rentals, rent free period, security deposits, fit-outs (tenant improvements), space availability and occupancy at these parks. The lease agreements generally contain escalation provisions. The rental escalations for our existing leases (across our Portfolio Assets) ranges from 10.0% every three years to 15.0% every five years. However, most of our leases have rental escalations of 15.0% every three years, which has over the recent years become the industry standard for Grade A offices in India. This escalation is usually limited to base rent with other components such as car parking rent having no escalation during the lease term. Our assets are generally leased on a warm shell basis (i.e. building in air and watertight condition, including centralized AC infrastructure, elevators, common area electrical wiring, utility and backup power and plumbing) and the tenants generally undertake TI themselves at their own cost and as per their own requirements. With the built-in rent escalations on leases already in place, we expect to generate stable and predictable growth in our revenue from operations.

Sub-letting to the tenant's affiliate companies or subsidiary generally does not require consent. However, sub-letting or licensing to unrelated third parties is not permitted and would require prior consent from the relevant Asset SPVs. In case of the latter, the original tenant would also continue to be responsible for the performance of the obligations under the relevant agreements.

Our lease agreements generally contain common termination provisions such as termination upon default of the counterparty. Leases typically have a lock-in period during which the tenant is not allowed to exit unless there is a breach by the lessor of the terms of the lease agreement. Lock-in period, wherever applicable, typically lasts between three to five years from the lease commencement date. For leases where the lock-in period has expired or is not applicable (in cases of renewal by an existing tenant), lessee has an option to surrender the premises after providing an advance notice, usually, of six months.

Other common provisions in the lease agreements include, *inter alia*, the lessors' obligation to ensure the continuous supply of utilities necessary for the use of the premises, such as electricity and water.

Environmental, Health and Safety Certifications

IGBC Green Campus and LEED Certification

The IGBC has introduced Green Campus Rating System, which is designed for various campuses including IT/industrial parks, administrative/educational campuses, healthcare & hospitality campuses. The rating system primarily focuses on the common areas, utilities and landscaping provided in the campus and is independent of whether the individual buildings within the campus have LEED certification. The key categories and components that are evaluated are site planning and management, sustainable transportation, water conservation, energy efficiency, material and resource management, health and well-being, green education and innovation in design. There are four levels that can be achieved under this certification program—certified, silver, gold and platinum. The certification program addresses priorities which include water conservation, waste management, energy efficiency, reduced use of fossil fuels and health and well-being of occupants. Under this program, Embassy Manyata is certified for LEED Platinum rating in 2017 (valid for five years) and Embassy Techzone is certified IGBC Green Campus—Platinum Certification in 2017. Further, we have in the past received LEED Gold certification for FIFC (2013), Embassy Galaxy (2016, valid for three years), Embassy 247 (2009), Embassy Oxygen (2016, 2017) and LEED Silver certification for Express Towers (2016). Having our Portfolio LEED certified endorses our commitment towards environmental sustainability and providing a greener and safer work environment for the occupants.

British Safety Council Five Star Safety Certification

The British Safety Council is an independent global organization focusing on improving workplace health and safety and has established health and safety qualification standards and certification processes. Their Five Star safety certification program aims to support organizations in the continued improvement of their safety management systems and associated arrangements. The Five Star certification process focuses on five key aspects of the assessed organization's health and safety management system—policy and organization, strategy and planning, implementation and operation, performance evaluation and management review and improvement. The evaluation is based on five key best practice indicators—leadership, stakeholder engagement, risk management, organization's health and safety culture and continual improvement. This is an internationally recognized certification program and endorses an organization's commitment to and implementation of global best practices to their overall health and safety management system. Under this program, Embassy Manyata and Embassy Techzone are each certified for a Five Star Safety rating in Five Star Occupational Health and Safety Audit by British Safety Council for two years in a row in 2017 and 2018.

British Safety Council Sword of Honor 2017

Any site, plant or IT park which has already been awarded the British Safety Council Five Star Safety Certification is eligible to apply for the Sword of Honor. We submitted the applications separately for Embassy Manyata and Embassy Techzone on August 31, 2017, together with details of the main activities of these parks, the personnel involved and the most significant health and safety risks encountered. As a result, Embassy Manyata and Embassy Techzone, won the prestigious Sword of Honor in 2017.

Insurance

We have in place insurance for our Portfolio that the Manager and the Trustee believe is adequate in relation to the properties and consistent with industry practice in India. Insurance coverage for our Portfolio Assets includes fire accident, property damage, terrorism, business interruption and public liability (including personal injury). All insurance contracts undergo a competitive bid process and insurance brokers are retained to identify requirements, create specifications and evaluate bids with a view to determining the most appropriate coverage and pricing.

Employees

The Manager, directly through the Investment Entity or through the SPVs, employs 60 personnel as of December 31, 2018. The table below sets forth details of such employees (excluding employees employed by the hotels in the Portfolio), according to their functions:

	Number of Employees as of December 31, 2018
Commercial leasing	12
Commercial Real Estate (General Management)	5
Finance & Accounts	28
Hospitality Business	1
Legal	1
Operations	13
Total	**60**

Approvals

For details on the status of approval / assessment from various authorities including statutory assessment and environment considerations with respect to development regulations and planning norms, see "*Regulatory Approvals*" and "*Risk Factors—We may be adversely affected if the Asset SPVs and Investment Entity are unable to obtain, maintain or renew all regulatory approvals that are required for their respective business.*" on pages 456 and 34 respectively.

Intellectual Property

The brand and trademark "Embassy" and the associated logo and names of the respective assets are licensed to the relevant Asset SPV and Investment Entity by Embassy Shelters Private Limited. By an agreement which will be effective from the date of our listing, Embassy Shelters Private Limited has granted the Trustee and the Manager, on our behalf, an exclusive, non-assignable and non-sub-licensable worldwide license to use "the Embassy Office Parks" trademark and logo and the domain names for our website along with a non-exclusive licence to certain other trademarks in connection with our business. The licensor has acknowledged that the Trustee and the Manager, on our behalf, have been using the trademarks prior to the date of the agreement and has waived all claims it may have for such use. The license fee payable by the licensee is Rs. 100,000 per month, with effect from the Listing Date. For further details, see "*Risk Factor—The brand "Embassy" is owned by Embassy Shelters Private Limited and licensed to us. Our license to use the "Embassy" trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired. Further, for certain other Asset SPVs, we do not have registered trademarks in the name of the relevant SPVs.*" on page 44.

Further, the rights for the use of the '247 Park' has been licensed to the relevant Asset SPV by third parties and will expire in 2030. While we have applied for the registration of the 'Galaxy' trademark, the trademark under Class 37 is yet to be registered. Further, we are yet to make application for the registration of the 'Earnest Towers' and 'First International Financial Centre' trademarks.

THE SPONSORS

The Embassy Sponsor

The Embassy Sponsor is a private limited company incorporated in India under the Companies Act, 1956. For details in relation to the registered office, correspondence address, contact person and contact details, see "*General Information*" on page 478.

The Embassy Sponsor commenced operations as a partnership firm constituted under the Indian Partnership Act, 1932 on January 18, 1993 under the name M/s Virwani Builders with its principal place of business at No. 3, Embassy Centre, 11 Crescent Road, Bengaluru 560 001, Karnataka, India. The partners of the firm were Mohan Virwani, Raj M. Virwani, Jitendra Virwani, Sanjeev Wahi, Sonu Wahi and Anant L. Sanghvi. The partnership was reconstituted through a partnership deed dated April 1, 1996, amongst Mohan Virwani, Raj M. Virwani, Jitendra Virwani, Sanjeev Wahi, Sonu Wahi, Anant L. Sanghvi and Vandana Virwani.

The partners of the firm entered into a supplementary deed of co-partners dated July 15, 1996 and declared themselves as a joint stock company in the name of 'Virwani Builders Private Limited'. Pursuant to a deed of co-partners dated July 15, 1996, the firm was converted to a private limited company under the Companies Act, 1956 on July 30, 1996 under the name 'Virwani Builders Private Limited'.

Subsequently, the name of the company was changed to 'Dynasty Developers Private Limited' and then to 'Embassy Property Developments Private Limited'. Further, the company was converted to a public limited company and the name of the company was changed to Embassy Property Developments Limited on May 25, 2010. Subsequently, the company was converted to a private limited company and the name of the company was changed to 'Embassy Property Developments Private Limited' on January 9, 2013.

The below table sets forth an overview of the commercial real estate assets outside of the Portfolio, in which the Embassy Sponsor, directly or indirectly, holds interest as of the date of this Offer Document:

	Embassy TechVillage	**Embassy Splendid Techzone**	**Embassy Knowledge Park**	**Embassy Concord**
Location	ORR, Bengaluru	Thoraipakkam-Pallavaram Radial Road, Chennai	Bellary Road, Bengaluru	Whitefield, Bengaluru
Land area (in acres)	Approx 99.0	NA	Approx 204.3	Approx 60.6
Project Status	Operational	Under Construction	Land Acquired	Land Acquired
Leasable Area (in mm sf)	Over 12.2	Over 5.0	Over 17.7	Over 7.9
Completed Area (in mm sf)	Over 5.4	-	-	-
Under Construction Area (in mm sf)	Over 0.7	Over 2.4	-	-
Proposed Development Area (in mm sf)	Over 6.2	Over 2.6	Over 17.7	Over 7.9
No. of Hotel Keys	500 (proposed)	-	-	-

Background of the Embassy Sponsor

The Embassy Sponsor is one of the leading real estate developers in India. As of March 31, 2018, the Embassy Sponsor (directly or through its associates) has developed over 45 mm sq ft of area in the commercial and residential segments. In addition, the Embassy Sponsor owns properties in the hospitality segment and is developing industrial parks and warehouses across India. The Embassy Sponsor also holds an extensive land bank across India. The Embassy Sponsor has over 25 years of experience in various aspects of real estate development business such as land identification, land acquisition, development, conceptualization, design, project management, property management, facilities management, interior development, sales, corporate leasing and marketing of real estate assets.

The Embassy Sponsor is also committed to investing in the social, economic and environmental development of the communities they operate in. The Embassy Sponsor has invested in schools and common infrastructure in India, promoted health and fitness in local communities whilst also focusing on environmentally friendly initiatives in its developments. For example, the Embassy Sponsor has adopted local schools and a children's home benefiting children in the state of Karnataka.

In accordance with the eligibility criteria specified under the REIT Regulations, the Embassy Sponsor had a consolidated net worth of not less than ₹200 million as on March 31, 2018. The consolidated net worth (i.e. the total of share capital, general reserve and retained earnings) of the Embassy Sponsor as on March 31, 2018 was ₹17,061 million.

Further, neither the Embassy Sponsor nor any of the promoters or directors of the Embassy Sponsor (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company, or a sponsor, manager or trustee of any other real estate investment trust or real estate investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

The BSE Limited through its notice dated September 19, 2018 revoked the suspension in trading of the equity shares of Mac Charles (India) Limited (suspended pursuant to an order dated December 7, 2017 passed by the BSE), a subsidiary of the Embassy Sponsor, with effect from September 27, 2018.

Board of Directors of the Embassy Sponsor

The following table sets forth details regarding the board of directors of the Embassy Sponsor*:*

S. No.	Name	DIN	S. No.	Name	DIN
1.	Aditya Virwani	06480521	4.	Jitendra Virwani	00027674
2.	Chandra Das Sitaram	00304798	5.	Karan Virwani	03071954
3.	Narpat Singh Choraria	00027580			

Brief profiles of the Directors of the Embassy Sponsor

Please refer to "*The Manager – Brief profiles of the Directors of the Manager*" on page 221, for the profiles of Aditya Virwani and Jitendra Virwani.

Chandra Das Sitaram

Chandra Das Sitaram, is a non-executive director of the Embassy Sponsor. He has been a director of the Embassy Sponsor since June 2, 2010. He has previously served as Singapore's Trade Representative to USSR from 1970 to 1972. He was also the chairman of the Trade Development Board in Singapore from 1983 to 1986. He was awarded the NTUC Friend of Labour Award in 1979, the Golden Cross of Merit of Poland in 1991, the NTUC Meritorious Service Award in 1997, the Rochdale Medal by Singapore National Co-operative Federation Limited in 1998, the President's Medal by Singapore Australian Business Council in 2000, the NTUC Distinguished Service Award in 2001, the Global Award for Promotion of International Business and Co-operative Movement by Priyadarshini Academy (Mumbai) in 2002 and the NTUC Distinguished Service (Star) Award in 2005.

Karan Virwani

Karan Virwani is a non-executive director of the Embassy Sponsor. He holds a bachelor's degree in business administration from the University of Kent. He has worked with the Embassy Sponsor for two years and is currently the CWeO of WeWork India Management Private Limited. He is on the board of several Embassy group companies.

Narpat Singh Choraria

Narpat Singh Choraria is an executive director of the Embassy Sponsor and has been a director of the Embassy Sponsor since January 20, 2001 and has over 18 years of experience in the real estate and property development sector.

Jitendra Virwani is the father of Aditya Virwani and Karan Virwani, who are brothers. Other than the foregoing, none of the directors of the Embassy Sponsor are related to each other or the key personnel or the key function heads of the Manager.

The Blackstone Sponsor

The Blackstone Sponsor is a private limited company incorporated under the Mauritius Companies Act, 2001 on September 15, 2008. For details in relation to the registered office, correspondence address, contact person and contact details, see "*General Information*" on page 478.

Background of the Blackstone Sponsor

In 2011, the Blackstone Sponsor acquired 36.97% shareholding in MPPL which holds Embassy Manyata. Embassy Manyata is located in Bengaluru and as of February 28, 2019 comprised approximately 10.95 million sq. ft. of completed commercial real estate and approximately 1.83 million sq. ft. of under-development commercial real estate. Embassy Manyata is proposed to form part of the Portfolio Assets.

In accordance with the eligibility criteria specified under the REIT Regulations, the Blackstone Sponsor had a net worth of not less than ₹200 million as on December 31, 2017. The net worth of the Blackstone Sponsor as on December 31, 2017 was US$ 382.6 million (i.e. approximately, ₹24.46 billion as on December 31, 2017).

Further, neither the Blackstone Sponsor Group nor any of the directors of the Blackstone Sponsor Group (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company, or a sponsor, manager or trustee of any other real estate investment trust or real estate investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

The Blackstone Sponsor and the members of the Blackstone Sponsor Group do not have any promoters under applicable SEBI regulations.

Board of Directors of the Blackstone Sponsor

The following table sets forth details regarding the board of directors of the Blackstone Sponsor:

S. No.	Name	S. No.	Name
1.	Venkatesen Chetty	3.	Richard Arlove
2.	Kimmo Tammela	4.	Thierry Adolphe*

** Alternate director to Venkatesen Chetty*

Brief profiles of the Directors of the Blackstone Sponsor

Venkatesen Chetty

Venkatesen Chetty joined Ocorian Corporate Services (Mauritius) Limited on December 15, 1995. He is a Client Director, Directorship with Ocorian Corporate Services (Mauritius) Limited. He was appointed as a director on the board of directors of the Blackstone Sponsor on September 15, 2008.

Richard Arlove

Richard Arlove joined Ocorian Corporate Services (Mauritius) Limited on March 16, 2001. He is the Regional CEO, AMEA at Ocorian Corporate Services (Mauritius) Limited. He is also a fellow of the Chartered Association of Certified Accountants. He was appointed as a director on the board of directors of the Blackstone Sponsor on August 13, 2018.

Thierry Adolphe

Thierry Adolphe joined Ocorian Corporate Services (Mauritius) Limited on May 1, 2008. He is the Client Director, Directorship at Ocorian Corporate Services (Mauritius) Limited. He was appointed as an alternate director to Venkatesen Chetty on the board of directors of the Blackstone Sponsor on May 29, 2013.

Kimmo Tammela

Kimmo Tammela is a Managing Director and Head of Finance for Asia Pacific at Blackstone and is based in Singapore. From 2010 to 2018, he managed the Asia Pacific Real Estate finance team and had overall responsibility for all financial and tax-related matters of BREP's Asian investments. He received a bachelor of arts degree with honors in international relations from Brown University. He was appointed as a director on the board of directors of the Blackstone Sponsor on January 17, 2012.

None of the directors of the Blackstone Sponsors are related to each other or the key personnel or the key function heads of the Manager.

The Blackstone Sponsor Group

For a list of the entities forming part of the Blackstone Sponsor Group, see "*Definitions – Embassy REIT Related Terms*" on page 487.

The Embassy Sponsor and the Blackstone Sponsor on a collective basis have a net worth of not less than ₹1 billion based on their respective latest available audited financial statements.

THE MANAGER

The Manager

Embassy Office Parks Management Services Private Limited is the Manager of the Embassy REIT. The Manager is a private limited company incorporated in India under the Companies Act, 1956 on January 31, 2014 at Bengaluru, Karnataka. For details in relation to the registered office address, correspondence address, contact person and contact details, see "*General Information*" on page 478. For details in relation to the shareholding of the Manager and the rights of the shareholders in the Manager, see *"Management Framework – Other key agreements – Manager SHA*" on page 255.

Background of the Manager

The Manager has been involved in providing property management services to certain real estate assets promoted by the Embassy Sponsor, such as Embassy Techzone and Embassy Manyata for over four years. For details of the current and proposed management framework for the Portfolio, see "*Management Framework*" on page 247.

In accordance with the eligibility criteria specified under the REIT Regulations, the Manager had a net worth of not less than ₹100 million as on March 31, 2018. The net worth of the Manager as of March 31, 2018, computed in accordance with Companies Act, 2013, was ₹221.9 million. As required under Regulation 4(2)(e)(ii) of the REIT Regulations, the Manager or its Associate is required to have not less than five years experience in fund management or advisory services or property management in the real estate industry or in the development of real estate. The Embassy Sponsor which is an Associate of the Manager has over 25 years of experience in various aspects of real estate development business such as land identification, land acquisition, development, conceptualization, design, project management, property management, facilities management, interior development, sales, corporate leasing and marketing of real estate assets. For details in relation to the experience of the Embassy Sponsor, see "*The Sponsors*" on page 216.

The Manager confirms that it has, and undertakes to ensure that it will at all times maintain, adequate infrastructure, and sufficient key personnel and resources to perform its functions, duties and responsibilities with respect to the management of the Embassy REIT, in accordance with the REIT Regulations, the Investment Management Agreement and applicable law.

Neither the Manager nor any of the promoters or directors of the Manager (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other real estate investment trust or any real estate investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

The BSE Limited through its notice dated September 19, 2018 revoked the suspension in trading of the equity shares of Mac Charles (India) Limited (suspended pursuant to an order dated December 7, 2017 passed by the BSE), a subsidiary of the Embassy Sponsor, with effect from September 27, 2018.

Board of Directors of the Manager

The board of directors of the Manager is entrusted with the responsibility for the overall management of the Manager. The following table sets forth details regarding the board of directors of the Manager:

S. No.	Name	DIN	S. No.	Name	DIN
Independent directors					
1.	Anuj Puri	00048386	3.	Dr. Ranjan Pai	00863123
2.	Dr. Punita Kumar Sinha	05229262	4.	Vivek Mehra	00101328
Non-independent directors					
1.	Aditya Virwani	06480521	3.	Robert Christopher Heady ("Christopher Heady")	06401388
2.	Jitendra Virwani	00027674	4.	Tuhin Parikh	00544890

Brief profiles of the Directors of the Manager

Anuj Puri

Anuj Puri is an independent director of the Manager. He holds a bachelor's degree in commerce from the University of Delhi. He is a fellow of the Royal Institution of Chartered Surveyors and a fellow of the Indian Institute of Insurance Surveyors and Loss Assessors. He is an associate of the Institute of Chartered Accountants of India and an associate of the Chartered Insurance Institute, United Kingdom. He has also been given the title of 'Chartered Insurance Practitioner' by the Chartered Insurance Institute. He is currently a director of Jagran Prakashan Limited, Music Broadcast Limited, ANAROCK Investment Advisors Private Limited, Puri Crawford Insurance Surveyors and Loss Assessors India Private Limited, ANAROCK Property Consultants Private Limited, Amrta Consulting Private Limited, ANAROCK Group Business Services Private Limited, ANAROCK Retail Advisors Private Limited and HVS ANAROCK Hotel Advisory Services Private Limited.

Dr. Punita Kumar Sinha

Dr. Punita Kumar Sinha is an independent director of the Manager. She holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, New Delhi; a master's degree from the Wharton School, University of Pennsylvania; a master's degree in business administration from Drexel University and a Ph.D. from the Wharton School, University of Pennsylvania. She received the distinguished alumni award from the Indian Institute of Technology, New Delhi in 2012. She is a member of the CFA Institute, a member of the Council on Foreign Relations, a charter member of TiE-Boston, and is a Chartered Financial Analyst certified by the Institute of Chartered Financial Analysts. She has been elected to serve on the board of governors of the CFA Institute, USA. She is the founder of Pacific Paradigm Advisors LLC, an independent investment advisory and management firm focused on Asia, and currently serves as an independent director on the board of several companies. She has been a Senior Managing Director at Blackstone. In the past, she has also been the chief investment officer for The India Fund Inc. and the Asia Tigers Fund Inc., both listed on the New York Stock Exchange and has also worked as a portfolio manager at Oppenheimer Asset Management. She has been featured numerous times in the media for her views on global investing trends and Indian markets, including hosting a TV show on an Indian news network, for a special series on the global economy and its impact on India.

Dr. Ranjan Pai

Dr. Ranjan Pai is an independent director of the Manager. He holds a bachelor's degree in medicine and a bachelor's degree in surgery from the Manipal Academy of Higher Education. He has been the managing director and chief executive officer of the Manipal Group of companies, and the Managing Director of MEMG Malaysia Sdn. Bhd. He is currently on the board of directors of several Manipal Group companies including Manipal Healthcare Private Limited, Manipal Health Systems Private Limited and Manipal Cure and Care Private Limited.

Vivek Mehra

Vivek Mehra is an independent director of the Manager. He holds a bachelor's degree in commerce (Hons.) from the University of Delhi. He is a member of the Institute of Chartered Accountants of India. He was employed by PricewaterhouseCoopers Private Limited for approximately 19 years, and retired as partner in 2016. He is currently on the board of directors of DLF Limited, HT Media Limited, Jubilant Life Sciences Limited, Grassroot Trading Network for Women, Bharat Hotels Limited, Chambal Fertilisers and Chemicals Limited and a non-executive director of RHT Health Trust Manager Pte. Ltd.

Aditya Virwani

Aditya Virwani is a non-executive director of the Manager. He holds a bachelor's of science degree in business administration from the University of San Francisco. He is on the board of several Embassy group companies.

Jitendra Virwani

Jitendra Virwani is a non-executive director of the Manager. He is the chairman and managing director of the Embassy group of companies, including the Embassy Sponsor. He is also the founder of the Embassy Sponsor. He has over 25 years of experience in the real estate and property development sector. He is a fellow of the Royal Institution of Chartered Surveyors and a member of the Equestrian Federation of India.

Christopher Heady

Christopher Heady is a non-executive director of the Manager. He holds a bachelor's degree from the University of Chicago. He has been employed by Blackstone since 2000 and is currently the Chairman of Asia Pacific, Head of Real Estate Asia.

Tuhin Parikh

Tuhin Parikh is a non-executive director of the Manager. He holds a bachelor's degree in commerce from Mumbai University and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He was on the board of directors of TCG Urban Infrastructure Holdings Limited from 2002 to 2007. He has been employed by Blackstone since 2007 and is currently the Senior Managing Director of Blackstone Real Estate's operations in India.

Jitendra Virwani is the father of Aditya Virwani. Other than the foregoing, none of the directors are related to each other or the key personnel or key function heads described below.

Brief Profiles of the key personnel of the Manager

Michael Holland, Rajesh Kaimal, Anoop K. Jain and Ramesh Periasamy are the key personnel of the Manager. Their brief profiles are set out below.

Michael Holland

Michael Holland is the Chief Executive Officer of the Manager since 2014. He holds a master's degree in Property Development (Project Management) from Thames Polytechnic and South Bank University and is a fellow of the Royal Institution of Chartered Surveyors. He has over 20 years of experience in the commercial real estate sector in Asia and Europe. Prior to joining the Embassy Group, he was the Chief Executive Officer of Assetz Property Group. He founded the JLW India/ Jones Lang LaSalle India business and has served as its country manager and managing director from 1998 to 2002.

Rajesh Kaimal

Rajesh Kaimal is the Chief Financial Officer of the Manager. He holds a bachelor's degree in commerce from K. J. Somaiya College of Arts and Commerce and a master's degree in business administration from the Institute for Technology and Management. He has over 23 years of experience in the finance and budget sectors. He was previously associated with the Manipal group of companies from 2000 to 2017, and has worked at Manipal Health Care Private Limited, Manipal Universal Learning Private Limited and Manipal City & Guilds Private Limited. He has also worked with Ruchi Soya Industries Limited as an Assistant Manager – Finance, Blue Cross Laboratories Limited as an Assistant Manager – Budget and Afcons Infrastructure Limited as an Executive – Finance.

Anoop K. Jain

Anoop K. Jain is the Vice President – Finance and Accounts of the Manager. He holds a bachelor's degree in commerce from the University of Rajasthan, Jaipur and is a fellow member of the Institute of Chartered Accountants of India. He has over 21 years of experience in various project administrative functions including preparation of capital expenditure reports for financial institutions, monitoring of project financial assets, coordinating statutory audit, general ledger, subcontractors accounts and taxes. Prior to joining the Embassy Group in October 2015, he was working as the Director - Finance & Administration for URS Global. Between 1997 and 2000, he was employed with Energy Overseas International and Badger Energy Inc. (subsidiaries of Raytheon (USA)), in relation to the Toranagallu India Project of Jindal Tractebel Power Company Limited power project. Between 2004 and 2012, he was employed with AXA Business Services Private Limited.

Ramesh Periasamy

Ramesh Periasamy is the Company Secretary and Compliance Officer of the Manager and the Compliance Officer of the Embassy REIT. He holds a bachelor's degree in law from Bangalore University. He is an associate of the Institute of Company Secretaries of India and is enrolled as an Advocate on the Rolls of the Bar Council of

Tamilnadu. He has previously worked as a Company Secretary and Compliance Officer at Manappuram Finance Limited and has several years of work experience in legal, corporate compliance and secretarial function with Chemmanur International Jewellers, Kalyan Jewellers India Private Limited and SFO Technologies Private Limited. He has been working with the Manager since January 7, 2019.

Function heads of the Manager

Vikaash Khdloya

Vikaash Khdloya will be the Deputy Chief Executive Officer and Chief Operating Officer of the Manager on the date of Listing of the Embassy REIT. He holds a bachelor's degree in commerce from Osmania University. He is a fellow member of the Institute of Chartered Accountants of India. He obtained the first rank in the final examination held by the Institute of Chartered Accountants of India and was awarded the G.P. Kapadia – First President Gold Medal for the best candidate of the examination. He is also a certified fraud examiner, a certified internal auditor, a CFA charterholder and a member of the CFA Institute. He has over 11 years of experience in the real estate sector. He has been associated with Blackstone Real Estate from 2011 to 2018, where his last held position was Managing Director. He is an employee of Blackstone Advisors India Pvt. Limited and will be on a three year leave of absence prior to commencing his role with the Manager. He is under a three year agreement with the Manager. In the past, he has also worked as a Vice President at Piramal Fund Management (erstwhile Indiareit) and as the Chief Financial Officer at Gameshastra Solutions Private Limited. He also co-founded Earnest People's Initiative for a Caring Society Trust.

Sachin Shah

Sachin Shah is the Chief Investment Officer of the Manager. He holds a bachelor's of science degree from the School of Business, Babson College, Massachusetts and a master's degree in business administration from the Faculty of Business Administration, Harvard University. He has over 17 years of experience in the real estate sector. He has previously worked at the Starwood Capital Group from 2001 to 2006, where his last held position was Vice President of Acquisitions, and was associated with Blackstone as an analyst from 1998 to 1999. He was a key person of Samsara Fund Advisors Private Limited, the investment advisor to Catalyst Samsara India Opportunity Fund I LP.

Bhhavesh Kamdar

Bhhavesh Kamdar is the Head of Leasing of the Manager. He holds an executive master's degree in business administration from S.P. Jain Institute of Management & Research, Mumbai. He has over 26 years of experience in the real estate, technology and engineering industry. He has previously worked at Larsen & Tourbo Limited from 1993 to 2014, where his last held position was Deputy General Manager – Leasing and Marketing (Commercial). He has been associated with the Manager since 2014.

Raghu Sapra

Raghu Sapra is the Assistant Vice President – Hospitality Business of the Manager. He holds a diploma in hotel management and catering technology from the National Council for Hotel Management and Catering Technology, New Delhi. He has over 18 years of experience in the hospitality sector. He has previously worked at the Radisson Hotel, Delhi as Shift Incharge – Front Office, at the Imperial, New Delhi as Assistant Front Office Manager, at Hyatt Regency Mumbai as Front Office Manager, at the Hyatt Regency Delhi as the Director of Rooms and at Marriott Executive Apartments & Renaissance Hotel & Convention Centre as the Director of Rooms. From 2011 to 2017 he has was employed as the General Manager and Director of Operations at various hotels managed by the 'Hilton' brand.

Rajendran Subramaniam

Rajendran Subramaniam is the Head – Projects/ Capex of the Manager. He holds a bachelor's degree in commerce and a master's degree in commerce from Madurai Kamaraj University. He is an associate of the Institute of Chartered Accountants of India. He has worked as Manager (Accounts) with Sandur Laminates Limited and as Regional Head (Commercial) – South with Electrosteel Castings Limited. He was associated with Tishman Speyer India Private Limited prior to joining the Manager.

Ritwik Bhattacharjee

Ritwik Bhattacharjee is the Head of Investor Relations of the Manager. He holds a bachelor's of arts degree in economics from Middlebury College, a master's degree in business administration from the Amos Tuck School of Business Administration, Dartmouth College, and a master of arts degree in law and diplomacy from the Fletcher School of Law and Diplomacy, Tufts University. He has over 12 years of experience as an investment banker. He has previously been associated with Nomura Singapore Limited as an Executive Director and UBS AG Singapore Branch as a director in the investment bank division. Prior to joining the Manager in 2018, he was responsible for overseeing an internal family office portfolio of real estate as well as public and private investments.

Kunal H. Shah

Kunal H. Shah is a Vice President – Finance and Accounts of the Manager. He holds a bachelor's degree in commerce from the University of Mumbai, and is an associate member of the Institute of Chartered Accountants of India. He has over 15 years of experience in the finance sector. He has previously worked with various accounting firms being Grant Thornton, Deloitte and Ernst and Young. He has also worked as a Business Management Consultant with Natixis Pramex International Consulting Private Limited and as a General Manager – Finance and Accounting with Sky Gourmet Catering Private Limited. He has been associated with Blackstone real estate group companies in India since 2014.

Key terms of the Investment Management Agreement

The Trustee and Manager have executed the Investment Management Agreement, as amended, under which various powers, duties, rights and liabilities of the Manager have been prescribed in terms of the REIT Regulations. The Manager is empowered to take all decisions in relation to the management and administration of the Embassy REIT's assets and the investments of the Embassy REIT and for the fulfilment and advancement of the investment objectives of the Embassy REIT. The Manager is also empowered to issue and allot Units, accept subscriptions of Units and approve or take on record any transfer of the Units. Further, the Manager is empowered to exercise all rights of the Embassy REIT in the Embassy REIT's Assets, including voting rights, right to appoint directors, whether pursuant to securities held by it, or otherwise, in such manner as it deems to be in the best interest of the Embassy REIT. In consultation with the Trustee, the Manager has the right and the responsibility to appoint directors on the board of directors or the governing boards of the Holdco and SPVs in accordance with the REIT Regulations. Additionally, the Manager is also empowered to appoint, in consultation with the Trustee, various intermediaries with respect to the activities pertaining to the Embassy REIT as per the REIT Regulations and applicable law and the Manager shall not be responsible for the default of any agent if employed in good faith to transact any business.

The Manager has, *inter alia*, the power to: (a) acquire, hold, manage, trade and dispose off shares, stocks, convertibles, debentures, bonds and other equity or equity-related securities and other debt or mezzanine securities of all kinds issued by any special purpose vehicles, holding companies, real estate properties, securities or transferable development rights in India, whether in physical or dematerialised form, including power to hypothecate, pledge or create encumbrances of any kind on such securities held by the Embassy REIT in such special purpose vehicles, holding companies, or real estate properties to be used as collateral security for any borrowings by the Embassy REIT; (b) keep the capital and monies of the Embassy REIT in deposit with banks or other institutions whatsoever; (c) accept contributions; (d) collect and receive the profit, interest, repayment of principal of debt or debt like or equity or equity like mezzanine securities, dividend, return of capital of any type by the special purpose vehicles; (e) make investments in accordance with the REIT Regulations; (f) to give, provide and agree to provide to any special purpose vehicle or holding company, financial assistance in the form of investment in share capital of any class including ordinary, preference, participating, non-participating, voting, non-voting or other class, and in the form of investment in securities convertible into share capital; and (g) to invest, acquire, purchase, hold, divest, sale, hypothecate, pledge or otherwise transfer land and building and immovable property of any kind including any rights and interest therein. In case the Embassy REIT invests in under construction properties, the Manager may undertake the development of the properties, either directly or through the holding companies/ special purpose vehicles, or appoint any other person for development of such properties. In this regard, the Manager shall also oversee the progress of development, approval status and other aspects of the properties up to its completion.

The Manager shall have the power to pay REIT Expenses from the REIT Assets (as defined in the Investment Management Agreement), including funds held by the Embassy REIT, Holdco, SPVs or other assets of the Embassy REIT. Subject to applicable law, no Unit Holder shall be entitled to inspect or examine the Embassy REIT's premises or properties without the prior permission of the Manager. Further, no Unit Holder shall be entitled to require discovery of any information with respect to any detail of the Embassy REIT's activities or any matter which may be related to the conduct of the business of the Embassy REIT and which information may, in the opinion of the Manager adversely affect the interest of other Unitholders. The Manager may buyback the Units from the Unit Holders at the end of the Term of the Embassy REIT or in any other manner in accordance with applicable law, if so directed by the Trustee.

Pursuant to the Investment Management Agreement, the Manager is required to ensure that the valuation of the REIT Assets (as defined in the Investment Management Agreement) is undertaken in accordance with Regulation 21 of the REIT Regulations, and that the REIT Assets (as defined in the Investment Management Agreement) have adequate insurance coverage in accordance with Regulation 10(7) of the REIT Regulations. The Manager is also required to undertake the management of the REIT Assets (as defined in the Investment Management Agreement), including lease management, maintenance of the REIT Assets (as defined in the Investment Management Agreement), regular structural audits, either by itself or through the supervision of appropriate agents, in accordance with the respective property management contracts. The Manager is required to convene meetings of Unitholders and declare distributions to Unitholders in accordance with the REIT Regulations. Further, the Manager is required to submit with the Trustee, quarterly reports on the activities of the Embassy REIT, valuation reports as required under the REIT Regulations, decisions to acquire or sell or develop or bid for any property or expand existing completed assets. The Manager along with the BRLMs shall be responsible for all activities pertaining to the issue and listing of the Units of the Embassy REIT in accordance with applicable law including: (a) filing of offer documents with and the stock exchanges within the prescribed time period; (b) dealing with all matters up to allotment of Units to the Unit Holders; (c) obtaining in-principle approval from the Designated Stock Exchange; and (d) dealing with all matters relating to the issue and listing of the Units of the Embassy REIT as specified under Chapter IV of the REIT Regulations and any guidelines as may be issued by SEBI in this regard. Post-listing, the Manager is required to submit annual reports and half-yearly reports to all the Unitholders and the Designated Stock Exchange.

The Manager shall not incur any liability for doing or failing to do any act or thing which may result in a loss to a Unitholder (by reason of any depletion in the value of the REIT Assets (as defined in the Investment Management Agreement) or otherwise), except in the event that such loss is a result of fraud or gross negligence or willful misconduct on the part of the Manager or where the Manager fails to exercise due care. Specifically, the Manager shall be *inter alia* liable in the following cases:

(a) where distributions are not made within the period prescribed under the REIT Regulations, to pay interest until such distributions are made, and such interest shall not be recovered in the form of fees or any other form payable to the Manager by the Embassy REIT;

(b) where the Manager fails to allot, or list the Units, or refund the money within the time prescribed under the REIT Regulations to pay interest to the Unitholders, until such time as the allotment/listing/refund, and such interest shall not be recovered in the form of fees or any other form payable to the Manager by the Embassy REIT; or

(c) where the Manager contravenes any of the provisions of the SEBI Act, REIT Regulations, notifications, guidelines, circulars or notifications issued thereunder.

Pursuant to the Investment Management Agreement, the Trustee is required to indemnify the Manager and its officers, directors, shareholders, partners, members, employees, advisors and agents from and against any claims, losses, costs, damages, liabilities, suits, proceedings and expenses, including legal fees, suffered or incurred by them by reason of their activities on behalf of the Embassy REIT, unless such losses have resulted from fraud, negligence, dishonest acts of commissions or omissions, reckless disregard of duties or breach under the Investment Management Agreement and applicable law, or willful misconduct of the indemnified parties. On the other hand, the Manager is required to indemnify the Trustee, its employees, directors and officers for losses incurred in connection with any breach of any of the terms of the Investment Management Agreement by the Manager. The aggregate maximum liability of the Manager in each Fiscal to indemnify the Trustee, shall be limited to the REIT Management Fees payable to the Manager for the immediately preceding 2 (two) Fiscals provided that such aggregate maximum liability shall not be applicable in the event such liability of the Manager to indemnify the Trustee arises in connection with any gross negligence, wilful default or misconduct or fraud of the Manager.

The appointment of the Manager may be terminated by the Trustee or the Unitholders, in accordance with the procedure specified under the REIT Regulations and the Trust Deed.

Subject to the other provisions of the Investment Management Agreement, the Investment Management Agreement shall continue during the term of the Embassy REIT and shall terminate upon dissolution of the Embassy REIT. Unit Holders may apply in writing to the Trustee for the removal of the Manager and appointment of another manager to the Embassy REIT in accordance with the REIT Regulations. Subject to the approval of Unit Holders, and in accordance with the REIT Regulations, the Investment Management Agreement, may be terminated: (a) by the Manager by delivery of a written notice to the Trustee at any time, subject to appointment of a new manager in accordance with the Investment Management Agreement and the REIT Regulations; or (b) by the Trustee by delivery of a written notice to the Manager at any time, upon breach of any of the terms, covenants, conditions or provisions of the Investment Management Agreement by the Manager and a failure of the Manager to remedy the said breach within a period of 60 days; or (c) by any party by delivery of a written notice to the other party upon the bankruptcy of such other party or if winding up or liquidation proceedings are commenced against such other party (and such proceedings persist for a period of more than three months). In the event (i) that the offer of Units does not occur within the time period stipulated in the REIT Regulations or such other date as may be mutually agreed to between the Manager and the Trustee; or (ii) of cancellation of registration of the Embassy REIT by SEBI; or (iii) of winding up of the Embassy REIT, the Investment Management Agreement shall automatically terminate without any liability to either party.

The Manager is entitled to receive 1% of the REIT Distributions as REIT Management Fees and 3% of the Facility Rentals of the relevant property in respect of which the Manager has entered into a property management agreement with the Embassy REIT, Holdco or the relevant SPV, as applicable. The Manager may, pursuant to the Investment Management Agreement, elect to receive the REIT Management Fees either in cash or Units or a combination thereof. If the REIT Management Fees is paid in Units, the issue price of such Units shall be at the prevailing market price as determined in accordance with the REIT Regulations and applicable law.

THE TRUSTEE

The Trustee

Axis Trustee Services Limited is the Trustee of the Embassy REIT. The Trustee is a registered intermediary with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a debenture trustee having registration number IND000000494 which is valid until suspended or cancelled by SEBI. The Trustee is a wholly-owned subsidiary of Axis Bank Limited. For details in relation to the registered office address, correspondence address, contact person and contact details, see "*General Information*" on page 478.

Background of the Trustee

As Trustee, it ensures compliance with statutory requirements and believes in ethical standards and best practices in corporate governance. It aims to provide best services in the industry with its well trained and professionally qualified staff with a sound legal acumen. The Trustee is involved in varied facets of debenture and bond trusteeships, including, advisory functions and management functions. The Trustee also acts as a security trustee and is involved in providing services in relation to security creation, compliance and holding security on behalf of lenders.

The Trustee is also involved in providing services as (i) a facility agent for complex structured transactions with advice on suitability of the transaction on operational aspects; (ii) an escrow agent; (iii) a trustee to alternative investment funds; (iv) custodian of documents as a safekeeper; (v) monitoring agency; and (vi) a family office.

The Trustee confirms that it has and undertakes to ensure that it will at all times, maintain adequate infrastructure personnel and resources to perform its functions, duties and responsibilities with respect to the Embassy REIT in accordance with the REIT Regulations, the Trust Deed and other applicable law.

The Trustee is not an Associate of the Embassy Sponsor, the Blackstone Sponsor or the Manager. Further, neither the Trustee nor any of the promoters or directors of the Trustee (i) are debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, manager or trustee of any other real estate investment trust, or a real estate investment trust which is debarred from accessing the capital market under any order or directions made by SEBI; or (iii) is in the list of wilful defaulters published by the RBI.

Board of Directors of the Trustee

The board of directors of the Trustee is entrusted with the responsibility for the overall management of the Trustee. The details regarding the board of directors of the Trustee are set out below:

S. No.	Name	DIN	Profile
1.	Sanjay Sinha	08253225	He is the managing director & chief executive officer of Axis Trustee Services Limited
2.	Ram Bharoseylal Vaish	00150310	He is a director on the board of Axis Trustee Services Limited
3.	Rajesh Dahiya	07508488	He is an executive director on the board of Axis Trustee Services Limited

Key terms of the Trust Deed

The Embassy Sponsor, the Blackstone Sponsor and the Trustee have executed the Trust Deed, under which various powers, duties, rights and liabilities of the Trustee have been prescribed in terms of the Indian Trusts Act, the REIT Regulations and the SEBI Guidelines. The Trustee is empowered to determine, in accordance with the Investment Management Agreement, the investment objectives of the REIT, distributions to Unitholders, oversee voting of Unitholders and give effect to any *inter se* voting arrangements amongst the Unitholders as notified to the Trustee, make such reserves out of the income and capital as it may deem proper, appoint a manager to manage the Embassy REIT by execution of an investment management agreement and to delegate its powers to the manager. In terms of the Trust Deed, as required under the REIT Regulations, the Trustee is required to review the reports submitted by the Manager as prescribed under the REIT Regulations and make relevant intimations to SEBI in this regard. Subject to the advice of the Manager, the Trustee also has the power to pay expenses of the Embassy REIT (which include any indemnification obligations) from the REIT Assets (as defined in the Trust Deed), including any funds held by the Embassy REIT, the Holdcos, the SPVs or other assets of the Embassy REIT. The Trustee may, subject to applicable law, buyback Units from the Unitholders and repay, prepay and pay interest on all debt raised from any person in compliance with the REIT Regulations and applicable law.

The Trustee has, on the advice of the Manager and subject to the terms of the Trust Deed and the REIT Regulations, *inter alia*, the power (i) to borrow funds including by way of issuance of debt securities, subordinated debt or equity or other securities or instruments permitted under applicable law, for the purpose of the Embassy REIT; (ii) to institute, conduct, compromise, compound, or abandon any legal proceedings for or on behalf of or in the name of the Embassy REIT; (ii) to make and give receipts, releases and other discharges for moneys payable to the Embassy REIT and for the claims and demands of the Embassy REIT; (iii) to enter into all such negotiations and contracts, and, execute and do all such acts, deeds and things for or on behalf of or in the name of the Embassy REIT as the Trustee may consider expedient for or in relation to any of the matters or otherwise for the purposes of the Embassy REIT; (iv) to negotiate, sign, seal, execute, deliver and register according to law all deeds, documents, agreements, and assurances in respect of the Embassy REIT; (v) to negotiate, sign, seal, execute and deliver documents in relation to the Embassy REIT, including but not limited to, any issue agreement, share purchase agreement, services agreement, deed of right of first offer, underwriting agreement, loan documentation, draft offer document, offer document, final offer document or any other deed, agreement or document in connection with the Embassy REIT or the Units, including any amendments, supplements or modifications thereto; and (vi) to take into its custody and/ or control all the capital, assets, property of the Embassy REIT and hold the same in trust for the Unit Holders in accordance with the Trust Deed and REIT Regulations.

The Trustee shall ensure that all such acts, deeds and things done are done for the attainment of the investment objective of the Embassy REIT, to secure the best interests of the Unitholders and carry out its duties and responsibilities under the REIT Regulations. The Trustee shall periodically review the status of the Unitholders' complaints and their redressal undertaken by the Manager. Further, in case of change of Manager due to removal or otherwise, the Trustee shall, prior to such change, obtain approval from the Unitholders and SEBI in accordance with the REIT Regulations and appoint a new manager within the time period prescribed under the REIT Regulations. In case of a change in control of the Manager, the Trustee shall, prior to such change, obtain approval from the Unitholders and SEBI in accordance with the REIT Regulations. The Trustee shall ensure that the activity of the Embassy REIT is being operated in accordance with the provisions of the Trust Deed, REIT Regulations, other applicable law and documents in relation to the Embassy REIT and in case of any discrepancy, it shall inform SEBI immediately in writing.

In terms of the Trust Deed, the Trustee is entitled to reimburse itself and shall be entitled to charge the Embassy REIT from any of the Embassy REIT's assets for the expenses, outgoings, taxes, levies and liabilities (including indemnity obligations of the Embassy REIT, if any) as set out in the Trust Deed. Further, where *inter se* voting or pooling arrangements have been made between or amongst the Unitholders, the Trustee shall honour only such communications or decisions which are in accordance with such voting or pooling arrangements.

In addition to the fee, distributions and expense reimbursements described in the Trust Deed, the REIT Assets (as defined in the Trust Deed) shall be utilized to indemnify and hold harmless the Trustee, each of the Sponsors, the Manager and any of their respective officers, directors, shareholders, sponsors, partners, members, employees, advisors and agents from and against any claims, losses, costs, damages, liabilities and expenses, including legal fees suffered or incurred by them by reason of their activities on behalf of the Embassy REIT suffered or incurred by the Trustee in relation to any proceedings, unless such losses resulted from fraud, gross negligence or willful misconduct of the aforementioned indemnified parties as determined by a court of competent jurisdiction.

The Trustee shall not be liable to the Unitholders for (i) doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order of judgment of any court, or by reason of any request announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (which legally or otherwise) it shall be directed or requested to do or perform or to forbear from doing or performing; or (ii) for the authenticity of any signature affixed to any document or be in any way liable for any forged or unauthorized signature on or for acting upon or giving effect to such forged or unauthorized signature. The Trustee shall not be prevented from acting as a trustee of other trusts or alternative investment funds or venture capital funds or private equity funds or real estate investment trusts or infrastructure investment trusts or private trusts or customized fiduciary trusts separate and distinct from the Embassy REIT. The Trustee shall not incur any liability for any act or omission or (as the case may be) failing to do any act or thing which may result in a loss to a Unitholder (by reason of any depletion in the value of the REIT Assets (as defined in the Trust Deed) or otherwise), except in the event that such loss is a direct result of fraud, gross negligence or wilful default on the part of the Trustee or results from a breach by the Trustee of the Trust Deed, as determined by a court of competent jurisdiction.

The Trustee shall not be under any liability on account of anything done or omitted to be done or suffered by the Trustee in good faith in accordance with, or in pursuance of any request or advice of the Manager. The liability of the Trustee shall be limited to the extent of the fee received by it, in all circumstances whatsoever except in case of any gross negligence or willful misconduct or fraud on the part of the Trustee as settled by a court of competent jurisdiction.

No Unitholder shall be entitled to inspect or examine the Embassy REIT's premises or properties without the permission of the Trustee, who shall give such permission, if necessary, in consultation with the Manager. Further, no Unitholder shall be entitled to require discovery of any information respecting any detail of the Embassy REIT's activities or any matter which may relate to the conduct of the business of the Embassy REIT and which information may, in the opinion of the Trustee and the Manager adversely affect the interest of the Unitholder. The Unitholders, post the Issue, shall have the right to call for certain matters to be subject to their consent, in accordance with the REIT Regulations and applicable law. The Unitholders may, in accordance with the provisions of the documents of the Embassy REIT and applicable law, transfer any of the Units to an investor where such investor accepts all the rights and obligations of the transferor and the Trustee or the Manager shall give effect to such transfer in accordance with applicable law. The Trustee shall, and shall ensure that the Manager obtains the consent of the Unitholders for the matters prescribed under the REIT Regulations in accordance with the provisions of the REIT Regulations.

The Embassy REIT is subject to dissolution and termination in accordance with and subject to the REIT Regulations and applicable law: (i) if the Embassy REIT fails to make any offer of Units, whether by way of public issue, within the time period stipulated in the REIT Regulations or any other time period as specified by SEBI, the Embassy REIT shall surrender its certificate to SEBI and cease to operate as a real estate investment trust, unless the period is extended by SEBI; (ii) upon the liquidation of the Embassy REIT Assets (as defined under the Trust Deed); (iii) if there are no projects remaining under the Embassy REIT and the Embassy REIT does not invest in any project for six months thereafter; (iv) if the Embassy REIT fails to maintain the minimum public shareholding for the Units and the breach is not cured within six months from the date of breach; (v) delisting of the Units in accordance with Regulation 17 of the REIT Regulations; or (vi) illegality of the Embassy REIT.

CORPORATE GOVERNANCE

The section below is a summary of the corporate governance framework in relation to Embassy REIT, implemented by the Manager.

1. Manager

1.1. Board of Directors

Composition of the Board of Directors of the Manager

In addition to applicable provisions of the Companies Act, the board of directors of the Manager shall adhere to the following:

(a) Not less than 50% of the board of directors of the Manager shall comprise of independent directors and not directors or members of the governing board of another real estate investment trust registered under the REIT Regulations. The independence of directors shall be determined in accordance with the Companies Act and would be determined vis-a-vis each of the Manager, the Embassy Sponsor and the Blackstone Sponsor;

(b) The chairperson of the board of directors of the Manager shall be a non-executive director; and

(c) The collective experience of directors of the Manager shall cover a broad range of commercial experience, such as experience in the real estate sector, fund management or advisory and financial matters.

As of the date of this Offer Document, the board of directors of the Manager is compliant with all the aforementioned requirements. For details of the current composition of the board of directors of the Manager, see "*The Manager – Board of Directors of the Manager*" on page 220.

Quorum

The quorum of the board of directors of the Manager shall be at least 50% of the number of directors on the board. At least 50% of the directors present shall be independent directors.

Frequency of meetings

The board of directors of the Manager shall meet at least four times every year, with a maximum gap of 120 days between any two successive meetings. Additionally, the board of directors of the Manager shall meet prior to any meeting of the Unitholders and approve the agenda for Unitholders' meetings.

Remuneration of Directors

Sitting fees: The directors of the Manager will receive sitting fees for attending board meetings and meetings of the committees, in accordance with the Companies Act.

Other remuneration payable to independent directors: The board of directors of the Manager shall confirm to the Trustee that the independent directors being considered for performance remuneration have complied with the following:

(i) The attendance of a particular independent director is not less than 50% or as specified in the relevant independent director's appointment letter. If an independent director has not received the specified attendance, he/ she shall not be entitled to any performance remuneration.

(ii) The independent director(s) have complied with the code of conduct for independent directors as provided under Schedule IV of the Companies Act, 2013 ("**Code of Conduct**"), to the extent the provisions thereof can be applied to the Embassy REIT. Any independent director considered by the board of directors of the Manager to be in breach of the Code of Conduct shall not be entitled to any performance remuneration.

Upon completion of the evaluation exercise, the board of directors (excluding independent directors) shall approve the performance remuneration payable to each independent director through a unanimous resolution.

The remuneration payable to the independent directors shall be within the overall limit of the fee payable to the Manager.

Also see, "*Management Framework – Other key agreements – Manager SHA*" on page 255.

1.2. Committees of the board of directors

Name of committee	Composition	Present members	Quorum and voting	Frequency of meetings
Investment Committee	The Investment Committee shall comprise of four members. The chairperson of the Investment Committee shall be an independent director. The company secretary of the Manager shall act as the secretary to the Investment Committee	Anuj Puri (Chairperson) Dr. Ranjan Pai Jitendra Virwani Tuhin Parikh	The quorum shall comprise of all members of the Investment Committee All matters shall be approved by at least a simple majority of the members Provided that related party transactions shall be decided by unanimous consent of all 'non-related' members of the Investment Committee	The Investment Committee shall meet at least once in every calendar quarter, with a maximum interval of 120 days between any two consecutive meetings, such that at least four meetings are held in each calendar year and such number of times as required considering the scope and terms of reference of the Investment Committee
Audit Committee	The Audit Committee shall comprise of six members, with at least 2/3rd of the Audit Committee comprising independent directors. The chairperson of the Audit Committee shall be an independent director. All members of the Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise. The company secretary of the Manager shall act as the secretary to the Audit Committee.	Vivek Mehra (Chairperson) Anuj Puri Dr. Punita Kumar Sinha Jitendra Virwani Dr. Ranjan Pai Robert Christopher Heady	The quorum shall be at least 50% of the members of the Audit Committee, of which at least 50% of the directors present shall be independent directors All matters shall be approved by at least a simple majority of the members	The Audit Committee shall meet at least once in every calendar quarter, with a maximum interval of 120 days between any two consecutive meetings of the Audit Committee, such that at least four meetings are held in each calendar year and further such number of times as required considering the scope and terms of reference of the Audit Committee

Name of committee	Composition	Present members	Quorum and voting	Frequency of meetings
Stakeholders' Relationship Committee	The Stakeholders' Relationship Committee shall comprise of four members, with at least one independent director also being a member. The chairperson of the Stakeholders' Relationship Committee shall be an independent director	Dr. Punita Kumar Sinha (Chairperson) Aditya Virwani Robert Christopher Heady Vivek Mehra	The quorum shall be at least 50% of the number of members of the Stakeholders' Relationship Committee All matters shall be approved by at least a simple majority of the members	The Stakeholders' Relationship Committee shall meet at least four times every year, or as frequently as determined by the board of directors of the Manager or as directed by the Trustee
Nomination and Remuneration Committee	The Nomination and Remuneration Committee shall comprise of four members, with at least 50% of the members being independent directors. The chairperson of the Nomination and Remuneration Committee shall be an independent director	Dr. Ranjan Pai (Chairperson) Jitendra Virwani Tuhin Parikh Vivek Mehra	The quorum shall be at least 50% of the members of the Nomination and Remuneration Committee All matters shall be approved by at least a simple majority of the members	The Nomination and Remuneration Committee shall meet at least two times every year, or as frequently as determined by the board of directors of the Manager or as directed by the Trustee
REIT IPO Committee	The REIT IPO Committee shall comprise of four members	Aditya Virwani Anuj Puri Jitendra Virwani Tuhin Parikh	The quorum shall be at least 50% of the members of the IPO Committee All matters shall be approved by at least a simple majority of the members	The REIT IPO Committee shall meet as frequently as required in connection with the Issue

For details of the terms of reference of each committee, see below.

Investment Committee

Terms of reference of the Investment Committee

The terms of reference of the Investment Committee include the following:

(i) Review of investment decisions with respect to the underlying assets or projects of the Embassy REIT including any further investments or divestments to ensure protection of the interest of Unitholders including, investment decisions which are related party transactions;

(ii) Undertaking all functions in relation to protection of Unitholders' interests and resolution of any conflicts while making an investment, including reviewing agreements or transactions in this regard;

(iii) Approving any proposal in relation to acquisition of assets or further issue of Units including in relation to acquisition of assets;

(iv) Formulating any policy for the Manager as necessary, in relation to its functions, as specified above; and

(v) Performing such other activities as may be delegated by the board of directors of the Manager and/ or are statutorily prescribed under any law to be attended by the Investment Committee.

For operational efficiency, key strategic decisions, capital structure decisions and operational decisions could be delegated to specific committees in line with the policies framed by the board of directors, and the Investment Committee of the Manager in this regard.

Audit Committee

Terms of reference of the Audit Committee:

The terms of reference of the Audit Committee include the following:

(i) Provide recommendations to the board of directors regarding any proposed distributions;

(ii) Overseeing the Embassy REIT's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

(iii) Giving recommendations to the board of directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Embassy REIT and the audit fee, subject to the approval of the unitholders;

(iv) Reviewing and monitoring the independence and performance of the statutory auditor of the Embassy REIT, and effectiveness of audit process;

(v) Approving payments to statutory auditors of the Embassy REIT for any other services rendered by such statutory auditors;

(vi) Reviewing the annual financial statements and auditor's report thereon of the Embassy REIT, before submission to the board of directors for approval, with particular reference to:

- changes, if any, in accounting policies and practices and reasons for such change;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions; and
- qualifications in the draft audit report;

(vii) Reviewing, with the management, all periodic financial statements, including but not limited to quarterly, half-yearly and annual financial statements of the Embassy REIT before submission to the board of directors for approval;

(viii) Reviewing, with the management, the statement of uses/application of funds raised through an issue of units by Embassy REIT (public issue, rights issue, preferential issue, etc.) and the statement of funds utilised for purposes other than those stated in the offer documents/ notice, and making appropriate recommendations to the board of directors for follow-up action;

(ix) Approval or any subsequent modifications of transactions of the Embassy REIT with related parties;

(x) Reviewing loans and investments of the Embassy REIT;

(xi) Reviewing valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law;

(xii) Evaluating financial controls and risk management systems of the Embassy REIT;

(xiii) Reviewing, with the management, the performance of statutory auditors of the Embassy REIT, and adequacy of the internal control systems, as necessary;

(xiv) Reviewing the adequacy of internal audit function if any of the Embassy REIT including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xv) Reviewing the findings of any internal investigations in relation to Embassy REIT into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board of directors;

(xvi) Reviewing the procedures put in place by the Manager for managing any conflict that may arise between the interests of the unitholders, the parties to the Embassy REIT and the interests of the Manager, including related party transactions, the indemnification of expenses or liabilities incurred by the Manager, and the setting of fees or charges payable out of the Embassy REIT's assets;

(xvii) Discussing with statutory auditors and valuers prior to commencement of the audit or valuation, respectively, about the nature and scope, as well as post-audit/ valuation discussion to ascertain any area of concern;

(xviii) Reviewing and monitoring the independence and performance of the valuer of the Embassy REIT;

(xix) Monitoring the end use of Net Proceeds;

(xx) Giving recommendations to the board of directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the valuer of the Embassy REIT;

(xxi) Evaluating any defaults or delay in payment of distributions to the unitholders or dividends by the Asset SPVs to the Embassy REIT and payments to any creditors of the Embassy REIT or the Asset SPVs, and recommending remedial measures;

(xxii) Reviewing the management's discussion and analysis of financial condition and results of operations;

(xxiii) Reviewing the statement of all related party transactions, submitted by the management;

(xxiv) Reviewing the Management letters/ letters of internal control weaknesses issued by the statutory auditors of the Embassy REIT;

(xxv) Formulating any policy for the Manager as necessary, in relation to its functions, as specified above; and

(xxvi) Performing such other activities as may be delegated by the board of directors of the Manager and/ or are statutorily prescribed under any law to be attended to by the Audit Committee.

Stakeholders' Relationship Committee

Terms of reference of the stakeholders' relationship committee

The terms of reference of the Stakeholders' Relationship Committee shall include the following:

(i) Consider and resolve grievances of the Unitholders, including complaints related to the transfer of units, non-receipt of annual report and non-receipt of declared distributions;

(ii) Review of any litigation related to Unitholders' grievances;

(iii) Update unitholders on acquisition/ sale of assets by the Embassy REIT and any change in the capital structure of the Asset SPVs;

(iv) Reporting specific material litigation related to unitholders' grievances to the board of directors;

(v) Approve report on investor grievances, if any, to be submitted to the Trustee by the Manager; and

(vi) Performing such other activities as may be delegated by the board of directors of the Manager and/ or are statutorily prescribed under any law to be attended to by the Stakeholders' Relationship Committee.

Nomination and Remuneration Committee

Terms of reference of the Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee shall include the following:

(i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Manager a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(ii) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

(iii) Devising a policy on board diversity;

(iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal and evaluation of director's performance;

(v) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(vi) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Manager successfully;

(vii) Endeavour to appoint key employees to replace any key employee within six months and recommend to the board of directors of the Manager;

(viii) Carrying out any other function as prescribed under applicable law; and

(ix) Performing such other activities as may be delegated by the board of directors of the Manager and/ or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

REIT IPO Committee

Terms of reference of the REIT IPO Committee

The terms of reference of the REIT IPO Committee include the following:

(i) To make applications, where necessary, to such authorities or entities as may be required and accept on behalf of the board of directors such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions as may be required in relation to the Issue;

(ii) To authorise any director or directors of the Manager or other officer or officers of the Manager, including by the grant of power of attorney, to do such acts, deeds and things as such authorized person in his/ her/ its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of Units;

(iii) To give or authorise the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;

(iv) To seek, if required, the consent of the lenders, parties with whom the Asset SPVs have entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue;

(v) To approve and file, where applicable, the Draft Offer Document, the Offer Document and the Final Offer Document, the preliminary and final international wrap (including any notices, amendments, addenda, corrigenda or supplements thereto), as finalized in consultation with the book running lead managers, in accordance with all applicable law, rules, regulations and guidelines, to be filed with the SEBI and the stock exchanges and such other authorities, as may be applicable, and to make necessary amendments or alterations, therein in relation to the Issue;

(vi) To decide on the timing, pricing and all the terms and conditions in relation to the Issue, including the determination of the minimum subscription for the Issue, allotment, any rounding off in the event of over subscription as permitted under applicable law in consultation with the lead managers, etc. and to accept any amendments, modifications, variations or alterations thereto;

(vii) To appoint and enter into arrangements with the trustee, sponsors, lead managers, legal counsel and any other agencies or persons or intermediaries in relation to the Issue and to negotiate and finalise the terms of their appointment;

(viii) To negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the Draft Offer Document, Offer Document and Final Offer Document, the preliminary and final international wraps (including any notices, amendments, addenda, corrigenda or supplements thereto), the agreements and all other documents, deeds, agreements and instruments and any notices, supplements and corrigenda thereto, as may be required or desirable in relation to the Issue;

(ix) To open with the bankers to the Issue such accounts as may be required by the regulations issued by SEBI and to authorise one or more officers of the Manager to execute all documents/ deeds as may be necessary in this regard;

(x) To authorize and approve, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with the Issue;

(xi) To issue all documents and authorise one or more officers of the Manager to sign all or any of the aforestated documents;

(xii) To seek the listing of the Units on any Indian stock exchanges, submitting the listing application to such stock exchanges and taking all actions as may be necessary in connection with obtaining such listing and trading approval;

(xiii) To appoint the registrar and other intermediaries to the Offer, in accordance with the REIT Regulations and other statutory and/ or regulatory requirements;

(xiv) To enter into agreements with, and remunerate the lead managers, syndicate members, bankers to the Issue, the registrar to the Issue, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, by the way of commission, brokerage, fees or the like;

(xv) To issue advertisements as it may deem fit and proper in accordance with applicable law;

(xvi) To authorise the maintenance of a register of unitholders;

(xvii) To accept and appropriate the proceeds of the Issue;

(xviii) To finalize the allotment of Units on the basis of the applications received including the basis of the allotment;

(xix) To enter into debt financing documentation, debenture subscription agreements, share purchase agreements and other agreements in connection with the Offer with the Asset SPVs and the Investment Entity;

(xx) Authorizing and empowering certain individuals for and on behalf of the Manager, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the authorised officer considers necessary, desirable or advisable, in connection with the Issue, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar's agreement, the depositories agreements, the issue agreement with the lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any agreement or document in connection with the Issue, with, and to make payments to or remunerate by way of fees, commission, brokerage or the like, the book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue, if any; and any such agreements or documents so executed and delivered and acts and things done by any such authorized officer shall be conclusive evidence of the authority of the authorized officer and the Manager in so doing; and

(xxi) To do all such acts, deeds, matters and things and execute all such other document/s, application/s, agreement/s, undertaking/s, deed/s, affidavits, declarations and certificates, etc., deemed necessary or desirable for such purpose of in relation to the Issue.

1.3. Policies of the Board of Directors of the Manager in relation to the Embassy REIT

The Manager has adopted the following policies in relation to the Embassy REIT:

(a) *Borrowing Policy*

The Manager has adopted the Borrowing Policy pursuant to a resolution of its board of directors on August 6, 2018. The key terms of the borrowing policy are as follows:

1. The Manager shall ensure that all funds borrowed in relation to the Embassy REIT are in compliance with the REIT Regulations;

2. The Manager may cause the Embassy REIT to borrow or incur financial indebtedness for the purpose of the REIT and subject to requisite approval of the board of directors of the Manager, the Investment Committee or such committee of the board of directors of the Manager as may be constituted in this regard and the Unitholders in accordance with the REIT Regulations;

3. The Manager shall ensure that if the value of funds borrowed from related parties in a Fiscal, exceeds 10% of the total consolidated borrowings of the Embassy REIT, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any related party, in accordance with Regulation 22 of the REIT Regulations and the request for such approval shall be accompanied by a transaction document;

4. The Embassy REIT (acting through its Manager) shall be permitted to borrow monies through any permitted means, by any instrument, in Indian or foreign currency, as permitted by applicable law, including as prescribed by the Reserve Bank of India;

5. In accordance with Regulation 20(3) of the REIT Regulations, if the aggregate consolidated borrowings and deferred payments of the Embassy REIT, net of cash and cash equivalents exceed 25% of the value of the Embassy REIT Assets, for any further borrowing, (a) credit rating shall be obtained from a credit rating agency registered with SEBI; and (b) an approval from Unitholders shall be obtained in the manner specified under Regulation 22 of the REIT Regulations, namely where the votes cast in favour of a resolution shall be more than the votes cast against such resolution, or such other percentage as may be prescribed under the REIT Regulations;

6. The Embassy REIT (acting through its Manager) also has the power to create, mortgage or secure any of its assets or provide guarantees in order to borrow funds. However, the Manager shall not be allowed to create any obligation which would allow the liabilities to extend beyond the assets held by the Embassy REIT and in accordance with Regulation 20(2) of the REIT Regulations, the aggregate consolidated borrowings and deferred payments of the Embassy REIT and Asset SPVs, net of cash and cash equivalents shall never exceed 49% of the value of the Embassy REIT assets;

7. If either of the conditions (as specified above) in relation to the aggregate consolidated borrowings of the Embassy REIT are breached on account of market movements of the price of the underlying assets or securities, the Manager shall inform the Trustee at the earliest and ensure that such condition is satisfied within six months of the breach, in accordance with the REIT Regulations;

8. Any such obligation will not allow the Manager to make the liabilities of the Embassy REIT or its Unitholders unlimited;

9. In addition to the above, any borrowing by the Asset SPVs will be in accordance with the conditions prescribed under applicable law;

10. Any variation to the Borrowing Policy shall be only with the approval of the Unitholders of Embassy REIT; and

11. Notwithstanding the above, the Borrowing Policy will stand amended to the extent of any change in applicable law, including any amendment to the REIT Regulations, without any action from the Manager or approval of the Unitholders of the Embassy REIT.

(b) *Policy in relation to Related Party Transactions and Conflict of Interests*

The Manager has adopted the Policy in relation to Related Party Transactions and Conflict of Interests pursuant to a resolution of its board of directors on August 6, 2018. For details of the Policy in relation to Related Party Transactions and Conflict of Interests in relation to Embassy REIT, see "*Related Party Transactions*" on page 243.

(c) *Distribution Policy*

The Manager has adopted the Distribution Policy pursuant to a resolution of its board of directors on August 6, 2018. For details of the Distribution Policy in relation to Embassy REIT, see "*Distribution*" on page 357.

(d) *Policy on Appointment of Auditors and Valuers*

The Manager has adopted the Policy on Appointment of Auditors and Valuer pursuant to a resolution of its board of directors on August 6, 2018. For details of the Policy on Appointment of Auditor and Valuer in relation to Embassy REIT, see "*Other Parties involved in the Embassy REIT*" on page 257.

(e) *Policy on unpublished price-sensitive information and dealing in units by the parties to the Embassy REIT ("Insider Trading Policy")*

The Manager has adopted the Insider Trading Policy pursuant to a resolution of its board of directors on August 6, 2018 as amended from time to time. The purpose of the policy is to ensure that the Embassy REIT complies with applicable law, including the REIT Regulations or such other laws, regulations, rules or guidelines prohibiting insider trading and governing disclosure of material, unpublished price sensitive information ("**UPSI**"). The key principles of the Insider Trading Policy are set out below:

(i) The Manager shall promptly disclose to the public all UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available;

(ii) The Manager shall follow uniform and universal dissemination of UPSI to avoid selective disclosure. In case any such information gets disclosed selectively, inadvertently or otherwise to it shall be promptly disclosed/disseminated to make such information generally available.

(iii) The Compliance Officer shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure, in accordance with the procedure specified in the Insider Trading Policy for determining materiality of Information for periodic disclosure;

(iv) The Compliance Officer shall also make an appropriate and fair response to the queries on news reports and requests for verification of market rumours by regulatory authorities, in accordance with the procedure specified in the Insider Trading Policy for determining materiality of Information for periodic disclosure; and

(v) The designated persons shall make disclosures to the Compliance Officer or the stock exchanges and the Compliance Officer shall make all disclosures required to be made to the stock exchanges, in accordance with applicable law.

(f) *Policy for Determining Materiality of Information for Periodic Disclosures ("Materiality of Information Policy")*

The Manager has adopted the Materiality of Information Policy pursuant to a resolution of its board of directors on August 6, 2018. The Materiality of Information Policy aims to outline process and procedures for determining materiality of information in relation to periodic disclosures on Embassy REIT's website, to the Stock Exchanges and to all stakeholders at large, in relation to the Embassy REIT. The key principles of the Materiality of Information Policy are set out below:

(i) Any information concerning the Embassy REIT is considered material to the business and affairs of the Embassy REIT if it results in, or would reasonably be expected to result in a significant change in the market price or value of Units of the Embassy REIT or if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision or enter into any other transaction in relation to the Units;

(ii) Events/ information, as specified in the Materiality of Information Policy, shall be deemed to be material information and against which the Embassy REIT shall not be required to apply the criteria for determining materiality of information, and are deemed material information;

(iii) The Embassy REIT shall use defined criteria for determination of materiality of events/ information other than for the deemed material information; and

(iv) The Embassy REIT shall also submit such information to the Designated Stock Exchanges and Unitholders on a periodical basis as may be required under the Listing Agreement.

(g) *Document Archival Policy*

The Manager has adopted the Document Archival Policy pursuant to a resolution of its board of directors on August 6, 2018. The Document Archival Policy aims to provide a comprehensive policy on the preservation and conservation of the records and documents of the Embassy REIT. The Document Archival Policy aims at identifying, classifying, storing, securing, retrieving, tracking and destroying or permanently preserving records. The key principles of the Document Archival Policy inter alia are set out below:

(i) All records and documents along with all the supportive documents which are physically available shall be maintained at the principal place of business of the Embassy REIT or such other secured place as may be decided and approved by the board of directors of the Manager from time to time;

(ii) All the documents required to be maintained in terms of the REIT Regulations, secretarial standards, Listing Agreement, and any applicable law, shall be preserved under the custody of the Compliance Officer of the Embassy REIT;

(iii) All financials records required to be maintained in terms of the REIT Regulations, prescribed accounting standards, Income Tax Act, 1961 and other applicable law, shall be maintained under the custody of the Chief Financial Officer of the Manager;

(iv) All the statutory documents shall be preserved for a minimum period of eight financial years, immediately preceding a Fiscal, and since creation of the Embassy REIT, when the Embassy REIT has been created for a period of less than eight years; or such longer duration if prescribed under applicable law. Documents shall be preserved in a chronological order for each Fiscal;

(v) Documents which are confidential in nature shall, wherever possible, be kept under lock and key and shall be shared on a need to know basis only with persons directly involved in the transaction involving such documents and records;

(vi) If required under applicable law, some of the registers and records may be required to be kept open by the Embassy REIT for inspection by directors of the Manager and Unitholders of the Embassy REIT and by other persons, including creditors of the Embassy REIT. Upon receipt of advance notice from a unitholder or from any other specified person the Embassy REIT shall facilitate inspection of such documents by such persons and allow extracts to be taken from certain documents, registers and records and to furnish copies of certain documents, registers and records. Such documents and records shall be kept open for inspection during the business hours of the Embassy REIT without payment of any fee; and

(vii) Documents which are statutorily required to be hosted on the Embassy REIT website shall be hosted within the prescribed timeline from the occurrence of the event. All statutory data shall be hosted on the Embassy REIT website for a minimum period of five years or for such minimum period as prescribed under applicable law. After which it shall be preserved in the archival folder of Embassy REIT's maintained offline, until it is destroyed upon the expiry of the statutory period for the preservation such documents.

(h) *Nomination and Remuneration Policy*

The Manager has adopted the Nomination and Remuneration Policy pursuant to a resolution of its board of directors on August 6, 2018. The Nomination and Remuneration Policy aims at providing the underlying principles and guidelines governing the activities of the Nomination and Remuneration Committee, which are set out below:

1. The Nomination and Remuneration Committee is authorised by the Board at the expense of the Company to investigate any matter within its terms of reference. It is authorised to seek any information it requires from any employee in order to perform its duties and all employees are directed to co-operate with any requests made by the Nomination and Remuneration Committee;

2. The Nomination and Remuneration Committee is authorized by the Board, at the expense of the Company, to obtain external legal or other professional advice on any matters within its terms of reference;

3. The Nomination and Remuneration Committee is also authorised, at the expense of the Company and at all times within budgetary restraints imposed by the Board, to appoint external remuneration consultants and set their terms of reference and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties; and

4. The Nomination and Remuneration Policy sets out the terms of reference of the Nomination and Remuneration Committee.

Framework for making key decisions

The decisions to be undertaken by Manager shall be undertaken by the board of directors of the Manager either directly, or through a duly constituted committee of the board of directors of the Manager, depending on the materiality of the decision being made. Further, for transactions above a defined threshold, the board of directors of the Manager may present the decision before the Unitholders for their approval in terms of the REIT Regulations.

	Key requirements	Unitholder approval requirements	
Strategic decisions			
Acquisition (non-Related Party Transaction)[1]	Independent valuation required	If purchase price > 110% of independent valuation If value equal to or greater than 25% of the REIT assets	Votes cast in favour of the resolution shall be more than votes cast against the resolution (50% majority)
Acquisition (Related Party Transaction) [1]	• Two independent valuation reports • Purchase price cannot be higher than 110% of average of the two independent valuations	If total value of all the Related Party Transactions in a financial year, pertaining to acquisition or sale of properties, whether directly or through holding company and/ or special purpose vehicles, exceeds 10% of the value of the Embassy REIT	Votes cast in favour of the resolution shall be more than the votes cast against the resolution (50% majority)
Divestment (non-Related Party Transaction) [1]	• Independent valuation required	If the proposed sale price < 90% of independent valuation If the value > 10% of the REIT assets	Votes cast in favour of the resolution shall be more than votes cast against the resolution (50% majority)
Divestment (Related Party Transaction) [2]	• Two independent valuation reports • Sale price cannot be lower than 90% of average of the two independent valuations	If the sale value with a related party > 10% of REIT assets in a financial year	Votes cast in favour of the resolution shall be more than votes cast against the resolution (50% majority)
Investment strategy[3]	Investment strategy to be detailed in the offer document	For any material change in investment strategy	Votes cast in favour of the resolution shall not be less than one and half times the votes cast against the resolution (60% majority)
Lending[4]	Embassy REIT cannot lend to any person other than Holdco/ SPV but can invest in listed/ unlisted debt securities of real estate companies within the prescribed investment thresholds	—	
Capital structure decisions			
Debt raise[4]	Borrowings not allowed to exceed 49% of the value of the REIT assets, subject to compliance requirements under the REIT Regulations	Aggregate consolidated borrowings and deferred payments of the REIT, hold co and/or the SPVs, net of cash and cash equivalents exceeds 25% of the value of the REIT assets	Votes cast in favour of the resolution shall be more than votes cast against the resolution (50% majority)
		If the value of funds borrowed from related parties, in a year, exceeds 10% of total consolidated borrowings	Votes cast in favour of the resolution shall be more than votes cast against the resolution (50% majority)
Equity issuance[3]	—	Any further issuance of units requires unitholders approval	
Distributions[3]	At least 90% of distributable cash flows to be distributed	—	—

	Key requirements	Unitholder approval requirements	
Operational decisions			
Leasing (Related Party Transaction) [5]	Fairness opinion from independent valuer required if related party leases (by area, value, or rentals) exceed 20% of total Embassy REIT assets	If related party leases (by area, value, or rentals) > 20% of total REIT assets	Votes cast in favour of the resolution shall be more than votes cast against the resolution (50% majority)
Development[6]	If 80/20 conditions are breached on account of sale/ lease expiry, 6 months rectification period after intimation to the Trustee	Additional six months rectification period require unitholders approval	Votes cast in favour of the resolution shall be more than votes cast against the resolution (50% majority)

1. *Decision to be delegated to Investment Committee or board of directors of the Manager, as the case may be, for transactions up to a certain threshold. Further, for transactions above the threshold, the board of directors of the Manager may present the decision to the Unitholders for their approval as required under the REIT Regulations*
2. *Decision to be delegated to board of directors for transactions up to a certain threshold. Further, for transactions above the threshold, the board of directors of the Manager may present the decision to the Unitholders for their approval as required under the REIT Regulations*
3. *Board of directors to propose to Unitholders*
4. *Committee headed by CFO of the Manager to decide on certain terms if such terms form part of the permissible investments/ business plan approved by the board of directors of the Manager. Additionally, in case of debt raise, decisions to be delegated to Investment Committee for matters up to a certain threshold. Further, for transactions above the threshold, the board of directors of the Manager may present the decision to the Unitholders for their approval as required under the REIT Regulations*
5. *Management to decide lease terms up to a certain threshold, and prior approval of Audit Committee required in case of related party transactions. Board of directors of Manager to approve annual business plan*
6. *Board of directors of the Manager to approve annual business plan including (i) development capex, and (ii) upgrade/ maintenance capex*

2. Asset SPVs

Representatives on the Board of Directors of each Asset SPV

The Manager, in consultation with the Trustee shall appoint at least such number of directors on the board of the Holdco and each SPV as is proportionate to the shareholding of the Embassy REIT/ Holdco in the Holdco and SPVs, as the case may be, in accordance with the REIT Regulations after the completion of the Formation Transactions.

RELATED PARTY TRANSACTIONS

In terms of Regulation 2(1)(zo) of the REIT Regulations, a 'related party' shall be as defined under the Companies Act, 2013 or under the applicable accounting standards (i.e., Ind AS 24 on "Related Party Disclosures") and shall also include (i) Parties to the Embassy REIT, and (ii) promoters, directors and partners of Parties to the Embassy REIT; ("**Related Parties**"). The list of related parties included in the section "*Financial Information of the Embassy REIT*" on page 523 include the related parties as a result of the combination of the financials of the Embassy Office Parks Group, the Parties to the Embassy REIT and their respective promoters and directors. However, please note that the Related Parties to the Embassy REIT will be determined on the basis of applicable law from time to time, post-listing. For details, see "*Financial Information of the Embassy REIT*" on page 523.

Transactions between two or more real estate investment trusts with a common manager or sponsor shall be deemed to be related party transactions for each of the real estate investment trusts.

Procedure for dealing with Related Party Transactions

To ensure proper approval, supervision and reporting of the transactions between the Embassy REIT and its Related Parties, the board of directors of the Manager has adopted a policy in relation to Related Party Transactions and Conflict of Interests, to regulate the transactions between the Embassy REIT and its Related Parties:

(i) In accordance with the REIT Regulations, the Manager will ensure that all future Related Party Transactions shall be:

  (a) on an arm's length basis;

  (b) in accordance with the relevant accounting standards;

  (c) in the best interest of the Unitholders;

  (d) consistent with the strategy and investment objectives of the Embassy REIT; and

  (e) compliant with applicable law and disclosed to the Stock Exchanges and the Unitholders in accordance with the Listing Agreement and the REIT Regulations.

(ii) In the event Related Party Transactions are proposed to be entered into after this Issue, transactions with respect to sale or purchase of properties will be undertaken in compliance with Regulation 19(3) and Unitholders' approval shall be obtained in accordance with Regulation 22 of the REIT Regulations (where the votes cast in favour of a resolution shall be more than the votes cast against the resolution) and the request for such approval shall include the disclosures specified under Regulation 19(6) of the REIT Regulations, prior to entering into any such transaction if:

  (a) the total value of all the Related Party Transactions, in a Fiscal, pertaining to acquisition or sale of assets, whether directly or through Holdco and/ or SPVs, or investments into securities exceeds 10% of the value of the Embassy REIT; or

  (b) the value of the funds borrowed from the Related Parties, in a Fiscal, exceeds 10% of the total consolidated borrowings of the Embassy REIT, Holdco and Asset SPVs.

  It is hereby clarified that voting by any Unitholder who is a related party with respect to a Related Party Transaction, as well as the voting by the associates (as defined under Regulation 2(1)(b) of the REIT Regulations) of such Unitholder, shall not be considered on such Related Party Transaction.

(iii) In the event of any properties being leased to Related Parties to the Embassy REIT after the Issue, if:

  (a) such lease area exceeds 20% of the total area of the underlying assets;

  (b) value of assets under such lease exceeds 20% of the value of the total underlying assets; or

(c) rental income obtained from such leased assets exceeds 20% of the value of the rental income of all underlying assets,

a fairness opinion from an independent valuer shall be obtained by the Manager and submitted to the Trustee and approval of Unitholders in accordance with Regulation 22 shall be obtained.

(iv) For any Related Party Transaction requiring the approval of the Unitholders or proposed to be undertaken immediately after the Issue, the agreement shall be entered into within six months from the date of closure of the Issue or from the date of approval of the Unitholders, as the case may be. However, in case the agreement is not entered into within such period, approval from the Unitholders may be sought for extension for another six months in accordance with Regulation 22 with the updated valuation report.

(v) In addition to any other requirement that may be prescribed in terms of the REIT Regulations or other applicable laws, all Related Party Transactions to be entered into in the future will be:

(a) decided by the unanimous consent of all non-related members of the Investment Committee; and

(b) reviewed and approved by the Audit Committee.

(vi) As a general rule, the Manager must demonstrate to the Audit Committee that future Related Party Transactions satisfy the criteria set out hereunder at the time of recommending the same for the approval of the Audit Committee.

(vii) The Manager will maintain a register to record all Related Party Transactions entered into by the Embassy REIT and the basis on which they are entered into.

(viii) The Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by the Embassy REIT during each Fiscal.

(ix) No Related Party shall retain cash or other rebates from any property agent in consideration for referring transactions in REIT assets to the property agent.

(x) The Audit Committee shall review at least quarterly in each Fiscal the Related Party Transactions entered into during such quarter to ascertain that the guidelines and procedures established to monitor the Related Party Transactions have been complied with.

(xi) The review by the Audit Committee will include the examination of the nature of the transaction and its supporting documents or such other data as may be deemed necessary by the Audit Committee.

(xii) While considering a Related Party Transaction, any member of the Audit Committee or the Investment Committee (as the case may be) who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the Related Party Transaction.

Potential Conflict of Interest

(i) All resolutions in writing of the Investment Committee in relation to matters concerning related party transactions of the Embassy REIT must be approved by unanimous consent of all non-related members.

(ii) Where matters concerning the Embassy REIT relate to transactions entered into or to be entered into by the Manager for and on behalf of the Embassy REIT with a Related Party, the board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted in accordance with the parameters set out below.

(iii) The Embassy Sponsor, which is engaged in the development of real estate including commercial real estate, integrated office parks and office buildings, may be interested in businesses which directly compete with the activities of the Embassy REIT. The Embassy Sponsor shall perform its duty in relation to the Embassy REIT independent of its related business. For details in relation to the proposed acquisition of assets from the Embassy Sponsor and its present and future subsidiaries and other entities controlled by it by the Embassy REIT, see "*Formation Transactions in relation to the Embassy REIT – Acquisition of future assets*" on page 274.

(iv) Other than owning equity investment in the Asset SPVs which are proposed to be transferred to the Embassy REIT in accordance with the terms of the arrangements set out in this Offer Document, the Blackstone Sponsor Group currently does not have any other business which competes or is likely to compete with the business of the Embassy REIT. The Blackstone Sponsor Group shall perform its duties in relation to the Embassy REIT independent of any related businesses.

(v) Other Related Parties to the Embassy REIT may be interested in businesses which directly compete with the activities of the Embassy REIT. To the extent applicable, such related parties, shall perform their duty in relation to the Embassy REIT independent of their related business.

Further, conflicts of interest between the Embassy REIT, the Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group and the Manager may arise on account of, *inter alia*, the following:

(i) fees and expenses payable to the Manager by the Embassy REIT or the SPVs;

(ii) directors of the Manager also holding management roles in the Embassy Sponsor, the Blackstone Sponsor Group and Asset SPVs;

(iii) competition for certain investment opportunities;

(iv) investments in which the Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group or their respective affiliates and investment vehicles have differing or competing interests to that of the Embassy REIT or Unitholders (e.g., a debt interest in an investment in which we have an equity interest);

(v) assignments and sharing or limitation of rights in circumstances in which we may invest alongside the Sponsors, the Sponsor Groups or their respective Associates or affiliates;

(vi) purchase or sale of assets from or to Embassy Sponsor, the Blackstone Sponsor and their Associates or affiliates;

(vii) properties owned by us may be leased out to tenants that are Associates or affiliates of the Embassy Sponsor or the Blackstone Sponsor or their respective Sponsor Groups;

(viii) allocation of resources by the Sponsor to Sponsor Group transactions, information sharing by the Embassy Sponsor, Blackstone Sponsor and other affiliate transactions;

(ix) the Embassy Sponsor providing development management services in relation to certain assets forming part of the Portfolio;

(x) deployment of personnel from the Embassy Sponsor to the Manager; and

(xi) transactions between the Manager and Sponsors' affiliated service providers.

For further details see "*Risk Factors – We have entered into material related party transactions, the terms of which may be unfavorable to us or could involve conflicts of interest. The Manager may face conflicts of interests in choosing our service providers, and certain service providers may provide services to the Manager, the Embassy Sponsor or the Blackstone Sponsor Group on more favorable terms than those payable by us"* on page 35.

Disclosure and Reporting

(i) The Manager shall submit to the Trustee, quarterly reports on the activities of the Embassy REIT, including the status of compliance with the requirements specified under the REIT Regulations in relation to Related Party Transactions, within 30 days of the end of each quarter.

(ii) Related Party Transactions shall be disclosed to the Stock Exchanges and the Unitholders periodically, in accordance with the REIT Regulations and the agreement to be entered into with the Stock Exchanges in relation to the listing of the Units. The Manager shall adequately disclose the details of any fees or commissions received or to be received by such Related Party to the Stock Exchanges and Unitholders.

(iii) In terms of the REIT Regulations, the annual report and half yearly report to be submitted by the Manager to all Unitholders, electronically or by physical copies, and to the Stock Exchanges within three months from the end of the Fiscal and within 45 days from the end of the half year ending on September 30, shall contain, *inter alia*, details of all related party transactions, including acquisitions or disposal of any assets, directly or through SPVs during the year, the value of which exceeded 5% of value of the assets of the Embassy REIT.

(iv) Any arrangement or transaction or contract with any Related Party other than as included in the REIT Regulations shall be disclosed to the Unitholders and to the Designated Stock Exchange.

Related Party Transactions

Present and Ongoing Related Party Transactions

(i) Related Party Transactions in relation to the setting up of the Embassy REIT and this Issue

A number of present and ongoing transactions with certain Related Parties have been entered into in relation to the setting up of the Embassy REIT. The Trustee and the Manager confirm that the agreements and the transactions contemplated thereunder have been entered into, on an arm's length basis, in the best interest of the Unitholders, consistent with the strategy and investment objectives of the Embassy REIT. For further details, see "*Management Framework*" and "*Use of Proceeds*" on pages 247 and 381, respectively.

(ii) Acquisition of the Portfolio by the Embassy REIT

In connection with the Issue and prior to Allotment of the Units, the Trustee will, on behalf of the Embassy REIT, acquire the Portfolio by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders in the Portfolio. For further details see, "*Formation Transactions in relation to the Embassy REIT*" on page 261.

(iii) Borrowings from Related Parties

(a) 7,000,000 optionally convertible redeemable preference shares of face value ₹10 each issued by UPPL to Golflinks Properties Private Limited have been converted into 7,000,000 equity shares of face value ₹10 each of UPPL on February 19, 2019.

(b) Further, 82,002,176 optionally redeemable convertible debentures of face value ₹10 each issued by UPPL to Golflinks Properties Private Limited have been converted into 82,002,176 equity shares of face value ₹10 each of UPPL on February 19, 2019.

(c) Loans aggregating to ₹1,055,453,810 availed by UPPL from the Embassy Sponsor and DM Estates have been converted into an aggregate of 105,545,381 equity shares of face value ₹10 each of UPPL on February 19, 2019, with 100,000,000 equity shares allotted to the Embassy Sponsor and 5,5454,381 equity shares allotted to DM Estates.

(d) Loans aggregating to ₹2,113,810,970 availed by UPPL from the Embassy Sponsor have been converted into an aggregate of 211,381,097 equity shares of face value ₹10 each of UPPL on February 27, 2019, allotted to the Embassy Sponsor.

(iv) Other related party transactions

For details of other related party transactions entered into amongst the Related Parties inter-se, see "*Financial Information of the Embassy REIT – Note 53 – Related party disclosures*" on page 606. The Embassy REIT and the Related Parties may also enter into related party transactions post listing of the Embassy REIT. See "*Formation Transactions in relation to the Embassy REIT*", "*Management Framework*" and "*Risk Factors - We have entered into material related party transactions, the terms of which may be unfavorable to us or could involve conflicts of interest. The Manager may face conflicts of interests in choosing our service providers, and certain service providers may provide services to the Manager, the Embassy Sponsor or the Blackstone Sponsor Group on more favorable terms than those payable by us*" on pages 261, 247 and 35, respectively.

MANAGEMENT FRAMEWORK

Statements contained in this summary that are not historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks, uncertainties and assumptions that could cause actual results of the Embassy REIT to differ materially from those forecasted or projected in this Offer Document. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction of the accuracy of the underlying assumptions by the Embassy REIT, the Parties to the Embassy REIT or the Lead Managers or any other person or that these results will be achieved or are likely to be achieved or that guaranteed returns will be provided to investors. Investment in Units involves risks. Bidders are advised not to rely solely on this overview, however, should read this Offer Document in its entirety and, in particular, the section entitled "Risk Factors" on page 22.

Management Framework for the Portfolio

Current framework

The Portfolio is presently managed by the relevant Asset SPVs and the Investment Entity either directly, or through appointment of third party service providers. The management of the Portfolio typically comprises of asset management services (budgeting, lease maintenance and supervision of third party service providers), common area maintenance/ facility management (maintenance services and other support services) and development management (development of under construction portions). Further, the hotel properties and Embassy Energy are, or will be operated and managed by third party operators.

Proposed framework

Pursuant to the Investment Management Agreement, EOPMSPL has been appointed as the Manager of the Embassy REIT to manage the assets and investments of the Embassy REIT, and undertake the operational activities of the Embassy REIT.

Under Regulation 10(4) of the REIT Regulations, the Manager is required to undertake the management of the REIT assets including, *inter alia*, lease management and maintenance of the assets either directly or through the appointment and supervision of appropriate agents. The Manager will be responsible for the supervision of third party service providers through its representatives on the board of directors of the Asset SPVs and the Investment Entity.

Set out below is an overview of the proposed management framework, post listing, of the Portfolio:

S. No.	Asset SPV/ Investment Entity	Portfolio	Property management	Common area maintenance	Facility management	Development management
1.	MPPL	Embassy Manyata	Manager	ESPL		Embassy Sponsor
2.	IENMPL	Express Towers	Manager	IENMPL#	A2Z Online Services Private Limited	-
3.	VCPPL	Embassy 247	Manager	VCPPL#	ESPL	-
4.	ETPL	FIFC	Manager	ETPL#	FIFC Condominium^**	-
5.	EOPPL	Embassy Techzone	Manager	ESPL	-	Embassy Sponsor
6.	QBPL	Embassy Quadron and office/ retail portion of Embassy One Assets*	Manager	QBPL# for Embassy Quadron and ESPL for the Embassy One Assets	ESPL	-
7.	QBPPL	Embassy Qubix	Manager	QBPPL#	ESPL	-
8.	OBPPL	Embassy Oxygen	Manager	OBPPL#	ESPL	Embassy Sponsor
9.	GSPL	Embassy Galaxy	Manager	GSPL#	ESPL	-
10.	GLSP	Embassy Golflinks	GPMS	GEMS		-

** The Embassy One Assets, which are currently held under EODPL, are proposed to be transferred to QBPL pursuant to the Business Transfer Agreement, simultaneously with the consummation of the Formation Transactions under the Blackstone QBPL SPA*
 # The common area maintenance is undertaken by the SPV itself, either directly or through third party service providers appointed on a need basis from time to time
^ Sub-contracted to CBRE
***For FIFC, operation and management presently is undertaken by a condominium which is comprised of representatives of ETPL and certain tenants, formed pursuant to the by-laws of FIFC*

S. No.	Entity	Portfolio	Operator
1.	MPPL	Hilton at Embassy Manyata	Hilton
2.	UPPL	Hilton at Embassy Golflinks	Hilton
3.	QBPL*	Four Seasons at Embassy One	Four Seasons
4.	EEPL	Embassy Energy	ISPL

* The Embassy One Assets, which are currently held under EODPL, are proposed to be transferred to QBPL pursuant to the Business Transfer Agreement, simultaneously with the consummation of the Formation Transactions under the Blackstone QBPL SPA

Key details of the proposed management framework for the Portfolio are provided below:

Proposed management framework (upon listing of the Embassy REIT) for Embassy Manyata, Express Towers, Embassy 247, FIFC, Embassy Techzone, Embassy Quadron, Embassy Qubix, Embassy Oxygen, Embassy Galaxy and Embassy Golflinks

Property management

The scope of property management services shall include, *inter alia*:

(a) preparation of business plan on an annual basis and implementation of the reports, budgets and recommendations;

(b) preparation of annual budget, and maintenance of records relating to the asset and its operations;

(c) implementation of quarterly and annual reporting framework;

(d) negotiating terms of the grant of any lease with recommendations and rent review;

(e) assisting the making/ processing of any applications for consent required from any local or other authority relating to the granting of any tenancies;

(f) supervising, controlling and procuring observance of conditions of tenancies by the tenants; reporting on defaults and current portfolio status on a quarterly basis, including identifying future expiries, renewals and prospects;

(g) hiring, training and retaining such personnel as may be required to manage and perform the services as defined in the relevant property management agreements;

(h) initiating and arranging contracts with third parties for the effective day to day operation and maintenance of the asset;

(i) reviewing and making recommendations in relation to statutory assessments, enforcement of leases and maintenance and service contracts; and

(j) doing all such acts and things as are necessary for the effective management, operation, conduct and promotion of the asset

Common area maintenance/ Facility management

The scope of common area maintenance services and facility management services shall include, *inter alia*:

(a) operation and maintenance of common electro-mechanical or electrical, heat ventilating and air-conditioning systems;

(b) maintenance of lifts, fire protection systems, generator for common areas, external façade, curtain glazing and lighting in the common areas;

(c) garbage collection and removal, provision of security, civil repairs and sanitary and plumbing works; and

(d) housekeeping for common areas, landscaping, pest control, water consumption, procurement of adequate insurance for the entire building (in certain cases), fit outs or operation and maintenance of any other equipment/ service facility that may be introduced for the benefit of the occupier

The service fees payable to ESPL for providing common area maintenance or facility management services, as the case may be, in consideration for its appointment as the service provider by the relevant Asset SPV shall be as per the terms of the agreement to be entered into between the relevant Asset SPV and ESPL. The agreements with ESPL enable it to enter into agreements with tenants, or tripartite agreements with the relevant Asset SPV and the tenants, to provide services to such tenants

The facility management for FIFC has been sub-contracted to CBRE. The service fees payable to CBRE for the facility management of FIFC is subject to annual revisions under the agreement. The initial term of the agreement will be for a period of three years with effect from October 1, 2016, with an option to extend for another period of two years on mutual consensus. The agreement can be terminated by either ETPL or CBRE with 90 days' written notice

Property management	Common area maintenance/ Facility management
In consideration of the property management services to be offered by the Manager, it shall be entitled to a monthly fee, in arrears, of 3% of the Facility Rentals received and collected by the relevant Asset SPV, as consideration. The property management agreement may be terminated by either party with six months' notice in writing	The service fees payable to A2Z Online Services Private Limited for the facility management of Express Towers is as per the terms of the agreement. The initial term of the agreement is for a period of five years with effect from October 1, 2016 and will stand automatically extended for a period of five years unless terminated by either party to the agreement
Further, GPMS shall be entitled to a monthly fee, in arrears, 3% of the Facility Rentals received and collected by the Investment Entity. The agreement shall remain valid until it is terminated by mutual consent of the parties	

Agreements, each dated March 11, 2019 relating to property management have been executed between the Manager and each of the Asset SPVs. An agreement dated September 12, 2018 has been entered into between GLSP and GPMS in relation to property management.

Management Framework for hotels forming part of our Portfolio

The hotels which currently form part of our Portfolio are, or will be operated and managed by third parties, and the current management framework is proposed to continue post listing of the Embassy REIT. Set out below is an overview of the management framework for hotels forming part of the Portfolio:

Management framework for Hilton at Embassy Golflinks

Operation and management	Maintenance services	Other services
UPPL has appointed Hilton International Company (subsequently assigned to Hilton Worldwide Manage Limited) ("**Hilton**") as the exclusive operator and manager of Hilton at Embassy Golflinks pursuant to a management agreement dated June 17, 2005 executed between UPPL and Hilton ("**Hilton Management Agreement**"). Hilton has full control and discretion in the management and operation of Hilton at Embassy Golflinks, including in relation to the maintenance of bank accounts and the holding of funds relating to the operation of Hilton at Embassy Golflinks in UPPL's name The scope of duties of Hilton in terms of the Hilton Management Agreement includes, inter alia: (a) maintaining Hilton at Embassy Golflinks in good condition; (b) making alterations, additions or improvements in or to Hilton at Embassy Golflinks which are customarily made in the operation of first-class hotels; (c) delivering to UPPL, on an annual basis, a budget and forecast setting forth reasonable details of its anticipated revenue and expenses and its proposed capital expenditures for the forthcoming Fiscal;	UPPL has appointed GEMS as the maintenance agency for the maintenance of common areas surrounding Hilton at Embassy Golflinks pursuant to a maintenance services agreement dated July 26, 2017, as amended. The scope of duties of GEMS includes, *inter alia*: (a) maintenance and engineering services, including electrical systems, diesel generator sets, fire protection and detection systems, water treatment and sewage treatment plants; (b) property services including housekeeping, landscaping and pest control, and provision of security services for all common areas; (c) provision of common area utilities such as power and water supply and operation and maintenance of common area lighting and power; (d) provision of insurance coverage for the services, plant and machinery pertaining to common areas; (e) provision of technology applications, including helpdesk	As the operator and manager of Hilton at Embassy Golflinks, Hilton has entered into agreements with various third party service providers as independent service providers/ contractors, including for services such as repair and maintenance of equipment These service agreements are typically valid for a duration of one year, or as specified in the respective statements of work and if not so specified the term is month to month The payments to such third party service providers are generally paid monthly against submission of invoices for the maintenance/ repair work along with the accepted memorandum of agreement

Operation and management	Maintenance services	Other services
(d) delivering to UPPL monthly reports and financial statements of Hilton at Embassy Golflinks, together with a reforecast of anticipated results for the full Fiscal at the end of the quarters ending March 31, June 30 and September 30; and (e) procuring and maintaining at all times, inter alia, third party liability insurance, elevator liability insurance, insurance against theft of or damage to guests' property and workmen's compensation insurance As consideration for its services, Hilton is entitled to charge as an expense of the operation of Hilton at Embassy Golflinks, and retain as its basic management fee, a percentage of the revenues and income from the operation of Hilton at Embassy Golflinks, including rental or other payments from lessees and concessionaires, and the proceeds of business interruption insurance actually received by Hilton In addition to the basic management fees (as defined under the agreement), Hilton is entitled to retain, as an incentive fee, a percentage of the gross operating profit of UPPL for this purpose. The payments of returns by Hilton @ Embassy Golflinks. Hilton is entitled to determine the gross operating profit of UPPL for this purpose. The payments of returns by Hilton to UPPL are made in authorizing on a monthly basis as well as on an annual basis, after deducting what Hilton may reasonably determine to be its short term working capital. The initial operating term of the Hilton Management Agreement is set to expire on December 31, 2024, subject to extension by Hilton in accordance with the Hilton Management Agreement Additionally, the operation and management of the hotel is carried out in accordance with a hotel marketing agreement and technical assistance service agreement which are co-terminus to the Hilton Management Agreement	management system for managing tenant requests; and (f) liaising with statutory authorities for renewals/ periodic inspections for the systems falling under the scope of the builder, including liaising with SEZ authorities and maintenance of authorized officer within the zone and deployment of adequate property management staff to undertake and provide required services. For Fiscals subsequent to the Fiscal 2018, maintenance charges shall be determined as per the budget submitted by GEMS for such Fiscal. This agreement is valid for a period of three years from April 1, 2017, with an option to renew in accordance with the terms of this agreement	

Management framework for Hilton at Embassy Manyata

Operation and management	Repairs and maintenance
MPPL has appointed Hilton Worldwide Manage Limited (“**Hilton**”) as the exclusive manager to manage the operations of the Hilton at Embassy Manyata pursuant to a management agreement dated October 5, 2016, as amended The pre-opening activities within the scope of duties of Hilton include, *inter alia,* pre-operational staffing and recruitment, advertising, promotion and the conduct of partial operations, if any, prior to the opening date of the Hilton at Embassy Manyata During the operating term of the Hilton at Embassy Manyata, Hilton is required to transfer to MPPL monthly and annual returns in instalments based on the adjusted gross operating profit. On the other hand, Hilton is entitled to withdraw from the operating accounts of the Hilton at Embassy Manyata, its management fees on the same dates as provided for the payment of the instalments to MPPL, which is a variable percentage of gross operating profit The initial term of the agreement will expire at the end of the 10th calendar year from the date when the hotels are opened and thereafter will automatically be extended by 15 years unless terminated	Hilton is required to, on behalf of MPPL carry out all ordinary repairs and maintenance in and to the Hilton at Embassy Manyata so as to maintain them in good repair and condition. The costs and expenses of all such works shall be part of operating expenses. As part of its duties Hilton is also required to keep and maintain books of account reflecting the results of operation of the Hilton at Embassy Manyata, which MPPL shall have the right to review

Management framework for Four Seasons at Embassy One

Hotel Services Agreement	Hotel Advisory Agreement	Hotel License Agreement	Hotel Management Agreement
Pursuant to a hotel services agreement entered into with EODPL and dated December 6, 2010, as amended, Four Seasons Hotels Limited (“**FSHL**”) has agreed to provide corporate sales and marketing services (including public relations assistance), corporate advertising services, centralized reservation services and centralized purchasing services for the hotel FSHL is entitled to receive from EODPL, (i) a fixed amount as an advance corporate sales and marketing charge; (ii) a corporate sales and marketing charge as a percentage of budgeted gross receipts earned directly or indirectly from the operation of the Four Seasons at Embassy One (“Gross Receipts”); (iii) a corporate advertising charge as a percentage of budgeted Gross Receipts; (iv) a centralized reservation service charge; and	Pursuant to a hotel advisory agreement entered into with EODPL and dated December 6, 2010, as amended, Four Seasons Hotels and Resorts Asia Pacific Pte. Ltd. (“**FSHR**”) has agreed to advise EODPL in connection with the supervision and direction of Four Seasons at Embassy One including, *inter alia*, advice regarding operating policies and procedures to be followed to maximize patronage and revenue of Four Seasons at Embassy One, and the training and development of hotel personnel. FSHR is entitled to receive from EODPL an advisory fee as well as an incentive fee The initial term of this agreement is for 20 full fiscal years from the opening date of Four Seasons at Embassy One, with options to extend the	Pursuant to a hotel license agreement entered into with EODPL and dated December 6, 2010, as amended, FSHR has agreed to grant the right and license of certain trademarks, and to utilise certain proprietary materials to EODPL in connection with the marketing, operating and management of Four Seasons at Embassy One As consideration for the foregoing licence FSHR is entitled to receive from EODPL a license fee for each fiscal year of the term of this agreement, equal to a percentage of Gross Receipts during such period The initial term of this agreement is for 20 full fiscal years from the opening date of Four Seasons at Embassy One, with options to extend the	Pursuant to a hotel management agreement entered into with EODPL and dated December 6, 2010, as amended, FS No. 10 B.V. (“**FS**”) was engaged as the exclusive operator and manager of the Four Seasons at Embassy One Pursuant to assignment and assumption agreement dated October 24, 2011 among EODPL, FS, FSHR and Four Seasons India Hotel Management Company Private Limited (“**FSIHM**”), this agreement was assigned by FS to FSIHM The scope of the duties of FSIHM under this agreement includes, *inter alia* to use all reasonable efforts consistent with a world class luxury hotel to maximize patronage and revenue of hotel facilities, to

Hotel Services Agreement	Hotel Advisory Agreement	Hotel License Agreement	Hotel Management Agreement
(v) a centralized purchasing charge The initial term of this agreement is for 20 full fiscal years from the opening date of Four Seasons at Embassy One, with options to extend the term exercisable by FSHL for three further terms of 20 fiscal years each	term exercisable by FSHR for three further terms of 20 fiscal years each	term exercisable by FSHR for three further terms of 20 fiscal years each	hire and supervise, personnel of the hotel, and to purchase on the credit of EODPL all furniture, fixtures and equipment As consideration for providing the foregoing services, FSIHM is entitled to receive a basic fee for each fiscal year of the term of such agreement, equal to a percentage of Gross Receipts for such period The initial term of this agreement is for 20 full fiscal years from the opening date of Four Seasons at Embassy One, with options to extend the term exercisable by FSIHM for three further terms of 20 fiscal years each

As a result of these arrangements, we have limited discretion and control over the operation and management of our hotels, including the right to operate and maintain bank accounts, identifying the personnel to be employed and making alterations, additions or improvements in or to our hotels. Our hotel operators are typically entitled to prepare a budget and forecast setting out the proposed expenditures for the hotel for each financial year, and only the balance of funds available in the bank accounts of the hotel following payment of all expenses, fees and reserves is payable to the Asset SPVs.

We are also subject to restrictive covenants under the terms of the management agreements with hotel operators. Although the specific requirements vary, by way of example, we are restricted from creating any lien, mortgage or encumbrance over our hotels unless the holder of such lien, mortgage or encumbrance explicitly agrees with the hotel operator that the hotel management agreements relevant to the hotel shall not be subject to disturbance termination or forfeiture, notwithstanding a default under the terms of such lien, mortgage or encumbrance. The management agreements with hotel operators also place certain restrictions on the assignment of rights and obligations or a change in control of the relevant Asset SPV (including assignment or change in control on an enforcement of a lien, mortgage or encumbrance). Accordingly, any such assignment or change of control would require the prior consent of our hotel operators. Also see "*Risk Factors – We rely on third party operators to successfully operate and manage certain Portfolio Assets. Our results of operations may be adversely affected if we fail to effectively oversee the functioning of third-party operators*" on page 31.

Management framework for Embassy Energy

Embassy Energy is owned by EEPL and is located in Bellary district, Karnataka. EEPL has entered into power purchase agreements for the offtake of power with certain entities in Bengaluru, Karnataka, including certain Asset SPVs and the Investment Entity. For further details in relation to Embassy Energy, see "*Our Business and Properties – Embassy Energy*" on page 211. The current management framework of Embassy Energy, as laid out below, shall continue post-listing of the Embassy REIT:

Project Development

Pursuant to a project development agreement dated February 10, 2017 executed between EEPL and ISPL, ISPL has been appointed as a developer to procure the site and the right of way required for the construction of Embassy Energy

In terms of this agreement, ISPL is required to, *inter alia*:

(a) identify the land parcels and assess their viability and present the land parcels to EEPL;
(b) to enter into preliminary agreements for transfer with land owners or aggregators;
(c) obtain approvals from the relevant governmental authority in the name of EEPL; and
(d) ensure that transfer deeds are executed and duly registered between EEPL and the relevant land owners or aggregators

Pursuant to this agreement, ISPL has also agreed and undertaken to:

(a) obtain and maintain in full force and effect, and fulfil all conditions of all applicable permits;
(b) deal with personnel having requisite expertise, skill and knowledge;
(c) ensure the procurement of environmental approvals, if any;
(d) facilitate the procurement of the site, directly in the name of EEPL;
(e) provide monthly reports to EEPL on the progress in acquisition of land parcels and approvals;
(f) ensure that each transfer deed is valid and existing at all times, except for any defects in title which arise after the execution of such transfer deed;
(g) ensure that the title in respect of each underlying land parcel is not subject to or subordinated to the rights of any third party;
(h) ensure that the site shall have adequate solar irradiation, and is free and clear of all encumbrances and security interests;
(i) ensure that the site is sufficient and adequate for the purpose of undertaking the construction operation and maintenance of the facility;
(j) secure right of way for the entire life of the project;
(k) ensure that the land parcels constituting the site are converted or deemed to be converted to non-agricultural use in accordance with applicable law; and
(l) ensure completion of the registration and mutation of the entire site in the name of EEPL under various land revenue records

Operation and management

In 2017, EEPL and ISPL entered into an operation and management agreement in relation to the operation, maintenance and repair of Embassy Energy ("**O&M Agreement**"). In terms of the O&M Agreement, the scope of services of ISPL includes, *inter alia*:

(a) cleaning PV modules and pyranometers on a regular basis;
(b) monitoring transformer temperature, fire protection system, mechanical and structural parts for corrosion;
(c) carrying out repair and maintenance of the civil structure comprising Embassy Energy;
(d) operating and maintaining the 220 kV pooling substation;
(e) monitor and supervise the operation of Embassy Energy and provide daily, monthly and annual reports to EEPL; and
(f) conducting periodic checks as a part of the preventive maintenance procedure to ensure that probable failures are detected and predicted and rectifying such defects.

In addition to the above, ISPL is also responsible for the supervision of and coordinating with KPTCL which provides and maintains the required metering device for the measurement of the electricity supplied to EEPL in coordination with the relevant governmental instrumentality. In terms of the O&M Agreement, ISPL is required to start providing O&M services from the date Embassy Energy achieves commercial operation date until the expiry of 15 years therefrom. In consideration of the services proposed to be provided by ISPL, EEPL shall pay a lump sum operations and maintenance fees of ₹86 million per annum, payable quarterly in four installments of ₹21.5 million each

Additionally, EEPL and ISPL have also entered into certain other agreements for supply of equipment and erection, testing and commissioning of Embassy Energy

The commencement of full commercial operations for Embassy Energy was on February 28, 2018

Project Development	Operation and management
Both EEPL and ISPL are empowered to terminate this agreement upon the occurrence of the events specified thereunder. EEPL may terminate this agreement upon the occurrence of a bankruptcy event in relation to ISPL, change of control of ISPL and the transfer deeds not being completed in a timely manner. ISPL may terminate the agreement on the occurrence of a bankruptcy event in relation to EEPL, or if the Embassy group and/ or Blackstone (as defined under the relevant agreement) cease to control EEPL	

Other key agreements

(A) Trademark License Agreement

Under a trademark license agreement dated September 20, 2018, entered into amongst Embassy Shelters Private Limited (as the licensor), the Manager (acting in its capacity as manager to the Embassy REIT) and the Trustee (acting in its capacity as trustee to the Embassy REIT), the Embassy REIT through the Trustee and the Manager has been granted a non-transferable and non-sub licensable (except to affiliates of the Embassy REIT and to others providing services to the Embassy REIT solely in connection with the business of the Embassy REIT) worldwide license to use the identified trademarks in connection with the business of the Embassy REIT by Embassy Shelters Private Limited. The license is granted on an exclusive basis for usage of 'Embassy Office Parks' and the logo, and the remaining trademarks which are licensed under the agreement (*trademarks in relation to the Asset SPVs and the Investment Entity such as Embassy Manyata, Embassy Techzone, Embassy Golflinks and Embassy One*) have been granted on a non-exclusive basis. While the agreement will be effective from the Listing Date, the licensor has acknowledged that the Trustee and the Manager, on behalf of the Embassy REIT, have been using certain trademarks prior to the date of the agreement and has waived all claims it may have for such use. The Embassy REIT is required to pay a license fee of ₹0.1 million per month for using the trademarks. The licensor has agreed to indemnify the Manager, Embassy REIT, Trustee, officers, employees, directors, agents and authorised representatives of the Embassy REIT, Trustee and the Manager against all losses resulting from any breach of representations and warranties and from any claims of infringement of any intellectual property rights of a third party by the licensee's use of the trademarks. The Embassy REIT has also agreed to hold the licensor harmless against any liability arising in connection with its usage of the trademarks. The agreement will be automatically terminated, *inter alia*, if (i) the Embassy REIT ceases to be listed; (ii) if the Embassy Sponsor or the Manager ceases to meet the eligibility requirements under the REIT Regulations; (iii) if the Embassy Sponsor or an Embassy affiliate (as defined in the agreement) cease to be a sponsor of the Embassy REIT; (iv) if the Embassy Sponsor or an Embassy affiliate (as defined in the agreement) cease (a) to hold at least 50% of the shareholding of the Manager; and (b) to have at least 50% representation on the non-independent directors on the board of directors of the Manager; and (v) by mutual consent of the parties in writing. The licensee will be required to cease to use the trademarks within 90 days of the date of termination of the agreement, or such other period as mutually agreed to by the parties.

(B) Embassy Sponsor Support Services Agreement

Under a sponsor support services agreement dated September 20, 2018, entered into between the Embassy Sponsor and the Manager, the Embassy Sponsor has agreed to deploy personnel to the Manager for providing support services such as information technology and network services, support in annual audit of all books, accounts and records kept with the Manager, liaising with regulatory authorities in connection with the business of the Manager and the Embassy REIT, marketing and communications services, recruitment, employment and human resource related compliances and such other services to the Manager as may be mutually agreed between them, to enable the Manager to undertake the management of the Embassy REIT and its assets. The Manager has agreed to pay to the Embassy Sponsor a fixed annual fee of ₹50 million payable for each financial year. The fee shall be liable to an escalation of 6% every financial year for a period of five years from the date of listing of Units. Thereafter, the fee and the escalation thereof shall be negotiable between the Manager and the Embassy Sponsor. For the period commencing from October 1, 2018 until March 31, 2019, the fee shall be paid to the Embassy Sponsor on a prorated basis. The Embassy Sponsor and the Manager have agreed to indemnify each other for any losses arising from a breach of any representation, warranty, undertaking, covenant or obligations contained under the agreement. The agreement is valid until terminated by the parties, either for breach by the other party or otherwise by providing an advance notice of 6 months.

(C) Secondment Agreement

Under the secondment agreement dated March 11, 2019 entered into between the Manager and the Trustee (acting in its capacity as trustee to the Embassy REIT), the Manager has agreed to deploy certain identified personnel to the Embassy REIT in connection with the operation and management of the assets of the Embassy REIT for a consideration of ₹0.1 million payable from the date of listing of the Units until March 31, 2020. Thereafter, the fee shall be subject to an escalation of 5% every financial year for a period of five years from the date of listing of the Units. Thereafter, the fee and the percentage of escalation shall be negotiable between the Manager and the Trustee. The agreement will be terminated (i) upon mutual consent of the parties, (ii) upon termination of the investment management agreement, (iii) in the event of cancellation of the certificate of registration granted to the Embassy REIT by SEBI or upon winding up of the Embassy REIT or if the Embassy REIT ceases to be listed on both the recognized stock exchanges, or (iv) in the event the Manager fails to replace the identified personnel within the time period specified in the agreement.

(D) Manager SHA

The shareholders of the Manager consisting of the Embassy Sponsor and certain entities forming part of the Blackstone Sponsor Group have agreed to be bound by the terms and conditions of a shareholders agreement, which sets forth the eventualities in the event of fall in unitholding of their respective sponsor group in the Embassy REIT beyond the specific thresholds, and the governance and management of the Manager, the salient aspects of which are described below. The Embassy Sponsor is the majority shareholder of the Manager.

- Each shareholder group (Embassy Sponsor and Blackstone shareholders) have a right to appoint two nominees each on the board of the Manager. Quorum for a board or shareholder meeting shall include the presence of at least one nominee of each Shareholder group.

- Identified corporate actions such as, *inter alia*, alteration of share capital of the Manager, issuance of shares to employees under an ESOP, transfer of Units held by the Manager to its employees, changes to the constitution of committees of the board, declaration of dividends, initiation or settlement of any litigation that adversely impacts rights of shareholders, appointment of statutory auditors of the Manager and any other matter which affects the rights of shareholders under the Manager SHA or of the shareholders of the Manager, require the prior written consent of each shareholder group prior to the same being passed by the Manager.

- In the event of the Embassy sponsor group ceasing to hold at least 15% of the total outstanding units post listing of the Embassy REIT, Embassy group has agreed to transfer all their shares in the Manager to Blackstone shareholders, or undertake such other activities such as support a buyback, capital reduction etc. which would have the effect of Blackstone shareholders acquiring and controlling 100% of the shares of the Manager.

- Conversely, the Blackstone shareholders have agreed to sell up to all their securities in the Manager to the Embassy Sponsor in the event that the unitholding of the Blackstone Sponsor Group falls below 10% of the total issued and outstanding Units of the Embassy REIT.

- To the exclusion of the above circumstances, the shareholders have agreed to provide a right of first offer to each other for any sale of securities of the Manager contemplated by them to a third party.

- The agreement details the pricing, methodology, process and timelines for consummation of any of aforesaid transfer provisions.

- The shareholders have also agreed to act in the interest of and for the benefit of the Embassy REIT and the unitholders of the Embassy REIT and to ensure that the business of the Manager and that of the Embassy REIT continues in the ordinary course, regardless of any dispute between the parties arising out of the agreement or otherwise in relation to the management of the business of the Manager or the Embassy REIT.

The articles of association of the Manager incorporate the terms of the Manager SHA. The agreement can be terminated (i) upon mutual consent of the shareholders in writing, or (ii) automatically, with respect to a shareholder, upon such shareholder ceasing to hold any securities in the Manager.

Fee and expenses

Annual Expenses

The expenses to be directly charged to the Embassy REIT would include (i) fees payable to the Trustee; (ii) REIT Management Fees payable to the Manager; (iii) fees payable to the Auditor; (iv) fees payable to the Valuer; (v) fees payable to other intermediaries and consultants; and (vi) other miscellaneous expenses. Further, the Embassy REIT will incur or reimburse expenses in relation to this Issue.

The Asset SPVs and Investment Entity will also incur recurring fees under the management framework for the Portfolio, as described above.

The estimated recurring expenses on an annual basis are as follows:

(₹ in million)

Payable by Embassy REIT	Estimated Expenses
Trustee fees (per annum)	See Note 1 below
REIT Management Fee (per annum)	See Note 2 below
Trademark licensing fee (per month)	See Note 3 below
Auditor fee, Valuer fee and others	[●]*

* *To be included in the Final Offer Document*

Note 1: *In addition to the initial acceptance fee of ₹1 million, the Trustee shall be entitled to an annual fee of ₹2.5 million, exclusive of all applicable taxes and any other out of pocket expenses, as applicable. The annual fee shall be subject to revision*

Note 2: *The Embassy REIT shall pay to the Manager, REIT Management Fees which shall be 1% of REIT Distributions to be made by the Embassy REIT. This does not include the property management fee payments made by the Asset SPVs to the Manager*

Note 3: *The Embassy REIT shall pay to Embassy Shelters Private Limited, a monthly fee of ₹0.1 million towards the licensing of the "Embassy Office Parks" and other trademarks in relation to the business of the Embassy REIT, the Asset SPVs and the Investment Entity*

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹[●] million. For details, see "*Use of Proceeds*" on page 381.

Set-up expenses

The expenses in relation to setting up of the Embassy REIT will be borne by the Embassy Sponsor, details of which shall be included in the Final Offer Document. The Embassy REIT shall reimburse the Embassy Sponsor for all expenses incurred by the Embassy Sponsor in relation to setting up of the Embassy REIT.

OTHER PARTIES INVOLVED IN THE EMBASSY REIT

The Auditor

Background and terms of appointment

The Manager, in consultation with the Trustee, has appointed BSR & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) as the auditors of the Embassy REIT for a period of five years from June 12, 2018. The Auditors have audited the Condensed Combined Financial Statements, examined the Projections and have certified the calculations and assumptions in relation to the Projections, and their report in relation to such Condensed Combined Financial Statements and Projections each dated March 1, 2019, have been included in this Offer Document.

Functions, Duties and Responsibilities of the Auditor

The functions, duties and responsibilities of the Auditor will be in accordance with the REIT Regulations. Presently, in terms of the REIT Regulations, the Auditor is required to comply with the following conditions at all times:

1. the Auditor shall conduct audit of the accounts of the Embassy REIT and prepare the audit report based on the accounts examined by it and after taking into account the relevant accounting and auditing standards, as may be specified by SEBI;

2. the Auditor shall, to the best of its information and knowledge, ensure that the accounts and financial statements give a true and fair view of the state of the affairs of the Embassy REIT, including profit or loss and cash flow for the period and such other matters as may be specified;

3. the Auditor shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of the Embassy REIT; and

4. the Auditor shall have a right to require such information and explanation pertaining to activities of the Embassy REIT as it may consider necessary for the performance of its duties as auditor from the employees of the Embassy REIT or parties to the Embassy REIT or the Asset SPVs or any other person in possession of such information.

The Valuer

Background and terms of appointment

The Manager, in consultation with the Trustee, has appointed CBRE South Asia Private Limited as the valuer to the Embassy REIT. In accordance with the REIT Regulations, the Valuers have undertaken a full valuation of the properties which are proposed to be acquired by the Embassy REIT, and has prepared their Summary Valuation Report in relation to such valuation as on December 31, 2018, which Summary Valuation Report has been included in this Offer Document. The Valuer is not an Associate of the Embassy Sponsor, the Blackstone Sponsor, the Manager or the Trustee and has not less than five years of experience in the valuation of real estate. The Valuer is eligible to undertake the valuation and issue the Summary Valuation Report and the Valuation Report under the REIT Regulations

The Valuer is part of, CBRE Group, Inc. which is one of the world's leading commercial real estate services firms, and offers a broad range of services, including facilities, transaction and project management; appraisal and valuation; property leasing; strategic consulting; and property sales.

The Valuer's head office is situated at New Delhi with other offices in Mumbai, Bengaluru, Chennai, Gurgaon, Hyderabad, Pune, Ahmedabad and Kolkata.

As of the date of this Offer Document, the Valuer is yet to obtain registration as a registered valuer under the Companies Act, as required under the definition of 'valuer' in Regulation 2(1)(zz) of the REIT Regulations. However, as per Rule 11 of the Companies (Registered Valuers and Valuation) Rules, 2017, an unregistered valuer may continue to provide valuation services until April 30, 2019 provided that: (i) such valuer was appointed prior to January 31, 2019; and (ii) the valuation exercise for which such valuer was appointed has not been completed prior to January 31, 2019. Accordingly, the Valuer is eligible to provide valuation services until April 30, 2019 or completion of valuation exercise, whichever is earlier. For further details, see "*Risk Factors—The valuation reports obtained for our Portfolio are based on various assumptions and may not be indicative of the true value of our assets*" on page 29.

Past experience in valuing similar assets

Description	Location
Valuation of portfolio of commercial office assets held by a business trust with assets across India for financial reporting purposes	Bengaluru, Pune, Hyderabad and Chennai
Valuation of portfolio of multiple office developments of a leading south India based developer for secured lending purposes	Bengaluru, Hyderabad
Valuation of portfolio of commercial office developments developed by a leading south India based developer across the country for secured lending purposes	Bengaluru, Chennai, Hyderabad, Pune and Gurgaon
Valuation of a Pune based SEZ for secured lending purposes	Pune
Valuation of a Pune based property	Pune
Valuation of a Mumbai based business park for a proposed acquisition	Mumbai
Valuation of a Gurgaon based property for a proposed acquisition	Gurgaon
Valuation of portfolio of office developments and retail malls	Noida

Please note that the Valuer also provides and will continue to provide facility management services to one of the Portfolio Assets. See also, "*Management Framework*" on page 247.

Functions of the Valuer

The functions, duties and responsibilities of the Valuer will be in accordance with the REIT Regulations. Presently, in terms of the REIT Regulations, the Valuer is required to comply with the following conditions at all times:

1. the Valuer shall ensure that the valuation of the Embassy REIT assets is impartial, true and fair and is in accordance with Regulation 21 of the REIT Regulations;

2. the Valuer shall ensure that adequate and robust internal controls are in place to ensure the integrity of its valuation reports;

3. the Valuer shall ensure that it has sufficient key personnel with adequate experience and qualification to perform property valuations at all times;

4. the Valuer shall ensure that it has sufficient financial resources to enable it to conduct its business effectively and meet its liabilities;

5. the Valuer and any of its employees involved in valuing of the assets of the Embassy REIT, shall not, (i) invest in units of the Embassy REIT or in the assets being valued; or (ii) sell the assets or Units of the Embassy REIT held prior to being appointed as the Valuer, until the time such person is designated as valuer of the Embassy REIT and not less than six months after ceasing to be valuer of the Embassy REIT;

6. the Valuer shall conduct valuation of the Embassy REITs assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment;

7. the Valuer shall act with independence, objectivity and impartiality in performing the valuation;

8. the Valuer shall discharge its duties towards the Embassy REIT in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete given assignment;

9. the Valuer shall not accept remuneration, in any form, for performing a valuation of the Embassy REIT's assets from any person other than the Embassy REIT, the Manager or its authorized representative;

10. the Valuer shall before accepting any assignment from any related party to the Embassy REIT, disclose to the Embassy REIT any direct or indirect consideration which the Valuer may have in respect of such assignment;

11. the Valuer shall disclose to the Trustee any pending business transactions, contracts under negotiation and other arrangements with the Manager or any other party whom the Embassy REIT is contracting with and any other factors that may interfere with the Valuer's ability to give an independent and professional valuation of the property;

12. the Valuer shall not make false, misleading or exaggerated claims in order to secure assignments;

13. the Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;

14. the Valuer shall not accept an assignment that includes reporting of the outcome based on predetermined opinions and conclusions required by the Embassy REIT; and

15. the Valuer shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation.

Policy on Appointment of Auditor and Valuer

The Manager has adopted a policy on the appointment of auditor and valuer of the Embassy REIT, which will stand amended, to the extent of any amendment to the REIT Regulations or applicable law, details of which are provided below:

1. ***Appointment of the auditor of the Embassy REIT***

(i) The Manager, in consultation with the Trustee shall appoint the auditor of the Embassy REIT, in a timely manner and in accordance with the REIT Regulations.

(ii) The auditor, so appointed shall be one who has subjected itself to the peer review process of the Institute of Chartered Accountants of India ("**ICAI**") and who holds a valid certificate issued by the peer review board of ICAI.

(iii) The Manager shall ensure that the appointment of the auditor and the fees payable to the auditor is approved by the Unitholders, in accordance with the REIT Regulations.

(iv) The Manager shall appoint an auditor for a period of not more than five consecutive years; provided that the auditor, not being an individual, may be reappointed for a period of another five consecutive years, subject to approval of Unitholders in the annual meeting in accordance with the REIT Regulations.

2. ***Appointment and Removal of the valuer of the Embassy REIT***

(i) The Manager, in consultation with the Trustee, shall appoint the valuer of the Embassy REIT, in a timely manner and in accordance with the REIT Regulations. A 'valuer' shall have the meaning set forth in the REIT Regulations.

(ii) The Manager shall ensure the appointment of the valuer is approved by the Unitholders in accordance with the REIT Regulations.

(iii) The Manager, in consultation with the Trustee, may remove the valuer of the Embassy REIT in accordance with the REIT Regulations if the valuer fails to comply with provisions of the REIT Regulations.

(iv) The remuneration of the valuer shall not be linked to or based on the value of the assets being valued.

(v) The valuer shall not be an Associate of the Embassy Sponsor, the Blackstone Sponsor, the Manager or the Trustee.

(vi) The valuer shall have not less than five years of experience in valuation of real estate assets.

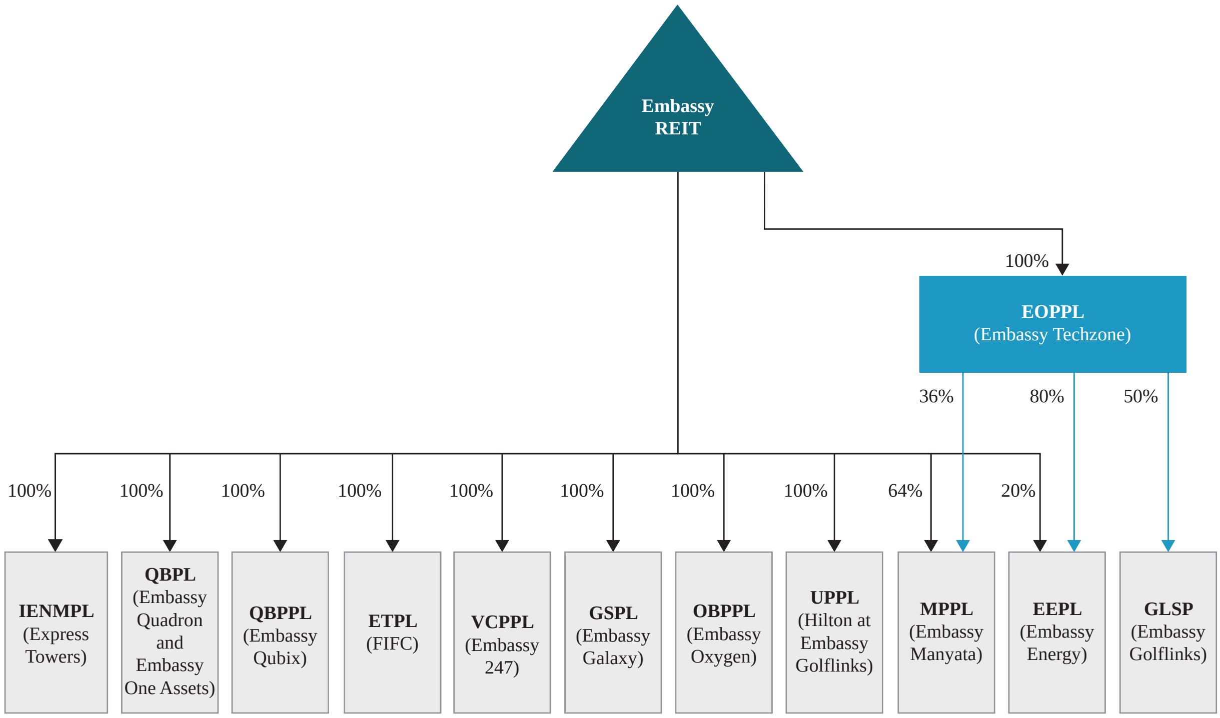
(vii) A valuer shall not undertake valuation of the same property for more than four years consecutively, provided that the valuer may be reappointed after a period of not less than two years from the date it ceases to be the valuer of the Embassy REIT.

(viii) The valuer shall not undertake valuation of any assets in which it has either been involved with the acquisition or disposal within the last twelve months other than such cases where the valuer was engaged by the Embassy REIT for such acquisition or disposal.

V. FORMATION TRANSACTIONS IN RELATION TO THE EMBASSY REIT

Proposed holding structure of the Portfolio

Pursuant to the completion of the Formation Transactions, the Portfolio is proposed to be held by the Embassy REIT through Asset SPVs. EEPL and MPPL will be held partially through the Holdco, and partially directly by the Embassy REIT. The Investment Entity will be held through the Holdco. The proposed holding structure of the Portfolio, pursuant to the Formation Transactions and prior to the Allotment of Units, is set out below:



Note: All figures in decimals have been rounded off to the nearest integer

For details in relation to each of the Portfolio, please see "*Our Business and Properties*" on page 131.

The details of each of the Asset SPVs and the Investment Entity, are provided below:

Holdco

1. ***EOPPL***

EOPPL was incorporated on August 3, 2012 under the Companies Act, 1956 as a private limited company. Its registered office is situated at No.150, Embassy Point, Infantry Road, Bengaluru 560 001, Karnataka, India.

Embassy Techzone is owned by EOPPL.

Capital structure of EOPPL

Particulars	No. of equity shares of ₹10 each as on the date of this Offer Document
Authorised capital	9,000,000
Issued, subscribed and paid-up capital	8,703,249

Shareholding Pattern of EOPPL

Shareholder	No. of Shares	Shareholding Percentage
Embassy Sponsor	4,351,624	50.00
Embassy Sponsor jointly with Jitendra Virwani	1	0.00*
SG Indian Holding (NQ) Co I Pte. Ltd.	4,330,044	49.75
SG Indian Holding (NQ) Co II Pte. Ltd.	2,805	0.03
SG Indian Holding (NQ) Co III Pte. Ltd.	18,775	0.22
Total	**8,703,249**	**100.00**

** Less than 0.01%*

SPVs

1. *MPPL*

MPPL was incorporated on July 17, 2000 under the Companies Act, 1956 as a private limited company. Its registered office is situated at Classic Court, I Floor, 9/1, Richmond Road, Bengaluru 560 025, Karnataka, India.

Embassy Manyata is owned by MPPL.

Capital structure of MPPL

Particulars	No. of equity shares of ₹100 each as on the date of this Offer Document
Authorised capital	1,200,000
Issued, subscribed and paid-up capital	1,132,698

Shareholding pattern of MPPL

Shareholder	No. of Shares	Shareholding Percentage
Blackstone Sponsor	418,794	36.97
EOPPL	405,159	35.77
Reddy Veeranna*	305,815	27.00
Suguna Reddy*	2,930	0.26
Total	**1,132,698**	**100.00**

**The shares had been pledged in favour of a common security trustee who holds the securities for the benefit of the Embassy Sponsor and a third party lender. The pledge will be released immediately after the date of this Offer Document. Upon the issue of Units to Reddy Veeranna and Suguna Reddy pursuant to the consummation of the Formation Transactions, a pledge will be created on the Units allotted to Reddy Veeranna and Suguna Reddy. The third party lender and Associates of the Embassy Sponsor have rights to purchase the Units.*

2. *UPPL*

UPPL is a private limited company incorporated on November 24, 1994 under the Companies Act, 1956. Its registered office is situated at I Floor, Embassy Point, 150 Infantry Road, Bengaluru 560 001, Karnataka, India.

Hilton at Embassy Golflinks is owned by UPPL.

Capital structure of UPPL

Particulars	No. of equity shares of ₹10 each as on the date of this Offer Document	No. of preference shares of ₹10 each as on the date of this Offer Document
Authorised capital	408,000,000	7,000,000
Issued, subscribed and paid-up capital	405,940,205	Nil

Shareholding pattern of UPPL

Shareholder	No. of equity shares	Shareholding Percentage
Embassy Sponsor	288,217,546	71.00
K.J. Kuruvilla	63,196,079	15.57
Suja George	54,526,580	13.43
Total	**405,940,205**	**100.00**

3. *EEPL*

EEPL is a private limited company incorporated on August 27, 2015 under the Companies Act, 2013. Its registered office is situated at I Floor, Embassy Point, 150 Infantry Road, Bengaluru 560 001, Karnataka, India.

Embassy Energy is owned by EEPL.

Capital structure of EEPL

Particulars	No. of equity shares of ₹10 each as on the date of this Offer Document
Authorised capital	10,000
Issued, subscribed and paid-up capital	10,000

Shareholding pattern of EEPL

Shareholder	No. of Shares	Shareholding Percentage
EOPPL	8,000	80.00
Rana George	1,000	10.00
Embassy Sponsor	1,000	10.00
Total	**10,000**	**100.00**

4. *ETPL*

ETPL was incorporated on September 12, 2007 under the Companies Act, 1956 as a private limited company. Its registered office is situated at Plot No. C-54 & C-55, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

FIFC is owned by ETPL.

Capital structure of ETPL

Particulars	No. of equity shares of ₹10 each as on the date of this Offer Document	No. of preference shares of ₹10 each as on the date of this Offer Document
Authorised capital	521,500,000	178,500,000
Issued, subscribed and paid-up capital	185,604,589	Nil

Shareholding pattern of ETPL

Shareholder	No. of equity shares of ₹10 each	Shareholding Percentage
India Alternate Property Limited	180,939,587	97.49
Premsagar Infra Realty Private Limited	4,665,002	2.51
Total	**185,604,589**	**100.00**

5. *IENMPL*

IENMPL is a private limited company incorporated on February 25, 1959 under the Companies Act, 1956. Its registered office is situated at Express Towers, Nariman Point, Mumbai 400 021, Maharashtra, India.

Express Towers is owned by IENMPL.

Capital structure of IENMPL

Particulars	No. of Equity Shares of ₹100 each	No. of Class A Equity Shares of ₹100 each	Preference Shares of ₹100 each
Authorised capital	42,360,000	150,000	250,000
Issued, subscribed and paid-up capital	124,562	130,022	Nil

Shareholding pattern of IENMPL

Shareholder	No of Equity Shares	Shareholding percentage
No of Equity Shares of face value of ₹100 each		
BREP Asia SG Indian Holding (NQ) Co. II Pte. Ltd	99,161	38.96%
BREP VII SG Indian Holding (NQ) Co. II Pte. Ltd	24,777	9.73%
BREP Asia SBS Holding (NQ) Co. XI Ltd	488	0.19%
BREP VII SBS Holding (NQ) Co. XI Ltd	136	0.05%
Sub-Total (A)	**124,562**	
Class A Equity Shares of face value of ₹100 each		
Panchshil Techpark Private Limited	130,022	51.07%
Sub-Total (B)	**130,022**	
Total (C)	**254,584**	**100%**

6. *VCPPL*

VCPPL was incorporated on June 28, 2010 under the Companies Act, 1956 as a private limited company. Its registered office is situated at Property Management Office, Basement 1, Tower B, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India.

Embassy 247 is owned by VCPPL.

Capital structure of VCPPL

Particulars	No. of equity shares of ₹10 each as on the date of this Offer Document
Authorised capital	6,150,000
Issued, subscribed and paid-up capital	6,134,016

Shareholding pattern of VCPPL

Shareholder	No. of equity shares of ₹10 each	Shareholding Percentage
BREP Asia HCC Holding (NQ) Pte Ltd.	4,895,671	79.81
BREP VII HCC Holding (NQ) Pte Ltd.	1,219,832	19.89
BREP Asia SBS HCC Holding (NQ) Ltd.	11,569	0.19
BREP VII SBS HCC Holding (NQ) Ltd.	6,944	0.11
Total	**6,134,016**	**100.00**

7. ***QBPL***

QBPL was incorporated on October 1, 2004 under the Companies Act, 1956 as a public limited company. The registered office is situated at Plot No. 28, Rajiv Gandhi Info Tech Park, Phase II, Hinjewadi, Pune 411 057, Maharashtra, India. The company was converted to a private limited company and the name was changed to 'Quadron Business Park Private Limited' and a fresh certificate of incorporation consequent upon conversion to a private company was issued on August 5, 2014.

Embassy Quadron is owned by QBPL. Further, it is proposed that the Embassy One Assets, which are currently owned by EODPL, shall be transferred to QBPL pursuant to the Business Transfer Agreement, simultaneously with the consummation of the Formation Transactions under the QBPL SPA. For further details, see "- *Business Transfer Agreement*" on page 273.

Capital structure of QBPL

Particulars	No. of equity shares of ₹10 each as on the date of this Offer Document
Authorised capital	5,000,000
Issued, subscribed and paid-up capital	2,129,635

Shareholding pattern of QBPL

Shareholder	No. of equity shares of ₹10 each	Shareholding Percentage
BRE/Mauritius Investments II	2,129,629	99.99
Kunal Shah*	6	0.01
Total	**2,129,635**	**100.00**

* *As nominee for BRE/ Mauritius Investments II*

8. ***QBPPL***

QBPPL was incorporated on January 5, 1999 as a private limited company under the Companies Act, 1956. Its registered office is situated at Blueridge, Near Cognizant, Rajiv Gandhi Infotech Park Phase I, Hinjewadi, Pune 411 057, Maharashtra, India.

Embassy Qubix is owned by QBPPL.

Capital structure of QBPPL

Particulars	No. of equity shares of ₹10 each as on the date of this Offer Document	No. of preference shares of ₹10 each as on the date of this Offer Document
Authorised capital	816,000	84,000
Issued, subscribed and paid-up capital	271,612	Nil

Shareholding pattern of QBPPL

Shareholder	No. of equity shares of ₹10 each	Shareholding Percentage
BREP NTPL Holding (NQ) Pte. Ltd.	216,264	79.62
BREP VII NTPL Holding (NQ) Pte. Ltd.	54,029	19.89
BREP Asia SBS NTPL Holding (NQ) Ltd.	1,026	0.38
BREP VII SBS NTPL Holding (NQ) Ltd.	293	0.11
Total	**271,612**	**100.00**

9. ***OBPPL***

OBPPL was incorporated on July 9, 2007 as a private limited company under the Companies Act, 1956. Its registered office is situated at Plot No. 7, Sector 144 Noida, Gautam Buddha Nagar 201 304, Uttar Pradesh, India.

Embassy Oxygen is owned by OBPPL.

Capital structure of OBPPL

Particulars	No. of equity shares of ₹10 each as on the date of this Offer Document
Authorised capital	3,950,000
Issued, subscribed and paid-up capital	1,884,748

Shareholding pattern of OBPPL

Shareholder	No. of equity shares of ₹10 each	Shareholding Percentage
BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.	1,500,410	79.61
BREP VII SG Oxygen Holding (NQ) Pte. Ltd.	374,905	19.89
BREP Asia SBS Oxygen Holding (NQ) Ltd.	7,388	0.39
BREP VII SBS Oxygen Holding (NQ) Ltd.	2,045	0.11
Total	**1,884,748**	**100.00**

10. *GSPL*

GSPL was incorporated as a private limited company on June 2, 1980 under the Companies Act, 1956. Its registered office is situated at A-44-45, Sector-62, Noida, Gautam Buddha Nagar 201 309, Uttar Pradesh, India.

Embassy Galaxy is owned by GSPL.

Capital structure of GSPL

Particulars	No. of equity shares of ₹100 each as on the date of this Offer Document	No. of preference shares of ₹100 each as on the date of this Offer Document
Authorised capital	200,200	98,00,000
Issued, subscribed and paid-up capital	107,959	Nil

Shareholding pattern of GSPL

Shareholder	No. of equity shares of ₹100 each	Shareholding Percentage
BREP GML Holding (NQ) Pte. Ltd.	85,962	79.62
BREP VII GML Holding (NQ) Pte. Ltd.	21,475	19.89
BREP Asia SBS GML Holding (NQ) Ltd.	406	0.38
BREP VII SBS GML Holding (NQ) Ltd.	116	0.11
Total	**107,959**	**100.00**

Investment Entity

GLSP

GLSP was incorporated on November 17, 2000 as a private company under the Companies Act, 1956. Its registered office is situated at 16, St. Marks Road, Bengaluru 560 001, Karnataka, India.

Embassy Golflinks is owned by GLSP.

Capital structure of GLSP

Particulars	Number of equity shares of ₹10 each as on the date of this Offer Document
Authorised capital	220,000
Issued, subscribed and paid-up capital	200,000

Shareholding pattern of GLSP

Shareholder	No. of equity shares of ₹10 each	Shareholding Percentage
EOPPL	100,000	50.00
Kelachandra Holdings LLP	100,000	50.00
Total	**200,000**	**100.00**

Formation Transaction Agreements

In compliance with Regulation 14(2) of the REIT Regulations, the Formation Transaction Agreements have been executed as on the date of this Offer Document and the consummation of the transactions contemplated under each of the Formation Transaction Agreements will be undertaken immediately after the Bid/ Issue Closing Date and prior to the Allotment of Units pursuant to the Issue. For details of risks in relation to the Formation Transactions not having been consummated, see "*Risk Factors – The Formation Transactions will only be given effect to after the Bid/Issue Closing Date. Further, we will assume existing liabilities in relation to the Portfolio, which liabilities if realized may impact the trading price of the Units and our profitability and ability to make distributions*." on page 22.

The following is a summary of the Formation Transaction Agreements.

S. No.	Formation Transaction Agreement	Formation Transaction	Portfolio
Agreements with the Embassy Sponsor			
1.	Embassy EOPPL SPA	• Transfer of shareholding of the Embassy Sponsor in EOPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of other third party shareholders in MPPL, in exchange for Units	Embassy Manyata, Embassy Energy, Embassy Techzone, Portfolio Investment
2.	EEPL SPA-I	Transfer of shareholding of the Embassy Sponsor in EEPL to the Embassy REIT, in exchange for Units	Embassy Energy
3.	UPPL SPA – I	Transfer of shareholding of Embassy Sponsor in UPPL to the Embassy REIT, in exchange for Units	Hilton at Embassy Golflinks
Agreements with the Blackstone Sponsor Group			
4.	Blackstone EOPPL SPA	• Transfer of shareholding of SG Indian Holding (NQ) Co I Pte. Ltd. in EOPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of SG Indian Holding (NQ) Co II Pte. Ltd. in EOPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of SG Indian Holding (NQ) Co III Pte. Ltd. in EOPPL to the Embassy REIT, in exchange for Units	Embassy Manyata, Embassy Energy, Embassy Techzone, Portfolio Investment
5.	Blackstone MPPL SPA	Transfer of shareholding of the Blackstone Sponsor in MPPL to the Embassy REIT, in exchange for Units	Embassy Manyata
6.	Blackstone GSPL SPA	• Transfer of shareholding of BREP GML Holding (NQ) Pte. Ltd. in GSPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII GML Holding (NQ) Pte. Ltd. in GSPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP Asia SBS GML Holding (NQ) Ltd. in GSPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SBS GML Holding (NQ) Ltd. in GSPL to the Embassy REIT, in exchange for Units	Embassy Galaxy
7.	Blackstone QBPL SPA	Transfer of shareholding of BRE/ Mauritius Investments II in QBPL to the Embassy REIT, in exchange for Units	Embassy Quadron

S. No.	Formation Transaction Agreement	Formation Transaction	Portfolio
8.	Blackstone QBPPL SPA	• Transfer of shareholding of BREP NTPL Holding (NQ) Pte. Ltd in QBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII NTPL Holding (NQ) Pte. Ltd. in QBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP Asia SBS NTPL Holding (NQ) Ltd. in QBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SBS NTPL Holding (NQ) Ltd. in QBPPL to the Embassy REIT, in exchange for Units	Embassy Qubix
9.	Blackstone OBPPL SPA	• Transfer of shareholding of BREP Asia SG Oxygen (NQ) Pte. Ltd. in OBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SG Oxygen Holding (NQ) Pte. Ltd. in OBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP Asia SBS Oxygen Holding (NQ) Ltd. in OBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SBS Oxygen Holding (NQ) Ltd. in OBPPL to the Embassy REIT, in exchange for Units	Embassy Oxygen
10.	Blackstone VCPPL SPA	• Transfer of shareholding of BREP Asia HCC Holding (NQ) Pte. Ltd. in VCPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII HCC Holding (NQ) Pte. Ltd. in VCPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP Asia SBS HCC Holding (NQ) Ltd. in VCPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SBS HCC Holding (NQ) Ltd in VCPPL to the Embassy REIT, in exchange for Units	Embassy 247
11.	Blackstone ETPL SPA	Transfer of shareholding of India Alternate Property Limited in ETPL to the Embassy REIT, in exchange for Units	FIFC
12.	Blackstone IENMPL SPA	• Transfer of shareholding of BREP Asia SG Indian Holding (NQ) Co II Pte. Ltd. in IENMPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SG Indian Holding (NQ) Co II Pte. Ltd. in IENMPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP Asia SBS Holding-NQ Co XI Ltd in IENMPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SBS Holding-NQ Co. XI Ltd. in IENMPL to the Embassy REIT, in exchange for Units	Express Towers

S. No.	Formation Transaction Agreement	Formation Transaction	Portfolio
Agreements with Other Parties			
13.	Settlement Agreement	Transfer of shareholding of Reddy Veeranna and Suguna Reddy in MPPL to the Embassy REIT, in exchange for Units	Embassy Manyata
14.	Business Transfer Agreement	Transfer of Embassy One Assets to QBPL	Embassy One Assets
15.	IENMPL SAA	Transfer of shareholding of Panchschil Techpark Private Limited ("**PTPL**") in IENMPL to the Embassy REIT, for cash consideration	Express Towers
16.	ETPL SPA	Transfer of shareholding of Premsagar Infra Realty Private Limited in ETPL to the Embassy REIT, in exchange for Units	FIFC
17.	EEPL SPA – II	Transfer of shareholding of Rana George in EEPL to the Embassy REIT, in exchange for Units	Embassy Energy
18.	UPPL SPA – II	Transfer of shareholding of K.J. Kuruvilla and Suja George in UPPL to the Embassy REIT in exchange for Units	Hilton at Embassy Golflinks

The summaries below are qualified by the terms and details in the agreements listed above.

Agreements with the Embassy Sponsor

Under these agreements, each dated March 11, 2019, the Embassy Sponsor shall be allotted such number of Units of the Embassy REIT as required to attain an Agreed Unitholding Percentage, which shall be determined based on the formulae set out in "*Calculation of Unitholding Percentage in relation to the Formation Transactions*" on page 665.

The purchase of shares of the Portfolio from the Embassy Sponsor who is a shareholder in these Asset SPVs is subject to the completion of certain conditions precedent by the sellers and the Manager (acting on behalf of the Embassy REIT), including (i) compliance in all material respects with the covenants and obligations of the parties under these agreements, (ii) the representations and warranties of the parties thereto remaining true and accurate in all material respects, and (iii) the transactions contemplated under these agreements being permissible under applicable law.

The representations and warranties provided by the relevant sellers severally to the Embassy REIT (acting through the Trustee and the Manager) under these Agreements pertain to, *inter alia*, fundamental matters such as title to shares of the various Asset SPVs, power, authority and enforceability of the agreement, voting power on the shares, absence of insolvency of the seller and execution, delivery and performance of the agreement not conflicting with charter documents, applicable law, contracts and consents to which the seller is bound, The Embassy Sponsor has also provided representations and warranties to the Embassy REIT in relation to the Asset SPVs, covering *inter alia*, incorporation and good standing, shareholding pattern, shares being in dematerialised form, financial statements, no unresolved notice of default in financing documents, ownership or lease of assets used by the Asset SPV, absence of any arrangements for receipt or repayment of grant or subsidy, filing of tax returns, Asset SPVs being entitled to the land and property, the property being held free from encumbrance, absence of litigations, absence of statutory dues, compliance with applicable laws and filings and absence of notice of violation of applicable law, absence of statutory bar or prohibition to develop and manage the projects (subject to conditions imposed by authorities) and absence of unresolved/ outstanding labour disputes.

Further, under the Embassy EOPPL SPA, the Embassy Sponsor has specifically provided:

(a) in relation to MPPL and GLSP, business representations pertaining to *inter alia*, business, authority and good standing, shareholding pattern, shares being in dematerialised form, absence of any arrangements for receipt or repayment of grant or subsidy, property being held free from encumbrance, filing of tax returns, absence of litigations, filing of statutory dues, absence of statutory bar or prohibition to develop and manage the projects and absence of unresolved/ outstanding labour disputes; and

(b) in relation to the Embassy One Assets, representations and warranties pertaining to power and authority of EODPL to hold the Embassy One Assets, absence of statutory bar or prohibition to develop and own Embassy One Assets, Embassy One Assets being free from encumbrance, timely filing of reports with governmental authorities and absence of litigation.

The representations and warranties set out above are subject to the following:

(i) The indemnity available to the Embassy REIT from the Embassy Sponsor in relation to the business of the Asset SPVs is limited to the extent that (a) such representation and warranty by the seller is qualified by knowledge of the seller (in relation to filing of statutory dues, absence of any threatened labour or other disputes) or by materiality (in relation to ownership or lease of assets, financial statements, filing of tax returns, compliance with applicable law and filings and absence of notice of violation of applicable law and absence of litigations); or (b) such matters are disclosed in this Offer Document or the individual financial statements of the relevant Asset SPV (in relation to all the business representations and warranties other than those relating to incorporation and good standing, shareholding pattern and shares being in dematerialised form).

(ii) The sellers have agreed to be severally liable for all indemnity claims which are received within 36 months from the date of closing under these agreements, for breach of fundamental warranties. The time cap of 36 months is relevant only for claims made against the Embassy Sponsor. These indemnification obligations are limited to 100% of the value of Units (calculated on the date of closing) allotted to the relevant seller.

(iii) The Embassy Sponsor has agreed to be liable for all indemnity claims relating to the business warranties for a period of 24 months from the date of closing under these agreements. These indemnification obligations are limited to:

   (a) 10% of the value of Units (calculated on the date of closing) allotted to the Embassy Sponsor in relation to the Asset SPVs (other than MPPL and GLSP).

   (b) 10% of the value of the Units (as of the closing date under this agreement) proportionate to the direct shareholding of EOPPL in MPPL and GLSP respectively.

   (c) 10% of the consideration to be received by EODPL under the Business Transfer Agreement.

(iv) Indemnity claims in relation to breach of the representations and warranties relating to business and operations of the Portfolio can be made provided the value of the indemnity claims collectively exceed 1% of the value of the Units (the value of each indemnity claim not being less than 0.25% of the value of the Units). The aggregate liability of each seller shall in no circumstance exceed 100% of the value of the Units (calculated on the date of closing) allotted to such seller.

The obligation of the Embassy Sponsor to indemnify for third party claims under these agreements is only upon the earlier of (i) final determination of such claim by a competent authority, or (ii) settlement being arrived at in relation to such claim. Further, while the right to control the defence of all third party claims received in relation to breach of representations and warranties lies with the Embassy REIT, the Embassy Sponsor has the right to step in and take control of such defence. Additionally, the Embassy Sponsor is not liable (i) for any third party claim to the extent they are denied the right to control the defence, negotiation or settlement of the third party claim, (ii) for any indirect, consequential, special, punitive or notional losses and/or liabilities, (iii) for claims arising as a result of a change in any applicable law or accounting standard that comes into force after the execution of these agreements, and (iv) for contingent liabilities.

The Embassy REIT is required to use all reasonable efforts to (i) take reasonable steps, including those recommended by the Embassy Sponsor, to avoid or mitigate any loss or liability suffered or incurred by the Embassy REIT in relation to any claim, and (ii) recover from another person (including under any insurance policy) any sum in respect of a matter giving rise to a claim. If any indemnity payments are made by the Embassy Sponsor in relation to an indemnity claim, then the amounts recovered from the third party, if any, with respect to such claim are liable to be paid to the Embassy Sponsor.

The sellers or the Embassy REIT are permitted to terminate the agreements prior to closing if (i) there is any material breach by the respective parties of their warranties or undertakings; (ii) the termination of the Embassy

EOPPL SPA or the Blackstone MPPL SPA; or (iii) the closing does not occur on or prior to the long-stop date of September 30, 2019. See "*Risk Factors – The Formation Transactions will only be given effect to after the Bid/ Issue Closing Date. Further, we will assume existing liabilities in relation to the Portfolio, which liabilities if realized may impact the trading price of the units and our profitability and ability to make distributions*." on page 22.

The agreements are governed under the laws of India. For the agreements with the Embassy Sponsor, the dispute resolution is arbitration conducted under the provisions of the Arbitration and Conciliation Act, 1996 and the seat and venue of arbitration is Bengaluru, India.

Agreements with the Blackstone Sponsor Group

Under these agreements, each dated March 11, 2019, relevant entities forming part of the Blackstone Sponsor Group shall be allotted such number of Units of the Embassy REIT as required to attain an Agreed Unitholding Percentage, which shall be determined based on the formulae set out in "*Calculation of Unitholding Percentage in relation to the Formation Transactions*" on page 665. The recourse of the Embassy REIT under the agreements is only against the relevant seller entities of the Asset SPVs in each case, and not against the Blackstone Sponsor (except where the Blackstone Sponsor is a seller under the relevant Formation Transaction Agreement).

The purchase of shares of the Portfolio from entities forming part of the Blackstone Sponsor Group which are shareholders in these Asset SPVs is subject to the completion of certain conditions precedent by the sellers and the Manager (acting on behalf of the Embassy REIT), including (i) compliance in all material respects with the covenants and obligations of the parties under these agreements, (ii) the representations and warranties of the parties thereto remaining true and accurate in all material respects as of the closing date, and (iii) the transactions contemplated under these agreements being permissible under applicable law.

The representations and warranties provided by the relevant sellers severally to the Embassy REIT (acting through the Trustee and the Manager) under these agreements pertain to, *inter alia*, fundamental matters such as title to shares of the various Asset SPVs, power, authority and enforceability of the agreement, voting power on the shares, absence of insolvency of the seller and execution, delivery and performance of the agreement not conflicting with charter documents, applicable law, contracts and consents to which the seller is bound, The sellers have also provided joint and several representations and warranties to the Embassy REIT in relation to the Asset SPVs, covering *inter alia*, incorporation and good standing, shareholding pattern, shares being in dematerialised form, financial statements, no unresolved notice of default in financing documents, ownership or lease of assets used by the Asset SPV, absence of any arrangements for receipt or repayment of grant or subsidy, filing of tax returns, Asset SPVs being entitled to the land and property, the property being held free from encumbrance, absence of litigations, absence of statutory dues, compliance with applicable laws and filings and absence of notice of violation of applicable law, absence of statutory bar or prohibition to develop and manage the projects (subject to conditions imposed by authorities) and absence of unresolved/ outstanding labour disputes.

Further, in certain cases, limited representations and warranties have been provided by the Blackstone Sponsor Group sellers in the following manner:

(a) In relation to the Asset SPVs which are jointly held by the Embassy Sponsor and the Blackstone Sponsor Group (which comprise the following: EOPPL and MPPL), representations and warranties have been provided to the Embassy REIT are limited to the title of the shares of such Assets SPVs, power and authority, good standing and enforceability. Representations and warranties in relation to business of these Asset SPVs have been provided by the Embassy Sponsor; and

(b) In relation to the Asset SPVs which have been acquired by the Blackstone Sponsor Group from third parties (which comprise the following: IENMPL, VCPPL, ETPL, QBPL, QBPPL, OBPPL and GSPL), the representations and warranties relating to the business and operations of such Asset SPVs are being provided from the date of acquisition of the Asset SPVs by the Blackstone Sponsor Group in relation to filing of tax returns, absence of litigations and compliance with applicable laws and filings and absence of notice of violation of applicable law.

The representations and warranties set out above are subject to the following indemnity:

(i) The indemnity available to the Embassy REIT from the sellers of the Asset SPVs is limited to the extent that (a) such representation and warranty by the seller is qualified by knowledge of the seller (in relation to filing of statutory dues, absence of any threatened labour or other disputes) or by materiality (in relation to ownership or lease of assets, financial statements, filing of tax returns, compliance with applicable law and filings and absence of notice of violation of applicable law and absence of litigations); or (b) such matters are disclosed in the Draft Offer Document or the Offer Document or the individual financial statements of the relevant Asset SPV (in relation to all the business representations and warranties other than those relating to incorporation and good standing, shareholding pattern and shares being in dematerialised form).

(ii) The sellers have agreed to be severally liable for all indemnity claims which are received within 36 months from the date of closing under these agreements, for breach of fundamental warranties. These indemnification obligations are limited to 100% of the value of Units (calculated on the date of closing) allotted to the relevant seller.

(iii) The sellers have agreed to be jointly and severally liable for all indemnity claims relating to the business warranties for a period of 24 months from the date of closing under these agreements. These indemnification obligations are limited to 10% of the value of Units (calculated on the date of closing) allotted to the relevant seller.

(iv) Indemnity claims in relation to breach of the representations and warranties relating to business and operations of the Portfolio can be made provided the value of the indemnity claims collectively exceed 1% of the value of the Units (the value of each indemnity claim not being less than 0.25% of the value of the Units). The aggregate liability of each seller shall in no circumstance exceed 100% of the value of the Units (calculated on the date of closing) allotted to such seller.

The obligation of the seller to indemnify for third party claims under these agreements is only upon the earlier of (i) final determination of such claim by a competent authority, or (ii) settlement being arrived at in relation to such claim. Further, while the right to control the defence of all third party claims received in relation to breach of representations and warranties lies with the Embassy REIT, the seller has the right to step in and take control of such defence. Additionally, the sellers are not liable (i) for any third party claim to the extent they are denied the right to control the defence, negotiation or settlement of the third party claim, (ii) for any indirect, consequential, special, punitive or notional losses and/ or liabilities, (iii) for claims arising as a result of a change in any applicable law or accounting standard that comes into force after the execution of these agreements, and (iv) for contingent liabilities.

The Embassy REIT will be required to use all reasonable efforts to (i) take reasonable steps, including those recommended by the Blackstone Sponsor Group entity, to avoid or mitigate any loss or liability suffered or incurred by the Embassy REIT in relation to any claim, and (ii) recover from another person (including under any insurance policy) any sum in respect of a matter giving rise to a claim. If any indemnity payments are made by the seller in relation to an indemnity claim, then the amounts recovered from the third party, if any, with respect to such claim are liable to be paid to the relevant seller.

The sellers or the Embassy REIT are permitted to terminate the agreements prior to closing if (i) there is any material breach by the respective parties of their warranties or undertakings; (ii) the termination of the Embassy EOPPL SPA or the Blackstone MPPL SPA; or (iii) the closing does not occur on or prior to the long-stop date of September 30, 2019. See "*Risk Factors – The Formation Transactions will only be given effect to after the Bid/Issue Closing Date. Further, we will assume existing liabilities in relation to the Portfolio, which liabilities if realized may impact the trading price of the units and our profitability and ability to make distributions*." on page 22.

The agreements are governed under the laws of India. For the agreements with the Blackstone Sponsor Group entities, the dispute resolution is arbitration conducted under the rules of the Singapore International Arbitration Centre and the seat and venue of arbitration is Singapore.

Agreements with Other Parties

(i) *Settlement Agreement*

MPPL, EOPPL, Reddy Veeranna and Suguna Reddy, among others, have executed an amended and restated composite settlement and securities purchase agreement dated April 16, 2018. Under the agreement Reddy Veeranna and Suguna Reddy have *interalia* agreed to transfer 308,745 equity shares of MPPL aggregating to 27.26% of the issued, subscribed and paid-up capital of MPPL to the Embassy REIT in exchange for allotment of Units, at a mutually agreed fixed valuation subject to the adjustments specified in the agreement. Pursuant to the terms of this agreement, the shares held by Reddy Veeranna and Suguna Reddy have also been pledged in favour of a common security trustee who holds the securities for the benefit of the Embassy Sponsor. This pledge will be released immediately after the date of this Offer Document. Upon the issue of Units to Reddy Veeranna and Suguna Reddy, pursuant to the consummation of the Formation Transactions, a pledge will be created on the Units allotted to Reddy Veeranna and Suguna Reddy. For details in relation to this pledge, see "- *SPVs – MPPL – Shareholding pattern of MPPL*" on page 262. This agreement was executed as an arbitral settlement of various disputes amongst the parties by an award dated May 9, 2018.

(ii) *Business Transfer Agreement*

The agreement was executed on March 11, 2019. The purchase of the Embassy One Assets is proposed to be undertaken on an "As If Completed Basis", simultaneously with the consummation of the Formation Transactions under the Blackstone QBPL SPA. Consequently, all costs incurred until the commencement of operations of the Four Seasons at Embassy One will be borne by EODPL (the entity which currently owns Embassy One Assets). The Embassy REIT, through the Trustee and the Manager, has received indemnity backed representations and warranties in relation to the Embassy One Assets being provided to QBPL, including tax claims (that relate to the period prior to the commencement of operations of the Four Seasons at Embassy One).

(iv) *IENMPL SAA*

This agreement was executed on March 11, 2019. Under this agreement, PTPL has agreed to transfer all of its shares in IENMPL to the Embassy REIT for cash consideration of Rs. 3,450,003,748 to be paid out of the Net Proceeds. The Embassy REIT, through the Trustee and the Manager, has received indemnity backed representations and warranties in relation to its title to shares, power and authority, good standing and enforceability. The aggregate liability of PTPL is limited to 100% of the cash consideration received by it under this agreement.

(v) *ETPL SPA*

This agreement was executed on September 20, 2018. The purchase of the shares of Premsagar Infra Realty Private Limited in ETPL under this agreement is subject to consummation of the transfer of shares contemplated under the Blackstone MPPL SPA. The Embassy REIT, through the Trustee and the Manager, has been provided with representations and warranties in relation to, among other things, its title to shares, no pending tax liabilities, insolvency, litigation and disclosure of material information, power and authority, good standing and enforceability. Indemnity can be claimed by the indemnified persons under this agreement for losses which directly result from misrepresentation, breach or non-compliance of an undertaking, obligation, representation or warranty by the seller.

(vi) *EEPL SPA – II*

This agreement was executed on September 12, 2018. The purchase of the shares of Rana George in EEPL under this agreement is subject to consummation of the transfer of shares contemplated under the Embassy EOPPL SPA. The Embassy REIT, through the Trustee and the Manager, has been provided with representations and warranties in relation to, among other things, his title to shares, no pending tax liabilities, insolvency, good standing and enforceability. The aggregate liability of Rana George is limited to 100% of the value of the Units (calculated as on the date of closing) allotted to him.

(vii) *UPPL SPA II*

This agreement was executed on February 28, 2019. K.J. Kuruvilla and Suja George have agreed to transfer all of their shares in UPPL to the Embassy REIT in exchange for Units at an agreed valuation. The Embassy

REIT, through the Trustee and the Manager, has received indemnity backed representations and warranties in relation to, among other things, their title to shares, power and authority, good standing and enforceability. The aggregate liability of K.J. Kuruvilla and Suja George is limited to 100% of the value of the Units (calculated on the date of closing) allotted to each of them.

Issuance of Units pursuant to the Formation Transactions

	Embassy Sponsor	Blackstone Sponsor	Blackstone Sponsor Group (excluding Blackstone Sponsor)	Minority shareholders in the Asset SPVs
MPPL	[●]	[●]	[●]	[●]
UPPL	[●]	[●]	[●]	[●]
EEPL	[●]	[●]	[●]	[●]
IENMPL	[●]	[●]	[●]	[●]
VCPPL	[●]	[●]	[●]	[●]
ETPL	[●]	[●]	[●]	[●]
EOPPL	[●]	[●]	[●]	[●]
QBPL	[●]	[●]	[●]	[●]
QBPPL	[●]	[●]	[●]	[●]
OBPPL	[●]	[●]	[●]	[●]
GSPL	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]
Total pre-Issue Unitholding (upon consummation of Formation Transactions)(1)	[●]	[●]	[●]	[●]
Post-Issue Unitholding	[●]	[●]	[●]	[●]

(1) At the Issue Price of ₹[●] per Unit

** This table will be updated at the time of filing the Final Offer Document with the SEBI and the Stock Exchanges. For details in relation to the manner of calculating the number of Units in case of each Asset SPV, see "Calculation of Unitholding Percentage in relation to the Formation Transactions" on page 665*

Acquisition of future assets

Pursuant to a deed of right of first offer dated September 20, 2018 and effective from the date of listing among the Embassy Sponsor, the Manager and the Trustee ("**ROFO Deed**"), the Embassy Sponsor has agreed to (for a period of ten years from the date of listing of the Embassy REIT) grant a right of first offer to the Trustee and the Manager (acting on behalf of the Embassy REIT) in the event of any sale of controlling interest by the Embassy Sponsor or any of its present or future subsidiaries or LLPs in an eligible asset.

An eligible asset refers to any present or future project of the Embassy Sponsor or its present or future subsidiaries or LLPs where the Embassy Sponsor holds a controlling interest, undertaken or acquired by themselves or through any Person, including the Potential ROFO Assets:

(i) in which at least 50% (fifty per cent) of the leasable area as specified in a valuation report issued by an international property consultant has been developed and not more than 30% (thirty percent) of the total leasable area has been agreed to be sold by way of Strata Sale (as defined in the ROFO Deed) prior to completion of development of 50% (fifty per cent) of the leasable area as specified in a valuation report issued by an IPC; and

(ii) in which the Embassy Sponsor and/or its subsidiary or LLP proposes to divest controlling interest; and

(iii) whose market value (as defined in the ROFO Deed) is not less than ₹7,500 million (Rupees Seven Thousand Five Hundred Million) pursuant to a valuation undertaken no earlier than 6 (six) months prior to the date of making an invitation to offer to the investor pursuant to Clause 3 of the ROFO Deed; and

(iv) which is capable of being acquired and held by the Embassy REIT under applicable law.

For further details on valuation and decision making procedures, see *"Corporate Governance – Framework for making key decisions*" and *"Related Party Transactions*" on pages 240 and 243, respectively.

If the Embassy Sponsor holds real estate projects directly, the divestment of such assets may be offered to the Embassy REIT (through the Manager and the Trustee) through a business transfer, court scheme or asset transfer as may be mutually agreed.

Pursuant to the ROFO Deed, the Embassy Sponsor is required to make an irrevocable invitation to offer to the Embassy REIT for the acquisition of not less than the controlling interest in the eligible asset proposed to be sold. The Embassy REIT is required to exercise its right of first offer and undertake valuations under the REIT Regulations, within prescribed time periods. If the Embassy Sponsor does not accept the offer made by the Embassy REIT, or if the transactions are not consummated within agreed timelines, the Embassy Sponsor shall be entitled to sell all (but not less than all) offered shares of the eligible asset to any third party at a price which is higher than or on other terms and conditions that are no more favourable than those offered to the Embassy REIT. If the Embassy Sponsor does not complete the sale to a third party within the specified timelines, it will be required to make an irrevocable invitation to the Embassy REIT for any subsequent sale of such shares. These conditions are also applicable to the subsidiaries and LLPs of the Embassy Sponsor. Should the Embassy REIT not exercise its right of first offer, the Sponsor shall be entitled to transfer the eligible asset to any person without any restriction as to price or terms after the expiry of six months from the date of the invitation to offer. If the Embassy Sponsor, its subsidiaries or LLPs propose to transfer their controlling interest in an eligible project asset to any person, they shall ensure that the transferee complies with the terms of the ROFO Deed and the Embassy REIT can seek recourse from the Embassy Sponsor for any violation by such transferee.

The ROFO Deed may be terminated by mutual consent between the parties or by the Embassy Sponsor in writing if the Embassy Sponsor ceases to be a sponsor of the Embassy REIT, (ii) if the Embassy Sponsor or any affiliated entity ceases to hold at least 50% of the Manager and have at least 50% representation (excluding independent directors) on the board of the Manager, (iii) if the Manager or any other entity designated by the Embassy Sponsor ceases to be the manager of the Embassy REIT and 12 months have elapsed since the date of cessation, or (iv) automatically, if the Embassy REIT ceases to be listed on both Stock Exchanges.

VI. FINANCIAL INFORMATION

SUMMARY FINANCIALS

The following tables set forth the summary financial information derived from the Condensed Combined Financial Statements.

The Condensed Combined Financial Statements referred to above are presented under "Financial Information of the Embassy REIT" on page 523. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and "Financial Information of the Embassy REIT" and "Management's Discussion and Analysis of factors affecting the Financial Condition and Results of Operations" on pages 523 and 279, respectively.

Summary Information – Combined Balance Sheet
Prepared in accordance with Ind AS

(Rs in millions)

Particulars	As at December 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	10,109.32	10,398.30	4,156.54	4,344.65
Capital work-in-progress	7,578.03	4,970.19	3,585.54	2,139.50
Investment property	67,653.37	66,610.50	62,731.15	63,951.39
Investment property under development	4,945.26	4,600.09	2,919.57	853.47
Goodwill on consolidation	8,119.37	8,119.37	8,119.37	8,104.62
Other intangible assets	2,845.56	2,911.75	2,837.95	2,859.91
Equity accounted investee	6,433.56	5,558.67	4,598.72	4,013.89
Financial assets				
Investments	471.00	389.58	355.28	6,314.27
Loans	648.59	828.72	1,573.19	1,501.43
Other financial assets	2,754.05	2,048.34	1,904.17	1,804.39
Deferred tax assets (net)	565.82	541.82	342.90	200.56
Non-current tax assets (net)	1,245.54	922.80	893.74	872.16
Other non-current assets	8,455.39	8,102.58	3,908.40	959.09
Total non-current assets	**121,824.86**	**116,002.71**	**97,926.52**	**97,919.33**
Current assets				
Inventories	5.06	8.90	2,925.58	2,383.56
Financial assets				
Investments	2,254.18	2,518.17	1,350.64	1,292.05
Trade receivables	370.52	378.35	362.60	399.60
Loans	8,084.29	9,278.31	1,276.37	595.06
Cash and cash equivalents	2,353.35	1,483.36	2,664.11	1,434.09
Other bank balances	260.38	696.11	1,062.24	280.40
Other financial assets	1,853.88	4,496.49	4,023.67	896.43
Other current assets	784.34	292.82	377.24	289.48
Total current assets	**15,966.00**	**19,152.51**	**14,042.45**	**7,570.67**
Total assets	**137,790.86**	**135,155.22**	**111,968.97**	**105,490.00**

Particulars	As at December 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES				
EQUITY				
Capital	3,608.18	4,481.90	4,279.11	3,870.71
Instruments entirely equity in nature	—	8.57	8.46	8.46
Other equity	34,066.21	30,298.79	29,672.59	27,838.04
Total equity	**37,674.39**	**34,789.26**	**33,960.16**	**31,717.21**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	76,512.28	75,908.65	58,223.64	49,235.32
Other financial liabilities	2,794.36	2,812.83	3,080.77	2,777.58
Provisions	7.54	5.20	5.13	3.95
Deferred tax liabilities (net)	2,830.44	2,519.54	2,359.77	2,108.29
Other non-current liabilities	696.11	647.73	711.30	650.07
Total non-current liabilities	**82,840.73**	**81,893.95**	**64,380.61**	**54,775.21**
Current liabilities				
Financial liabilities				
Borrowings	3,249.37	3,550.57	29.15	1,450.31
Trade payables	172.99	416.91	288.83	468.51
Other financial liabilities	13,066.76	13,711.78	12,481.36	16,209.65
Provisions	2.23	0.33	0.25	0.21
Other current liabilities	652.31	765.23	814.35	791.79
Current tax liabilities (net)	132.08	27.19	14.26	77.11
Total current liabilities	**17,275.74**	**18,472.01**	**13,628.20**	**18,997.58**
Total equity and liabilities	**137,790.86**	**135,155.22**	**111,968.97**	**105,490.00**

Summary Information – Combined Statement of Profit and Loss

Rs in millions.

	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Income and gains					
Revenue from operations	13,759.83	11,829.51	16,118.00	14,849.20	13,970.16
Other income	1,172.47	1,053.55	1,544.65	1,607.17	1,783.51
Total Income	**14,932.30**	**12,883.06**	**17,662.65**	**16,456.37**	**15,753.67**
Expenses and losses					
Cost of materials consumed	42.34	39.58	54.55	49.08	42.36
Employee benefits expense	219.83	152.81	214.93	207.89	180.51
Operating and maintenance expenses	1,730.38	1,480.72	2,069.35	2,332.87	2,071.82
Other expenses	1,167.84	1,162.20	1,720.14	1,466.82	1,171.31
Impairment loss on property, plant and equipment	386.05	351.75	1,195.29	-	-
	3,546.44	**3,187.06**	**5,254.26**	**4,056.67**	**3,466.01**
Earnings before finance costs, depreciation, amortization and income tax excluding share of profit of equity accounted investees	**11,385.86**	**9,696.00**	**12,408.39**	**12,399.70**	**12,287.66**
Finance costs	5,174.25	4,746.25	6,312.26	6,937.75	7,083.35
Depreciation and amortization expense	2,686.69	2,384.76	3,228.16	3,243.73	3,157.91
Profit before share of profit of equity accounted investees and income tax	**3,524.92**	**2,564.99**	**2,867.97**	**2,218.22**	**2,046.40**
Share of profit of equity accounted investees (net of income tax)	874.89	696.89	959.95	579.33	241.29
Profit before income tax	**4,399.81**	**3,261.88**	**3,827.92**	**2,797.55**	**2,287.69**
Tax expense:					
Current tax	1,326.66	930.71	1,297.88	917.42	716.24
Deferred tax charge	320.16	903.28	745.45	715.58	1,162.56
MAT credit entitlement	(98.15)	(693.66)	(784.49)	(606.02)	(522.94)
Income tax expense	**1,548.67**	**1,140.33**	**1,258.84**	**1,026.98**	**1,355.86**
Profit for the year	**2,851.14**	**2,121.55**	**2,569.08**	**1,770.57**	**931.83**
Items of Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss— Remeasurements of defined benefit liability, net of tax	1.14	1.06	1.41	0.69	0.79
Total comprehensive income for the year	**2,852.28**	**2,122.61**	**2,570.49**	**1,771.26**	**932.62**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FACTORS AFFECTING THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Condensed Combined Financial Statements as at and for the nine months ending December 31, 2018, financial years ended March 31, 2018, 2017 and 2016 and the schedules and notes thereto, which appear elsewhere in this Offer Document. Our Condensed Combined Financial Statements included in this Offer Document are prepared in accordance with the basis of preparation described in Note 2.1 to the Condensed Combined Financial Statements.

Ind AS differs in certain respects from Indian GAAP, US GAAP and IFRS. Accordingly, the degree to which our Condensed Combined Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. Further, the Condensed Combined Financial Statements are special purpose financial statements and have been prepared by the Embassy REIT and the Manager to meet the requirements of the REIT Regulations and for inclusion in this Offer Document. As a result, the Condensed Combined Financial Statements may not be suitable for any other purpose. For a description of the basis of preparation of our Condensed Combined Financial Statements, see "Basis of preparation of combined and carve out financial statements" of the Condensed Combined Financial Statements and Note 2.1 to our Condensed Combined Financial Statements, on page 288.

The Embassy REIT will own 50% economic interest in GLSP which holds Embassy Golflinks and it will be accounted for as an investee company under the equity method of accounting. Unless otherwise stated, all operating data reproduced in this section includes 100% of the data relating to GLSP and should therefore be relied on with caution. For details on GLSP and how GLSP is accounted for in our Condensed Combined Financial Statements, please refer to our "Financial Information of the Embassy REIT" and "Presentation of Financial Data and Other Information" on pages 523 and 7.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, may contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 13 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" on page 22 for a discussion of certain factors that may affect our business, results of operations or financial condition.

For purposes of this section, unless the context requires otherwise, reference to "FY2018", "FY2017" and "FY2016" are to the financial year ended March 31 of the relevant year and references to "year" are to our financial year. Reference to "9M FY2019" and "9M FY2018" are to the nine months ended December 31, 2018 and the nine months ended December 31, 2017, respectively.

Overview

We are the owner of a high quality office portfolio in India that serves as essential corporate infrastructure to multinational tenants and has significant embedded growth prospects. We expect to be the first listed REIT in India upon the listing of our Units on the Stock Exchanges and believe that there is no other office portfolio of comparable scale, diversity and quality in India today. Over the last two decades, India has emerged as a leading services hub for global corporations due to its large talent pool and cost advantage for high value services. This along with the growth of domestic companies, has resulted in robust demand for commercial office space and strong growth across India's major office markets.

Our Portfolio comprises seven best-in-class office parks and four prime city-center office buildings totaling 32.7 msf as of December 31, 2018, with strategic amenities, including two completed and two under-construction hotels totaling 1,096 keys, food courts, employee transportation and childcare facilities. We believe we have invested in amongst the highest quality assets in the best performing submarkets of India's key office markets of Bengaluru, Pune, Mumbai and Noida. These markets have exhibited strong market dynamics with world leading absorption (from 2013 – Q1 2018) and constrained forecast supply resulting in high rent growth and low vacancy on average.

We own one of India's largest office portfolios and believe that replicating such a platform would be difficult given land acquisition complexities and long development timelines in India. Approximately 80.9% of the Gross Rentals from our 160+ marquee tenant base is contracted with leading multinational corporations and approximately 43.4% is contracted with Fortune 500 companies such as JP Morgan, IBM and Microsoft, as of December 31, 2018. Our high quality tenant base along with long-term contracted rentals (with a WALE of 7.0 years) provides considerable stability to our Portfolio.

While our Portfolio is highly stabilized at 95.0% Committed Occupancy, we are well positioned to achieve further organic growth through a combination of contractual rent escalations, re-leasing at market rents (we estimate that the market rents of our properties are 33.6% above in-place rents), lease-up of vacant space and new construction within the Portfolio to accommodate tenant expansion. Portfolio revenue from operations is projected to grow by 55.8% over the Projections Period primarily due to these factors. We believe the scale and quality of our business that has given us a market leading position, makes our properties the preferred office location in each of their respective submarkets and allows us to offer consolidation and expansion options for our tenants. This has enabled us to attract, retain and grow multinational tenants in our parks leading to tenant stickiness. As a result, we have grown our revenue from operations by 15.4% over FY2016 to FY2018.

Over the last three years and nine months, through our disciplined operating and investment expertise, we have:

- Leased 6.8 msf of total office space and achieved average re-leasing spreads of 48.0% on approximately 2.7 msf of re-leased space;
- Achieved 80.9% tenant retention rate, with 7.7 msf of office space renewed (including exercise of renewal options), without incurring material tenant improvement capital expenditure ("TI capex");
- Demonstrated a 7.1% Same-Store Rental CAGR across the Portfolio Assets and the Portfolio Investment over FY2016 to FY2018, by attracting and retaining high quality tenants;
- Grown our Portfolio by 3.1 msf through strategic acquisitions and the continued build out of our office parks;
- Achieved a Committed Occupancy of 95.0% as of December 31, 2018 and maintained Occupancy at greater than 93.4% at the end of the last three fiscal years; and
- Undertaken extensive renovation programs, including successful upgrades of 33 office lobbies and 7 food courts.

In addition to best-in-class asset management capability, we believe that our team has the expertise to capitalize on a fragmented office market and expand business through strategic acquisitions by using our strong balance sheet. Post the utilisation of the IPO proceeds, our total indebtedness is expected to be less than 15.0% of Market Value initially.

Our Portfolio as of December 31, 2018*

	Leasable Area (msf)	Committed Occupancy (%)	Revenue from Operations (FY18, INR mn)	Market Value[1] (INR mn)	% of Total Market Value	WALE[2] (Years)
Commercial Office						
Portfolio Assets						
Bengaluru						
Embassy Manyata	14.2	99.7%	7,393.17	132,739	42.2%	7.6
Embassy One	0.3	2.0%	—	5,968	1.9%	10.0
Mumbai						
Express Towers	0.5	97.5%	1,347.90	18,812	6.0%	5.0
Embassy 247	1.2	88.1%	1,027.40	17,155	5.4%	3.3
FIFC	0.4	55.4%[3]	254.90	14,920	4.7%	4.9
Pune						
Embassy Techzone	5.5	84.8%	1,003.67	20,720	6.6%	5.4
Embassy Quadron	1.9	91.4%	1,484.07	14,524	4.6%	6.4
Embassy Qubix	1.5	100.0%	825.40	10,185	3.2%	5.7
Noida						
Embassy Oxygen	3.3	91.9%	1,081.82	19,580	6.2%	10.5
Embassy Galaxy	1.4	100.0%	823.79	8,367	2.7%	4.3
Sub-total Portfolio Assets	**29.9**	**94.4%**	**15,242.13**	**262,970**	**83.5%**	**6.7**
Portfolio Investment						
Embassy Golflinks[4]	2.7	100.0%	—[5]	26,067	8.3%	8.4
Sub-Total Office[4]	**32.7**	**95.0%**	**15,242.13**	**289,037**	**91.8%**	**7.0**
Infrastructure / Amenities	**Keys/MW**	**Hotel Occupancy**				
Four Seasons at Embassy One	230 Keys	—	—	7,920	2.5%	
Hilton at Embassy Golflinks[6]	247 Keys	67.7%	770.58	4,884	1.6%	
Hilton at Embassy Manyata[7]	266 Keys	—	—			
Hilton Garden Inn at Embassy Manyata[7]	353 Keys	—	—	2,148	0.7%	
Embassy Energy	100 MW (AC)		105.29	10,820	3.4%	
Sub-total Infrastructure / Amenities	**1,096 keys, 100MW**	**67.7%**	**875.87**	**25,772**	**8.2%**	
Total Portfolio[5]	**32.7msf, 1,096 keys, 100MW**		**16,118.00**	**314,809**	**100.0%**	

* *All figures are as of December 31, 2018 except for Revenue from Operations which are for FY2018.*

(1) *Market Value as determined by the Valuer as of December 31, 2018.*

(2) *Weighted against Gross Rentals assuming tenants exercise their renewal options after the end of the initial commitment period.*

(3) *Does not include 141,634 sf (39.2% of completed area) which was under a hard option as of December 31, 2018 with an existing tenant; if this hard option is considered, committed occupancy for FIFC is 94.6%.*

(4) *Details included in the table above are for a 100.0% stake in GLSP, except Market Value which reflects only our 50.0% economic interest in GLSP. For details on how GLSP is accounted for in our financials, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Presentation of Financial and Other Information" on pages 279 and 7 respectively.*

(5) *Embassy Golflinks' revenue from operations for FY2018 was INR 3,163.43 mn. As we own a 50% economic interest in GLSP, which owns Embassy Golflinks, its revenues are not consolidated into our combined revenue from operations. We share profit for our 50% shareholding in GLSP.*

(6) *Occupancy for 9MFY19.*

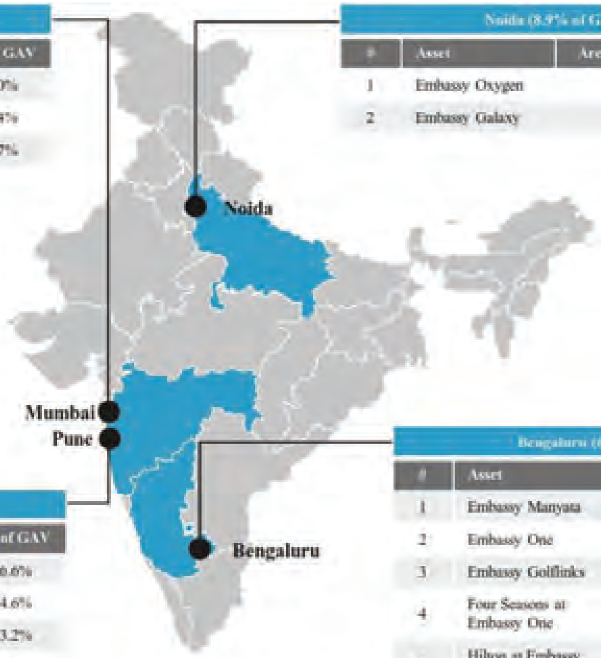
(7) *Under Construction as of December 31, 2018.*

Our Portfolio is geographically well diversified across India's key office markets of Bengaluru, Mumbai, Pune and Noida which have exhibited strong fundamentals with robust absorption, high rent growth and low vacancy on average. We focus on these markets due to their strong demographics, skilled talent pools and well-developed infrastructure, which has led to sustained tenant demand for high-quality office space.

The Market Value of our Portfolio as of December 31, 2018 as per the Valuer is Rs. 314.8 bn, which is mapped below:

Mumbai (16.2% of GAV)			
#	Asset	Area (msf)	% of GAV
1	Express Towers	0.5	6.0%
2	Embassy 247	1.2	5.4%
3	FIFC	0.4	4.7%

Noida (8.9% of GAV)			
#	Asset	Area (msf)	% of GAV
1	Embassy Oxygen	3.3	6.2%
2	Embassy Galaxy	1.4	2.7%



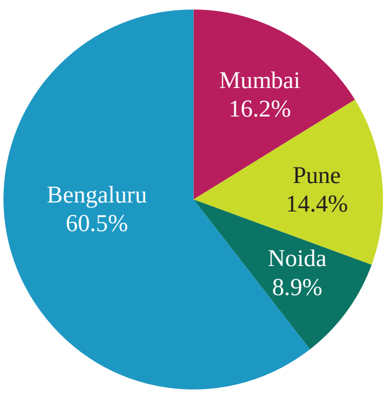
Pune (14.4% of GAV)			
#	Asset	Area (msf)	% of GAV
1	Embassy Techzone	5.5	6.6%
2	Embassy Quadron	1.9	4.6%
3	Embassy Qubix	1.5	3.2%

Bengaluru (60.5% of GAV)			
#	Asset	Area (msf)	% of GAV
1	Embassy Manyata	14.2	42.2%
2	Embassy One	0.3	1.9%
3	Embassy Golflinks	2.7	8.3%
4	Four Seasons at Embassy One	230 Keys	2.5%
5	Hilton at Embassy Golflinks	247 Keys	1.6%
6	Hilton at Embassy Manyata	266 Keys	0.7%
7	Hilton Garden INN at Embassy Manyata	353 Keys	
8	Embassy Energy*	100 MW	3.4%

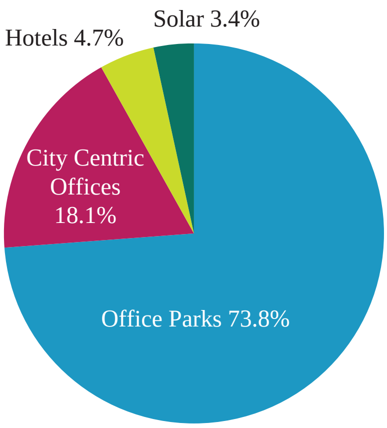
Note:

* *Located at Bellary, Karnataka*

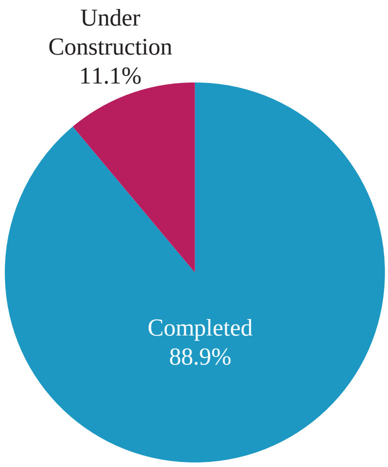
Market Value by Geography



Market Value by Asset Type



Market Value by Construction Status



Note: Market Value reflects only our 50.0% economic interest in Golflinks

Factors affecting our Results of Operations

Our financial performance and results of operations are affected by several factors, of which we believe the below are of particular importance.

Economic conditions impacting India, the markets where the Portfolio assets are located and the industry sectors of our tenants

We derive a significant portion of our revenue from the leasing of office space in four cities in India. Pursuant to the Formation Transactions, we will own, operate and manage seven best-in-class office parks and four prime city-center office buildings. We will also own a 50% economic interest in GLSP ("**Portfolio Investment**"), which owns Embassy Golflinks, an integrated office park in Bengaluru.

Rental income and other operating income from our office parks and office buildings amounted to 88.67%, 94.57%, 95.65% and 96.38% of our revenue from operations for 9M FY2019, FY2018, FY2017 and FY2016 respectively. Further, our share of profit for our 50% shareholding in GLSP amounted to Rs. 874.89 million, Rs. 959.95 million, Rs. 579.33 million and Rs. 241.29 million for 9M FY2019, FY2018, FY2017 and FY2016 respectively.

We depend on the performance of the commercial real estate market in India, and in the cities where our office parks and commercial offices are located, which in turn depends upon various factors such as economic and other market conditions; demographic trends; employment levels; availability of financing; prevailing interest rates; competition; bargaining power of tenants; operating costs; government regulations and policies; and market sentiment. Our office parks and office buildings are located in the key markets of Bengaluru, Mumbai, Pune and Noida. These markets have exhibited strong market dynamics with robust absorption and low new office supply resulting in high rent growth and low vacancy on average. For further details, please see "*Industry Overview*" on page 64. The growth of the real estate markets in these cities has largely driven the growth in our revenues.

Within these cities, our business significantly depends on the performance of the submarkets where the Portfolio assets are located. The Portfolio assets are strategically located within their respective markets, which has allowed us to attract, retain and grow key tenants within our office parks and commercial office buildings.

For a discussion of the advantages of the strategic location of our assets, please see "*Our Business—Our Competitive Strengths—Strategically located in the top-performing markets with high barriers to entry*" on page 146.

Embassy Manyata, our office park located in the North Bengaluru District ("**NBD**") submarket, contributed 44.09%, 45.87%, 44.73% and 42.49% to our revenue from operations for 9M FY2019, FY2018, FY2017 and FY2016 respectively. Accordingly, any factors impacting the NBD submarket in general and Embassy Manyata specifically, can have a material impact on our results of operations. Embassy Manyata is the largest office park in the NBD submarket with a Leasable Area of 14.21 msf. We believe that Embassy Manyata's scale is a key driver of its revenue growth.

In addition, our business also depends on the performance of the industry sectors of our tenants. Commercial leasing activity in India is predominantly driven by the technology, banking, financial services and insurance, engineering and manufacturing sectors. Additionally, new sectors such as research and analytics, consulting, e-commerce and mobile application-based service providers have also emerged as drivers for office real estate demand, as domestic and multi-national companies in these sectors have been increasingly expanding or setting-up operations in India. For further details, please see "*Industry Overview*" on page 64.

Although we have diversified our tenant base in recent years, the technology sector continues to make up a majority of our revenues, accounting for 49.4% of our Gross Rentals as of December 31, 2018. Further, for some of our assets in the Portfolio, the terms of the governmental permissions require us to lease either all or a significant portion of the property to tenants from the technology sector. As a result of our significant portfolio of tenants in the technology sector, the business conditions for our tenants in this sector have had and are likely to continue to have a material impact on our results of operations.

Further, 80.9% of our Gross Rentals as of December 31, 2018 are contracted with leading multi-national corporations. Accordingly, global factors impacting their business may impact their ability to service their lease agreements or expand the office space that they have leased in the Portfolio assets.

Occupancy rates and lease expiries

The success of our business depends on our ability to maintain high occupancy at the Portfolio. Our Committed Occupancy across the Portfolio as of December 31, 2018 was 95.0%. Occupancy rates largely depend on the attractiveness of the markets and submarkets in which the Portfolio assets are located, rents relative to competing properties, the supply of and demand for comparable properties, the facilities and amenities offered, the ability to minimize the intervals between lease expiries (or terminations) and our ability to enter into new leases (including pre-leases for under-construction properties or properties where leases are expiring).

We believe that our strategically located assets in attractive submarkets allow us to maintain high levels of occupancy. Further, we believe that replicating such a platform is difficult given land acquisition complexities and long development timelines in India. We believe that we enjoy greater credibility with our tenants as a result of our reputation, scale of operations and the amenities and infrastructure that we provide, which generally allows our assets to be viewed as premium properties, thereby enhancing the portfolio's appeal to tenants, which has resulted in high occupancy rates.

We typically enter into long-term leases with our tenants, which provides us with a steady source of rental income. The tenure of leases for our office parks are typically nine to fifteen years (assuming successive renewals at our tenants' option), with a three to five year initial commitment period, and contractual escalations of 10%-15% every three years. For our city center office buildings, the lease tenure is typically five to nine years with a three to five year initial commitment period and contractual escalations of 15% every three years.

The table below sets out our Committed Occupancy and weighted average lease expiry ("**WALE**") (assuming that each of our tenants exercise their right to renew when the term of their lease expires) as of December 31, 2018:

	Committed Occupancy (%)	WALE (in years)[(1)]
OFFICE PARKS		
Portfolio Assets		
Embassy Manyata	99.7%	7.6
Embassy Oxygen	91.9%	10.5
Embassy Galaxy	100.0%	4.3
Embassy TechZone	84.8%	5.4
Embassy Quadron	91.4%	6.4
Embassy Qubix	100.0%	5.7
Portfolio Investment		
Embassy Golflinks	100.0%	8.4
CITY CENTRE OFFICES		
Portfolio assets		
Express Towers	97.5%	5.0
Embassy 247	88.1%	3.3
FIFC	55.4%[(2)]	4.9
Embassy One	2.0	10.0
OVERALL	**95.0%**	**7.0**

(1) Weighted against Gross Rentals assuming tenants exercise their renewal options after the end of the initial commitment period.
(2) Reflects the effects of the refurbishment work carried out at FIFC during most of FY2018.

We endeavour to foster and maintain strong relationships with our tenants. We maintain regular communication with the corporate real estate heads of our tenants through a dedicated customer relationship management program which ensures we anticipate and cater to tenant needs. Further, at some of our Portfolio assets, we have implemented various energy efficiency and sustainability initiatives, which helps to attract tenants.

However, in cases where tenants do not renew leases or terminate leases earlier than expected, it generally takes some time to find new tenants which can lead to periods where we have vacant areas within the Portfolio assets that do not generate facility rentals.

Rental rates and escalations

Our rental income primarily comprises facility rentals and income from maintenance services that we provide to our tenants at some of the Portfolio assets (Express Towers, Embassy 247, Embassy Oxygen, Embassy Galaxy, Embassy Quadron, FIFC and Embassy Qubix). Facility rentals amounted to 80.06%, 83.91%, 84.30% and 84.58% of our revenue from operations for 9M FY2019, FY2018, FY2017 and FY2016 respectively.

Accordingly, our revenue from operations is directly affected by the lease rental rates of the Portfolio assets. The lease rental rates are affected by various factors, including:

- prevailing economic, income and demographic conditions in the submarket;
- prevailing rental levels in the submarket where the office parks and office buildings are located;
- the amenities and facilities provided;
- upkeep and maintenance of the properties;
- nature of the property, i.e., whether it is a 'warm shell property', fitted-out or built-to-suit;
- changes in governmental policies relating to zoning and land use;
- changes in applicable regulatory schemes; and
- competition from other projects and assets in the vicinity.

Further, our existing lease agreements typically have built-in rent escalations, which has led to growth in our revenues in prior years and we expect it will help us generate stable and predictable growth in our revenue from operations. Our leases typically have contractual escalations in the range of 10% to 15% every three to five years. Further, due to the tenure of our existing leases and growth in the market rents of our Portfolio, our average in-place rents are significantly below current market rents. We believe that this presents us with a rental growth opportunity by releasing the same space at higher rentals, given the demand for office real estate in respective submarkets coupled with our low vacancy levels. This allows us to be well-positioned to capitalize on our Grade A office portfolio by realizing the embedded rental growth within our office parks. For further details, see "*Our Business and Properties—Business and Growth Strategies—Capitalize on our Portfolio's embedded organic growth and new development opportunities*" on page 151.

Operating and maintenance expenses

Operating and maintenance expenses for 9M FY2019, FY2018, FY2017 and FY2016 are 11.59%, 11.72%, 14.18% and 13.15% respectively of our total income. Our operating and maintenance expenses primarily consist of repair and maintenance (of buildings, common areas, machinery and others), power and fuel expenses, property management fees and expenses related to housekeeping and security services. Factors which impact our ability to control these operating expenses include (but are not limited to) asset occupancy levels, fuel prices, general cost inflation, periodic renovation, refurbishment and other costs related to re-leasing.

For some of the Portfolio assets (Express Towers, Embassy 247, Embassy Oxygen, Embassy Galaxy, Embassy Quadron, FIFC and Embassy Qubix), we provide common area maintenance ("**CAM**") services to our tenants, for which we derive income from maintenance services (which include a margin on the expenses incurred for providing such services). For our other Portfolio assets, CAM services are provided by external facility managers that either (i) recover the CAM charges directly from the tenant in case of occupied areas or (ii) recover the CAM charges from the respective Asset SPVs in case of vacant areas. For more information on our common area maintenance service arrangements, see "*Management Framework*" on page 247.

Cost increases as a result of any of the foregoing may adversely affect our profitability, margins and cash flows. Circumstances such as a decline in market rent or pre-term lease cancellation may cause revenue to decrease, although the expenses of owning and operating a property may not decline in line with the decrease in revenue. While certain expenses may vary with occupancy, operating and maintenance expenses such as those relating to general maintenance, housekeeping and security services may not decline even if a property is not fully occupied.

Development timeline and costs

As of December 31, 2018, we had 2.5 msf of Under Construction Area and 5.4 msf of Proposed Development Area. The timely development of our pipeline is expected to positively impact our financial performance.

We typically commence construction based on our pre-leasing arrangements and an assessment of upcoming supply and recent absorption trends as well as various other micro and macro factors impacting the demand for our assets. We also construct office space on a 'built-to-suit' basis, taking into account the specific requirements of our tenants. This enhances our ability to develop and maintain long-term relationships with our tenants. A development's timeline will vary depending on factors such as size, complexity and tenant specifications.

Construction progress depends on various factors, including business plans, the availability of financing, labour and raw materials, the receipt of regulatory clearances, access to utilities such as electricity and water, the operating and financial condition of the construction companies we use in our business, and other contingencies such as adverse weather conditions.

We capitalize our construction and borrowing costs in relation to our under construction properties and capitalize brokerage costs in respect of our investment properties. These costs are depreciated based on the straight-line method over their estimated useful lives for certain SPVs and based on the written down value method for certain SPVs. When construction is completed, borrowing costs are charged to our statement of profit and loss as finance costs, causing an increase in expenses.

Cost of financing

Finance costs amounted to 34.65%, 35.74%, 42.16% and 44.96% of our total income for 9M FY2019, FY2018, FY2017 and FY2016 respectively. Our finance costs primarily comprise interest expense on borrowings from banks and financial institutions, borrowings from related parties and on debentures from related parties. Our ability to obtain financing, as well as the cost of such financing, affects our business. Though we believe we are able to obtain funding at competitive interest rates, the cost of financing is material for us, as we require significant capital to develop our projects. See "*Risk Factors—After the completion of the Issue and the listing of the Units, we intend to obtain external debt financing to repay a portion of the debt of the Portfolio and to finance the Portfolio's business and financing requirements. The terms of this financing may limit our ability to make distributions to the Unitholders*" and "*Risk Factors—We may utilize a significant amount of debt in the operation of our business, and our cash flows and operating results could be adversely affected by required repayments or related interest and other risks of our debt financing. Our inability to service debt may impact distributions to Unitholders*" on pages 23, respectively.

We propose to raise external debt funding to refinance a portion of the existing debt of the Asset SPVs through repayment of existing loans and to fund construction of certain projects after the listing of the Units. We have also executed an indicative and non-binding term sheet with a consortium of lenders to borrow up to Rs. 40,000 million ("**REIT Debt Financing**"), subject to certain securities and financial covenants. Definitive documentation for availing the REIT Debt Financing is expected to be executed after the completion of this Issue and the listing of the Units. For further details, please see "*Financial Indebtedness—Indicative Terms of the REIT Debt Financing*" and "*Use of Proceeds*" on pages 375 and 381.

Government regulations and policies including taxes and duties

The real estate sector in India is highly regulated and there are a number of laws and regulations that apply to our business. Regulations applicable to our business include those related to land acquisition, funding sources, the ratio of built-up area to land area, land usage, the suitability of building sites, road access, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply, environmental suitability and size of the project. We strive to continuously maintain compliance with these regulations and incur various costs in the process, including fees to government authorities, fees to lawyers and consultants, property tax, other rates and taxes.

Property tax is a substantial cost item for the Portfolio assets and consequently any change in property tax will affect our results from operations. Our property taxes, which falls under our other expenses, were Rs. 442.55 million, Rs. 589.14 million, Rs. 600.70 million and Rs. 319.26 million for 9M FY2019, FY2018, FY2017 and FY2016 respectively.

In addition, some of our Portfolio assets are located on land notified as part of SEZs and may benefit from tax holidays attributable to SEZs. In particular, Embassy Techzone, Embassy Oxygen and Embassy Qubix avail concessional tax rates for a portion of their profits with the balance subject to marginal tax rates. The expiration of these tax holidays (Embassy Techzone in March 31, 2023; Oxygen in March 31, 2020 and Embassy Qubix on March 31, 2021) may affect our results of operations. Our income tax expense amounted to 7.13%, 6.24% and 8.61% of our total income for FY2018, FY2017 and FY2016 respectively. The effective tax rate for the SPVs that were profit making in FY2018 was 24.07% (as compared to the marginal tax rate of 34.61%). The effective tax rate is calculated as follows:

(in ₹ million)

Profit before share of profit of equity accounted investees and income tax (A)	2,867.97
Add: Losses of SPVs that are loss making for FY2018 (B)	2,361.37
Profit of SPVs that are profit making for FY2018 (C = A+B)	5,229.34
Income tax expense (D)	1,258.84
Effective Tax Rate for our profit-making SPVs for FY2018 (D / C)	24.07%

The lower effective tax rate is a result of a tax holiday period which we benefited from for Embassy Quadron and Embassy Qubix and the applicability of lower income tax provisions for Express Towers and Embassy 247. See "*Risk Factors—Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations and growth prospects.*" on page 54.

We expect the Manager to devote a significant amount of time and resources to comply with the numerous laws and regulations that apply to our business.

Future acquisitions

We intend to selectively acquire from the Embassy Sponsor or third parties, commercial real estate assets that meet our investment criteria. For further details, please see *"Our Business and Properties—Business and Growth Strategies—Capitalize on our Portfolio's embedded organic growth and new development opportunities"*, *"Our Business and Properties—Business and Growth Strategies—Disciplined acquisition strategy with strong balance sheet" and "Formation Transactions in Relation to the Embassy REIT—Acquisition of future assets" on pages 151, 153 and 274*. Each new acquisition that we complete may materially affect our overall results of operations and financial position.

In addition, our acquisition strategy may require a significant amount of working capital and long-term funding. Our ability to acquire properties will depend on our ability to secure financing on commercially viable terms, which will in part be affected by the prevailing interest rates at the time of acquisition.

Competition

We operate in competitive markets for the acquisition, ownership and leasing of commercial real estate. We compete for tenants with numerous real estate owners and operators who own properties similar to our own in these markets. Among the factors influencing leasing competition are location, rental rates, building quality and levels of services provided to tenants.

Competition from other developers in India may adversely affect our ability to sell or lease our projects, and continued development by other market participants could result in saturation of the real estate market which could adversely impact our revenues from commercial operations. We may also have conflicts of interest with our Sponsors, the Embassy Sponsor and the Blackstone Sponsor Group. See "*Risk Factors—There may be conflicts of interests between the Lead Managers and/or their associates and affiliates and the Manager, the Embassy Sponsor, the Blackstone Sponsor Group, the Blackstone Sponsor, the Trustee and/or their respective associates/affiliates.*" on page 39.

Increasing competition could result in price and supply volatility which could materially and adversely affect our results of operations and cause our business to suffer.

Basis of Preparation of the Condensed Combined Financial Statements

The Condensed Combined Financial Statements of the Embassy Office Parks Group comprises the combined balance sheets as at December 31, 2018, March 31, 2018, March 31, 2017 and March 31, 2016, the combined statement of profit and loss, the combined statement of cash flow, the combined statement of changes in equity and a summary of significant accounting policies and other explanatory information for the nine months ended 31 December 2018 and the years ended March 31, 2018, March 31, 2017 and March 31, 2016, the statement of net assets at fair value as at December 31, 2018, the statement of total returns at fair value for the nine months ended 31 December 2018 and the year ended March 31, 2018 and other additional financial disclosures. The Condensed Combined Financial Statements have been prepared in accordance with the basis of preparation described in Note 2.1 to the Condensed Combined Financial Statements. The Condensed Combined Financial Statements are not prepared in accordance with the requirements of Schedule III notified under the Companies Act, 2013.

The Condensed Combined Financial Statements are special purpose financial statements and have been prepared by the Embassy REIT and the Manager to meet the requirements of the REIT Regulations and for inclusion in this Offer Document and the Final Offer Document, which is prepared by the Manager in connection with the proposed Public Issue of Units of the Embassy REIT. As a result, the Condensed Combined Financial Statements may not be suitable for any other purpose.

In accordance with the requirements of the REIT Regulations, since the Embassy REIT was newly set up on August 3, 2017 and has been in existence for a period lesser than three completed financial years, and the historical financial statements of Embassy REIT are not available for the entire portion of the reporting period of three years, the Condensed Combined Financial Statements have been disclosed even for the periods when such historical financial statements were not available. Further, as required by the REIT Regulations, the Condensed Combined Financial Statements are prepared based on an assumption that all the assets and SPVs were part of Embassy REIT for such period when Embassy REIT was not in existence. However, the financial statements may not be representative of the position which may prevail after the SPVs are transferred to Embassy REIT. For more information on the REIT Regulations, see "*Regulations and Policies*" on page 451.

Qualifications

The audit opinion to the Condensed Combined Financial Statements is qualified in two respects. These qualifications relate to loans advanced by certain Asset SPVs to companies in which a director was interested; and weaknesses in internal control systems to ensure compliance with respect to legal and regulatory framework in respect of such transactions. Under Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, provide or receive any loan or give or obtain any guarantee or provide or obtain any security to a person in whom a director of such company is interested. The qualifications are set forth below:

- As at December 31, 2018, MPPL has advanced loans aggregating to Rs. 7,250.00 million (as at March 31, 2018: Rs. 8,610.00 million, March 31, 2017: Rs. 1,260.00 million and as at March 31, 2016: Rs. 555.00 million) to a company in which a director of MPPL was interested. Accordingly, the loans given by MPPL are not in compliance with the requirements of the Companies Act, 2013 and the impact of this non-compliance has not been quantified. However, subsequent to the reporting date, MPPL has received Rs. 550.00 million back from the company in which the director of MPPL was interested;

- As at December 31, 2018, UPPL has received a loan aggregating Rs. 2,036.41 million (as at March 31, 2018: Rs. 2,061.41 million, as at March 31, 2017: Rs. 1,928.38 million and as at March 31, 2016: Rs. 1,500.15 million) from a company in which a director of UPPL is interested of which Rs. 1,027.48 million (as at March 31, 2018: Rs. 1,052.48 million, as at March 31, 2017: Rs. 919.45 million and as at March 31, 2016: Rs. 491.22 million) (net of repayments) has been received after September 12, 2013. Accordingly, the aforementioned loan obtained by UPPL is not in compliance with the requirements of the Companies Act, 2013 and the impact of this non-compliance has not been quantified. However, subsequent to the reporting date, the above loan has been converted into equity shares.

For more information, see the Condensed Combined Financial Statements as attached elsewhere in this Offer Document and "*Risk Factors—The audit report of our Statutory Auditors on the Condensed Combined Financial*

Statements makes references to certain qualifications and matters of emphasis in relation to the Companies Act in force at the relevant time" on page 41.

In addition, the audit opinion also contains certain emphasis of matters pertaining to pending litigation at MPPL and EEPL before various forums at different stages of adjudication, in relation to which no provisions have been made. For more information, see Note 45 to the Condensed Combined Financial Statements in "*Financial Information of the Embassy REIT*" on page 523.

Summary of Significant Accounting Policies

Use of judgments and estimates

The preparation of 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.

Estimated and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized 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 recognized in the Condensed Combined Financial Statements is included in the following notes:

i) Classification of lease arrangements as finance lease or operating lease—Note 2.2(t)

ii) Non consolidation / combination of investment in MPPL held under dispute—Note 9

iii) Straight lining of rent escalation on lease contracts not structured to increase in line with expected general inflation—Note 2.2 (u)

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

v) Non consolidation / combination of investment in GLSP by EOPPL—Note 2.1 (m)

vi) Judgements in preparing Condensed Combined Financial Statements—refer note 2.1

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial year ending March 31, 2019 is included in the following notes to the Condensed Combined Financial Statements:

i) Determining fair value of investment properties: The fair value of these investment properties is reviewed regularly by management with reference to independent property valuations and market conditions existing at the reporting date. The independent valuers are leading independent appraisers with recognized and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Judgment is also applied in determining the extent and frequency of independent appraisals. Refer to the statement of net assets at fair value for more information regarding the frequency of independent appraisals and the assumptions used in the Condensed Combined Financial Statements.

ii) Useful lives of investment property and property, plant and equipment—Refer to Note 2.2(f) and (g)

iii) Valuation of financial instruments—Refer Note 2.2(n)

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

Principal Components of our Combined Statement of Profit and Loss

Total income

Our total income comprises revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises the following sources: (1) facility rentals; (2) income from maintenance services; (3) income from finance lease; (4) room rentals at the Hilton at Embassy Golflinks; (5) sale of food and beverages at the Hilton at Embassy Golflinks; (6) other operating income at the Hilton at Embassy Golflinks and at our other Portfolio and (7) income from the generation of renewable energy from Embassy Energy.

The following table sets forth a breakdown of our revenue from operations for the periods indicated.

	Nine months ended December 31,		Year ended March 31,		
	2018	2017	2018	2017	2016
			(Rs. in millions)		
Facility rentals	11,015.48	10,117.73	13,525.14	12,517.15	11,816.36
Maintenance Services	1,136.68	1,100.81	1,648.82	1,620.29	1,601.18
Income from finance lease	15.90	20.57	26.68	32.06	19.32
Room rentals	382.05	349.69	489.74	413.11	317.67
Sale of food and beverages	158.99	151.63	208.22	174.59	138.85
Other operating income					
– Hospitality	64.25	54.01	72.62	57.50	49.50
– Others	33.21	35.07	41.49	34.50	27.28
Income from the generation of renewable energy	953.27	—	105.29	—	—
Revenue from operations	**13,759.83**	**11,829.51**	**16,118.00**	**14,849.20**	**13,970.16**

Facility rentals

Revenue from facility rentals comprises the base rental from our properties, car parking income, fit-out rentals and other rentals as discussed below:

- *Base rentals*: Base rentals comprises rental income earned from the leasing of our assets;
- *Car parking income*: Car parking income comprises revenue earned from the operations of the parking facilities located at our properties; and
- *Fit-out rentals*: For some of our tenants, we provide customized alterations and enhancements as per the tenants' requirements (as opposed to warm shell premises that contain only minimally furnished interiors). For such properties, we recover the value of the fit-outs provided through fit-out rentals.

Maintenance services

Income from maintenance services consists of the revenue that we receive from our tenants for the CAM services that we provide at the following Portfolio assets: Express Towers, Embassy 247, Embassy Oxygen, Embassy Galaxy, Embassy Quadron and Embassy Qubix. These include a margin on the expenses incurred for providing such CAM services.

Income from maintenance services is generally a function of our maintenance expenses at the above Portfolio Assets, with a change in maintenance expenses (whether as a result of refurbishment works or upgradation works) resulting in a corresponding change in maintenance service income.

Income from finance lease

Income from finance leases comprise income from fit-out rentals where such leases are classified as finance leases. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer to the lessee.

Revenue from room rentals

Revenue from room rentals comprises revenue generated by letting out hotel rooms at the Hilton at Embassy Golflinks.

Sale of food and beverages

Sale of food and beverages comprises income from the sale of food and beverages at the Hilton at Embassy Golflinks.

Other operating income

Other operating income primarily includes revenue from minor operating departments (such as laundry, business centre, telephone, travel desk and rental income from the spa) at Hilton at Embassy Golflinks and other operating income (primarily from events and other ancillary services at the integrated office parks and city centre office buildings).

Property-wise revenue from operations

The Condensed Combined Financial Statements include property wise rental income and other operating income for each of the properties forming the Portfolio, as set forth in the below table:

				Nine months ended December 31,				Year Ended March 31,					
				2018		2017		2018		2017		2016	
Asset SPV	Property Name	Location	Rental income and Other operating income	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operation	Revenue from operations	% of total revenue from operation	Revenue from operations	% of total revenue from operations
				(Rs. in millions)	*(%)*	*(Rs. in millions)*	*(%)*	*(Rs. in millions)*	*(%)*	*(Rs. in millions)*	*(%)*	*(Rs. in millions)*	*(%)*
MPPL	Embassy Manyata	Bengaluru	Rental income and other operating income	6,066.51	44.09%	5,421.16	45.83%	7,393.18	45.87%	6,642.54	44.73%	5,935.53	42.49%
QBPL	Embassy Quadron	Pune	Rental income and other operating income	1,064.54	7.74%	1,114.14	9.42%	1,484.07	9.21%	1,445.03	9.73%	1,440.25	10.31%
IENMPL	Express Towers	Mumbai	Rental income and other operating income	1,108.40	8.06%	989.13	8.36%	1,347.90	8.36%	1,202.96	8.10%	1,290.64	9.24%
OBPPL	Embassy Oxygen	Noida	Rental income and other operating income	856.42	6.22%	799.18	6.76%	1,081.82	6.71%	949.98	6.40%	832.73	5.96%
VCPPL	Embassy 247	Mumbai	Rental income and other operating income	746.77	5.43%	765.94	6.47%	1,027.40	6.37%	1,097.02	7.39%	1,112.37	7.96%
EOPPL	Embassy TechZone	Pune	Rental income and other operating income	764.26	5.55%	753.50	6.37%	1,003.67	6.23%	1,087.74	7.33%	1,140.26	8.16%
QBPPL	Embassy Qubix	Pune	Rental income and other operating income	649.80	4.72%	618.28	5.23%	825.40	5.12%	759.98	5.12%	781.78	5.60%
UPPL	Hilton at Embassy Golflinks	Bengaluru	Income from room rentals and other operating income	605.29	4.40%	555.33	4.69%	770.58	4.78%	645.20	4.35%	506.02	3.62%
GSPL	Embassy Galaxy	Noida	Rental income and other operating income	636.50	4.63%	623.35	5.27%	823.79	5.11%	768.92	5.18%	720.85	5.16%
ETPL	FIFC	Mumbai	Rental income and other operating income	308.07	2.24%	189.51	1.60%	254.90	1.58%	249.83	1.68%	209.73	1.50%
QBPL	Hotel, Retail and Office at Embassy One	Bengaluru	Other operating income	—	—	—	—	—	—	—	—	—	—
EEPL	Embassy Energy	Bellary	Income from generation of renewable energy	953.27	7.06%	—	—	105.29	0.65%	—	—	—	—
Revenue from operations				**13,759.83**	**100.00%**	**11,829.51**	**100.00%**	**16,118.00**	**100.00%**	**14,849.20**	**100.00%**	**13,970.16**	**100.00%**

Further, we report our financial results according to two operating segments: commercial offices and other segments. For further details, please see Note 47 to the Condensed Combined Financial Statements on page 598.

Other income

Our other income comprises the following sources: (1) interest income on (i) inter-corporate deposits; (ii) fixed deposits with banks; (iii) security deposits (iv) loan to others; (v) other statutory deposits; (vi) income-tax refunds, and (vii) others; (2) dividend income; (3) profit on the sale of investments; (4) liquidated damages; (5) liabilities no longer required written back; (6) net changes in fair value of financial assets; (7) property tax refund and (8) miscellaneous.

The following table sets forth a breakdown of our other income for the periods indicated:

	Nine months ended December 31,		Year Ended March 31,		
	2018	**2017**	**2018**	**2017**	**2016**
			(Rs. in millions)		
Interest income					
on inter-corporate deposits	604.78	366.81	516.33	213.68	394.18
on fixed deposits with bank	92.29	92.08	136.37	150.22	141.96
on security deposits	88.94	65.22	102.00	—	—
on loan to others	74.82	334.92	475.23	870.04	833.87
on other statutory deposits	14.57	16.31	21.80	22.21	16.09
on income tax refund	58.66	14.34	26.81	18.93	9.33
Others	8.21	9.66	16.68	13.75	17.78
Dividend income	—	0.50	0.50	28.56	65.87
Profit on sale of investments	47.04	20.71	31.52	57.75	20.12
Liquidated damages	—	—	—	139.74	—
Liabilities no longer required written back	39.17	1.93	2.53	18.11	83.00
Net changes in fair value of financial assets	129.15	98.71	137.89	32.25	87.51
Property tax refund	—	—	—	—	47.51
Miscellaneous	14.84	32.36	76.99	41.93	66.29
Total	**1,172.47**	**1,053.55**	**1,544.65**	**1,607.17**	**1,783.51**

Expenses

Our expenses comprise the following: (1) cost of materials consumed; (2) employee benefits expenses; (3) operating and maintenance expenses; (4) other expenses; (5) impairment loss on property, plant and equipment (related to the under-construction Four Seasons at Embassy One); (6) finance costs; and (7) depreciation and amortisation expenses.

Cost of materials consumed

Cost of materials consumed includes cost of materials consumed at the Hilton at Embassy Golflinks primarily towards the provision of food and beverage services to the guests at the hotel.

Employee benefits expenses

Employee benefits expenses primarily includes salaries and wages, contribution to provident and other funds and staff welfare expenses. Staff welfare expenses consist primarily of service charges and other incidental costs incurred at the Hilton at Embassy Golflinks.

Operating and maintenance expenses

Operating and maintenance expenses comprise the following (1) power and fuel expenses; (2) property management fees; (3) operating consumables; (4) housekeeping and security services; and (5) repairs and maintenance expenses (which includes certain common area maintenance costs).

Other expenses

Other expenses primarily comprise property taxes, legal and professional charges, rates and taxes, advertisement, business promotion, and business consultancy expenses.

Impairment loss on property, plant and equipment

As per Ind AS 36, we are required to conduct periodic valuations of our assets and record impairment loss on property, plant and equipment (including capital work in progress) when the fair value of the asset as determined by the independent valuer is lower than carrying value of the asset to ensure that our assets are carried at no more than their recoverable amount. If the carrying amount of an asset exceeds the amount to be recovered through the use or sale of the asset, the asset is described as impaired and an impairment loss is recognized.

We recognized impairment loss on property, plant and equipment relating to the construction of Four Seasons at Embassy One for FY2018 and 9M FY2019.

Finance costs

Finance costs comprise (1) interest expense on (i) borrowings from banks and financial institutions; (ii) lease deposits; (iii) borrowings from related parties; (iv) debentures issued to related parties, (v) optionally convertible redeemable preference shares to related parties and (vi) debentures; (2) premium on redemption of debentures and (3) other borrowing costs.

We capitalize our borrowings costs in relation to our under construction properties. When construction is completed, the interest cost is charged to our statement of profit and loss, causing an increase in our finance costs.

Depreciation and amortisation expenses

Depreciation and amortisation expenses comprise the depreciation of property, plant and equipment; depreciation of investment property and amortization of intangible assets. Construction costs in respect of our under construction properties are also capitalized and depreciated over the useful life of the asset.

Tax expense

Tax expense comprises (1) current tax; (2) deferred tax charge/(credit); and (3) Minimum Alternate Tax ("**MAT**") credit entitlement.

Share of profit of equity accounted investees (net of income tax)

EOPPL has a 50% investment in the equity shares of GLSP (which owns Embassy Golflinks), an entity with completed and rent generating properties and which derives more than 75% of its operating income from real estate activity as per its audited accounts for 9M FY2019, FY2018, FY2017 and FY2016. The investment in GLSP is accounted for in our Condensed Combined Financial Statements using the equity method, and accordingly our Condensed Combined Financial Statements include our share of GLSP's (i) profit or loss including other comprehensive income and (ii) other equity.

Earnings before finance costs, depreciation, amortization and income tax, excluding share of profit of equity accounted investees (EBITDA)

We have elected to present EBITDA as a separate line item on the face of the statement of profit and loss. We measure EBITDA on the basis of profit/ (loss). In its measurement, we do not include depreciation and amortization expense, finance costs, share of profit of equity accounted investees (net of income tax) and tax expense.

EBITDA does not have a standardized definition under Ind AS or IFRS, and our method of calculating EBITDA may be different from the method used by most other companies to calculate EBITDA. We cannot assure you that our EBITDA calculation will always be comparable with similarly named measures presented by other companies. EBITDA should not be considered by itself or as a substitute for net income, operating income or cash flow from operations or related margins or other measures of operating performance, liquidity or ability to pay dividends. See also "*Presentation of Financial Data and Other Information – Certain Non-GAAP Measures*" on page 8.

Items of other comprehensive income

Items of other comprehensive income comprise re-measurements of defined benefit liability, net of tax.

Results of Operations

The following table summarises our results of operations for the periods indicated:

	Nine months ended December 31,				**Year ended March 31,**					
	2018		**2017**		**2018**		**2017**		**2016**	
	(Rs. in millions)	*(% of total income)*	*(Rs. in millions)*	*(% of total income)*	*(Rs. in millions)*	*(% of total income)*	*(Rs. in millions)*	*(% of total income)*	*(Rs. in millions)*	*(% of total income)*
Income and gains										
Revenue from operations	**13,759.83**	**92.15%**	**11,829.51**	**91.82%**	16,118.00	**91.25%**	14,849.20	**90.23%**	13,970.16	**88.68%**
Other income	1,172.47	7.85%	1,053.55	8.18%	1,544.65	8.75%	1,607.17	9.77%	1,783.51	11.32%
Total Income	**14,932.30**	**100.00%**	**12,883.06**	**100.00%**	**17,662.65**	**100.00%**	**16,456.37**	**100.00%**	**15,753.67**	**100.00%**
Expenses and losses										
Cost of materials consumed	42.34	0.28%	39.58	0.31%	54.55	0.31%	49.08	0.30%	42.36	0.27%
Employee benefits expense	219.83	1.47%	152.81	1.19%	214.93	1.22%	207.89	1.26%	180.51	1.15%
Operating and maintenance expenses	1,730.38	11.59%	1,480.72	11.49%	2,069.35	11.72%	2,332.87	14.18%	2,071.82	13.15%
Other expenses	1,167.84	7.82%	1,162.20	9.02%	1,720.14	9.74%	1,466.82	8.91%	1,171.31	7.44%
Impairment loss on property, plant and equipment	386.05	2.59%	351.75	2.73%	1,195.29	6.77%	—	—	—	—
Earnings before finance costs, depreciation, amortisation and income tax excluding share of profit of equity accounted investees	**11,385.86**	**76.25%**	**9,696.00**	**75.26%**	**12,408.38**	**70.25%**	**12,399.70**	**75.35%**	**12,287.66**	**78.00%**
Finance costs	5,174.25	34.65%	4,746.25	36.84%	6,312.26	35.74%	6,937.75	42.16%	7,083.35	44.96%
Depreciation and amortisation expense	2,686.69	17.99%	2,384.76	18.51%	3,228.16	18.28%	3,243.73	19.71%	3,157.91	20.05%
Profit before share of profit of equity accounted investees and income tax	**3,524.92**	**23.61%**	**2,564.99**	**19.91%**	**2,867.97**	**16.24%**	**2,218.22**	**13.48%**	**2,046.40**	**12.99%**
Share of profit of equity accounted investees (net of income tax)	874.89	5.86%	696.89	5.41%	959.95	5.43%	579.33	3.52%	241.29	1.53%
Profit before income tax	**4,399.81**	**29.47%**	**3,261.88**	**25.32%**	**3,827.92**	**21.67%**	**2,797.55**	**17.00%**	**2,287.69**	**14.52%**
Tax expense:										
Current tax	1,326.66	8.88%	930.71	7.22%	1,297.88	7.35%	917.42	5.57%	716.24	4.55%

	Nine months ended December 31,				Year ended March 31,					
	2018		2017		2018		2017		2016	
	(Rs. in millions)	*(% of total income)*	*(Rs. in millions)*	*(% of total income)*	*(Rs. in millions)*	*(% of total income)*	*(Rs. in millions)*	*(% of total income)*	*(Rs. in millions)*	*(% of total income)*
Deferred tax charge	320.16	2.14%	903.28	7.01%	745.45	4.22%	715.58	4.35%	1,162.56	7.38%
MAT credit entitlement	(98.15)	(0.66%)	(693.66)	(5.38)%	(784.49)	(4.44)%	(606.02)	(3.68)%	(522.94)	(3.32)%
Income tax expense	**1,548.67**	**10.37%**	**1,140.33**	**8.85%**	**1,258.84**	**7.13%**	**1,026.98**	**6.24%**	**1,355.86**	**8.61%**
Profit for the year	**2,851.14**	**19.09%**	**2,121.55**	**16.47%**	**2,569.08**	**14.55%**	**1,770.57**	**10.76%**	**931.83**	**5.92%**
Items of Other comprehensive income										
Items that will not be reclassified subsequently to profit or loss										
Remeasurements of defined benefit liability, net of tax	1.14	0.01%	1.06	0.01%	1.41	0.01%	0.69	0.00%	0.79	0.01%
Total comprehensive income for the year	**2,852.28**	**19.10%**	**2,122.61**	**16.48%**	**2,570.49**	**14.55%**	**1,771.26**	**10.76%**	**932.62**	**5.92%**

9M FY2019 compared to 9M FY2018

Revenue from operations

Our revenue from operations for 9M FY2019 was Rs. 13,759.83 million, an increase of Rs. 1,930.32 million, or 16.32%, compared to Rs. 11,829.51 million in 9M FY2018. The increase is primarily attributable to the project commissioning of Embassy Energy, contractual rental escalations during 9M FY2019 and lease up of vacant spaces.

We set forth below the reasons for the changes in our revenues at each Portfolio Asset:

Embassy Manyata

Revenue from operations from Embassy Manyata increased by Rs. 645.35 million or 11.90%, from Rs. 5,421.16 million in 9M FY2018 to Rs. 6,066.51 million in 9M FY2019, primarily due to the following factors:

- construction of two new blocks comprising 0.9 million square feet was completed in August 2017, which contributed incremental facility rentals of Rs. 546.46 million for 9M FY2019 compared to Rs. 147.72 million for 9M FY2018;
- facility rentals from leasing up of vacant spaces in existing blocks in 9M FY2019 amounting to Rs. 200.17 million; and
- renewal of leases at higher rentals amounting to Rs. 128.48 million.

The increase was partially offset by vacancies in existing blocks resulting in a Rs. 90.16 million decrease in revenue from operations and decrease in amortization of deferred lease rental as recognized under Ind AS amounting to Rs 45.24 million for Embassy Manyata.

Embassy Quadron

Revenue from operations from Embassy Quadron decreased by Rs. 49.60 million or 4.45%, from Rs. 1,114.14 million in 9M FY2018 to Rs. 1,064.54 million in 9M FY2019, mainly due to a tenant vacating in 9M FY2019.

Express Towers

Revenue from operations from Express Towers increased by Rs. 119.27 million or 12.06%, from Rs. 989.13 million in 9M FY2018 to Rs. 1,108.40 million in 9M FY2019, primarily due to lease up of a major tenant in July 2017. As a result, we received less than nine months revenue in 9M FY2018 compared to revenue for a full period for 9M FY2019.

Embassy Energy

Embassy Energy in the Bellary district of Karnataka commenced power generation in March 2018. It generated revenue from the sale of renewable energy of Rs. 971.14 million in 9M FY2019.

Embassy Oxygen

Revenue from operations from Embassy Oxygen increased by Rs. 57.24 million or 7.16%, from Rs. 799.18 million in 9M FY2018 to Rs. 856.42 million in 9M FY2019, primarily as a result of rent from several new leases in 9M FY2019, contractual rental escalation in our existing leases and higher maintenance services income.

Embassy 247

Revenue from operations from Embassy 247 decreased by Rs. 19.17 million or 2.50%, from Rs. 765.94 million in 9M FY2018 to Rs. 746.77 million in 9M FY2019, mainly due to a tenant vacating in 9M FY2019.

Embassy TechZone

Revenue from operations from Embassy Techzone slightly increased by Rs. 10.76 million or 1.43%, from Rs. 753.50 million in 9M FY2018 to Rs. 764.26 million in 9M FY2019.

Embassy Qubix

Revenue from operations from Embassy Qubix increased by Rs. 31.52 million or 5.10%, from Rs. 618.28 million in 9M FY2018 to Rs. 649.80 million in 9M FY2019, primarily because of contractual escalations in our existing leases and higher maintenance services income.

Embassy Galaxy

Revenue from operations from Embassy Galaxy slightly increased by Rs. 13.15 million or 2.11%, from Rs. 623.35 million in 9M FY2018 to Rs. 636.50 million in 9M FY2019.

FIFC

Revenue from operations from FIFC increased by Rs. 118.56 million or 62.57%, from Rs. 189.51 million in 9M FY2018 to Rs. 308.07 million in 9M FY2019, primarily as a result of contractual escalation in our existing leases and lease up of vacant spaces.

Hilton at Embassy Golflinks

Revenue from operations from Hilton at Embassy Golflinks increased by Rs. 49.96 million or 9.00%, from Rs. 555.33 million in 9M FY2018 to Rs. 605.29 million in 9M FY2019. The increase was mainly due to an increase in room rates and an increase in sale of food and beverages, which was partially offset by a decrease in occupancy.

Other income

Our other income for 9M FY2019 was Rs. 1,172.47 million, an increase of Rs. 118.92 million, or 11.29%, compared to Rs. 1,053.55 million in 9M FY2018. This was primarily as a result of:

- an increase in interest income on related party inter-corporate deposits during 9M FY2019 amounting to Rs. 237.97 million, or 64.88%, from Rs. 366.81 million in 9M FY2018 to Rs. 604.78 million in 9M FY2019;

- an increase in interest income on security deposits amounting to Rs. 23.72 million, or 36.37% from Rs. 65.22 million in 9M FY2018 to Rs. 88.94 million in 9M FY2019;
- an increase in interest income on income tax refund amounting to Rs. 44.32 million, or 309.07%, from Rs. 14.34 million in 9M FY2018 to Rs. 58.66 million in 9M FY2019 as a result of receipt of income tax refund for earlier assessments of Embassy Quadron;
- an increase in liabilities no longer required to be written back amounting to Rs. 37.24 million, or 1,929.53%, from Rs. 1.93 million in 9M FY2018 to Rs. 39.17 million in 9M FY2019 as a result of creditors payable written back for Embassy Energy; and
- an increase of Rs. 30.44 million, or 30.84% from Rs. 98.71 million in 9M FY2018 to Rs. 129.15 million in 9M FY2019 relating to change in fair value of financial assets.

These increases were partially offset by a decrease in interest income on loan to others by Rs. 260.10 million, or 77.66%, from Rs. 334.92 million in 9M FY2018 to Rs. 74.82 million in 9M FY2019 as a result of the loan being repaid during 9M FY2019.

Cost of materials consumed

Our cost of materials consumed for 9M FY2019 was Rs. 42.34 million, an increase of Rs. 2.76 million, or 6.97%, compared to Rs. 39.58 million in 9M FY2018 as a result of improved business performance at Hilton at Embassy Golflinks.

Employee benefits expense

Our employee benefits expense for 9M FY2019 was Rs. 219.83 million, an increase of Rs. 67.02 million, or 43.86%, compared to Rs. 152.81 million in 9M FY2018. This was primarily due to an increase in salaries and wages and staff welfare expenses at Embassy One which commenced operations in 9M FY2019.

Operating and maintenance expenses

Our operating and maintenance expenses for 9M FY2019 were Rs. 1,730.38 million, an increase of Rs. 249.66 million, or 16.86%, compared to Rs. 1,480.72 million in 9M FY2018. This was principally as a result of:

- an increase in property management fees by Rs. 114.63 million or 54.28% from Rs. 211.20 million in 9M FY2018 to Rs. 325.83 million in 9M FY2019, primarily due to additional fees at Embassy Manyata, Embassy Quadron, Embassy Qubix, Embassy 247 and FIFC payable to the property manager;
- an increase in repairs to buildings including common area maintenance by Rs. 90.24 million or 22.05% from Rs. 409.30 million for 9M FY2018 to Rs. 499.54 million for 9M FY2019, primarily due to lobby refurbishment works, remedial works, painting works and water-proofing at Embassy 247 Park, FIFC and Embassy Quadron; and
- an increase in repairs and maintenance to machinery by Rs. 38.71 million or 28.13% from Rs. 137.59 million for 9M FY2018 to Rs. 176.30 million for 9M FY2019 as a result of Embassy Energy commencing operations.

This increase was partially offset by a decrease in repairs to others by Rs. 45.11 million or 38.05% from Rs. 118.55 million for 9M FY2018 to Rs. 73.44 million for 9M FY2019, primarily due to one-time repair expenses at Embassy TechZone in 9M FY2018.

Other expenses

Our other expenses for 9M FY2019 were relatively stable at Rs. 1,167.84 million, compared to Rs. 1,162.20 million in 9M FY2018. Property tax decreased by Rs. 11.47 million or 2.53% from Rs. 454.02 million in 9M FY2018 to Rs. 442.55 million in 9M FY2019. Legal and professional charges decreased by Rs. 70.84 million or 20.30% from Rs. 348.97 million in 9M FY2018 to Rs. 278.13 million in 9M FY2019.

Impairment loss on property, plant and equipment

In 9M FY2019, we recognized impairment loss on property, plant and equipment (including capital work in progress) amounting to Rs. 386.05 million related to the Four Seasons at Embassy One, which is still under construction and for which the carrying cost as of December 31, 2018 was higher than the recoverable amount as computed in accordance with the requirements of Ind AS 36. This increased by Rs. 34.30 million or 9.75%, compared to Rs. 351.75 million in 9M FY2018.

Earnings before finance costs, depreciation, amortisation, and income tax excluding share of project of equity accounted investees (EBITDA)

As a result of the foregoing, our profit before finance costs, depreciation, amortization, and income tax excluding share of profit of equity accounted investee for 9M FY2019 was Rs. 11,385.86 million, an increase of Rs. 1,689.86 million or 17.43%, compared to Rs. 9,696.00 million in 9M FY2018.

Finance costs

Our finance costs for 9M FY2019 were Rs. 5,174.25 million, an increase of Rs. 428.00 million, or 9.02%, compared to Rs. 4,746.25 million in 9M FY2018. This was principally as a result of:

- an increase in interest expense on borrowings from banks and financial institutions by Rs. 803.99 million, or 21.20% from Rs. 3,793.05 million in 9M FY2018 to Rs. 4,597.04 million in 9M FY2019, primarily due to increase in borrowings and lending rates at Embassy Manyata and Embassy One and interest on deferred payment liability at Embassy Energy due to commencement of operations.

This increase was offset by:

- a decrease in interest expense on debentures to related parties by Rs. 361.58 million or 76.70%, from Rs. 471.40 million to Rs. 109.82 million, primarily as a result of redemption during 9M FY2019 at Embassy Techzone; and
- a decrease in interest expense on lease deposits by Rs. 24.32 million or 9.23% from Rs. 263.45 million in 9M FY2018 to Rs. 239.13 million in 9M FY2019, which represents unwinding of interest free security deposit received from tenants.

Depreciation and amortisation expense

Our depreciation and amortisation expense for 9M FY2019 was Rs. 2,686.69 million, an increase of Rs. 301.93 million, or 12.66%, compared to Rs. 2,384.76 million in 9M FY2018, primarily as a result of an increase in depreciation of plant, property and equipment by Rs. 263.30 million, primarily due to Embassy Energy's completed construction in February 2018 and the resulting depreciation charges for the 9M FY2019, without any corresponding depreciation charges taken prior to completion of construction.

Profit before share of profit of equity accounted investees and income tax

As a result of the foregoing, we recorded Rs. 3,524.92 million in profit before share of profit of equity accounted investees and income tax for 9M FY2019, as compared to Rs. 2,564.99 million in 9M FY2018, an increase of 37.42%.

Share of profit of equity accounted investees (net of income tax)

The share of profit in Embassy Golflinks as equity accounted investees (net of income tax) for 9M FY2019 was Rs. 874.89 million, an increase of Rs. 178.00 million, or 25.54%, compared to Rs. 696.89 million in 9M FY2018. The increase was largely a result of the following:

- an increase in rental income by Rs. 264.33 million or 11.79%, from Rs. 2,241.13 million in 9M FY2018 to Rs. 2,505.46 million in 9M FY2019, primarily as a result of (i) a renewal in existing leases and contractual escalation amounting to Rs. 178.53 million (ii) revenue from new leases signed at rentals significantly higher than in-place rent, amounting to Rs. 180.08 million and (iii) an increase in amortization of deferred lease rental as recognized under Ind AS amounting to Rs. 81.65 million. This was partially offset by existing tenants vacating amounting to Rs. 205.79 million;

- a decrease in taxation by Rs. 74.18 million or 5.32% from Rs. 41.42 million in 9M FY2018 to (Rs. 32.76) million in 9M FY2019, due to higher MAT credit entitlement;
- a decrease in finance costs by Rs. 22.49 million or 6.45% from Rs. 348.45 million in 9M FY2018 to Rs. 325.96 million in 9M FY2019, due to lower interest rates and amortization of loans; and
- provisions for doubtful advances of Rs. 29.42 million which we made in 9M FY2018.

This was partially offset by an increase in other expenses by Rs. 23.78 million or 11.73% from Rs. 202.71 million in 9M FY2018 to Rs. 226.49 million in 9M FY2019 as a result of a loss on sale of fixed assets of Rs. 67.07 million.

Profit before income tax

As a result of the foregoing, we recorded a profit before income tax of Rs. 4,399.81 million for 9M FY2019, as compared to a profit before income tax amounting to Rs. 3,261.88 million in 9M FY2018, an increase of 34.89%.

Income tax expense

Our income tax expense for 9M FY2019 was Rs. 1,548.67 million, an increase of Rs. 408.34 million, or 35.81%, compared to Rs. 1,140.33 million in 9M FY2018 as a result of the following factors:

Current tax

Our current tax for 9M FY2019 was Rs. 1,326.66 million, an increase of Rs. 395.95 million, or 42.54%, compared to Rs. 930.71 million in 9M FY2018. The increase in tax outflows was mainly due to Embassy Manyata and Embassy Quadron paying tax under normal income tax provisions as opposed to paying concessional tax (MAT), which they did until FY2018. Embassy Manyata paid concessional tax (MAT) as it availed benefit of unabsorbed depreciation set-off against the profits (for which such benefit has now been fully exhausted) while Embassy Quandron enjoyed a tax holiday until March 2018.

Deferred tax charge

Our deferred tax charge for 9M FY2019 was Rs. 320.16 million, a decrease of Rs. 583.12 million, or 64.56%, compared to Rs. 903.28 million in 9M FY2018.

MAT Credit Entitlement

Our MAT credit entitlement for 9M FY2019 was Rs. 98.15 million, a decrease of Rs. 595.51 million or 85.85%, compared to Rs. 693.66 million in 9M FY2018. The decrease is MAT credit is mainly due to Embassy Manyata and Embassy Quadron having to now pay tax under normal income tax provisions as opposed to paying concessional tax (MAT), which they did until FY2018, and being entitled to avail credit for such taxes paid. Embassy Manyata paid concessional tax (MAT) as it availed benefit of unabsorbed depreciation set-off against the profits (for which such benefit is now fully exhausted) while Embassy Quandron enjoyed a tax holiday until March 2018.

Profit for the period

As a result of the foregoing, our profit for the period ending 9M FY2019 was Rs. 2,851.14 million, an increase of Rs. 729.59 million, or 34.39%, compared to Rs. 2,121.55 million in 9M FY2018.

Items that will not be reclassified subsequently to profit or loss—Remeasurements of defined benefit liability, net of tax

For 9M FY2019 and 9M FY2018, items that will not be reclassified subsequently to profit or loss—remeasurements of defined benefit liability, net of tax for 9M FY2019 was Rs. 1.14 million and Rs. 1.06 million respectively.

Total comprehensive income for the period

As a result of the foregoing, our total comprehensive income for the period ending 9M FY2019 was Rs. 2,852.28 million, an increase of Rs. 729.67 million, or 34.38%, compared to Rs. 2,122.61 million in 9M FY2018.

FY2018 compared to FY2017

Revenue from operations

Our revenue from operations for FY2018 was Rs. 16,118.00 million, an increase of Rs. 1,268.80 million, or 8.54%, compared to Rs. 14,849.20 million in FY2017. The increase is primarily attributable to contractual escalations in our rentals during FY2018, leasing of vacant spaces and leasing of newly constructed blocks of 0.9 million square feet at Embassy Manyata.

We set forth below the reasons for the changes in our revenues at each Portfolio Asset:

Embassy Manyata

Revenue from operations from Embassy Manyata increased by Rs. 750.64 million or 11.30%, from Rs. 6,642.54 million in FY2017 to Rs. 7,393.18 million in FY2018, primarily due to the following factors:

- completed construction of two new blocks comprising 0.9 million square feet in August 2017, which generated additional facility rentals of Rs. 281.65 million for FY2018;
- facility rentals from new leasing in existing blocks comprising 0.21 million square feet in FY2018 amounting to Rs. 59.05 million;
- facility rentals from new leases in existing blocks comprising 0.23 million square feet in FY2017, which generated revenues only for a part of FY2017 but for the full year in FY2018, amounting to Rs. 207.25 million;
- lease renewals at higher rentals amounting to Rs. 80.29 million; and
- amortization of deferred lease rental as recognized under Ind AS amounting to Rs. 74.20 million.

The increase was partially offset by vacancies in existing blocks of 0.11 million square feet amounting to a Rs. 44.60 million decrease in revenue from operations for Embassy Manyata.

Embassy Quadron

Revenue from operations from Embassy Quadron increased by Rs. 39.04 million or 2.70%, from Rs. 1,445.03 million in FY2017 to Rs. 1,484.07 million in FY2018, primarily on account of contractual rent escalation in our existing leases. These increases were partially offset by a decrease in income from maintenance services and finance leases.

Express Towers

Revenue from operations from Express Towers increased by Rs. 144.94 million or 12.05%, from Rs. 1,202.96 million in FY2017 to Rs. 1,347.90 million in FY2018, primarily as a result of facility rentals from new leases which commenced in July 2017.

Embassy Oxygen

Revenue from operations from Embassy Oxygen increased by Rs. 131.84 million or 13.88%, from Rs. 949.98 million in FY2017 to Rs. 1,081.82 million in FY2018, primarily as a result of new leases in FY2018, contractual escalation in our existing leases and higher maintenance services income.

Embassy 247

Revenue from operations from Embassy 247 decreased by Rs. 69.62 million or 6.35%, from Rs. 1,097.02 million in FY2017 to Rs. 1,027.40 million in FY2018, primarily as a major tenant vacated in FY2018.

Embassy TechZone

Revenue from operations from Embassy Techzone decreased by Rs. 84.07 million or 7.73%, from Rs. 1,087.74 million in FY2017 to Rs. 1,003.67 million in FY2018, primarily on account of lower fit-out income in FY2018 as one of our tenants completed its fit-out rental tenure in April 2017.

Embassy Qubix

Revenue from operations from Embassy Qubix increased by Rs. 65.42 million or 8.61%, from Rs. 759.98 million in FY2017 to Rs. 825.40 million in FY2018, primarily as a result of leasing of vacant space and higher maintenance services income. This was partially offset by reduction in income due to certain tenant vacancies in FY2018.

Embassy Galaxy

Revenue from operations from Embassy Galaxy increased by Rs. 54.87 million or 7.14%, from Rs. 768.92 million in FY2017 to Rs. 823.79 million in FY2018, primarily as a result of contractual escalation in our existing leases and leasing of vacant space. Embassy Galaxy also derived additional maintenance services income from existing tenants.

FIFC

Revenue from operations from FIFC increased by Rs. 5.07 million or 2.03%, from Rs. 249.83 million in FY2017 to Rs. 254.90 million in FY2018, primarily as a result of increases in facility rentals from existing tenants and escalations in an existing lease. This increase was partially offset by reduction in income due to a tenant vacancy in FY2018.

Hilton at Embassy Golflinks

Revenue from operations from the Hilton at Embassy Golflinks increased by Rs. 125.38 million or 19.43%, from Rs. 645.20 million in FY2017 to Rs. 770.58 million in FY2018. This increase was due to an increase in room rentals by Rs. 76.63 million or 18.55%, from Rs. 413.11 million in FY2017 to Rs. 489.74 million in FY2018, as a result of a 5.9% increase in occupancy and an approximately 12.7% increase in revenue per room night. The increase in occupancy and revenue per room per night was driven by improved customer demand, to which we later amended our pricing policy to accommodate for this increased demand. Sale of food and beverages also increased by Rs. 33.63 million or 19.27%, from Rs. 174.59 million in FY2017 to Rs. 208.22 million FY2018, broadly in line with the increase in room rentals.

Embassy Energy

Embassy Energy in the Bellary district of Karnataka commenced power generation in March 2018. It generated revenue from the sale of renewable energy of Rs. 105.29 million in FY2018.

Other income

Our other income for FY2018 was Rs. 1,544.65 million, a decrease of Rs. 62.52 million, or 3.89%, compared to Rs. 1,607.17 million in FY2017. This was primarily as a result of:

- a decrease in interest income on loan to others amounting to Rs. 394.81 million, or 45.38% from Rs. 870.04 million in FY2017 to Rs. 475.23 million in FY2018;
- a decrease in interest income on fixed deposits with banks amounting to Rs. 13.85 million, or 9.22% from Rs. 150.22 million in FY2017 to Rs. 136.37 million in FY2018;
- a decrease in dividend income on mutual funds redeemed during the year amounting to Rs. 28.06 million, or 98.24% from Rs. 28.56 million in FY2017 to Rs. 0.50 million in FY2018; and
- a decrease in profit on sale of investments (specifically our mutual funds), amounting to Rs. 26.23 million, or 45.42% from Rs. 57.75 million in FY2017 to Rs. 31.52 million in FY2018.

These decreases were partially offset by:

- an increase in interest income on related party inter-corporate deposits settled during FY2018 amounting to Rs. 302.65 million, or 141.63%, from Rs. 213.68 million in FY2017 to Rs. 516.33 million in FY2018;
- an increase in net changes in fair value of financial assets amounting to Rs. 105.64 million, or 327.53% from Rs. 32.25 million in FY2017 to Rs. 137.89 million in FY2018, primarily attributable to fair value gain on investment in mutual funds; and
- an increase in miscellaneous income, amounting to Rs. 35.06 million, or 83.61% from Rs. 41.93 million in FY2017 to Rs. 76.99 million in FY2018 primarily relating to scrap sale and a one-time electricity duty refund which we received in FY2018.
- interest income on security deposits of Rs. 102.00 million which represents unwinding of interest free security deposit given for co-development of a bare shell building by Embassy Manyata.

Other income for FY2017 was high also due to receipt of liquidated damages of Rs. 139.74 million by Embassy Techzone in FY2017, from a tenant that terminated a lease during the lock-in period.

Cost of materials consumed

Our cost of materials consumed for FY2018 was Rs. 54.55 million, an increase of Rs. 5.47 million, or 11.14%, compared to Rs. 49.08 million in FY2017. This was principally as a result of an increase in the costs of materials consumed at the Hilton at Embassy Golflinks, broadly in line with the increase in sale of food and beverages from FY2017 to FY2018.

Employee benefits expense

Our employee benefits expense for FY2018 was Rs. 214.93 million, an increase of Rs. 7.04 million, or 3.39%, compared to Rs. 207.89 million in FY2017. This was primarily on account of annual increments for employees at the Hilton at Embassy Golflinks in FY2018, and resulted in contribution to provident and other funds to increase by 15.45% from Rs. 10.41 million in FY2017 to Rs. 12.02 million in FY2018 and staff welfare expenses to increase by 9.68% from Rs. 49.63 million in FY2017 to Rs. 54.43 million in FY2018.

Operating and maintenance expenses

Our operating and maintenance expenses for FY2018 were Rs. 2,069.35 million, a decrease of Rs. 263.53 million, or 11.30%, compared to Rs. 2,332.87 million in FY2017. This was principally as a result of:

- a decrease in power and fuel expenses by Rs. 76.60 million or 10.58% from Rs. 724.22 million in FY2017 to Rs. 647.62 million in FY2018, primarily due to a decrease in power and fuel expenses at Embassy Manyata on account of lower fuel prices and lower consumption of diesel during FY2018; and
- a decrease in repairs and maintenance by Rs. 239.93 million or 20.95% from Rs. 1,145.45 million for FY2017 to Rs. 905.52 million for FY2018. Repairs and maintenance expenses were higher in FY2017 on account of asset upgradation costs, namely lobby refurbishments, food court upgrade and building refurbishments, at Embassy Manyata, Embassy Quadron, Express Towers and FIFC.

These decreases were offset by:

- an increase in property management fees by Rs. 22.95 million or 8.85%, from Rs. 259.25 million in FY2017 to Rs. 282.20 million in FY2018, primarily at Embassy Manyata, in line with the increase in facility rentals; and
- an increase in housekeeping and security services by Rs. 28.24 million from Rs. 192.97 million in FY2017 to Rs. 221.23 million in FY2018, primarily as a result of deployment of additional manpower at both Embassy Galaxy and Embassy 247 due to the addition of the food courts.

Other expenses

Our other expenses for FY2018 were Rs. 1,720.14 million, an increase of Rs. 253.32 million, or 17.27%, compared to Rs. 1,466.82 million in FY2017. This was principally as a result of the following:

- an increase in legal and professional charges by Rs. 68.20 million or 17.37% from Rs. 392.58 million in FY2017 to Rs. 460.78 million in FY2018, primarily related to legal, audit and consultancy expenses for the set-up of the REIT;
- an increase in rent by Rs. 29.39 million or 109.52% from Rs. 26.84 million in FY2017 to Rs. 56.23 million in FY2018 as a result of accrued liability of two years relating to sub-letting fees paid to the land authority (Noida) at Embassy Oxygen;
- an increase in loss on retirement of assets at Embassy Manyata and Embassy Techzone, largely office equipment, by Rs. 62.09 million or 3,120.94% from Rs. 1.99 million in FY2017 to Rs. 64.08 million in FY2018; and
- an increase in rates and taxes by Rs. 78.41 million or 97.33% from Rs. 80.56 million in FY2017 to Rs. 158.97 million in FY2018 primarily as a result of one-time payment to The Bengaluru Water Supply and Sewerage Board for the sewage treatment plant at Embassy Manyata.

These increases were partially offset by a decrease in property taxes by Rs. 11.56 million, or 1.92% from Rs. 600.70 million in FY2017 to Rs. 589.14 million in FY2018.

Impairment loss on property, plant and equipment

In FY2018, we recognized impairment loss on property, plant and equipment (including capital work in progress) amounting to Rs. 1,195.29 million related to the Four Seasons at Embassy One still under construction, for which the carrying cost as of March 31, 2018 was higher than the recoverable amount as computed in accordance with the requirements of Ind AS 36. The difference between these amounts (amounting to Rs. 1,195.29 million) was recognized as impairment loss for FY2018.

Earnings before finance costs, depreciation, amortisation, and income tax excluding share of project of equity accounted investees (EBITDA)

As a result of the foregoing, our profit before finance costs, depreciation, amortization, and income tax excluding share of profit of equity accounted investee for FY2018 was Rs. 12,408.39 million, an increase of Rs. 8.69 million or 0.07%, compared to Rs. 12,399.70 million in FY2017.

Finance costs

Our finance costs for FY2018 were Rs. 6,312.26 million, a decrease of Rs. 625.49 million, or 9.02%, compared to Rs. 6,937.75 million in FY2017. This was principally as a result of:

- a decrease in interest expense on borrowings from banks and financial institutions by Rs. 277.05 million, or 5.27% from Rs. 5,253.97 million in FY2017 to Rs. 4,976.92 million in FY2018, primarily due to re-financing of debt at lower interest rates at Embassy Techzone, Express Towers, Embassy 247, FIFC, Embassy Oxygen, Embassy Quadron, Embassy Qubix and Embassy Galaxy. This was partly offset by an increase in interest cost at Embassy One due to completion of a part of the project and the corresponding interest cost which was being capitalised during construction, now getting expensed;
- a decrease in interest expense on debentures to related parties by Rs. 266.43 million or 29.78%, from Rs. 894.76 million to Rs. 628.33 million, primarily as a result of redemption during FY2018;
- a decrease in other borrowing costs by Rs. 225.76 million or 94.97% from Rs. 237.72 million in FY2017 to Rs. 11.96 million in FY2018, primarily as a result of one-time prepayment charges on account of re-financing of debt during FY2017.

These decreases were offset by:

- an increase in Interest expense on lease deposits by Rs. 103.70 million or 32.87% from Rs. 315.47 million in FY2017 to Rs. 419.17 million in FY2018, which represents unwinding of interest free security deposit received from tenants; and

- an increase in interest expense to related parties by Rs. 39.37 million or 17.06% from Rs. 230.74 million in FY2017 to Rs. 270.11 million in FY2018 due to higher interest expense on inter corporate deposits taken by Hilton at Embassy Golflinks.

Depreciation and amortisation expense

Our depreciation and amortisation expense for FY2018 was Rs. 3,228.16 million, a decrease of Rs. 15.57 million, or 0.48%, compared to Rs. 3,243.73 million in FY2017, primarily as a result of:

- a decrease in amortization of intangible assets by Rs. 2.12 million, or 2.37%, from Rs. 89.22 million in FY2017 to Rs. 87.10 million in FY2018; and
- a decrease in depreciation of investment property of Rs. 22.40 million or 0.79%, from Rs. 2,845.06 million in FY2017 to Rs. 2,822.66 million in FY2018.

The decrease is partially offset by an increase in depreciation of plant, property and equipment by Rs. 8.95 million or 2.89%, from Rs. 309.45 million for FY2017 to Rs. 318.40 million for FY2018.

Profit before share of profit of equity accounted investees and income tax

As a result of the foregoing, we recorded Rs. 2,867.97 million in profit before share of profit of equity accounted investees and income tax for FY2018, as compared to a Rs. 2,218.22 million in FY2017, an increase of 29.29%.

Share of profit of equity accounted investees (net of income tax)

The share of profit in Embassy Golflinks as equity accounted investees (net of income tax) for FY2018 was Rs. 959.95 million, an increase of Rs. 380.62 million, or 65.70%, compared to Rs. 579.33 million in FY2017. The increase was largely a result of the following:

- an increase in rental income by Rs. 392.47 million or 14.16%, from Rs. 2,770.96 million in FY2017 to Rs. 3,163.43 million in FY2018, primarily as a result of (i) a renewal in existing leases and escalation amounting to Rs. 26.81 million and (ii) revenue from new leases signed at rentals significantly higher than in-place rental rates, amounting to Rs. 361.14 million;
- a decrease in operating and maintenance expenses by Rs. 54.48 million or 47.29% from Rs. 115.20 million in FY2017 to Rs. 60.72 million in FY2018, primarily due to a reduction in vacant area charges as a result of improved occupancy in FY2018; and
- a decrease in finance costs by Rs. 202.43 million or 26.73% from Rs. 757.22 million in FY2017 to Rs. 554.79 million in FY2018, due to lower interest rates and amortization of loans.

This was partially offset by an increase in other expenses by Rs. 67.94 million or 33.37% from Rs. 203.63 million in FY2017 to Rs. 271.57 million in FY2018. This was as a result of provision for doubtful advances of Rs. 29.42 million and a loss on sale of fixed assets of Rs. 24.26 million.

Profit before income tax

As a result of the foregoing, we recorded Rs. 3,827.92 million in profit before income tax for FY2018, as compared to a profit before income tax amounting to Rs. 2,797.55 million in FY2017, an increase of 36.83%.

Income tax expense

Our income tax expense for FY2018 was Rs. 1,258.84 million, an increase of Rs. 231.86 million, or 22.58%, compared to Rs. 1,026.98 million in FY2017 as a result of the factors below.

Current tax

Our current tax for FY2018 was Rs. 1,297.88 million, an increase of Rs. 380.46 million, or 41.47%, compared to Rs. 917.42 million in FY2017. This was principally on account of higher taxable profits at a number of the SPVs, primarily Embassy Manyata.

Deferred tax charge

Our deferred tax charge for FY2018 was Rs. 745.45 million, an increase of Rs. 29.87 million, or 4.18%, compared to Rs. 715.58 million in FY2017.

MAT Credit Entitlement

Our MAT credit entitlement for FY2018 was Rs. 784.49 million, an increase of Rs. 178.47 million or 29.45%, compared to Rs. 606.02 million in FY2017, due to an increase in the MAT credit entitlement received for FY2018, primarily accrued from Embassy Manyata, Embassy Quadron and Embassy Oxygen.

Profit for the year

As a result of the foregoing, our profit for the year for FY2018 was Rs. 2,569.08 million, an increase of Rs. 798.51 million, or 45.10%, compared to Rs. 1,770.57 million in FY2017.

Items that will not be reclassified subsequently to profit or loss—Remeasurements of defined benefit liability, net of tax

For FY2018, items that will not be reclassified subsequently to profit or loss—remeasurements of defined benefit liability, net of tax for FY2018 was Rs. 1.41 million compared to Rs. 0.69 million in FY2017.

Total comprehensive income for the year

As a result of the foregoing, our total comprehensive income for the year for FY2018 was Rs. 2,570.49 million, an increase of Rs. 799.23 million, or 45.12%, compared to Rs. 1,771.26 million in FY2017.

FY2017 compared to FY2016

Revenue from operations

Our revenue from operations for FY2017 was Rs. 14,849.20 million, an increase of Rs. 879.04 million, or 6.29%, compared to Rs. 13,970.16 million in FY2016.

We set forth below the reasons for the changes in our revenues at each Portfolio asset:

Embassy Manyata

Revenue from operations from Embassy Manyata increased by Rs. 707.01 million or 11.91%, from Rs. 5,935.53 million in FY2016 to Rs. 6,642.54 million in FY2017, primarily due to the following factors:

- completed construction of two new blocks comprising 1.30 million square feet in FY2016, which generated additional facility rentals of Rs. 345.69 million in FY2017;
- purchase of two new office floors from a third party comprising 0.37 million square feet, which generated additional facility rentals of Rs. 214.41 million;
- facility rentals from new leasing at existing blocks comprising 0.11 million square feet amounting to Rs. 129.95 million;
- facility rentals from new leases at existing blocks comprising 0.09 million square feet in FY2016, which generated revenue only for a part of FY2016 but for the full year in FY2017, amounting to Rs. 28.10 million; and
- lease renewals at higher rental rates amounting to Rs. 20.60 million.

The increase was partially offset by vacancies amounting to Rs. 45.73 million.

Embassy Quadron

Revenue from operations from Embassy Quadron increased by Rs. 4.78 million or 0.33%, from Rs. 1,440.25 million in FY2016 to Rs. 1,445.03 million in FY2017, primarily as a result of contractual rent escalation in existing leases, offset by decreases in income from maintenance services.

Express Towers

Revenue from operations from Express Towers decreased by Rs. 87.68 million or 6.79%, from Rs. 1,290.64 million in FY2016 to Rs. 1,202.96 million in FY2017, primarily as a major tenant vacated in July 2016. The space was not re-leased until December 2016 with rent commencing in July 2017, leading to reduced rental income in FY2017. In addition, there was also a decrease in income from maintenance services.

Embassy Oxygen

Revenue from operations from Embassy Oxygen increased by Rs. 117.25 million or 14.08%, from Rs. 832.73 million in FY2016 to Rs. 949.98 million in FY2017, primarily due to new leasing of office space in FY2018 and due to escalations in our existing leases. Due to new leasing, we also had higher income from maintenance services for FY2017 as compared to FY2016.

Embassy 247

Revenue from operations from Embassy 247 decreased by Rs. 15.35 million or 1.38%, from Rs. 1,112.37 million in FY2016 to Rs. 1,097.02 million in FY2017, primarily due to termination of a lease in FY2017, leading to reduced rental income in FY2017. This decrease was offset by higher income from maintenance services for FY2017 compared to FY2016.

Embassy Techzone

Revenue from operations from Embassy TechZone decreased by Rs. 52.52 million or 4.61%, from Rs. 1,140.26 million in FY2016 to Rs. 1,087.74 million in FY2017, due to termination of certain leases in FY2016, leading to reduced rental income in FY2017. The space was not re-leased until FY2018 due to regulatory requirements that the block remain vacant until the block is converted into an SEZ.

Embassy Qubix

Revenue from operations from Embassy Qubix decreased by Rs. 21.80 million or 2.79%, from Rs. 781.78 million in FY2016 to Rs. 759.98 million in FY2017, primarily as a result of reduction in fit-out rentals and tenant vacancies during FY2017. Embassy Qubix also had lower income from maintenance services for FY2017 compared with FY2016 due to higher tenant vacancies in FY2017.

Embassy Galaxy

Revenue from operations from Embassy Galaxy increased by Rs. 48.07 million or 6.67%, from Rs. 720.85 million in FY2016 to Rs. 768.92 million in FY2017, primarily as a result of contractual rent escalation in our existing leases. Income from maintenance services also increased in FY2017 compared to FY2016.

FIFC

Revenue from operations from FIFC increased by Rs. 40.10 million or 19.12%, from Rs. 209.73 million in FY2016 to Rs. 249.83 million in FY2017, primarily as a result of contractual rent escalation in our existing leases in FY2017.

Hilton at Embassy Golflinks

Revenue from operations from the Hilton at Embassy Golflinks increased by Rs. 139.18 million or 27.51%, from Rs. 506.02 million in FY2016 to Rs. 645.20 million in FY2017. This increase was due to an increase in room rentals by Rs. 95.44 million or 30.04%, from Rs. 317.67 million in FY2016 to Rs. 413.11 million in FY2017, as a result of an increase in occupancy, an increase in revenue per room night and increase in the total number of rooms as all 247 rooms became operational by March 2017). Sale of food and beverages also increased by Rs. 35.74 million or 25.74%, from Rs. 138.85 million in FY2016, compared with Rs. 174.59 million in FY2017, broadly in line with the increase in room rentals.

Other income

Our other income for FY2017 was Rs. 1,607.17 million, a decrease of Rs. 176.34, or 9.89%, compared to Rs. 1,783.51 million in FY2016. This was principally as a result of:

- a decrease in interest income on inter-corporate deposits (settled during FY2017) amounting to Rs. 180.50 million or 45.79%, from Rs. 394.18 million in FY2016 to Rs. 213.68 million in FY2017;
- a decrease in liabilities no longer required written back, of Rs. 64.89 million or 78.19% from Rs. 83.00 million in FY2016 to Rs. 18.11 million in FY2017;
- a decrease in net changes in fair value of financial assets by Rs. 55.26 million or 63.14% from Rs. 87.51 million in FY2016 to Rs. 32.25 million in FY2017 attributable to a fair value loss on our investment in mutual funds; and
- a decrease in dividend income (on mutual funds redeemed during the year) by Rs. 37.31 million or 56.64% from Rs. 65.87 million for FY2016 to Rs. 28.56 million for FY2017

These decreases were partially offset by:

- increase in interest on loan to others amounting to Rs. 36.17 million or 4.34% from Rs. 833.87 million for FY2016 to Rs. 870.04 million in FY2017, relating to additional inter corporate deposits given by Embassy Manyata; and
- liquidated damages received by Embassy TechZone in FY2017 amounting to Rs. 139.74 million from a tenant who terminated their lease within the lock-in period.

We also received a property tax refund in FY2016 amounting to Rs. 47.51 million, which contributed to higher other income in FY2016.

Cost of materials consumed

Our cost of materials consumed for FY2017 was Rs. 49.08 million, an increase of Rs. 6.72 million, or 15.86%, compared to Rs. 42.36 million in FY2016. This was principally as a result of an increase in the costs of materials consumed at the Hilton at Embassy Golflinks, broadly in line with the increase in sale of food and beverages in FY2017, compared with FY2016.

Employee benefits expense

Our employee benefits expense for FY2017 was Rs. 207.89 million, an increase of Rs. 27.38 million, or 15.17%, compared to Rs. 180.51 million in FY2016. This was principally due to the addition of employees at the Hilton at Embassy Golflinks in FY2017, which resulted in:

- salaries and wages to increase by 15.62%, from Rs. 127.88 million in FY2016 to Rs. 147.85 million in FY2017;
- contribution to provident and other funds to increase by 13.00%, from Rs. 9.21 million in FY2016 to Rs. 10.41 million in FY2017; and
- staff welfare expenses to increase by 14.31%, from Rs. 43.42 million in FY2016 to Rs. 49.63 million in FY2017.

Operating and maintenance expenses

Our operating and maintenance expenses for FY2017 were Rs. 2,332.87 million, an increase of Rs. 261.05 million, or 12.6%, compared to Rs. 2,071.82 million in FY2016. This was primarily on account of:

- an increase in repairs and maintenance primarily driven by an increase in common area maintenance by Rs. 151.67 million or 25.11% from Rs. 604.02 million for FY2016 to Rs. 755.69 million for FY2017, due to fees paid to structural consultants at FIFC; waterproofing work at Embassy Galaxy; lobby refurbishment expenses at Embassy Manyata and basement refurbishment at Embassy Quadron; and

- an increase in power and fuel expenses by Rs. 73.84 million or 11.35% from Rs. 650.38 million in FY2016 to Rs. 724.22 million in FY2017, primarily as a result of higher fuel consumption at Embassy Manyata (arising from tenants in newly constructed blocks) and Hilton at Embassy Golflinks (due to commencement of operations). This increase was partially offset by reduction in electricity rates at Embassy Quadron and Embassy Qubix.

Other expenses

Our other expenses for FY2017 were Rs. 1,466.82 million, an increase of Rs. 295.51 million, or 25.23%, compared to Rs. 1,171.31 million in FY2016. This was mainly on account of:

- an increase in property tax by Rs. 281.44 million or 88.16% from Rs. 319.26 million for FY2016 to Rs. 600.70 million for FY2017, due to property tax paid in arrears by Embassy Manyata and Embassy Qubix; and
- an increase in legal and professional charges by Rs. 87.70 million or 28.76% from Rs. 304.88 million in FY2016 to Rs. 392.58 million in FY2017.

These increases were partially offset by a decrease in rates and taxes by Rs. 98.72 million or 55.07% from Rs. 179.28 million for FY2016 to Rs. 80.56 million for FY2017. This was mainly due to stamp duty paid on registration of title documents at Express Towers and Embassy 247, sub-letting charges paid in arrears at Embassy Techzone and higher miscellaneous rates and taxes in Embassy One and at Hilton at Embassy Golflinks in FY2016.

Earnings before finance costs, depreciation, amortization, and income tax excluding share of profit of equity accounted investees (EBITDA)

As a result of the foregoing, our profit before finance costs, depreciation, amortization, and income tax excluding share of profit of equity accounted investee and tax for FY2017 was Rs. 12,399.70 million, an increase of Rs. 112.04 million or 0.91%, compared to Rs. 12,287.66 million in FY2016.

Finance costs

Our finance costs for FY2017 were Rs. 6,937.75 million, a decrease of Rs. 145.60 million, or 2.06%, compared to Rs. 7,083.35 million in FY2016. This was principally as a result of:

- a decrease in interest expense on debentures issued to related parties by Rs. 302.93 million, or 25.29%, from Rs. 1,197.69 million in FY2016 to Rs. 894.76 million in FY2017, mainly due to the redemption of debentures issued by Embassy Techzone and Embassy 247; and
- nil interest expense on debentures and nil premium on redemption on debentures in FY2017 (which amounted to Rs. 40.49 million and Rs. 42.74 million respectively, in FY2016), due to redemption of certain debentures at Express Towers.

The decrease was partially offset by:

- an increase in other borrowing costs by Rs. 145.76 million or 158.51% from Rs. 91.96 million in FY2016 to Rs. 237.72 million in FY2017, primarily due to pre-closure charges relating to early repayment of a loan by Embassy Techzone and costs associated with re-financing at other Portfolio Assets;
- an increase in interest expense on lease deposits by Rs. 73.66 million or 30.46% from Rs. 241.81 million for FY2016, to Rs. 315.47 million for FY2017. Under Ind AS, the security deposits received are discounted and accumulate over the lease term and we are required to record this as interest cost in the statement of profit and loss; and
- an increase in interest expense on banks and financial institutions by Rs. 29.59 million from Rs. 5,244.38 million in FY2016 to Rs. 5,253.97 million in FY2017 due to new loans taken or drawdowns from existing loans at Embassy Manyata and Hilton at Embassy Golflinks.

Depreciation and amortisation expense

Our depreciation and amortisation expense for FY2017 was Rs. 3,243.73 million, an increase of Rs. 85.82 million, or 2.72%, compared to Rs. 3,157.91 million in FY2016, primarily as a result of:

- an increase in depreciation of investment property of Rs. 169.41 million or 6.33%, from Rs. 2,675.65 million in FY2016 to Rs. 2,845.06 million in FY2017 in line with an increase in value of investment property due to new additions in FY2016 and FY2017;
- a decrease in amortization of intangible assets Rs. 67.47 million, or 43.06%, from Rs. 156.69 million in FY2016 to Rs. 89.22 million due to lower branding fees charged for Embassy Manyata; and
- a decrease in depreciation of plant, property and equipment of Rs. 16.12 million or 4.95%, from Rs. 325.57 million for FY2016 to Rs. 309.45 million for FY2017.

Profit before share of profit of equity accounted investees and income tax

As a result of the foregoing, we recorded Rs. 2,218.22 million in profit before share of profit of equity accounted investees and income tax for FY2017, as compared to Rs. 2,046.40 million in FY2016, an increase of 8.40%.

Share of profit of equity accounted investees (net of income tax)

The share of profit of Embassy Golflinks as equity accounted investees (net of income tax) for FY2017 was Rs. 579.33 million, an increase of Rs. 338.04 million, or 140.10%, compared to Rs. 241.29 million in FY2016. The increase was mainly on account of:

- an increase in rental income by Rs. 431.94 million or 18.47%, from Rs. 2,339.02 million in FY2016 to Rs. 2,770.96 million in FY2017, primarily as a result of revenue from new leases signed at rentals significantly higher than in-place rents, renewals of existing leases and escalations;
- a decrease in other expenses by Rs. 94.33 million or 31.66% from Rs. 297.96 million in FY2016 to Rs. 203.63 million in FY2017 on account of a one-time loss on sale of investments of Rs. 113.97 million in FY2016;
- a decrease in finance costs by Rs. 149.83 million or 16.51% from Rs. 907.05 million in FY2016 to Rs. 757.22 million in FY2017 due to lower interest rates and amortization of loans

This was partially offset by an increase in operating and maintenance expenses by Rs. 85.46 million or 287.39% from Rs. 29.74 million in FY2016 to Rs. 115.20 million in FY2017 on account of a one-time refurbishment expense of Rs. 70.07 million.

Profit before income tax

As a result of the foregoing, we recorded Rs. 2,797.55 million in profit before income tax for FY2017, as compared to a profit before income tax amounting to Rs. 2,287.69 million in FY2016, an increase of 22.29%.

Income tax expense

Our income tax expense for FY2017 was Rs. 1,026.98 million, a decrease of Rs. 328.88 million, or 24.26%, from Rs. 1,355.86 million for FY2016, mainly due to:

Current tax

Our current tax for FY2017 was Rs. 917.42 million, an increase of Rs. 201.18 million, or 28.09%, compared to Rs. 716.24 million in FY2016. This was principally on account of higher taxable profits across all of our integrated office parks, primarily Embassy Manyata, Embassy TechZone, Embassy 247, Embassy Oxygen and the Hilton at Embassy Golflinks.

Deferred tax charge

Our deferred tax charge for FY2017 was Rs. 715.58 million, a decrease of Rs. 446.98 million, or 38.45%, compared to Rs. 1,162.56 million in FY2016.

MAT Credit Entitlement

Our MAT credit entitlement for FY2017 was Rs. 606.02 million, an increase of Rs. 83.08 million or 15.89%, compared to Rs. 522.94 million in FY2016 primarily due to an increase in the MAT credit entitlement accrued for FY2017 for Embassy Manyata and Embassy Oxygen, partly offset by utilization of MAT credit by Embassy Quadron and Embassy Qubix.

Profit for the year

As a result of the foregoing, our profit for the year for FY2017 was Rs. 1,770.57 million, an increase of Rs. 838.74 million, or 90.01%, compared to Rs. 931.83 million in FY2016.

Items that will not be reclassified subsequently to profit or loss—Remeasurements of defined benefit liability, net of tax

Items that will not be reclassified subsequently to profit or loss—remeasurements of defined benefit liability, net of tax was Rs. 0.69 million in FY2017 compared to Rs. 0.79 million in FY2016.

Total comprehensive income for the year

As a result of the foregoing, our total comprehensive income for the year for FY2017 was Rs. 1,771.26 million, an increase of Rs. 838.64 million, or 89.92%, compared to Rs. 932.62 million in FY2016.

Liquidity and Capital Resources

We have in the past met our working capital and other capital requirements primarily from internal cash flows and short-term and long-term loans from banks and other financial institutions.

Financial Resources

As of December 31, 2018, we had cash and cash equivalents (net of book overdrafts) of Rs. 2,353.35 million. Cash and cash equivalents primarily consist of cash on hand; balances with banks in current accounts, escrow accounts and deposit accounts with original maturity below three months (less book overdrafts). Primarily, our liquidity requirements have been to fund construction and asset upgrades. We expect to meet our working capital and other liquidity requirements for the next 12 months from (i) cash and bank balances; (ii) cash flows from our business operations; and (iii) short term and long term loans from banks and financial institutions. As of the date of this Offer Document, the Manager believes that the Embassy Office Parks Group will have sufficient working capital to fulfil its requirements for the next 12 months after the date of listing.

The following table sets forth a selected summary of our statement of cash flows for the periods indicated.

	Nine months ended December 31,		Year Ended March 31,		
	2018	2017	2018	2017	2016
			(Rs. in millions)		
Net cash generated from operating activities	11,345.03	9,419.02	12,507.64	9,866.87	9,251.93
Net cash (used in) investing activities	(4,842.92)	(11,723.36)	(25,363.54)	(9,507.77)	(2,334.83)
Net cash generated from/(used in) financing activities	(5,585.70)	2052.34	11,628.74	914.35	(6,571.08)
Net (decrease)/increase in cash and cash equivalents	**916.41**	**(252.00)**	**(1,227.16)**	**1,273.45**	**346.02**
Cash and cash equivalents at the beginning of the year	1,436.94	2,664.11	2,664.10	1,390.66	815.35
Cash and cash equivalents at the end of the year	**2,353.35**	**2,412.11**	**1,436.94**	**2,664.11**	**1,390.66**

Cash Flow from Operating Activities

9M FY2019

Net cash generated from operating activities for 9M FY2019 was Rs. 11,345.03 million.

Our profit before income tax was Rs. 4,399.81 million, which was adjusted for share of profits for equity accounted investees, non-cash and items relating to financing and investing activities, by a net amount of Rs. 6,170.64 million, primarily for:

- finance cost amounting to Rs. 5,174.25 million;
- depreciation and amortization expense amounting to Rs. 2,686.69 million;
- impairment loss on property, plant and equipment amounting to Rs. 386.05 million;
- share of (profits) of equity accounted investees amounting to Rs. (874.89) million;
- a decrease in equity of the carved out financial statements of Embassy One amounting to Rs. (73.67) million; and
- interest income on inter-corporate deposits and fair value change in financial instruments amounting to Rs. (1,071.42) million.

There were also changes in operating assets and liabilities, comprising:

- a net decrease of other non-current and current financial and non-financial assets amounting to Rs. 2,334.05 million, primarily from payments received from a related party at Embassy Techzone, which was still outstanding as of March 31, 2018;
- a decrease in trade payables amounting to Rs. 243.92 million.

In addition, we paid income tax of Rs. 1,479.62 million.

FY2018

Net cash generated from operating activities for FY2018 was Rs. 12,507.64 million.

Our profit before income tax was Rs. 3,827.92 million, which was adjusted for share of profits for equity accounted investees, non-cash and items relating to financing and investing activities, by a net amount of Rs. 10,206.90 million, primarily for:

- finance cost amounting to Rs. 6,312.27 million;
- depreciation and amortization expense amounting to Rs. 3,228.16 million;
- impairment loss on property, plant and equipment amounting to Rs. 1,195.29 million;
- an increase in equity of the carved out financial statements of Embassy One amounting to Rs. 1,813.98 million; and
- interest income and fair value change in financial instruments amounting to Rs. (1,433.12) million.

There were also changes in operating assets and liabilities, comprising:

- a net increase of other non-current and current liabilities and provisions amounting to Rs. 370.32 million, primarily attributable to an increase in lease deposit in Embassy Manyata, an increase in liabilities in Embassy One and a decrease in liabilities in Express Towers;
- a net increase in trade receivable and inventories of Rs. 20.67 million and Rs. 0.76 million respectively;
- an increase in other non-current and current assets amounting to Rs. 690.05 million, primarily in Embassy Manyata; and
- an increase in trade payables amounting to Rs. 128.08 million.

In addition, we paid income tax of Rs. 1,314.10 million.

FY2017

Net cash generated from operating activities for FY2017 was Rs. 9,866.87 million.

Our profit before income tax was Rs. 2,797.55 million, which was adjusted for share of profits for equity accounted investees, non-cash and items relating to financing and investing activities, in a net amount of Rs. 8,527.02 million, primarily for:

- finance costs amounting to Rs. 6,937.74 million;
- depreciation and amortization expense amounting to Rs. 3,243.73 million;
- an increase in equity of carved out financial statements of Embassy One amounting to Rs. 449.86 million;
- liquidated damages amounting to Rs. (139.74) million; and
- interest income and fair value change in financial instruments amounting to Rs. (1,321.10) million;

There were also changes in operating assets and liabilities, comprising:

- an increase in other non-current and current assets amounting to Rs. 509.06 million, which related primarily to payment under protest to government authorities at Embassy Manyata;
- an increase in other non-current and current liabilities and provisions amounting to Rs. 738.31 million, which related primarily to an increase in financial liabilities;
- an increase in inventories amounting to Rs. 542.02 million, which related primarily to a build-up of inventories at Embassy One; and
- a reduction in trade payables amounting to Rs. 179.68 million on account of reduction in outstanding vendor dues across all assets.

In addition, we paid income taxes of Rs. 1,002.25 million.

FY2016

Net cash generated from operating activities for FY2016 was Rs. 9,251.93 million.

Our profit before income tax was Rs. 2,287.69 million, which was adjusted for share of profits for equity accounted investees, non-cash and items relating to financing and investing activities, in a net amount of Rs. 7,677.39 million, primarily for:

- depreciation and amortization expense amounting to Rs. 3,157.91 million;
- finance costs amounting to Rs. 7,083.34 million;
- interest income and fair value change in financial instruments amounting to Rs. (1,500.72) million; and
- decrease in equity of carved out financial statements of Embassy One amounting to Rs.(745.93) million.

There were also changes in operating assets and liabilities broadly comprise of:

- an increase in other non-current and current assets amounting to Rs. 735.18 million, which related primarily to increase in prepayment, unbilled revenue and fixed deposit (on lien) at Embassy Manyata;
- an increase in other non-current and current liabilities and provisions amounting to Rs. 373.59 million; related primarily to receipt of lease deposit at Embassy Manyata; and
- an increase in trade payables amounting to Rs. 245.90 million, which related primarily to increase in trade payable across all assets

In addition, we paid income taxes of Rs. 632.03 million.

Cash Flow from Investing Activities

9M FY2019

Our net cash used in investing activities for 9M FY2019 was Rs. 4,842.92 million, primarily due to:

- acquisition of investment property and property, plant and equipment amounting to Rs. 7,098.14 million for construction work-in-progress, primarily relating to construction costs incurred at Embassy One for the office, retail and hotel properties; the construction of a tower at Embassy Oxygen, and the construction of a front parcel mixed-use project (which includes office properties) and the proposed Hilton at Embassy Manyata;
- net repayment of inter-corporate deposit amounting to Rs. 1,360.00 million in relation to the repayment of the inter-corporate deposit of Rs. 1,910 million, set-off by additional inter-corporate deposits given of Rs. 550 million;
- investments in mutual fund (net) amounting to Rs. 358.76 million; and
- interest income received on inter-corporate deposits, fixed deposits and loan to others of Rs. 730.40 million.

FY2018

Our net cash used in investing activities in FY2018 was Rs. 25,363.54 million, primarily due to:

- acquisition of investment property and property, plant and equipment amounting to Rs. 19,747.82 million, primarily relating to investments in our solar park; construction costs incurred at Embassy One in relation to the construction of office, retail and hotel properties; advances paid for the purchase of co-development rights at Embassy Manyata (the advances were paid to the Embassy Sponsor under various composite agreements. As per these agreements, MPPL is required to pay an amount of Rs 6,550.00 million to the Embassy Sponsor as consideration for the co-development of a bare shell building at Embassy Manyata. MPPL has to enter into a sub-lease agreement with the Embassy Sponsor for an initial lease period of 30 years for 6 acres and 25.46 guntas of land for which MPPL has paid advance towards one time lease premium of Rs 300 million (included in Rs 6,550 million above). The amount of Rs 6,550 million includes advance payments made by MPPL towards development consideration, one time lease premium and development fee. The balance payments to be made will be linked to construction milestones and other factors including construction progress, actual area delivered, leasing of the area and net operating income.); a front parcel mixed use project (including office properties and the proposed Hilton at Embassy Manyata); infrastructure upgradations at various assets; and construction costs at Embassy Oxygen.
- inter-corporate deposit given amounting to Rs. 5,837.10 million;
- investments in mutual fund (net) amounting to Rs. 1,170.32 million; and
- interest income received on inter-corporate deposits, fixed deposits and loan to others of Rs. 1,132.43 million.

FY2017

Our net cash used in investing activities in FY2017 was Rs. 9,507.77 million, primarily due to:

- acquisition of investment property and property, plant and equipment amounting to Rs. 7,777.09 million, primarily relating to construction of new blocks, advance paid for purchase of co-development rights at Embassy Manyata, construction of the front parcel mixed use project (including office space and the proposed Hilton at Embassy Manyata) and infrastructure upgrade projects at Embassy Manyata; construction costs incurred at Embassy One for the construction of office, retail and hotel properties; construction costs at Embassy Oxygen and refurbishments at Express Towers;
- inter-corporate deposit given amounting to Rs. 1,112.42 million;
- increase in fixed deposits (on lien) amounting to Rs. 762.34 million;
- interest received amounting to Rs. 343.26 million; and
- investments in mutual fund amounting to Rs. 227.75 million.

FY2016

Our net cash used in investing activities in FY2016 was Rs. 2,334.83 million, primarily due to:

- acquisition of investment property and property, plant and equipment amounting to Rs. 5,108.05 million, primarily relating to the construction of new blocks and office space at Embassy Manyata, upgradation and construction of new rooms at Hilton at Embassy Golflinks, infrastructure upgrade at Embassy Techzone and stamp duties at Embassy 247;
- receipt of advance given for purchase of shares with compensation amounting to Rs. 3,432.80 million at Embassy Techzone;
- investments in mutual fund amounting to Rs. 720.40 million;
- interest received amounting to Rs. 546.41 million on various ICDs and other deposits;
- inter-corporate deposit given amounting to Rs. 474.74 million by Embassy Manyata to related parties; and
- purchase of investments amounting to Rs. 169.93 million at Embassy Techzone.

Cash Flow from Financing Activities

9M FY2019

Our net cash used in financing activities in 9M FY2019 was Rs. 5,585.70 million, primarily due to:

- proceeds from borrowings amounting to Rs. 2,475.75 million;
- finance costs paid amounting to Rs. 7,061.45 million; and
- redemption of debentures amounting to Rs. 1,000 million in relation to ICD repayment at Embassy Techzone in June 2018.

FY2018

Our net cash provided by financing activities in FY2018 was Rs. 11,628.74 million, primarily due to:

- proceeds from borrowings amounting to Rs. 19,335.45 million;
- finance costs paid amounting to Rs. 5,515.35 million; and
- payment on capital reduction of equity shares amounting to Rs. 2,191.48 million at Embassy Qubix and Embassy Galaxy.

FY2017

Our net cash provided by financing activities in FY2017 was Rs. 914.35 million, primarily due to:

- proceeds from borrowings amounting to Rs. 6,795.20 million; and
- finance costs paid amounting to Rs. 5,880.85 million.

FY2016

Our net cash used in financing activities in FY2016 was Rs. 6,571.08 million, primarily due to:

- redemption of debentures amounting to Rs. 9,714.70 million at Embassy Techzone, Express Towers and Embassy 247;
- proceeds from borrowings amounting to Rs. 8,482.21 million;
- finance costs paid amounting to Rs. 6,710.21 million; and
- issue of share capital at Embassy 247, Embassy Manyata and Embassy Techzone amounting to Rs. 1,371.64 million.

Borrowings

The following table presents a breakdown of borrowings of the Embassy Office Parks Group as at December 31, 2018.

	As at December 31, 2018
	(Rs. in millions)
Non-related party	
Long Term Borrowings	66,231.11
Current Maturities of Long Term Borrowings	5,284.31
Short term borrowings	3,195.49
Deferred Payment Liability	6,690.55
Interest Accrued but not due	-
Related party	
Long term borrowings	3,590.62
Current maturities of long term borrowings	-
Short term borrowings	53.88
Interest Accrued but not due	-
Interest Accrued and due	19.55
Total Debt	**85,065.51**

As of December 31, 2018, substantially all of our borrowings were floating-rate borrowings. See "*—Market Risks—Interest Rate Risk*" below. As of December 31, 2018, substantially all of our borrowings were secured.

For details of our borrowings as of December 31, 2018, see "*Leverage and Capitalization*" on page 360.

For details of our borrowings as of December 31, 2018, see "*Financial Indebtedness*" on page 373.

We propose to raise external debt funding to refinance a portion of the existing debt of the Asset SPVs through repayment of existing loans and certain deferred payment obligations and to fund construction of certain projects after the listing of the Units. We have also executed an indicative and non-binding term sheet with a consortium of lenders to borrow the REIT Debt Financing, subject to certain securities and financial covenants. Definitive documentation for availing the REIT Debt Financing is expected to be executed after the completion of this Issue and the listing of the Units. For further details, please see "*Financial Indebtedness—Indicative Terms of the REIT Debt Financing*" and "*Use of Proceeds*" on pages 375 and 381.

Capital Expenditures and Capital Investments

Historical Capital Expenditures

Capital expenditure comprises of additions during the year to property, plant and equipment, capital-work-in progress, investment property and investment property under development.

In 9M FY2019, we incurred capital expenditure of Rs. 6,487.14 million, primarily for the construction of the front parcel at Embassy Manyata, construction at Embassy One and construction of a tower at Embassy Oxygen.

In FY2018, we incurred capital expenditure of Rs. 16,733.13 million, which was primarily towards construction of the solar plant, construction of two new blocks and part of a front parcel at Embassy Manyata, construction at Embassy One and construction of a tower at Embassy Oxygen.

In FY2017, we incurred capital expenditure of Rs. 5,347.25 million, which was primarily for upgrade at Express Towers, front parcel construction at Embassy Manyata, construction at Embassy One and construction of a tower at Embassy Oxygen.

In FY2016, we incurred capital expenditure of Rs. 7,712.18 million, which was primarily towards the construction of two new blocks at Embassy Manyata.

Planned Capital Expenditures

Our capital commitments as at December 31, 2018, towards these projects was Rs. 6,511.01 million.

For more information on our capital expenditures, please see "*Projections—VIII. Other key assumptions (relevant for cash outflow from income tax payments for computing Cash flows from operating activities and the calculations of NDCF—Capital expenditure*" on page 347.

We expect to fund the above planned capital expenditures through sanctioned construction financing and lease rental discounting which are available to us.

Our actual capital expenditure may differ from the amounts set out above due to various factors, including our future cash flows, results of operations and financial condition, changes in the local economy in India, the availability of financing on terms acceptable to us, problems in relation to possible construction/development delays, defects or cost overrun, delays in obtaining or receipt of governmental approval, changes in the legislative and regulatory environment and other factors that are beyond our control.

For project-wise details of our planned capital expenditure, please refer to Section VI of the basis and notes to the projections report.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of December 31, 2018.

	Payments Due by Period				
	Within One Year	After One Year but within Three Years	After Three Years but within Five Years	More than Five Years	Total
			(Rs. in millions)		
Finance Lease	0.19	0.58	0.39	0.32	1.48
Current maturity of Long-term Borrowings	5,284.31	—	—	—	5,284.31
Deposits	5,931.71	1,210.71	1,233.45	210.67	8,586.55
Trade Payables	172.99	—	—	—	172.99
Capital Creditors	786.07	115.51	24.02	—	925.60
Capital Commitment	4,448.05	2,062.96	—	—	6,511.01
Total	**16,623.33**	**3,389.76**	**1,257.86**	**210.99**	**21,481.94**

Our capital commitments as of December 31, 2018 amounted to Rs. 6,511.01 million. These capital commitments are related to capital expenditure upgrades at Embassy Techzone, construction of the Four Seasons at Embassy One, construction of two towers at Embassy Oxygen and sub-station works, master plan upgrades and front-parcel work and development of the M-3 land parcel comprising 1.0 msf of under construction area at Embassy Manyata.

We plan to fund these contractual obligation and contractual commitments through our internal cash flows and bank borrowings.

Off-Balance Sheet Arrangements and Contingent Liabilities

We do not have any material off-balance sheet arrangements.

The table below sets forth our contingent liabilities as of December 31, 2018, March 31, 2018, March 31, 2017 and March 31, 2016:

	As at December 31,	As at March 31,		
	2018	2018	2017	2016
		(Rs. in millions)		
Claims against the SPVs not acknowledged as debt in respect of Income-Tax matters	222.50	79.75	259.47	3,759.97
Claims against the SPVs not acknowledged as debt in respect of Value Added Tax matters	—	—	—	24.04
Claims against the SPV not acknowledged as debt in respect of Service Tax matters	624.29	625.31	778.28	1,249.40
Claims not acknowledged as debt in respect of Property Tax matters	3,499.57	3,499.57	2,739.50	2,741.96
Forfeiture of security deposit matter	40.32	40.32	40.32	40.32
Claim from civil contractors	—	—	—	950.00
Claims for wheeling and banking charges, cross subsidy charges and other charges	335.44	33.90	—	—

Non-GAAP Measures—Net Operating Income ("NOI")

Based on the 'management approach' as specified in Ind AS 108, our chief operating decision maker ("**CODM**") evaluates our performance and allocates resources based on an analysis of various performance indicators by operating segments. We use NOI internally as a performance measure and believe it provides useful information to investors regarding our financial condition and results of operations because it provides a direct measure of the operating results of our business segments. Other companies may use different methodologies for calculating NOI, and accordingly, our presentation of the same may not be comparable to other companies.

We define NOI for each of our segments as follows:

- **Commercial Offices**: NOI for commercial offices is defined as:
  - Revenue from operations (which includes (i) facility rentals, (ii) maintenance services income, (iii) income from finance lease and (iv) other operating income) *less*
  - Direct operating expenses (which includes (i) operating and maintenance expenses, excluding repairs to buildings and property management fees, (ii) property taxes, (iii) rent, and (iv) insurance).
- **Other segments**: NOI for our other segments comprises NOI for hotels (comprising the Hilton at Embassy Golflinks for the periods up to December 31, 2018) and NOI for Embassy Energy; and is defined as below:
  - Revenue from operations (which includes (i) room rentals, (ii) sale of food and beverages, (iii) other operating income for hospitality, and (iv) income from generation of renewable energy) *less*
  - Direct operating expenses (which includes (i) cost of materials consumed, (ii) employee benefits expenses, (iii) operating and maintenance expenses excluding property management fees, and (iv) other expenses)

We believe that the comparable Ind AS metric to our NOI is profit for the year. Therefore, the following table presents a reconciliation of our combined NOI to profit for the periods indicated below:

Particulars	Nine months ended December 31, 2018	Year ended March 31, 2018	2017	2016
		(Rs. in millions)		
Profit for the period	**2,851.14**	**2,569.08**	**1,770.57**	**931.83**
Add: Income tax expense	1,548.67	1,258.84	1,026.98	1,355.86
Profit before income tax	**4,399.81**	**3,827.92**	**2,797.55**	**2,287.69**
Less: Share of Profit of equity accounted investees (net of income tax)	(874.89)	(959.95)	(579.33)	(241.29)
Profit before share of profit of equity accounted investees and income tax	**3,524.92**	**2,867.97**	**2,218.22**	**2,046.40**
Add: Depreciation and amortization expense	2,686.69	3,228.16	3,243.73	3,157.91
Add: Finance costs	5,174.25	6,312.26	6,937.75	7,083.35
Earnings before finance costs, depreciation, amortization, and income tax excluding share of profit of equity accounted investees	**11,385.86**	**12,408.39**	**12,399.70**	**12,287.66**
Add: Impairment loss on property plant and equipment	386.05	1,195.29	—	—
Less: Other income	(1,172.47)	(1,544.65)	(1,607.17)	(1,783.51)
Add: Other expenses excluding property tax, rent and insurance	662.75	1,031.41	804.70	777.02
Add: Property management fees	325.83	282.20	259.25	234.43
Add: Select expenses for the commercial offices segment				
Repairs to building [(1)]	499.54	295.66	523.28	481.38
Employee costs [(2)]	219.83	61.95	74.56	71.06
Less: Select expenses for the other segments				
Other expenses [(3)]	(722.92)	(191.27)	(195.05)	(154.71)
NOI	**11,584.47**	**13,538.98**	**12,259.27**	**11,913.33**

Notes:

1. *Corresponds to a portion of the "Operating and maintenance expenses" line item shown on the Condensed Combined Financial Statements, which comprises expenses incurred by our commercial offices segment from civil and other repairs to our buildings which we do not consider as part of our direct operating costs. Hence, such expenses are excluded from our calculation to arrive at NOI.*
2. *Corresponds to a portion of the "Employee benefits expense" line item shown on the Condensed Combined Financial Statements, which comprises certain employee costs incurred by our commercial offices segment which we do not consider as part of our direct operating costs. Hence, such expenses are excluded from our calculation to arrive at NOI.*
3. *Corresponds to a portion of "Other expenses" line item shown on the Condensed Combined Financial Statements, as incurred by our other segments, which we consider to be a part of our direct operating costs. Hence, such expenses are included in our calculation to arrive at NOI.*

NOI as calculated by us is a primary driver of our managerial assessments and decision-making process. We therefore consider NOI to be a meaningful supplemental financial measure of our performance when considered with the Condensed Combined Financial Statements determined in accordance with Ind AS. We believe NOI is helpful to investors in understanding the performance of our Commercial Offices, the Hilton at Embassy Golflinks and Embassy Energy because it provides a direct measure of the operating results of our core businesses.

NOI does not have a standardised meaning, nor is it a recognized measure under Ind AS or IFRS, and may not be comparable with measures with similar names presented by other companies. NOI should not be considered by itself or as a substitute for comparable measures under Ind AS or IFRS or other measures of operating performance, liquidity or ability to pay dividends. Our NOI may not be comparable to the NOI of other companies/REITs due to the fact that not all companies/REITs use the same definition of NOI. Accordingly, there can be no assurance that our basis for computing this non-GAAP measure is comparable with that of other companies/REITs.

For further information in relation to EBITDA, please see "*Principal Components of our Combined Statement of Profit and Loss – Earnings before finance costs, depreciation, amortization and income tax, excluding share of profits of equity accounted investees (EBITDA)*" on page 293.

Quality of Earnings Discussion

Set forth below is a brief summary of our key accounting policies relating to the key components of our results of operations:

Rental income from our Portfolio assets

Rental income from property leased under operating leases is recognized in the income statement on a straight-line basis over the term of the lease unless increase in rentals are in line with expected general inflation. Lease incentives granted are recognized as an integral part of the total rental income. The lease term is the non-cancellable period together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, we are reasonably certain that the tenant will exercise that option.

Revenue from maintenance services is recognized as and when the services are rendered based on the terms of the contracts with the lessees.

Income from finance lease

The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

Revenue from Room Rentals

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

Market Risk

We are exposed to interest rate risk and credit risk, among others. Our risk management approach seeks to minimize the potential material adverse effects from these exposures. We have implemented risk management policies and guidelines that set out our tolerance for risk and our general risk management philosophy. Accordingly, we have established a framework and process to monitor the exposures to implement appropriate measures in a timely and effective manner.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations. Substantially all (98.36% as of December 31, 2018) of our indebtedness is subject to floating interest rates.

Credit Risk

General economic conditions or the specific financial conditions of our tenants may deteriorate. Such events could negatively impact our tenants' ability to fulfil their lease commitments and, accordingly, our ability to maintain or increase occupancy levels or rental income from our properties. Existing and/or potential tenants may explore consolidating or reducing space needs in order to reduce their operating costs. Others may prefer to defer decisions such as entering into new long-term leases.

Inflation Risk

Our business is subject to inflation risk. Higher general inflation may increase our operating and maintenance costs to run our assets. Further, corporate overhead costs may increase and affect our margins.

Known Trends and Uncertainties

Except as described in "*Our Business and Properties*" and "*Risk Factors*", there are no known trends or uncertainties which are expected to have a material adverse impact on our revenues from operations.

Unusual or Infrequent Events or Transactions

Other than as described in this section and in "*Risk Factors*" and "*Our Business and Properties*" on pages 22 and 131 respectively, there have been no events or transactions which may be described as "unusual" or "infrequent".

Significant economic changes that materially affected or are likely to affect revenue from operations

Other than as described in this section and in "*Risk Factors*", "*Industry Overview*" and "*Our Business and Properties*" on pages 22, 64 and 131 respectively, there have been no significant economic changes that materially affected or are likely to affect income from continuing operations.

Material Increases in Net Revenues and Sales

Material increases in our net revenues and sales are primarily due to the reasons described in *"—Results of Operations*" above on page 294.

Total Revenues of Each Major Industry Segment in which the Embassy REIT Operates

We report our financial results according to two operating segments: leasing of office spaces and hospitality. For further details, please see Note 47 on operating segments to the Condensed Combined Financial Statements on page 598.

Future Change in Relationships between Costs and Income

Other than as described in this section and the sections of this Offer Document entitled "*Risk Factors*" and "*Our Business and Properties*" and on pages 22 and 131 respectively, there are no known factors which will have a material adverse impact on our operations or finances.

New Product or Business Segments

As of the date of this Offer Document, we do not have any plans for new business segments.

Competitive Conditions

For a description of the competitive conditions in which we operate, see the section of this Offer Document entitled "*Industry Overview—Our Markets—Competition*" on page 287.

Tenant Concentration

For the details of our tenant concentration, see "*Risk Factors—A significant portion of our revenues are derived from a limited number of large tenants, tenants in the technology sector and from a few parks. Any conditions that impact these tenants, sector or parks may adversely affect our business, revenue from operations and financial condition*" on page 26.

Seasonality

Our business is not subject to material seasonal fluctuations.

Related Party Transactions

For details on the procedure for dealing with related party transactions, please see "*Related Party Transactions—Procedure for Dealing with Related Party Transactions*" on page 243.

Significant Developments since December 31, 2018

Unless stated in the Offer Document, the Manager believes that there has not been any circumstances since December 31, 2018 which materially and adversely affect or are likely to affect the business or profitability of the Embassy REIT, the value of its assets, or its ability to pay its liabilities, for the next 12 months. For details on the changes in capital of some of the Asset SPVs after December 31, 2018, please see "*Leverage and Capitalization*" on page 360.

PROJECTIONS

Independent Auditor's Report on projections of revenue from operations, net operating income, earnings before interest, tax, depreciation and amortization, cash flow from operating activities and net distributable cash flows and the underlying assumptions

To
Axis Trustee Services Limited ('Trustee of Embassy Office Parks REIT')
Ground Floor, Axis House,
Bombay Dyeing Mills Compound, Pandurang Budhkar Marg,
Near Wadia International Centre, Worli, Mumbai – 400 025

and

Embassy Office Parks Management Services Private Limited ('EOPMSPL' or 'the Manager') 1st Floor,
Embassy Point,
150, Infantry Road,
Bangalore-560 001

We have examined the accompanying statement of projections of revenue from operations, net operating income, earnings before interest, tax, depreciation and amortisation, cash flow from operating activities and net distributable cash flows and the underlying assumptions of Embassy Office Parks Group. The Embassy Office Parks Group is comprised of the Embassy Office Parks Real Estate Investment Trust (the 'Embassy Office Parks REIT' or the 'Trust') and Embassy Office Parks Private Limited ('EOPPL'), Manyata Promoters Private Limited ('MPPL'), Umbel Properties Private Limited ('UPPL'), Embassy-Energy Private Limited ('EEPL'), Galaxy Square Private Limited ('GSPL'), Quadron Business Park Private Limited ('QBPL'), Qubix Business Park Private Limited ('QBPPL'), Oxygen Business Park Private Limited ('OBPPL'), Earnest Towers Private Limited ('ETPL'), Vikhroli Corporate Park Private Limited ('VCPPL'), Indian Express Newspapers (Mumbai) Private Limited ('IENMPL') and a carved out portion of Embassy One Developers Private Limited ('EODPL') (individually referred to as 'Asset Special Purpose Vehicle' or 'Asset SPV's), which are proposed to be transferred from the existing shareholders of the Asset SPVs to Embassy Office Parks REIT as well as the projections of revenue from operations, net operating income, earnings before interest, tax, depreciation and amortisation, cash flow from operating activities and net distributable cash flows and the underlying assumptions of Golflinks Software Park Private Limited (GLSP) which is an equity accounted investee of EOPPL for the years ending 31 March 2019, 31 March 2020 and 31 March 2021 along with the basis of preparation and other explanatory information and the significant assumptions (Statement of projections of revenue from operations, net operating income, earnings before interest, tax, depreciation and amortisation, cash flow from operating activities and net distributable cash flows along with the related assumptions for the Embassy Office Parks Group and each of the SPVs along with GLSP are hereinafter referred to as the "Projection Information"), for the purpose of inclusion in the Offer Document and Final Offer Document in accordance with Standard on Assurance Engagement 3400, "The Examination of Prospective Financial Information", issued by the Institute of Chartered Accountants of India. Further, as more fully explained in Note I to Purpose and basis of preparation of the Projection Information, GLSP is a portfolio investment as defined under regulation 18(5)(da) of the REIT regulations and is not considered as an SPV as per REIT regulations. However, the Manager has provided the Projection Information of GLSP voluntarily as an additional disclosure.

The preparation and presentation of the Projection Information including the underlying assumptions annexed to this report, in accordance with the requirements of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, issued by Securities and Exchange Board of India, as amended from time to time, and any circulars issued thereunder (collectively referred to as " REIT Regulations"), is the responsibility of the Manager of the Trust and has been approved by the Manager of the Trust for inclusion in the Offer Document and Final Offer Document. Our responsibility is to examine the evidence supporting the assumptions and other information in the Projection Information. Our responsibility does not include verification of projections. Therefore, we do not vouch for the accuracy of the same.

This Projection Information has been prepared in accordance with the requirements of the REIT Regulations for inclusion in the Offer Document and Final Offer Document in connection with the proposed Initial Public Offering of Units of Embassy Office Parks REIT (the "Offering"). The projection has been prepared using a set of assumptions that include hypothetical assumptions about future events and Management's actions that are not necessarily expected to occur. Consequently, users are cautioned that this Projection Information may not be appropriate for purposes other than that described above.

We have carried out our examination of the Projection Information on a test basis, in accordance with Standard on Assurance Engagement 3400, "The Examination of Prospective Financial Information", issued by the Institute of Chartered Accountants of India, taking into consideration the terms of our engagement agreed with you in our engagement letter dated 12 September 2018 along with the addendum to the engagement letter dated 28 February 2019 requesting us to carry out work on the Projection Information to be included in the Offer Document and Final Offer Document in connection with the Offering.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Projection Information, assuming the hypothetical assumptions as mentioned in Note II to Note IX to the Projection Information.

Further, in our opinion the Projection Information is properly prepared on the basis of the assumptions as set out in Note II to Note IX to the Projection Information and on a consistent basis using appropriate accounting principles used for the preparation of the historical combined financial statements as required by the REIT Regulations, which are prepared in accordance with Indian Accounting Standards ("Ind AS") as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.

Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the projections since other anticipated events frequently do not occur as expected and the variation may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India, including in the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. US securities regulations do not require profit forecasts to be reported on by a third party. This report should not be relied upon by prospective investors in the United States of America, including persons who are Qualified Institutional Buyers as defined under Rule 144A under the United States Securities Act of 1933 participating in the Offering. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation.

This report is intended solely for your information and for inclusion in the Offer Document and Final Offer Document and is not to be used, referred to or distributed for any other purpose.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W - 100024

Rushank Muthreja
Partner
Membership No. 211386

Place: Bengaluru
Date: 1 March 2019

General Terms, Definitions and Abbreviations

Term	Definition
REIT Related Terms	
Embassy Office Parks REIT	Embassy Office Parks REIT, set up on March 30, 2017 as an irrevocable trust under provisions of the Indian Trusts Act, 1882 and registered with SEBI as a real estate investment trust under the REIT Regulations
Portfolio Assets or Asset SPVs (together the Asset Portfolio)	MPPL, VCPPL, IENMPL, ETPL, EOPPL, QBPL, QBPPL, OBPPL, GSPL, Carved out portion of EODPL (including office, retail and hotel collectively referred to as Embassy One) which is proposed to be transferred to QBPL pursuant to the Business Transfer Agreement, UPPL and EEPL. All the Portfolio Assets together are referred to as the Asset Portfolio. For details refer to *Portfolio Overview*
Embassy Office Parks Group	Embassy Office Parks Group is comprised of the Embassy Office Parks REIT and Asset SPVs.
Portfolio	Together, the Portfolio Assets and the Portfolio Investment
Portfolio Investment	Embassy Golflinks Software Park Private Limited or GLSP or Embassy Golflinks or Investment Entity which owns Embassy Golflinks Business Park. GLSP is classified as Portfolio Investment as defined under regulation 18(5)(da) as per REIT Regulations and is not considered as an Asset SPV as per REIT regulations. Accordingly, it is not required to comply with the investment and distribution policy as required under REIT regulations. While GLSP is not an Asset SPV, considering that it will be a significant portfolio investment, the Manager has provided additional disclosure of projections for GLSP. Embassy Office Parks Group will own 100% in EOPPL which holds 50% of the equity shareholding in GLSP. All numbers presented for Embassy Golflinks in this report represent the entity as a whole and are not pro-rated to 50% unless otherwise specified
IPO or Issue	Initial Public Offering of the units of Embassy Office Parks Group
Manager	Embassy Office Parks Management Services Private Limited
Shareholder Debt	Debt to be provided by the Embassy Office Parks Group to the Asset SPVs and the Portfolio Investment for the partial or full repayment or pre-payment of debt of the Asset SPVs and the Portfolio Investment
Trustee	Axis Trustee Services Limited
General Terms	
CAM	Common Area Maintenance. For further details, refer to *Indicative Profit and Loss Statement Framework Used for the Purposes of Projections* and *Revenue drivers and assumptions*
Commercial Offices	Together, Office Parks, City Centre Offices and the Portfolio Investment. For details, refer to *Portfolio Overview*
Condensed Combined Financial Statements	The special purpose condensed combined financial statements of Embassy Office Parks Group, which comprise: • the combined balance sheet as at 31 December 2018, 31 March 2018, 31 March 2017 and 31 March 2016; • the combined statement of profit and loss, combined statement of cash flow, combined statement of changes in equity, and a summary of significant accounting policies and other explanatory information for the nine months ended 31 December 2018 and years ended 31 March 2018, 31 March 2017 and 31 March 2016; • statement of net assets at fair value as at 31 December 2018; and • statement of total returns at fair value for the nine months ended 31 December 2018 and year ended 31 March 2018 The condensed combined financial statements have been prepared in accordance with the basis of preparation described in Note 2.1 to the condensed combined financial statements. Embassy Office Parks group (in relation to the Condensed Combined Financial Statements) includes EOPPL, MPPL, UPPL, EEPL, GSPL, QBPL, QBPPL, OBPPL, ETPL, VCPPL, IENMPL and the carved out financial statements of Embassy One Developers Private Limited (including office, retail and hotel which is proposed to be transferred to QBPL pursuant to the Business Transfer Agreement)
CSR	Corporate Social Responsibility
Fiscal or FY	Year ending March 31
9M FY2019 actual	Nine months from April 1, 2018 to December 31, 2018
3M FY2019 projections	Three months from January 1, 2019 to March 31, 2019
Ind AS	Indian Accounting Standards

Term	Definition
INR	Indian rupees
IT Act	Income Tax Act, 1961
KERC	Karnataka Electricity Regulatory Commission
mn	Million
NA	Not Applicable
NM	Not Material
Projections	Projections of the Embassy Office Parks Group, Asset SPVs and the Portfolio Investment
Projections Period[1]	The three fiscal years commencing April 1, 2018 and ending March 31, 2021
SEBI	Securities and Exchange Board of India
Operational and Financial Metrics	
Base Rentals (INR)	Rental income contracted from the leasing of Completed Area; does not include fit-out and car parking income
Base Rent (INR psf per month)	$\frac{\textit{Base Rentals for the specified period}}{\textit{Occupied Area * monthly factor}}$
Cash flows from operating activities[2]	Cash flows from operating activities is computed in accordance with the requirements of Ind-AS 7 – Statement of Cash Flows
Committed Occupancy	$\frac{\textit{(Occupied Area) + (Completed Area under Letters of Intent)}}{\textit{Completed Area}}$ *in %*
Completed Area(sf)	Leasable Area for which occupancy certificate has been received and includes area for which construction has been completed and occupancy certificate is awaited
EBITDA[3]	Earnings before interest, tax, depreciation and amortization excluding share of profit of equity accounted investees. For further details on calculation of EBITDA, refer to *Indicative Profit and Loss Statement Framework Used for the purposes of Projections* and *Drivers and assumptions for NOI and EBITDA* along with *Annexure D: Reconciliation of Historical NOI and EBITDA to Profit after income tax*
EBITDA Margin[3]	$\frac{\textit{EBITDA}}{\textit{Revenue from operations}}$ *in %*
In-place Rent (psf per month)	Base Rent for the relevant period
kWh	Kilowatt hour
Leasable Area (sf)	Total square footage that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation (Sum of Completed Area, Under Construction Area and Proposed Development Area)
Letters of Intent	Non-binding agreements with tenants to lease space in Commercial Offices
Market Rent	Manager's estimate of Base Rent that can be expected from leasing of the asset to a tenant as of March 2018; does not include fit-out, car parking income and other income from telecom tower, retail kiosks, food-court operators and others
Market Rentals	Market Rent multiplied by the applicable Leasable Area assumed to be occupied by, or assigned to tenants pursuant to the relevant new lease(s)
msf	Million square feet
NDCF[4]	Net Distributable Cash Flow for the Embassy Office Parks Group proposed to be calculated by the Manager in the manner laid out in *Annexure C: NDCF framework for the Embassy* Office Parks Group. For further details, refer to *Drivers and Assumptions for NDCF* and *Annexure C: NDCF framework for the Embassy Office Parks Group*
NOI[5]	Net Operating Income calculated by subtracting Direct Operating expenses from Revenue from operations. For further details on calculation of NOI, refer to *Indicative Profit and Loss Statement Framework Used for the purposes of Projections* and *Drivers and assumptions for NOI and EBITDA* along with *Annexure D: Reconciliation of Historical NOI and EBITDA to Profit after income tax*
NOI Margin[5]	$\frac{\textit{NOI}}{\textit{Revenue from operations}}$ *in %*

Term	Definition
Occupancy	Occupancy for Commercial Offices is calculated based on the below: $\frac{\text{Occupied Area}}{\text{Completed Area}}$ in %
	Occupancy for Hotels is calculated based on the below: $\frac{\text{Occupied rooms or keys}}{\text{Completed rooms or keys}}$ in %
Occupied Area	Completed Area for which lease agreements have been signed with tenants (and for Projections Period, assumed to be signed)
psf pm	per sf per month
PLF	Plant load factor
Proposed Development Area (sf)	Leasable Area of a property for which the master plan for development has been obtained, internal development plans are yet to be finalized and applications for requisite approvals required under law for commencement of construction are yet to be made
PPA	Power Purchase Agreement
Revenue from operations(6)	For details on components of Revenue from operations, refer to *Indicative Profit and Loss Statement Framework Used for the Purposes of Projections*
sf	Square feet
Stabilized occupancy	Estimated Occupancy once a hotel achieves stabilization of operations
Under construction area (sf)	Leasable Area for which internal development plans have been finalized and requisite approvals as required under law for the commencement of construction have been applied for, construction has commenced and the occupancy certificate is yet to be received
WALE	Weighted Average Lease Expiry (weighted according to facility rentals excluding impact of Ind-AS adjustments) assuming that each tenant exercises the right to renew for future terms after expiry of initial commitment period

Notes:

1) The Projections for FY2019 are in part derived from the REIT's 9M FY2019 actual financial information, as adjusted to give effect to the REIT's expected post-IPO capital structure and corporate structure as if those had been in existence starting on April 1, 2018. The REIT's management believes that this adjustment improves comparability between the Projections Period, which has likewise been prepared assuming the existence of the REIT's expected post-IPO capital structure and corporate structure. However, as a result of these adjustments, the Projections for FY2019 are not comparable to the REIT's historical financial information. As a result, investors should not rely on the Projections for FY2019, or comparisons thereof with the REIT's historical financial information
2) Working capital comprises trade receivables and payables (other movements are not considered to be significant). Cash flows from operating activities for the Projections Period have been calculated on the same basis as the historical Cash flows from operating activities, subject to the inherent limitations generally involved in presenting Projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projections Period
3) EBITDA and EBITDA margin are not recognized measures under Ind AS or IFRS. EBITDA and EBITDA margin should not be considered by themselves or as substitutes for net income, operating income or cash flows from operations or related margins or other measures of operating performance, liquidity or ability to pay dividends. EBITDA does not have a standardized definition under Ind AS or IFRS, and the method of calculating EBITDA may be different from the method used by most other companies to calculate EBITDA (which usually involves adding interest, taxes, depreciation and amortization to a company's net income). Although, the Manager believes that the method of calculating EBITDA for Embassy Office Parks Group does not result in material differences from the way that most companies calculate EBITDA, it cannot be assured that EBITDA calculation for Embassy Office Parks Group will always be comparable with similarly named measures presented by other companies. EBITDA and EBITDA margin for Projections Period have been calculated on the same basis as historical EBITDA and EBITDA margin, subject to the inherent limitations generally involved in presenting Projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projections Period
   a. In addition, we also present projected NOI and NDCF as we believe these are additional measures that are useful for investors. In relation to NOI and EBITDA, the Manager believes that the comparable GAAP measure is profit after tax. However, we do not present a reconciliation of the projected EBITDA to profit after tax, as we have not included the projections of additional expense items required to arrive at the projected profit after tax
4) NDCF is a significant performance metric, the framework for which is adopted by the Manager in line with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 issued by SEBI on September 26, 2014, as amended from time to time and any circulars and guidelines issued thereunder. The Manager believes this metric serves as a useful indicator of the REIT's expected ability to provide a cash return on investment. NDCF does not have a standardized meaning and is not a recognized measure under Ind AS or IFRS, and may not be comparable with measures with similar names presented by other companies. NDCF should not be considered by itself or as a substitute for net income, operating income or cash flows from operating activities or related margins or other measures of operating performance, liquidity or ability to pay dividends

5) NOI and NOI margin are significant performance metrics used by the Manager as a primary driver of performance evaluation and allocation of resources. The Manager believes that NOI and NOI margin provide useful information to investors regarding the financial condition and results of operations because it provides a direct measure of the operating results of the business segments. NOI and NOI margin are not recognized measures under Ind AS or IFRS, and may not be comparable with measures with similar names presented by other companies. NOI and NOI margin should not be considered by themselves or as substitutes for net income, operating income or cash flow from operations or related margins or other measures of operating performance, liquidity or ability to pay dividends. NOI and NOI margin have been calculated on the same basis as historical NOI and NOI margin, subject to the inherent limitations generally involved in presenting Projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projections Period
6) Revenue from operations for the Projections Period has been calculated on the same basis as historical Revenue from operations, subject to the inherent limitations generally involved in presenting Projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projections Period

Portfolio Overview

Name	Entity	% stake proposed to be held by Embassy Office Parks Group	City unless specified	Type of Asset	Completed Area (msf) unless specified	Leasable Area (msf) unless specified
Portfolio Assets						
Embassy Manyata	Manyata Promoters Private Limited ("MPPL")	100% (of which approximately 36% is held via EOPPL)	Bengaluru	Office Park (includes 2 hotels under construction)[1]	10.96	14.21 (additionally includes proposed 266-key Hilton Hotel and 353-key Hilton Garden Inn Hotel)
Embassy One Assets	Carved out portion of EODPL which is proposed to be transferred to QBPL pursuant to the proposed Business Transfer Agreement	100%	Bengaluru	City Centre Office; includes an under construction luxury hotel	0.25	0.25 (additionally includes 230-key Four Seasons hotel)
Express Towers	Indian Express Newspapers (Mumbai) Private Limited ("IENMPL")	100%	Mumbai	City Centre Office	0.47	0.47
Embassy 247	Vikhroli Corporate Park Private Limited ("VCPPL")	100%	Mumbai	City Centre Office	1.19	1.19
FIFC	Earnest Towers Private Limited ("ETPL")	100%	Mumbai	City Centre Office	0.36	0.36
Embassy Techzone	Embassy Office Parks Private Limited ("EOPPL")	100%	Pune	Office Park	2.16	5.47
Embassy Quadron	Quadron Business Park Private Limited ("QBPL")	100%	Pune	Office Park	1.89	1.89
Embassy Qubix	Qubix Business Park Private Limited ("QBPPL")	100%	Pune	Office Park	1.45	1.45
Embassy Oxygen	Oxygen Business Park Private Limited ("OBPPL")	100%	Noida	Office Park	1.95	3.26
Embassy Galaxy	Galaxy Square Private Limited ("GSPL")	100%	Noida	Office Park	1.36	1.36
Hilton at Embassy Golflinks	Umbel Properties Private Limited ("UPPL")	100%	Bengaluru	Luxury hotel	247-key luxury hotel	247-key luxury hotel
Embassy Energy	Embassy-Energy Private Limited ("EEPL")	100% (of which 80% is held via EOPPL)	Bellary District	Solar power plant (supplies clean energy to Commercial Offices and Hotels in Bengaluru)	100 MW AC solar power plant	100 MW AC solar power plant
Portfolio Investment						
Embassy Golflinks[2]	Golflinks Software Park Private Limited ("GLSP")	50% owned by EOPPL	Bengaluru	Office Park	2.74	2.74

Notes:
1) Hotels at Embassy Manyata are expected to commence operations after the Projections Period
2) Embassy Office Parks Group owns 50% of Embassy Golflinks through EOPPL while the numbers reflected above are based on 100% of Embassy Golflinks

Indicative Profit and Loss Statement Framework Used for the Purposes of Projections

Serial No.	Key Components[1]	Additional Description
A	Base Rentals	Rental income contracted from the leasing of assets; does not include fit-out and car parking income
B	Car parking income	Revenue earned from the operations of the parking facilities located at the Commercial Offices
C	Fit-out rentals/ tenant improvements	Customized alterations and enhancements as per tenants' requirements, the value of which is recovered through fit-out rentals
D	Vacancy allowance	A provision made to account for any unforeseen exits, any unanticipated delay in lease-up of existing area, re-leasing or leasing of area pursuant to new developments
E = A+B+C+D	Facility rentals	
F	Maintenance services income	Income from maintenance services consists of the revenue received from tenants for the CAM services provided for select assets (Express Towers, Embassy 247, FIFC, Embassy Quadron, Embassy Qubix, Embassy Oxygen, and Embassy Galaxy). These recoveries include a margin on the expenses incurred for providing such CAM services in accordance with existing agreements with tenants
G	Other operating income for Commercial Offices	Income primarily generated from events and other ancillary services at the Commercial Offices
H	Income from Hotels	Includes revenue from (i) room rentals; (ii) sale of food and beverages; and (iii) other operating income (i.e., revenue from minor operating departments such as laundry, business centre, telephone, travel desk and rental income from the spa)
I	Income from generation of renewable energy	Revenue generated by Embassy Energy
J = E+F+G+H+I	**Revenue from operations[2]**	
K	Direct Operating expenses[3]	Expenses for Commercial Offices include (i) Operating and maintenance expenses excluding repairs to buildings and property management fees; (ii) property taxes; (iii) rent; and (iv) insurance Expenses in relation to Hotels include (i) cost of materials consumed; (ii) employee benefit expenses; (iii) operating and maintenance expenses excluding property management fees; and (iv) other expenses Expenses in relation to Embassy Energy are considered to be Direct Operating expenses except for certain legal and professional fees considered to be a part of Indirect Operating expenses
L = J-K	**NOI[4]**	
M	Indirect Operating expenses[4]	Expenses for Commercial Offices include (i) property management fees; (ii) repairs to buildings; and

Serial No.	Key Components(1)	Additional Description
		(iii) other expenses (primarily including employee benefit expenses, legal and professional charges, rates and taxes and CSR expenses but excluding property taxes, rent and insurance which are considered to be Direct Operating expenses) Expenses in relation to Hotels include property management fees Expenses for Embassy Energy include certain legal and professional fees to be paid for the purposes of commercialization of the asset
N = K+M	**Total Operating expenses**	
O	Interest and other income	Refer to *Trust level income and expenses* for details
P	Trust level expenses	Include Manager fees and other expenses primarily including audit fees, trustee fees, valuer fees, printing and stationery expenses, unitholder meeting expenses, legal and professional fees
Q = L-M+O-P	**EBITDA(5)**	

Notes:

1) The Projections for FY2019 are in part derived from the REIT's 9M FY2019 actual financial information, as adjusted to give effect to the REIT's expected post-IPO capital structure and corporate structure as if those had been in existence starting on April 1, 2018. The REIT's management believes that this adjustment improves comparability between the Projections Period, which has likewise been prepared assuming the existence of the REIT's expected post-IPO capital structure and corporate structure. However, as a result of these adjustments, the Projections for FY2019 are not comparable to the REIT's historical financial information. As a result, investors should not rely on the Projections for FY2019, or comparisons thereof with the REIT's historical financial information
2) Revenue from operations for Projections years has been calculated on the same basis as historical Revenue from operations, subject to the inherent limitations generally involved in presenting projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projections Period
3) Operating expenses (Direct as well as Indirect Operating Expenses) for Projections years have been calculated on the same basis as historical Operating expenses, subject to the inherent limitations generally involved in presenting projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projections Period. Direct and indirect expenses have been determined by the Manager based on internal/management reporting on the basis of which historical disclosures on Operating segments has been prepared under Ind AS 108 Operating Segments
4) NOI is not a recognized measure under Ind AS or IFRS and may not be comparable with measures with similar names presented by other companies. NOI should not be considered by itself or as a substitute for other measures of operating performance, liquidity or ability to pay dividends. For further details, refer to *General Terms, Definitions and Abbreviations*
5) EBITDA is not a recognized measure under Ind AS or IFRS and may not be comparable with measures with similar names presented by other companies. EBITDA should not be considered by itself or as a substitute for other measures of operating performance, liquidity or ability to pay dividends. For further details, refer to *General Terms, Definitions and Abbreviations*

Ind AS Adjustments in accordance with applicable accounting policies

It is clarified that in addition to the line items reflected in *Indicative Profit and Loss Statement Framework Used for the Purposes of Projections*, Revenue from operations are impacted by applicable Ind AS adjustments.

Select key Ind AS adjustments made to arrive at Revenue from operations for Commercial Offices include:

- Straight lining of contractual rent escalation on lease contracts which may not be necessarily structured to increase in line with expected general inflation

- Fair valuation of lease deposits wherein discounting rate of 12.50% has been used for the purposes of such valuation. The difference between the transaction price and the face value of lease deposits is recognised as deferred lease rental and recognised as an income over the lease term.

Select key Ind AS adjustments made to arrive at Revenue from operations for hotels include:

- Expenses incurred towards customer loyalty programmes have been netted off

Additionally, it is clarified that relevant Ind AS adjustments have been used for the purposes of calculating taxes payable under the MAT provisions of the IT Act. For further details on tax calculation, refer to *Income taxes.*

Projected Revenue from operations, NOI, EBITDA, Cash flows from operating activities and NDCF for Embassy Office Parks Group (on a combined basis) and Portfolio Investment

Projected Revenue from operations for Embassy Office Parks Group (on a combined basis) and Portfolio Investment

INR mn	FY2019	FY2020	FY2021
Revenue from operations(1)			
Portfolio Assets			
Embassy Manyata	8,172	8,525	9,163
Embassy One Assets(2)	3	1,156	1,608
Express Towers	1,476	1,643	1,720
Embassy 247(3)	979	1,488	1,647
FIFC(4)	502	1,313	1,373
Embassy Techzone	1,120	1,408	1,477
Embassy Quadron	1,420	1,561	1,584
Embassy Qubix	869	888	939
Embassy Oxygen	1,196	1,505	1,946
Embassy Galaxy	848	789	802
Hilton at Embassy Golflinks	817	912	968
Embassy Energy	1,416	1,856	1,894
Total – Asset Portfolio	**18,818**	**23,044**	**25,121**
Portfolio Investment			
Embassy Golflinks*	3,428	4,001	4,163

** Refer to Purpose and basis of preparation for details. Embassy Office Parks Group owns 50% of Embassy Golflinks through EOPPL while the numbers reflected above are based on 100% of Embassy Golflinks. Any distribution of cash flows is subject to the consent of other shareholders of Embassy Golflinks*

Note:

1) Revenue from operations for the Projections Period has been calculated on the same basis as historical Revenue from operations, subject to the inherent limitations generally involved in presenting projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and the Projections Period
2) Lower revenue as the asset was passively marketed pending the occupancy certificate of the hotel portion, which was received in October 2018, post which the marketing of office portion has commenced. F&B at the hotel currently operational and rest of the hotel in final stages of pre-opening work. The final finishing work for the rest of the hotel area is being completed and it is expected to commence operations in the first half of 2019. For Projections purpose, we have assumed commencement on April 1, 2020
3) For FY2019 Revenue from operations for Embassy 247 does not include rentals from some of the leases which are contracted as of December 31, 2018 and are not expected to generate Revenue from operations in FY2019
4) FY2019 Revenue from operations for FIFC does not include rentals from leases contracted or hard option which is expected to be exercised closer to April, 2019. Including the recent leasing and hard options the occupancy of the asset is 94.6% as of December 31, 2018

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

Rajesh Kaimal
Chief Financial Officer

Place: Bengaluru
Date: 1 March 2019

Projected Net Operating Income for Embassy Office Parks Group (on a combined basis) and Portfolio Investment

INR mn	FY2019	FY2020	FY 2021
Net Operating Income[1]			
Portfolio Assets			
Embassy Manyata	7,558	8,033	8,585
Embassy One Assets	(67)	413	804
Express Towers	1,384	1,536	1,609
Embassy 247	766	1,295	1,444
FIFC	415	1,162	1,217
Embassy Techzone	1,031	1,371	1,445
Embassy Quadron	1,207	1,305	1,315
Embassy Qubix	741	751	796
Embassy Oxygen	914	1,182	1,508
Embassy Galaxy	626	567	569
Hilton at Embassy Golflinks	243	309	377
Embassy Energy	1,323	1,742	1,778
Total – Asset Portfolio	**16,141**	**19,666**	**21,447**
Portfolio Investment			
Embassy Golflinks*	3,295	3,881	4,051

** Refer to Purpose and basis of preparation for details. Embassy Office Parks Group owns 50% of Embassy Golflinks through EOPPL while the numbers reflected above are based on 100% of Embassy Golflinks. Any distribution of cash flows is subject to the consent of other shareholders of Embassy Golflinks*

Note:
1) For details in relation to NOI, refer to *General Terms, Definitions and Abbreviations*

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

Rajesh Kaimal
Chief Financial Officer

Place: Bengaluru
Date: 1 March 2019

Projected EBITDA for Embassy Office Parks Group (on a combined basis) and Portfolio Investment

INR mn	FY2019	FY2020	FY 2021
EBITDA[(1)]			
Portfolio Assets			
Embassy Manyata	7,109	7,557	8,062
Embassy One Assets	(67)	374	738
Express Towers	1,299	1,439	1,503
Embassy 247	692	1,225	1,364
FIFC	385	1,089	1,134
Embassy Techzone	979	1,306	1,376
Embassy Quadron	1,126	1,222	1,230
Embassy Qubix	691	702	743
Embassy Oxygen	854	1,109	1,410
Embassy Galaxy	600	543	543
Hilton at Embassy Golflinks	212	274	336
Embassy Energy	1,263	1,681	1,773
Interest income at trust level	245	286	310
Trust level expenses (Manager and other fees)[(2)]	(215)	(245)	(265)
Total – Asset Portfolio	**15,173**	**18,562**	**20,257**
Portfolio Investment			
Embassy Golflinks*	3,102	3,642	3,785

** Refer to Purpose and basis of preparation for details. Embassy Office Parks Group owns 50% of Embassy Golflinks through EOPPL while the numbers reflected above are based on 100% of Embassy Golflinks. Any distribution of cash flows is subject to the consent of other shareholders of Embassy Golflinks*

Notes:

1) For details in relation to EBITDA, refer to *General Terms, Definitions and Abbreviations*
2) Other fees includes auditor fees, valuer fees, legal and professional fees among other expenses

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

Rajesh Kaimal
Chief Financial Officer

Place: Bengaluru
Date: 1 March 2019

Projected Cash flows from operating activities for Embassy Office Parks Group (on a combined basis) and Portfolio Investment

INR mn	FY2019	FY2020	FY2021
Cash flows from operating activities(1)			
Portfolio Assets			
Embassy Manyata	6,335	6,775	7,618
Embassy One Assets	(47)	458	718
Express Towers	969	1,006	1,277
Embassy 247	674	915	1,088
FIFC	471	964	951
Embassy Techzone	934	1,184	1,233
Embassy Quadron	1,054	1,156	1,228
Embassy Qubix	671	651	721
Embassy Oxygen	754	896	1,251
Embassy Galaxy	561	492	519
Hilton at Embassy Golflinks	219	263	304
Embassy Energy	1,108	1,562	1,607
Trust level expenses (Manager and other fees)(2)	(215)	(245)	(265)
Total – Asset Portfolio	**13,488**	**16,077**	**18,250**
Portfolio Investment			
Embassy Golflinks*	2,722	2,811	3,034

** Refer to Purpose and basis of preparation for details. Embassy Office Parks Group owns 50% of Embassy Golflinks through EOPPL while the numbers reflected above are based on 100% of Embassy Golflinks. Any distribution of cash flows is subject to the consent of other shareholders of Embassy Golflinks*

Notes:

1) Cash flows from operating activities for the Projections Period have been calculated on the same basis as the historical Cash flows from operating activities subject to the inherent limitations generally involved in presenting Projections figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projections Period. For further details, refer to *General Terms, Definitions and Abbreviations*
2) Other fees includes auditor fees, valuer fees, legal and professional fees among other expenses

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

Rajesh Kaimal
Chief Financial Officer

Place: Bengaluru
Date: 1 March 2019

Projected NDCF for Embassy Office Parks Group (on a combined basis)

INR mn	FY2019	FY2020	FY2021
NDCF[1,2]			
Embassy Manyata	6,830	7,604	8,301
Embassy One Assets	(47)	457	680
Express Towers	969	1,006	1,277
Embassy 247	674	915	1,068
FIFC	462	943	715
Embassy Techzone	933	1,179	1,229
Embassy Quadron	1,042	1,137	1,196
Embassy Qubix	671	651	721
Embassy Oxygen	750	850	1,143
Embassy Galaxy	561	492	519
Hilton at Embassy Golflinks	219	263	304
Embassy Energy	1,108	1,562	1,607
Distributions from Embassy Golflinks	2,134	2,003	1,933
Interest income at trust level	245	286	310
Trust level expenses (Manager and other fees)[3]	(215)	(245)	(265)
Embassy Office Parks Group*	**16,336**	**19,103**	**20,738**

** Refer to Purpose and basis of preparation for details. Embassy Office Parks Group owns 50% of Embassy Golflinks through EOPPL. Any distribution of cash flows is subject to the consent of other shareholders of Embassy Golflinks and NDCF framework applicable for the Asset SPVs is not applicable for Embassy Golflinks. However, the Projections for Embassy Office Parks Group include dividend, interest and debt repayment by Embassy Golflinks leading to an inflow of INR 2,134 mn, INR 2,003 mn, and INR 1,933 mn for FY2019, FY2020, and FY2021 respectively (of which INR 418 mn, INR 533 mn, and INR 740 mn for FY2019, FY2020, and FY2021 respectively are in the form of dividends, net of applicable taxes, attributable to the 50% equity ownership proposed to be held by the REIT)*

Notes:
1) Applicable taxes on distributions (including DDT or potential capital gains taxes at Asset SPV or REIT level) have been netted off against respective Asset SPV NDCF numbers above
2) For details in relation to NDCF, refer to *General Terms, Definitions and Abbreviations*
3) Other fees includes auditor fees, valuer fees, legal and professional fees among other expenses

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

Rajesh Kaimal
Chief Financial Officer

Place: Bengaluru
Date: 1 March 2019

Embassy Office Parks Group

Basis and notes to Projections

I. Purpose and basis of preparation

The Projections have been prepared by the Manager solely for inclusion in the Offer Document and Final Offer Document in connection with the proposed Initial Public Offering of Units of Embassy Office Parks Group in accordance with the requirements of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 issued by SEBI on September 26, 2014, as amended from time to time and any circulars and guidelines issued thereunder (the "REIT Regulations"). Therefore, the use of the Projections may not be appropriate and should not be used or relied upon for any purpose other than that described above.

The Projections are prepared based on the accounting policies used for preparation of the Condensed Combined Financial Statements as required by the REIT Regulations, which are prepared in accordance with Ind AS as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with the REIT Regulations (including the SEBI circular number CIR/IMD/DF/141/2016 dated 26 December 2016), the Guidance note on Reports in Company Prospectuses (Revised 2016), and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("Guidance Note"). The adoption of Ind AS was carried out in accordance with Ind AS 101 "*First-time Adoption of Indian Accounting Standards*", using April 1, 2015 as the transition date which is the date used for the purposes of the historical Condensed Combined Financial Statements. Though the aforesaid Projections are prepared under the Ind AS framework, they do not provide for all the detailed disclosures as required under Ind AS.

The Projections contain hypothetical assumptions that relate to future events, which are, by their nature, subject to significant risks and uncertainties. The future events referred to involve risks, uncertainties and other factors which may cause the actual results or performance to be materially different from the Projections.

It is noted that Projections for all entities refer to standalone assets and do not include any impact of synergies, income or expenses due to consolidation of other entities or investments.

Embassy Golflinks is a Portfolio Investment as defined under regulation 18(5)(da) as per REIT Regulations and is not considered as an Asset SPV as per REIT regulations. Accordingly, it is not required to comply with the investment and distribution policy as required under REIT regulations. As per Schedule III, paragraph 11 (d) of the SEBI REIT Regulations, the Projections of income of the REIT over the next three years are required to be disclosed in the offer document. As per Regulation 5 (B) of the SEBI circular dated December 26, 2016 governing disclosure of financial information in offer documents, the offer document is required to disclose Projections for REIT assets / properties that are owned by the REIT or are proposed to be owned by the REIT prior to allotment of units in the public offer. While Embassy Golflinks is not an Asset SPV, considering that it will be a significant portfolio investment, the Manager has provided additional disclosure of projections for Embassy Golflinks. Embassy Office Parks Group will own 100% in EOPPL which holds 50% in Embassy Golflinks. All numbers presented for Embassy Golflinks in this report represent the entity as a whole and are not pro-rated to 50% unless otherwise stated.

The Projections for FY2019 are in part derived from the REIT's 9M FY2019 actual financial information, as adjusted to give effect to the REIT's expected post-IPO capital structure and corporate structure as if those had been in existence starting on April 1, 2018. The REIT's management believes that this adjustment improves comparability between the Projections Period, which has likewise been prepared assuming the existence of the REIT's expected post-IPO capital structure and corporate structure. However, as a result of these adjustments, the Projections for FY2019 are not comparable to the REIT's historical financial information. As a result, investors should not rely on the Projections for FY2019, or comparisons thereof with the REIT's historical financial information

II. Significant assumptions for the Projections

The Projections and assumptions are based on estimates deemed appropriate and reasonable by the Manager as at the date of the Projections i.e., 1 March, 2019. The Projections were adopted by the REIT

IPO Committee on March 1, 2019. However, the investors should consider these estimates, assumptions as well as the Projections and make their own assessment of the future performance of Embassy Office Parks Group. Investors should be aware that future events cannot be predicted with any certainty and there may be deviations from the figures reflected in the Projections.

It is clarified that the Projections have been prepared on the basis of a mixture of best-estimate (i.e., assumptions as to future events which are expected to take place and the actions expected to take place as of the date the information is prepared) and hypothetical assumptions (about future events and actions which may or may not necessarily take place). Select material assumptions which may have some uncertainty are identified as a part of the report and the resulting sensitivity of those results have been disclosed in *Annexure A: Sensitivity Analysis on Material Assumptions*.

For the purposes of the Offer Document and Final Offer Document, CBRE South Asia Private Limited has been appointed as an independent industry expert and has conducted detailed analysis of the office real estate industry including macro-economic conditions, city fundamentals, office demand drivers, demand supply fundamentals and outlook. Wherever applicable and appropriate based on the Manager's judgment, certain estimates and analysis undertaken by the industry expert have been used to form an assessment of market fundamentals, industry drivers and outlook amongst other things. It is, however, noted that the assumptions used in the Projections by the Manager might differ from the information and assumptions as per the analysis of the industry expert.

III. Snapshot of select key line items for Embassy Office Parks Group

The table below represents a summary of select key line items for the period of Projections.

INR mn, except percentages	FY2019	FY2020	FY2021
Portfolio Assets			
Revenue from operations	18,818	23,044	25,121
NOI[1]	16,141	19,666	21,447
NOI Margin (%)	*86%*	*85%*	*85%*
EBITDA[2]	15,173	18,562	20,257
EBITDA Margin (%)	*81%*	*81%*	*81%*
Cash flows from operating activities	13,488	16,077	18,250
Portfolio Investment			
Revenue from operations	3,428	4,001	4,163
NOI[1]	3,295	3,881	4,051
NOI Margin (%)	*96%*	*97%*	*97%*
EBITDA[2]	3,102	3,642	3,785
EBITDA Margin (%)	*90%*	*91%*	*91%*
Cash flows from operating activities	2,722	2,811	3,034
NDCF for Embassy Office Parks Group[3]	**16,336**	**19,103**	**20,738**

Notes:

1) For details in relation to NOI, refer to *General Terms, Definitions and Abbreviations*
2) For details in relation to EBITDA, refer to *General Terms, Definitions and Abbreviations*
3) For details in relation to NDCF, refer to *General Terms, Definitions and Abbreviations*

IV. Revenue drivers and assumptions

Summary Observations

During FY2019 to FY2021, subject to the assumptions stated herein and limitations inherent in these Projections, Embassy Office Parks Group is assumed to generate a 15.5% Revenue from operations CAGR[(1)], driven by multiple factors. The impact of key growth drivers for FY2020 and FY2021 is reflected in the table below:

	FY2019	FY2020	FY2021	Total (FY2019-FY2021)	% growth contribution to total growth (FY2019-FY2021)
Revenue from operations for the previous year	**16,118**	**18,818**	**23,044**	**18,818**	
Total growth for the year	**2700[(7)]**	**4,226**	**2,077**	**6,303**	**100%**
Contracted income growth		2,035	710	2,745	44%
Contractual rental growth		1,595[(2)]	673	2,268	36%
Additional contracted income from generation of renewable energy[(3)]		440	37	477	8%
Lease-up of vacant area[(4)]		738	386	1,124	18%
Mark to market opportunity		47	129	176	3%
Additional income from Hotels		958	275	1,233	20%
Additional rentals pursuant to new construction/ developments[(5)]		—	387	387	6%
Other adjustments[(6)]		448	190	638	10%
Revenue from operations for the current year	**18,818**	**23,044**	**25,121**	**25,121**	

Notes:

1) A Compounded Annual Growth Rate compounded over the two year period from FY2019 to FY2021
2) Includes rentals from leases which are contracted as of December 31, 2018 but did not yield rentals for the full year during FY2019
3) While PPAs are in place for Embassy Energy, escalations in tariff are based on Manager's estimates
4) Lease-up of vacant area is primarily driven by new leases in Embassy One, Embassy 247 and Embassy Techzone
5) Leasing of area pursuant to new construction/ developments is primarily driven by Embassy Manyata and Embassy Oxygen
6) Includes additional income from maintenance services, vacancy allowance, impact of downtime and Ind-AS adjustments
7) Revenue from operations for FY2019 are in part derived from the 9M FY2019 actual financial information, adjusted to give effect to the REIT's expected post-IPO capital structure and corporate structure as if those had been in existence starting on April 1, 2018. The REIT's management believes that this adjustment improves comparability between the Projection years. However, as a result of these adjustments, computation of the individual components of the revenue drivers for FY2019 has certain limitations and hence not disclosed.

Commercial Offices

A. Facility Rentals

Key revenue growth drivers include (i) Contractual rental growth; (ii) Lease-up of vacant area; (iii) Mark to market opportunity; and (iv) Leasing of new area pursuant to new construction/ developments.

i. *Contractual rental growth:*

a. *Contractual escalation in existing leases*: For the escalation in existing leases, the Manager has used contractual terms under existing lease agreements, agreements to lease, Letters of Intent and options to lease. The overall tenure of leases in the Office Parks is typically nine to fifteen years with a three to five years initial commitment period. The lease tenure for City Centre Offices is typically five to nine years with an initial commitment period of three to five years. For the purpose of Projections, the Manager has assumed that tenants will exercise their option(s) for renewal at the end of the initial commitment period. Most existing leases have a built-in contractual escalation of 10-15% at the end of every three year period from the lease commencement date.

b. *Full year impact of contractual leases:* For FY2020, rental growth is also impacted by rentals from leases which are contracted as of December 31, 2018 but do not yield rentals for the full year in FY2019.

The table below sets out Completed Area, Committed Occupancy and WALE as of December 31, 2018:

	Completed Area (msf)	Committed Occupancy (%)	WALE (in years by Rentals)[1]
Portfolio Assets			
Embassy Manyata	10.96	99.7%	7.6
Embassy One[2]	0.25	2.0%	10.0
Express Towers	0.47	97.5%	5.0
Embassy 247	1.19	88.1%	3.3
FIFC	0.36	55.4%[3]	4.9
Embassy Techzone	2.16	84.8%	5.4
Embassy Quadron	1.89	91.4%	6.4
Embassy Qubix	1.45	100.0%	5.7
Embassy Oxygen	1.95	91.9%[4]	10.5
Embassy Galaxy	1.36	100.0%	4.3
Total – Asset Portfolio	**22.03**	**94.4%**	**6.7**
Portfolio Investment			
Embassy Golflinks[5]	2.74	100.0%	8.4
Total – Portfolio	**24.77**	**95.0%**	**7.0**

Notes:
1) Weighted according to facility rentals (excluding impact of Ind-AS adjustments) assuming that each tenant exercises the right to renew for future terms after expiry of initial commitment period
2) Committed Occupancy is currently 2.0% in Embassy One as the asset was passively marketed pending the occupancy certificate of the hotel portion, which was received in October 2018 post which the marketing of the office portion has commenced
3) Additionally, Google India Private Limited has hard option for 0.14 msf. Assuming the exercise of this hard option, occupancy will be 94.6%
4) Vacant area on account of recently completed 0.48 msf for which occupancy certificate was received in November, 2018
5) Embassy Office Parks Group owns 50% of Embassy Golflinks through EOPPL while the numbers reflected above are based on 100% of Embassy Golflinks

ii. *Lease-up of vacant area*:

Vacant area, lease-up timelines, Market Rent and Market Rent growth across the Portfolio are as follows:

	Vacant area as of 31 December 2018 (msf)	Lease-up timelines[1]	Market Rent as of March 31, 2018 (INR psf pm)[2]	Annual Market Rent growth
Portfolio Assets				
Embassy Manyata	0.03	March 2019	Office – 78 Block A (Front parcel) – 94[3]	6%
Embassy One	Office – 0.19 Retail – 0.06	March 2020	Office – 148 Retail – 163	6%
Express Towers	0.01	March 2019	270	5%
Embassy 247	0.14	September 2019	100	5%
FIFC	0.16[4]	June 2019	280	5%
Embassy Techzone	0.33	December 2019	45	6%
Embassy Quadron	0.16	March 2019	45	6%
Embassy Qubix	-	NA	45	6%
Embassy Oxygen	0.16[5]	June 2019	52	5%
Embassy Galaxy	-	NA	40	5%
Total – Asset Portfolio	**1.24**	**March 2020**		
Portfolio Investment				
Embassy Golflinks[6]	-	NA	135	6%
Total – Portfolio	**1.24**	**March 2020**		

Notes:
1) Lease-up of vacant area assumed to start from January 1, 2019 and complete by the timelines mentioned in the table
2) Excludes fit-out rentals, car parking income and other rental income from telecom tower, retail kiosks, food-court operators and others
3) Applicable only for Block A (0.78 msf) which is currently under construction and is expected to be completed in September 2020. Given the premium nature of the upcoming building, the front parcel is expected to command higher rents
4) Including hard option signed with Google India Private Limited for 0.14 msf
5) Vacant area on account of recently completed 0.48 msf for which occupancy certificate was received in November, 2018
6) Embassy Office Parks Group owns 50% of Embassy Golflinks through EOPPL while the numbers reflected above are based on 100% of Embassy Golflinks

The Manager has assessed the lease-up timelines based on ongoing discussions with tenants, prior experience and assessment of market conditions among other factors. Market Rents as per the above table do not include car parking income typically associated with every lease. The car parking income is estimated to range between 4-6% of the Market Rent across the Commercial Offices (except for Commercial Offices located in Mumbai where no additional car parking income is assumed; also car parking income for Embassy One is assumed to be 2% of Market Rent). Such Market Rent (adjusted for impact of Market Rent growth) is assumed to be achieved for all new leases across the Commercial Offices. The sensitivity of results of Embassy Office Parks Group to any changes in Market Rent has been disclosed in *Annexure A: Sensitivity Analysis on Material Assumptions.* Refer to *Purpose and basis of preparation* for details.

The Manager has assumed that all new leases will be warm shell leases and no additional fit-out rentals will be received from such leases. The Manager has also assumed that hard options will get exercised. For all new leases, contractual escalations of 15% at the end of every 3 years have been assumed on the applicable Market Rentals while no escalation has been assumed on car parking income.

Based on prior experience, ongoing business practices and the Manager's assessment of market conditions, the Manager has also assumed other rental income (generated primarily from telecom towers, retail kiosks, food-court operators), which is estimated to be 1% of Market Rentals of all new leases in select Commercial offices (Embassy Manyata, Embassy One, Embassy Techzone and Embassy Golflinks).

iii. *Mark to market opportunity:*

Due to the long term contractual nature of the existing leases and relatively higher Market Rent growth, weighted average Market Rents for the Portfolio are 34% above In-place Rents (weights based on Completed Area multiplied by Committed Occupancy). The Manager estimates that expiring leases will be re-leased at the then prevailing Market Rent (adjusted for impact of Market Rent growth).

On expiry, the Manager has assumed a three month rent free period (based on a probability-weighted estimate of tenants expected to renew or vacate).

It is clarified that certain leases (generating rentals primarily from telecom tower, retail kiosks and food-court operators) are not considered to be leased at the then prevailing Market Rent. Such leases are expected to be renewed at terms similar to existing contract terms.

Lease expiries for the period of Projections are summarized in the following table:

	Q4 FY2019		FY2020		FY2021			
	Area expiring (msf)	In-place Rent at expiry (INR psf pm)	Area expiring (msf)	In-place Rent at expiry (INR psf pm)	Area expiring (msf)	In-place Rent at expiry (INR psf pm)	Market rent (INR psf pm)(1)	Annual Market Rent growth
Portfolio Assets								
Embassy Manyata	NM	NM	0.38	57	0.23	76	78	6%
Express Towers	NM	NM	0.08	210	0.02	257	270	5%
Embassy 247	0.03	121	0.13	114	0.19	99	100	5%
FIFC	NM	NM	NM	NM	NM	NM	280	5%
Embassy Techzone	0.37	44	0.02	39	NM	NM	45	6%
Embassy Quadron	NM	NM	0.05	40	0.01	34	45	6%
Embassy Qubix	0.02	40	0.08	32	0.11	33	45	6%
Embassy Oxygen	NM	NM	0.16	37	NM	NM	52	5%
Embassy Galaxy	NM	NM	0.01	36	0.01	40	40	5%
Total – Asset Portfolio	**0.42**	**49**	**0.92**	**72**	**0.55**	**80**		
Portfolio Investment								
Embassy Golflinks(2)	0.05	127	0.03	96	0.21	52	135	6%
Total – Portfolio	**0.47**	**58**	**0.92**	**73**	**0.76**	**72**		

Notes:
NM = Not Material given relatively low expiry (i.e., <0.01 msf)
1) As of March 31, 2018
2) Embassy Office Parks Group owns 50% of Embassy Golflinks through EOPPL while the numbers reflected above are based on 100% of Embassy Golflinks.

iv. *Leasing of new area pursuant to new construction/ developments*:

For a new development, leasing discussions typically begin once the development has significantly progressed (around 9-15 months prior to completion).

For the purpose of Projections, 50% of the leasable area of the new development has been considered to be pre-leased prior to completion of construction based on the Manager's prior experience with similar developments. For pre-leased area, the Manager has assumed a rent free period of six months given the large tenants who typically take up space at this stage.

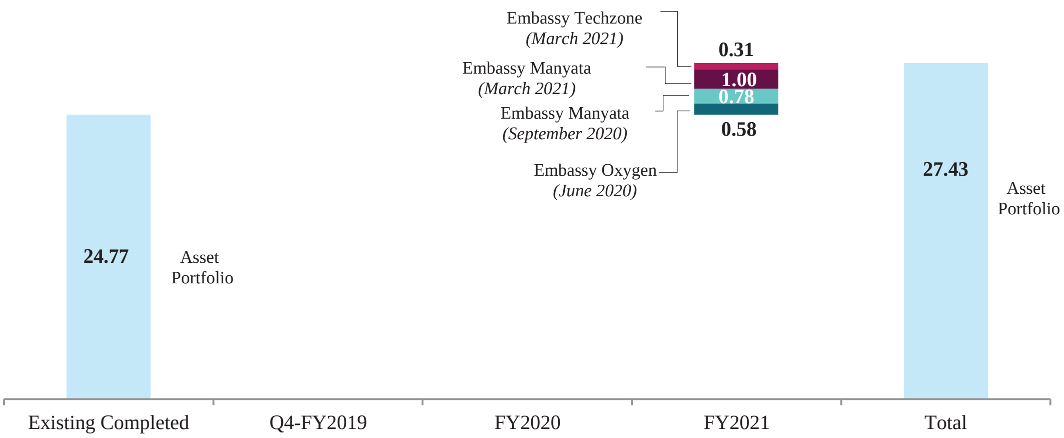
The balance 50% area is assumed to be leased within six months of completion with a three month rent free period for the fit-out requirements of tenants. New developments are, therefore, expected to be fully leased within six months of construction completion and assumed to be fully rent generating in nine months post completion of construction.

Below are the key completion assumptions for the under construction area getting completed during the period of Projections. The sensitivity of results of Embassy Office Parks Group to any delays on account of construction have been disclosed in *Annexure A: Sensitivity Analysis on Material Assumptions*.

Development Area and Timeline Details [(1)]

msf

Date in brackets represents assumed date of completion



Note:

1) Embassy Office Parks Group owns 50% of Embassy Golflinks through EOPPL while the numbers reflected above are based on 100% of Embassy Golflinks

Below are the rent details for the blocks shown above which are getting completed during the Projections Period:

	Area (msf)	Completion Date	Market Rent assumed to be generated at the time of completion of the blocks[(1)]
Embassy Oxygen	0.58	June 2020	INR 58.2 psf pm
Embassy Manyata	0.78	September 2020	INR 108.6 psf pm
Embassy Manyata	1.00	March 2021	Block is assumed to be 100% pre-leased at INR 91.8 psf pm
Embassy Techzone	0.31	March 2021	INR 53.7 psf pm

Note:

1) Excluding car parking income, fit-out rentals, other rentals (primarily from telecom tower, retail kiosk, food court operators) and any impact of Ind-AS adjustments

B. Vacancy allowance

Given the large size of the portfolio, the Manager has assumed a vacancy allowance of upto 1% on Base Rentals (excluding certain other rentals primarily from telecom tower, retail kiosk, food court operators and any impact of Ind-AS adjustments) to account for any unforeseen exits, any unanticipated delay in lease-up of existing area, re-leasing or leasing of area pursuant to new developments. Such allowance has been reduced from rentals for the calculation of facility rentals in cases where Occupancy increases beyond 99% for any Commercial Office.

C. Maintenance services income

Revenue from operations for certain Commercial Offices includes maintenance service income which comprises revenue received from tenants for the CAM services provided for those assets (Express Towers, Embassy 247, FIFC, Embassy Quadron, Embassy Qubix, Embassy Oxygen, and Embassy Galaxy). These recoveries include a margin on the expenses incurred for providing such CAM services. Such income is expected to grow by 5% per year. Additionally, maintenance service income will also grow on account of incremental leasing through re-leasing, vacant lease-up and leases from new developments.

In case of Embassy Manyata, Embassy One, Embassy Techzone, and Embassy Golflinks, CAM has been outsourced to a third party service provider and hence the maintenance service income for these Commercial Offices has not been factored in the Projections.

D. Other operating income

Other operating income has been considered for Embassy Manyata (INR 10 mn), FIFC (INR 1 mn) and Express Towers (INR 31 mn) in line with such income for these Asset SPVs in FY2018. No growth has been assumed for such income during the period of Projections.

Hotels

Hotel revenue is driven by the Manager's assessment of expected average room rental rates, Occupancy, food and beverage income and other operating income based on prior experience and industry estimates. Key assumptions for Hotels are outlined below:

	Hilton at Embassy Golflinks 5 Star Hotel	**Four Seasons at Embassy One[(1)] Luxury Hotel**
No. of Keys	247	230
Occupancy – FY2019 / FY2020 / FY2021	69.0% / 74.0% / 75.0%	NA% / 37.5% / 45.0%
Stabilized occupancy	75.0%	72.0%
Average room rental (ARR) (as of March 2018)	INR 8,150	INR 10,500
Food and Beverage (% of room rentals)	47.0%	120.0%
Other Income (% of room rentals)	7.0%	20.0%
Annual ARR growth	5.0%	5.0%

Note:

1) F&B at the hotel currently operational and rest of the hotel in final stages of pre-opening work. The final finishing work for the rest of the hotel area is being completed and it is expected to commence operations in the first half of 2019. For Projections purpose, we have assumed commencement on April 1, 2020

Embassy Energy

Revenue is driven by the Manager's assessment of units of renewable energy available for sale and average tariff estimated to be charged to tenants. Tariff rate as of March 31, 2018 is INR 8.2 per kWh and PLF in FY2019 is expected at 24.5%. An annual derating of 0.70% for PLF and a 3% annual escalation for tariff has been considered for the purposes of the Projections.

V. Drivers and assumptions for NOI and EBITDA

NOI = Revenue from operations <u>*less:*</u> Direct Operating expenses.

EBITDA = NOI <u>*less:*</u> Indirect Operating expenses <u>*less:*</u> Trust level expenses <u>*add:*</u> interest and other income.

Please refer to *Indicative Profit and Loss Statement Framework Used for the Purposes of Projections* for additional details on calculation of NOI and EBITDA.

NOI, EBITDA, NOI margin, and EBITDA margin do not have a standardized meaning, and are not recognized measures under Ind AS or IFRS and they may not be comparable with measures with similar terms presented by other companies. These metrics should not be considered by themselves or as substitutes for comparable measures under Ind AS or IFRS or other measures of operating performance, liquidity or ability to pay dividends. For further details, refer to *General Terms, Definitions and Abbreviations*.

It is noted that the composition of Revenue from operations, nature of expenses and drivers of NOI and EBITDA and related margins in the period of Projections differ from those for the historical Condensed Combined Financial Statements. Such differences are primarily driven by the commencement of operations for Four Seasons at Embassy One, impact of Embassy Energy's operations for the full year, lease-ups and other upcoming projects pursuant to new construction.

NOI [(1)]

NOI margins for the Embassy Office Parks Group for FY2016, FY2017 and FY2018 were 85%, 83% and 84% respectively. During the period of Projections, Embassy Office Parks Group is assumed to generate an NOI margin of approximately 85% for the Projections Period.

During the period of Projections, subject to the assumptions stated herein and limitations inherent in these Projections, Embassy Office Parks Group is assumed to generate growth in NOI driven by multiple factors. The impact of key growth drivers is reflected in the table below.

	FY2019	FY2020	FY2021	Total (FY2019-FY2021)	% growth contribution to total growth (FY2019-FY2021)
NOI[(1)] for the previous year	**13,539**	**16,141**	**19,666**	**16,141**	
Total growth for the year	**2,063[(9)]**	**3,525**	**1,781**	**5,306**	**100%**
Contracted NOI growth		1,946[(2)]	683	2,629	50%
NOI from contractual rental growth[(8)]		1,527	647	2,174	41%
Additional contracted NOI from generation of renewable energy[(3)]		419	36	455	9%
Lease-up of vacant area[(4, 7)]		742	384	1,126	21%
Mark to market opportunity[(7)]		47	127	174	3%
Additional NOI from Hotels		214	209	424	8%
Additional NOI pursuant to new construction/ developments[(5, 7)]		—	343	343	6%
Other adjustments[(6, 8)]		576	35	611	12%
NOI for the current year	**16,141**	**19,666**	**21,447**	**21,447**	

Notes:

1) For details in relation to NOI, refer to *General Terms, Definitions and Abbreviations*
2) Includes NOI from leases which are contracted as of December 31, 2018 but did not yield rentals for the full year during FY2019
3) While PPAs are in place for Embassy Energy, escalations in tariff are based on Manager's estimates
4) Lease-up of vacant area is primarily driven by new leases in Embassy One, Embassy 247 and Embassy Techzone
5) Leasing of area pursuant to new construction/ developments is primarily driven by Embassy Manyata and Embassy Oxygen
6) Includes additional NOI from maintenance services, vacancy allowance, impact of downtime and Ind-AS adjustments
7) Impacted by revenue growth, property tax, rent and insurance
8) Impacted by revenue growth, Operating and maintenance expenses considered to be a part of Direct Operating expenses (power and fuel expenses, housekeeping and security services, and repairs and maintenance excluding repairs to buildings), property tax, rent, and insurance
9) NOI for FY2019 is in part derived from the 9M FY2019 actual financial information, adjusted to give effect to the REIT's expected post-IPO capital structure and corporate structure as if those had been in existence starting on April 1, 2018. The REIT's management believes that this adjustment improves comparability between the Projection years. However, as a result of these adjustments, computation of the individual components of the NOI drivers for FY2019 has certain limitations and hence not disclosed.

EBITDA

EBITDA margins for FY2016, FY2017 and FY2018 were 88%, 84% and 77% respectively.

Expenses: Commercial Offices

The expenses considered for the calculation of NOI and EBITDA are explained below:

i. Direct Operating expenses

a. Operating and maintenance expenses: These expenses include power and fuel expenses, housekeeping and security services and repairs and maintenance (but exclude repairs to buildings and property management fees). As per existing practices, such expenses for Embassy Manyata, Embassy One, Embassy Techzone and Embassy Golflinks are based on charges incurred only on vacant area in these assets, while these expenses are incurred based on the Completed Area for other Commercial Offices. An escalation of 5% per annum has been assumed for such expenses

b. *Property tax:* Property tax is assumed to be payable on Completed Area by respective entities. The Manager has assumed a 5% annual escalation in property tax during the period of Projections (except for Express Towers, Embassy Oxygen and FIFC for which property tax has been based on a recent assessment). Historically, property taxes have not witnessed a linear increase and have been subject to periodic increases as per regulatory norms.

c. *Rent:* Rent for leasehold assets (including in cases of a sub-lease arrangement) have been assumed to be in line with the current contracted or prevailing rentals. The Manager has assumed a 5% annual escalation for such expenses except land lease rentals for M-3 which is assumed to be INR 1.2 mn per annum in line with the relevant agreement.

d. *Insurance:* Insurance expenses for FY2018 are assumed to escalate at 5% per annum for the Projections Period.

ii. *Indirect Operating expenses*

a. *Property management fees:* Pursuant to Property management agreements proposed to be entered into between the Manager/ its affiliate and the entities housing the Commercial Offices, the Manager/ its affiliate is entitled to property management fees of 3% of facility rentals.

b. *Other operating expenses:* Expenses amounting to 2%-3% of facility rentals have been assumed to account for repairs to buildings, legal and professional fees, rates and taxes and other such expenses. Expenses on account of CSR have been assumed in line with applicable laws.

Expenses: Hotels

During the period of Projections, operating expenses and EBITDA margin for the Hilton at Embassy Golflinks and the Four Seasons at Embassy One (expected to commence operations in Q1 FY2020), are assumed as per below:

FY2019 / FY2020 / FY2021 (as % of Revenue from operations)	Hilton at Embassy Golflinks 5 Star Hotel	Four Seasons at Embassy One Luxury Hotel
Direct Operating expenses	70 % /66% /61%	NA / 83% / 73%
Total Operating expenses (including Direct Operating expenses and Indirect Operating expenses)	74 % /70% /65%	NA / 86% / 77%
EBITDA margin	26 % /30% /35%	NA / 14% /23%

Expenses: Embassy Energy

During the period of Projections, the operating expenses and EBITDA margin for Embassy Energy are assumed as per below:

FY2019 / FY2020 / FY2021 (as % of Revenue from operations)	Embassy Energy
Direct Operating expenses	7% / 6% / 6%
Total Operating expenses (including Direct Operating expenses and Indirect Operating expenses)	11% / 9% / 6%
EBITDA margin	89% / 91% / 94%

Based on a review of relevant regulatory guidelines, the Manager understands that in order to promote solar power generation in Karnataka, KERC has exempted solar power generators achieving commissioning between April 1, 2013 and March 31, 2018 and selling power to consumers within the State from the payment of open access charges for a period of ten years from the date of commissioning. Hence, no open access charges have been factored for the Projections.

However, KERC has issued an order (dated May 14, 2018) withdrawing the exemption from such charges which were announced earlier. Various parties (including Embassy Energy) have filed a writ petition with the

Honorable High Court of Karnataka challenging the KERC Order and have obtained an interim Stay Order (dated May 24, 2018). KERC has filed an appeal with the Honorable High Court of Karnataka for transferring the case to the Electricity Tribunal

In case the aforementioned exemption is withdrawn, Embassy Energy may have to bear additional cross-subsidy charges and 25% of applicable transmission and wheeling charges during the period of Projections. This could have an impact on the results of business operations of the Embassy Office Parks Group. Given the uncertainty around the final outcome, the sensitivity to the impact of such withdrawal has been disclosed in *Annexure A: Sensitivity Analysis on Material Assumptions*.

Trust level income and expenses

The income and expenses used for the calculation of EBITDA at the Embassy Office Parks Group level are explained below:

i. *Interest and other income:* An effective post-tax interest of 1.5% per annum is assumed to be earned on the cash flows generated during the year. No income has been assumed on minimum cash balance of INR 100 mn each assumed to be retained by all entities at all times (except in Embassy One Assets, Embassy Quadron, Embassy Golflinks and Embassy Energy) to account for potential working capital requirements which may arise in the future.

ii. *Expenses:* Expenses at the Embassy Office Parks Group level are mainly assumed based on estimated terms and conditions of the relevant agreements and/ or based on Manager's experience and judgment. The nature of Trust level expenses and assumptions in the forecasts are described below:

a. *REIT Management fees:* In addition to the property management fees paid by Asset SPVs to the Manager, the Manager is also entitled to REIT management fees to be calculated at 1% of distributions to be paid by the Embassy Office Parks Group to its unitholders (such calculations are based on the distributions before taking into account the impact of such fees). Applicable taxes on distributions have been assumed for such calculation.

b. *Other expenses:* Other expenses for the Embassy Office Parks Group include audit fees, trustee fees, valuer fees, printing and stationery expenses, unitholder meeting expenses, legal and professional fees among other expenses. These expenses have been assumed to be INR 50 mn for FY2019 and are assumed to grow at 5% per annum.

VI. Drivers and assumptions for Cash flows from operating activities

Leasing commissions

Leasing commissions based on two months of applicable Market Rentals (excluding car parking income and certain other income primarily from telecom towers, retail kiosks, food court operators) have been assumed to be paid on all new leases (except for leases in Express Towers where one month has been assumed for the calculation of leasing commissions).

As per the principles laid down in Ind AS 17, leasing commission is capitalized and depreciated over the term of the lease without considering the option to renew the lease at the end of the initial lock-in period. However, leasing commissions is treated as an outflow for calculation of Cash flows from operating activities.

Changes in security deposit

For the leases in Commercial Offices, tenants are typically required to pay security deposits and these may be used to offset rent defaults and any penalties. This minimises the risk of rental default by the tenants. The Manager has assumed inflow of security deposits on new leasing and outflow on a tenant vacating (outflow on a tenant vacating is based on the contracted security deposits for such tenant). Security deposits inflow of six months of Market Rentals (excluding car parking income and certain other income primarily from telecom towers, retail kiosks, food court operators) have been assumed for all new leases (except in Embassy 247, where three months have been assumed for the calculation of security deposits inflow).

Changes in working capital

Manager's assumptions for changes in working capital are based on historical performance, assessment of working capital movements and market outlook among other factors. The movement in working capital is approximately 0-1% of revenue during the period of Projections.

Income taxes

Income taxes have been computed at income tax rates applicable for FY2019 which are expected to apply for the entire period of Projections. The taxes have been computed as per the provisions of Chapter IV of the IT Act. Losses, if any, have been carried forward and set-off as per the provisions of Chapter VI of the IT Act. Certain Asset SPVs (including Embassy Techzone, Embassy Qubix, Embassy Oxygen) and Portfolio Investment (Embassy Golflinks) are eligible for deduction as per Part C (deductions in relation to certain incomes) of Chapter VI-A of the IT Act. These entities are expected to discharge income tax as per the provisions of Section 115JB of the IT Act based on the book profits. MAT credit is considered in accordance with the provisions of Section 115JAA of the IT Act. Asset SPVs other than those that are entitled to deductions (as referred to above) may offer their income to tax as house property income. Whilst interest paid on debt is generally tax deductible, its treatment depends on the specific facts of each entity, and in the case of some Asset SPVs, the entire interest may not be tax deductible. Taxes on dividends distributed by the Asset SPVs are computed as per section 115O of the IT Act.

Over the period of Projections, the Embassy Office Parks Group is estimated to receive cash flows from the Asset SPVs in the form of interest income, dividend payment by SPVs and potential repayment of principal by Asset SPVs which are considered exempt under IT Act (other than dividends received from Asset SPVs which are not directly and wholly held by Embassy Office Parks Group)."

VII. Drivers and assumptions for NDCF

Summary Observations

The table below provides a reconciliation of Cash flows from operating activities of Embassy Office Parks Group to NDCF:

Particulars (INR mn)	FY2019	FY2020	FY2021
Cash flows from operating activities	13,488	16,077	18,250
Distributions from Embassy Golflinks[1]	2,134	2,003	1,933
Refund on account of M-3[2]	496	833	686
Interest and other income	245	286	310
Interest on external debt[3]	(11)	(27)	(89)
DDT and other taxes	(17)	(69)	(353)
NDCF[4]	16,336	19,103	20,738

Notes:

1) Any distribution of cash flows is subject to the consent of other shareholders of Embassy Golflinks. Distributions from Embassy Golflinks are net of applicable taxes. Of the above amount INR 418 mn, INR 533 mn, and INR 740 mn for FY2019, FY2020, and FY2021 respectively are in the form of dividends, net of applicable taxes, attributable to the 50% equity ownership proposed to be held by the REIT
2) For further details, refer to *Note (ii) and note (iii) of Annexure B: Additional Disclosures around M-3*
3) Pertains to debt assumed on account of capital expenditure. For details refer to *Other key Assumptions (relevant for cash outflow from income tax payments for computing cash flows from operating activities and the calculations of NDCF)*
4) For details on NDCF, refer to *General Terms, Definitions and Abbreviations*

NDCF receivable by the Embassy Office Parks Group may be in the form of dividends, interest income, principal repayment or proceeds of any capital reduction or buyback from the Asset SPVs or the Investment Entity.

As per the REIT Regulations, not less than 90% of the NDCF of the Asset SPVs are required to be distributed to the Embassy Office Parks Group/ intermediate Holding Company ('Holdco'), as the case may be, in proportion of their shareholding in the Asset SPV, subject to applicable provisions of the Companies Act, 2013. 100% of the cash flows received by the Holdco from the underlying Asset SPVs are required to be distributed to the Embassy Office Parks Group, and not less than 90% of the NDCF generated by the Holdco on its own shall be distributed to the Embassy Office Parks Group.

The Manager shall declare and distribute at least 90% of the NDCF of the Embassy Office Parks Group as distributions to the Unitholders. Such REIT Distributions shall be declared and made on a quarterly basis and shall be calculated in accordance with the applicable regulations.

Presently, the Manager proposes to calculate the NDCF for Embassy Office Parks Group in the manner laid out in *Annexure D: NDCF framework for the Embassy Office Parks Group*.

VIII. Other key assumptions (relevant for cash outflow from income tax payments for computing Cash flows from operating activities and the calculations of NDCF):

Capital expenditure

Manager's assessment of construction cost and timelines of upcoming projects is based on discussions with third party consultants, prior experience, and expectations around market conditions among other things. Construction (including interest during construction) has been assumed to be financed by debt and accordingly cash flow impact of construction cost will be offset by debt during the construction period. Refer to *Finance Costs* for additional details. The following table summarizes construction timeline and costs assumed for projects expected to start generating revenue during the period of Projections and certain identified major maintenance and upgrade projects:

Project Name	Leasable Area (msf)	Balance Cost to be Spent (INR mn)(1)	Completion date
Embassy Manyata			
Block A (Front Parcel)	0.78	2,719	September 2020
M-3(2, 3)	1.00	4,142	March 2021
Embassy One			
Four Seasons at Embassy One	NA	NA(4)	March 2019(5)
Embassy Techzone			
Hudson	0.31	1,043	March 2021
Embassy Oxygen			
Tower 2	0.58	1,598	June 2020
Upgrade Projects(6)			
Multiple projects	NA	5,516	Multiple dates

Notes:

1) As at March 31, 2018
2) MPPL is expected to receive compensation of INR 1,055 mn, for delay in construction of M-3, in accordance with the Co-Developer agreement and the Development Management Agreement. This compensation has been not adjusted to arrive at the balance cost to be spent above. Refer to *Annexure B: Additional details around M-3* for details
3) Balance cost to be spent includes INR 1,526 mn which MPPL may have to pay in accordance with the Marketing Services agreement upon completion of M-3 Refer to *Annexure B: Additional Disclosures around M-3* for details
4) Balance cost to be incurred is INR 2,238 mn; however, the Manager has assumed that Embassy One transfer will happen after completion of construction of Four Seasons and hence no additional cost over and above the purchase consideration for Embassy One will be incurred by the Embassy Office Parks Group
5) F&B at the hotel currently operational and rest of the hotel in final stages of pre-opening work. The final finishing work for the rest of the hotel area is being completed and it is expected to commence operations in the first half of 2019. For Projections purpose, we have assumed commencement on April 1, 2020
6) Estimated one-time capital expenditure for upgradation of the properties

For the projects (except for Upgrade Projects) starting post March 31, 2019, 5% annual inflation has been considered for the cost of construction over and above the costs reflected in the above table. A majority of the expenditure on Upgrade Projects (approximately 80%) is on account of infrastructure upgrades (including construction of a flyover, 220 KV sub-station installation and other Upgrade Capex) at Embassy Manyata.

Apart from the above mentioned projects, the Manager has also projected cost to be incurred on the following developments which are expected to be completed after the Projections Period:

i. Hilton Hotel (proposed to have 266 keys) and Hilton Garden Inn Hotel (proposed to have 353 keys) with 58,000 sf of convention space in Embassy Manyata which are currently under construction

ii. 0.71 msf block in Embassy Manyata for which construction is assumed to commence in March 2019

iii. 0.06 msf block for Retail purposes in Embassy Manyata for which construction started in June 2017

iv. 0.31 msf block in Embassy Techzone for which construction is assumed to commence in March 2020

Depreciation and Amortization

Depreciation and Amortization have been calculated based on the Straight Line Method (except in Embassy Energy, Embassy 247, and Embassy Qubix where the Written Down Value methodology has been adopted) and an estimate of useful life as prescribed under the Companies Act, 2013 or as re-assessed by the Manager.

Depreciation for income tax purpose has been considered at the applicable rates of depreciation under the IT Act for FY2018 which are expected to apply for the period of Projections.

Finance costs

The Manager has assumed that net debt (including pre-payment fees, penalties, processing fees) of the Asset SPVs as of March 31, 2018 is replaced with Shareholder Debt financed via IPO proceeds and/or external debt raised by the Embassy Office Parks Group with effect from April 1, 2018.

The Shareholder Debt to the Asset SPVs is estimated to carry a coupon rate of 12.50% – 14.00% per annum (12.50% per annum has been used for the purposes of Projections).

The external debt raised by the Embassy Office Parks Group is assumed to be interest accruing (at 9.00% - 9.25% p.a. compounded monthly) during the Projections Period based on the Manager's ongoing discussions with various financial institutions.

Debt at Embassy Golflinks is also proposed be refinanced out of proceeds of the Issue. Debt provided to Embassy Golflinks by the Embassy Office Parks Group is assumed to carry a coupon rate of 8.5 – 9.0% per annum with an agreed amortization schedule and will be provided in the nature of a secured loan.

Construction and major upgrade needs have been assumed to be financed by additional external debt based on the below key terms:

i. During the construction period, the Asset SPVs will be able to obtain non-amortizing debt at a coupon rate of 10.00% per annum. Interest during construction will be funded as part of the debt

ii. Post completion of construction, debt is expected to be refinanced with non-amortizing debt carrying a coupon rate of 9.00% per annum once the asset is stabilized (i.e., immediately after completion of an Upgrade Project or six months from completion for the purposes of new developments)

Additionally, Ind AS adjustment for security deposits is expected to lead to additional finance costs during the period of Projections. Discounting rate of 12.50% has been used for the purposes of Fair valuation of lease deposits. The difference between the transaction price and the face value of lease deposits is recognised as deferred lease rental and recognised as an income over the lease term. Corresponding expenses at 12.50% per annum are recognized as finance costs as part of Ind AS adjustments.

Additionally, certain capital structure related changes after March 31, 2018 have been taken into account by the Manager for the purposes of Projections over the whole Projections Period. The Projections for FY2019 are in part derived from the REIT's 9M FY2019 actual financial information, as adjusted to give effect to the REIT's expected post-IPO capital structure and corporate structure as if those had been in existence starting on April 1, 2018. The REIT's management believes that this adjustment improves comparability between the Projections Period, which has likewise been prepared assuming the existence of the REIT's expected post-IPO capital structure and corporate structure. However, as a result of these adjustments, the Projections for FY2019 are not comparable to the REIT's historical financial information. As a result, investors should not rely on the Projections for FY2019, or comparisons thereof with the REIT's historical financial information

IX. Additional assumptions

The Manager has made the following additional assumptions in preparing the Projections as on the date of this report:

i. No further assets (apart from the Portfolio) are assumed to be acquired and no Assets are assumed to be divested during the Projections Period

ii. The Manager has assumed that 100% of cash generated during the year after accounting for all outflows will be distributed for the Projections Period (including for Embassy Golflinks; any distribution of cash flows from Embassy Golflinks is subject to the consent of other shareholders of Embassy Golflinks)

iii. All leases are enforceable and will be performed in accordance with their terms

iv. No further equity capital is assumed to be raised during the Projections Period and no additional outflows have been considered in case of potential external debt financing by the Embassy Office Parks Group

v. It is assumed that there will be no material change in taxation legislations or other applicable legislations during the Projection Period

vi. The Projections have been prepared using Ind AS standards and interpretations that are effective for the Ind AS financial statements for the year ended March 31, 2018. The Projections do not take into account the impact of any new Ind AS standard or interpretation not effective as at March 31, 2018. Ind AS standards or interpretations issued but not effective or not issued as at March 31, 2018 which may become effective during the Projections Period may have an impact on the Projections and to that extent the actual figures may vary from the Projections

vii. No gain or loss has been considered on account of changes in foreign exchange rates, interest rates and derivative instruments

viii. No change in the fair value of all financial instruments has been assumed throughout the Projections Period

ix. No change in the fair value of investment properties has been assumed throughout the Projections Period

x. No additional outflow has been assumed on account of any litigation related matters including current pending litigations

Annexure A: Sensitivity Analysis on Material Assumptions

I. Below table shows impact on the results of operations of the Embassy Office Parks Group in case of changes in Market Rent (including car parking income). The analysis assumes all other variables remain the same.

Market rent decreases by 10%

	FY2019	FY2020	FY2021
Revenue from operations	18,817	22,887	24,778
% change from base case	*(0.0%)*	*(0.7%)*	*(1.4%)*
NOI	16,141	19,508	21,105
% change from base case	*(0.0%)*	*(0.8%)*	*(1.6%)*
EBITDA	15,139	18,402	19,964
% change from base case	*(0.0%)*	*(0.8%)*	*(1.6%)*
Cash flows from operating activities	13,476	15,916	17,929
% change from base case	*(0.1%)*	*(1.0%)*	*(1.8%)*
NDCF	16,323	18,921	20,404
% change from base case	*(0.1%)*	*(1.0%)*	*(1.6%)*

Market rent decreases by 5%

	FY2019	FY2020	FY2021
Revenue from operations	18,817	22,966	24,949
% change from base case	*(0.0%)*	*(0.3%)*	*(0.7%)*
NOI	16,141	19,586	21,276
% change from base case	*(0.0%)*	*(0.4%)*	*(0.8%)*
EBITDA	15,140	18,476	20,124
% change from base case	*(0.0%)*	*(0.4%)*	*(0.8%)*
Cash flows from operating activities	13,482	15,997	18,091
% change from base case	*(0.0%)*	*(0.5%)*	*(0.9%)*
NDCF	16,329	19,012	20,572
% change from base case	*(0.0%)*	*(0.5%)*	*(0.8%)*

Market rent increases by 5%

	FY2019	FY2020	FY2021
Revenue from operations	18,818	23,123	25,290
% change from base case	*0.0%*	*0.3%*	*0.7%*
NOI	16,142	19,744	21,617
% change from base case	*0.0%*	*0.4%*	*0.8%*
EBITDA	15,141	18,623	20,444
% change from base case	*0.0%*	*0.4%*	*0.8%*
Cash flows from operating activities	13,493	16,159	18,413
% change from base case	*0.0%*	*0.5%*	*0.9%*
NDCF	16,340	19,195	20,908
% change from base case	*0.0%*	*0.5%*	*0.8%*

Market rent increases by 10%

	FY2019	FY2020	FY2021
Revenue from operations	18,819	23,201	25,461
% change from base case	*0.0%*	*0.7%*	*1.4%*
NOI	16,142	19,822	21,788
% change from base case	*0.0%*	*0.8%*	*1.6%*
EBITDA	15,141	18,697	20,605
% change from base case	*0.0%*	*0.8%*	*1.6%*
Cash flows from operating activities	13,499	16,240	18,575
% change from base case	*0.1%*	*1.0%*	*1.8%*
NDCF	16,346	19,286	21,076
% change from base case	*0.1%*	*1.0%*	*1.6%*

Note: For base case, refer to *Projections as reflected in table titled Projected Revenue from operations, NOI, EBITDA, Cash flows from operating activities and NDCF for Embassy Office Parks Group (on a combined basis) and Portfolio Investment*

II. Below table shows impact on the results of operations of the Embassy Office Parks Group in case of a delay in completion for all under construction projects which are expected to be completed after FY2019. The analysis assumes all other variables remain the same.

Construction completion delay by 3 months

	FY2019	FY2020	FY2021
Revenue from operations	18,818	23,044	24,718
% change from base case	*0.0%*	*0.0%*	*(1.6%)*
NOI	16,142	19,665	21,096
% change from base case	*0.0%*	*0.0%*	*(1.6%)*
EBITDA	15,140	18,550	19,961
% change from base case	*0.0%*	*(0.0%)*	*(1.6%)*
Cash flows from operating activities	13,488	16,094	17,434
% change from base case	*0.0%*	*0.1%*	*(4.5%)*
NDCF	16,334	19,117	19,955
% change from base case	*0.0%*	*0.1%*	*(3.8%)*

Construction completion delay by 9 months

	FY2019	FY2020	FY2021
Revenue from operations	18,818	23,044	24,354
% change from base case	*0.0%*	*0.0%*	*(3.0%)*
NOI	16,142	19,665	20,824
% change from base case	*0.0%*	*0.0%*	*(2.9%)*
EBITDA	15,140	18,550	19,706
% change from base case	*0.0%*	*(0.0%)*	*(2.8%)*
Cash flows from operating activities	13,488	16,094	17,179
% change from base case	*0.0%*	*0.1%*	*(5.9%)*
NDCF	16,334	19,117	19,696
% change from base case	*0.0%*	*0.1%*	*(5.0%)*

Note: For base case, refer to *Projections as reflected in table titled Projected Revenue from operations, NOI, EBITDA, Cash flows from operating activities and NDCF for Embassy Office Parks Group (on a combined basis) and Portfolio Investment*

III. Below table shows impact on the results of operations of the Embassy Office Parks Group in case EEPL may have to bear additional cross-subsidy charges and 25% of applicable transmission and wheeling charges during the period of Projections (based on the proposed charges and Manager's estimates). The analysis assumes all other variables remain the same.

Impact of additional charges for EEPL

	FY2019	FY2020	FY2021
Revenue from operations	18,818	23,044	25,120
% change from base case	*0.0%*	*0.0%*	*0.0%*
NOI	16,026	19,185	20,957
% change from base case	*(0.7%)*	*(2.4%)*	*(2.3%)*
EBITDA	15,026	18,075	19,803
% change from base case	*(0.8%)*	*(2.6%)*	*(2.4%)*
Cash flows from operating activities	13,394	15,716	17,897
% change from base case	*(0.7%)*	*(2.2%)*	*(1.9%)*
NDCF	16,239	18,737	20,379
% change from base case	*(0.6%)*	*(1.9%)*	*(1.7%)*

Note: For base case, refer to *Projections as reflected in table titled Projected Revenue from operations, NOI, EBITDA, Cash flows from operating activities and NDCF for Embassy Office Parks Group (on a combined basis) and Portfolio Investment*

Annexure B: Additional Disclosures around M-3

Key terms of composite agreements relating to M-3 are summarized below:

i. MPPL has entered into a sub-lease agreement for 6 acres and 25.46 guntas of land with EPDPL for an initial lease period of 30 years with an option to renew the lease for additional term of 30 years post expiry of the initial lease period

ii. MPPL and Embassy Property Developments Private Limited (EPDPL) have entered into a co-development agreement whereby EPDPL shall develop bare shell buildings to be handed over to MPPL by December 8, 2019, failing which EPDPL is liable to compensate MPPL at the rate of INR 57.2 mn per month of delay. As consideration, MPPL had agreed to pay INR 6,550 mn to EPDPL (including development consideration, one-time premium, cost of bare shell construction and development fee), of which INR 5,640 mn has already been paid as of March 31, 2018 and balance INR 910 mn shall be paid linked to construction milestones. MPPL has been appointed as the Co-developer for M-3 along with EPDPL and EPDPL will create mortgage on land in favour of MPPL

iii. MPPL has also paid refundable security deposits of INR 1,610 mn to EPDPL, of which INR 452 mn has already been refunded to MPPL (as of March 31, 2018) and the balance INR 1,158 mn is expected to be received in 7 equal quarterly instalments starting quarter ended June 30, 2018

iv. MPPL has appointed EPDPL as the development manager, to convert the bare shell buildings to warm shell and obtain the occupancy certificate for the buildings by December 8, 2019. The estimated balance cost of the development (as of March 31, 2018) is INR 1,706 mn, payment of which is linked to construction milestones. In case of any delay in obtaining occupancy certificate beyond the stipulated date, EPDPL shall pay compensation at the rate of 9.25% per annum on the aggregate of actual cost and development fee disbursed by MPPL (i.e., INR 1,746 mn)

v. Embassy Shelters Private Limited ("ESPL", an associate of EPDPL) has been appointed as the marketing manager by MPPL to fully lease the M-3 buildings prior to the receipt of occupancy certificate. Consideration to be received or paid by ESPL is contingent on pre-defined leasing timelines and Net Operating Income (calculated based on rentals and property tax). Since the Manager has assumed that the block will be 100% pre-leased on completion and a higher Net Operating Income post completion of M-3 has been assumed, a contingent payment of INR 1,526 mn has been assumed to be made by MPPL to ESPL

vi. Similar to other blocks in MPPL, the manager shall provide Property Management Services to M-3 as well and the property management fees are assumed to be in line with the other blocks for MPPL

Annexure C: NDCF framework for the Embassy Office Parks Group

i. *Calculation of NDCF at Asset SPVs:*

Description
Profit after tax as per statement of profit and loss (standalone) (A)
Add/(Less): Non-cash adjustments, including but not limited to: • Depreciation, amortization and impairment • Assets written off or liabilities written back • Deferred tax • MAT adjustments • Ind-AS adjustments (straight lining, effective interest for finance costs, etc.)
Add: Interest on Shareholder Debt charged to statement of profit and loss
Add/(Less): Loss/(gain) on sale of investments, assets or shares of Asset SPVs or Investment Entity
Add: Proceeds from sale of investments, assets or sale of shares of Asset SPVs or Investment Entity adjusted for the following: • Applicable capital gains and other taxes • Related debts settled or due to be settled from sale proceeds • Directly attributable transaction costs • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations
Add: Proceeds from sale of investments, assets or sale of shares of Asset SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently
Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.
Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt
Less: External debt repayment
Add: Cash flow received from Asset SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above): • Repayment of the debt in case of investments by way of debt • Proceeds from buy-backs/ capital reduction
Less: Income tax and other taxes paid (as applicable)
Total adjustments (B)
NDCF (C) = (A+B)
Less: Already distributed in the form of interest on Shareholder Debt or repayment of Shareholder Debt
Balance NDCF

Note:
1) Distribution of up to 90% of the above NDCF as per the REIT Regulations is subject to compliance with the requirements of Companies Act, 2013

ii. Calculation of NDCF at the standalone Embassy Office Parks Group level:

Description
Cash flows received from Asset SPVs in the form of: • Interest • Dividends (net of applicable taxes) • Repayment of Shareholder Debt • Proceeds from buy-backs/ capital reduction (net of applicable taxes)
Add: Proceeds from sale of investments, assets or sale of shares of Asset 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
Add: Proceeds from sale of investments, assets or sale of shares of Asset 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
Add: Any other income and expenses accruing at the Embassy Office Parks Group level and not captured herein
Less: Any other expense at the Embassy Office Parks Group level, and not captured herein
Less: Any payment of fees, including but not limited to: • Trustee fees • REIT Management Fees • Valuer fees • Legal and professional fees • Trademark license fees • Secondment fees
Less: Debt servicing • Interest on external debt at the Embassy Office Parks Group level • Repayment of external debt at the Embassy Office Parks Group level
Less: Income tax and other taxes (if applicable) at the standalone Embassy Office Parks Group level
NDCF

Annexure D: Reconciliation of Historical NOI and EBITDA to Profit after income tax

(INR mn)

Particulars	FY2016	FY2017	FY2018
Profit for the year	**932**	**1,771**	**2,569**
Income tax expense	1,356	1,027	1,259
Profit before income tax	**2,288**	**2,798**	**3,828**
Less: Share of Profit of equity accounted investees (net of income tax)	(241)	(580)	(960)
Add: Depreciation and amortization expense	3,158	3,244	3,228
Add: Finance costs	7,083	6,938	6,312
Earnings before finance cost, depreciation, amortization and tax (EBITDA)	**12,288**	**12,400**	**12,408**
Add: Impairment loss on property plant and equipment	-	-	1,195
Less: Other income	(1,784)	(1,607)	(1,545)
Add: Other expenses excluding property tax, rent and insurance	775	804	1,032
Add: Property management fees	234	259	282
Add: Select expenses for the commercial offices segment			
Repairs to building(1)	481	524	296
Employee costs(2)	71	75	62
Less: Select expenses for the other segments			
Other expenses(3)	(152)	(196)	(191)
NOI	**11,913**	**12,259**	**13,539**

Notes:

1. Corresponds to a portion of the "Operating and maintenance expenses" line item shown on the Condensed Combined Financial Statements, which comprises expenses incurred by our commercial offices segment from civil and other repairs to our buildings which we do not consider as part of our direct operating costs. Hence, such expenses are excluded from our calculation to arrive at NOI.
2. Corresponds to a portion of the "Employee benefits expense" line item shown on the Condensed Combined Financial Statements, which comprises certain employee costs incurred by our commercial offices segment which we do not consider as part of our direct operating costs. Hence, such expenses are excluded from our calculation to arrive at NOI.
3. Corresponds to a portion of "Other expenses" line item shown on the Condensed Combined Financial Statements, as incurred by our other segments, which we consider to be a part of our direct operating costs. Hence, such expenses are included in our calculation to arrive at NOI

DISTRIBUTION

Statements contained in this section "Distribution" that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those that may be projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Embassy REIT, the Trustee, the Embassy Sponsor, the Blackstone Sponsor, the Manager, the Lead Managers or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that are stated only as at the date of this Offer Document. See "Forward-Looking Statements" on page 13.

The net distributable cash flows of the Embassy REIT are based on the cash flows generated from the Embassy REIT assets.

In terms of the REIT Regulations, not less than 90% of the net distributable cash flows of the Asset SPVs are required to be distributed to the Embassy REIT/ Holdco, as the case may be, in proportion of their shareholding in the Asset SPV, subject to applicable provisions of the Companies Act, 2013 and the Limited Liability Partnership Act, 2008. 100% of the cash flows received by the Holdco from the underlying SPVs are required to be distributed to the Embassy REIT, and not less than 90% of the net distributable cash flows generated by the Holdco on its own shall be distributed to the Embassy REIT, subject to applicable provisions of the Companies Act. Presently, net distributable cash flows receivable by the Embassy REIT may be in the form of dividends, interest income, principal repayment or proceeds of any capital reduction or buyback from the Asset SPVs or the Investment Entity.

Distribution Policy

The Manager shall declare and distribute at least 90% of the net distributable cash flows of the Embassy REIT as distributions ("**REIT Distributions**") to the Unitholders. Such REIT Distributions shall be declared and made not less than once every quarter in every Fiscal. Further, in accordance with the REIT Regulations, REIT Distributions shall be made no later than 15 days from the date of such declarations. The REIT Distributions, when made, shall be made in Indian Rupees.

The net distributable cash flows shall be calculated in accordance with the REIT Regulations and any circular, notification or guidelines issued thereunder and the SEBI Guidelines. Presently, the Embassy REIT proposes to calculate REIT Distributions in the manner provided below:

I. Calculation of net distributable cash flows at each Asset SPV:

Description
Profit after tax as per statement of profit and loss (standalone) (A)
Add/(Less): Non-cash adjustments, including but not limited to: • Depreciation, amortisation and impairment • Assets written off or liabilities written back • Deferred tax • MAT adjustments • Ind AS adjustments (straight lining, effective interest for finance costs, straight lining of security deposits etc.)
Add: Interest on Shareholder Debt charged to statement of profit and loss
Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity
Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following: • Applicable capital gains and other taxes • Related debts settled or due to be settled from sale proceeds • Directly attributable transaction costs • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations
Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently

Description
Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.
Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt
Less: External debt repayment
Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above): • Repayment of the debt in case of investments by way of debt • Proceeds from buy-backs/ capital reduction
Less: Income tax and other taxes paid (as applicable)
Total adjustments (B)
Net distributable cash flows I = (A+B) – refer note 1

Note 1: In accordance with the REIT Regulations, not less than 90% of net distributable cash flows of the Asset SPV shall be distributed to the Embassy REIT/ Holdco, by way of (i) interest on Shareholder Debt; (ii) repayment of Shareholder Debt; (iii) dividends in proportion of its holding in the Asset SPV; or (iv) share buyback and capital reduction, etc., all of which are subject to compliance with relevant provisions under the Companies Act, 2013 and any other applicable law and in any other form permitted under applicable law. Also see, "*Regulations and Policies*" on page 451.

II. Calculation of net distributable cash flows at the standalone Embassy REIT level:

Description
Cash flows received from Asset SPVs in the form of: • Interest • Dividends (net of applicable taxes) • Repayment of Shareholder Debt • Proceeds from buy-backs/ capital reduction (net of applicable taxes)
Add: Proceeds from sale of investments, assets or sale of shares of Asset 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
Add: Proceeds from sale of investments, assets or sale of shares of Asset 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
Add: Any other income at the Embassy REIT level not captured herein
Less: Any other expense at the Embassy REIT level, and not captured herein
Less: Any payment of fees, including but not limited to: • Trustee fees • REIT Management Fees • Valuer fees • Legal and professional fees • Trademark license fees • Secondment fees
Less: Debt servicing • Interest on external debt at the Embassy REIT level • Repayment of external debt at the Embassy REIT level
Less: Income tax and other taxes (if applicable) at the standalone Embassy REIT level
Net Distributable Cash Flows

In terms of the REIT Regulations, if the distribution is not made within 15 days of declaration, the Manager shall be liable to pay interest to the Unitholders at the rate of 15% per annum until the distribution is made. Such interest shall not be recovered in the form of fees or any other form payable to the Manager by the Embassy REIT.

Unitholders should note that there is no assurance or guarantee that distributions will be made in any amount or at all.

For a discussion on the risks relating to distribution, see "Risk Factors – *We do not provide any assurance or guarantee of any distributions to the Unitholders. We may not be able to make distributions to Unitholders in the manner described in this Offer Document or at all, and the level of distributions may decrease*" on page 23 and "*Risk Factors – As GLSP does not qualify as an Asset SPV under the REIT Regulations, it is not required to comply with the mandatory distribution requirements under the REIT Regulations*" on page 29.

LEVERAGE AND CAPITALIZATION

Capital Structure of the Embassy Office Parks Group including borrowing and deferred payments*#

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	Post-Issue(1)
Shareholders' Funds :		
Capital	3,608.18	[●]
Other Equity	34,066.21	[●]
Instruments entirely equity in nature	-	
Total Shareholders' Funds	**37,674.39**	[●]
Borrowings		
Non-related party		
Long Term Borrowings	66,231.11	[●]
Current Maturities of Long Term Borrowings	5,284.31	[●]
Short term borrowings	3,195.49	[●]
Deferred Payment Liability	6,690.55	[●]
Interest Accrued but not due	-	[●]
Related party		
Long term borrowings	3,590.62	[●]
Current maturities of long term borrowings	-	[●]
Short term borrowings	53.88	[●]
Interest Accrued but not due	-	[●]
Interest Accrued and due	19.55	[●]
Total Debt	**85,065.51**	[●]
Total Capitalisation	**122,739.90**	[●]

** Assuming the consummation of all Formation Transactions in the manner and within the timelines disclosed in this Offer Document*
 # Net adjusted for Issue Expenses
(1) Will be determined upon completion of the Issue

Standalone Capital Structure of the Asset SPVs and the Investment Entity including borrowing and deferred payments

MPPL

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	Post-Issue(1)
Shareholders' Funds :		
Capital	113.27	[●]
Other Equity	7,249.57	[●]
Instruments entirely equity in nature	-	[●]
Total Shareholders' Funds	**7,362.84**	[●]
Borrowings		
Non-related party		
Long Term Borrowings	31,201.27	[●]
Current Maturities of Long Term Borrowings	3,180.48	[●]
Short term borrowings	3,195.49	[●]
Deferred Payment Liability	-	[●]
Interest Accrued but not due	-	[●]
Related party		
Long term borrowings	-	[●]
Current maturities of long term borrowings	-	[●]
Short term borrowings	-	[●]
Interest Accrued but not due	-	[●]
Interest Accrued and due	**-**	[●]
Total Debt	**37,577.24**	[●]
Total Capitalisation	**44,940.08**	[●]

(1) Will be determined upon completion of the Issue

UPPL

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	Post-Issue[1]
Shareholders' Funds :		
Capital	0.12	[●]
Other Equity	(2,456.57)	[●]
Instruments entirely equity in nature	-	
Total Shareholders' Funds	**(2,456.45)**	[●]
Borrowings		
Non-related party		
Long Term Borrowings	1,785.57	[●]
Current Maturities of Long Term Borrowings	13.75	[●]
Short term borrowings	-	
Deferred Payment Liability	-	[●]
Interest Accrued but not due	-	
Related party		
Long term borrowings	3,656.62	
Current maturities of long term borrowings	-	
Short term borrowings	53.88	
Interest Accrued but not due	-	
Interest Accrued and due	-	
Total Debt	**5,509.82**	**[●]**
Total Capitalisation	**3,053.37**	**[●]**

(1) Will be determined upon completion of the Issue

(2) ₹55.03 million of UPPL OCRPS (7 million preference shares), ₹421.17 million of UPPL ORCDS (82 million convertible debentures) and ₹3,234.30 million of shareholder loan (including interest accrued but not due) is converted on February 19, 2019 and February 27, 2019

*EODPL (Carved out portion)**

(in ₹ million)

Particulars	As of December 31, 2018 Pre-Issue	Post-Issue(1)
Shareholders' Funds :		
Capital	1,461.82	[●]
Other Equity	-	[●]
Instruments entirely equity in nature	-	
Total Shareholders' Funds	**1,461,82**	[●]
Borrowings		
Non-related party		
Long Term Borrowings	8,811.19	[●]
Current Maturities of Long Term Borrowings	105.05	[●]
Short term borrowings	-	
Deferred Payment Liability	-	[●]
Interest Accrued but not due		
Related party		
Long term borrowings	-	
Current maturities of long term borrowings	-	
Short term borrowings	-	
Interest Accrued but not due	-	
Interest Accrued and due	-	
Total Debt	**8,916.24**	[●]
Total Capitalisation	**10,378.06**	[●]

(1) Will be determined upon completion of the Issue

** EODPL currently holds the Embassy One Assets, which are proposed to be transferred to QBPL pursuant to the Business Transfer Agreement, simultaneously with the consummation of the Formation Transaction under the Blackstone QBPL SPA. For further details, see "Formation Transactions in relation to the Embassy REIT – Business Transfer Agreement" on page 273*

EEPL

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	Post-Issue[(1)]
Shareholders' Funds :		
Capital	0.10	[●]
Other Equity	(90.63)	[●]
Instruments entirely equity in nature	-	
Total Shareholders' Funds	**(90.53)**	[●]
Borrowings		
Non-related party		
Long Term Borrowings	-	[●]
Current Maturities of Long Term Borrowings	221.27	[●]
Short term borrowings	-	
Deferred Payment Liability	6,690.55	[●]
Interest Accrued but not due	-	
Related party		
Long term borrowings	-	
Current maturities of long term borrowings	-	
Short term borrowings	-	
Interest Accrued but not due	-	
Interest Accrued and due		
Total Debt	**6,911.81**	[●]
Total Capitalisation	**6,821.28**	[●]

(1) Will be determined upon completion of the Issue

ETPL

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	Post-Issue[1]
Shareholders' Funds :		
Capital	1,856.05	[●]
Other Equity	5,790.36	[●]
Instruments entirely equity in nature	-	
Total Shareholders' Funds	7,646.41	[●]
Borrowings		
Non-related party		
Long Term Borrowings	871.28	[●]
Current Maturities of Long Term Borrowings	113.94	[●]
Short term borrowings	-	
Deferred Payment Liability	-	[●]
Interest Accrued but not due	-	
Related party		
Long term borrowings	-	
Current maturities of long term borrowings	-	
Short term borrowings	-	
Interest Accrued but not due	-	
Interest Accrued and due	**-**	
Total Debt	**985.22**	[●]
Total Capitalisation	**8,631.63**	[●]

(1) Will be determined upon completion of the Issue

IENMPL

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	Post-Issue[1]
Equity:		
Equity Share Capital	25.46	[●]
Other Equity	2,145.04	[●]
Instruments entirely equity in nature	-	
Total Equity (A)	**2,170.50**	[●]
Borrowings		
Non-current long term borrowings	2,737.37	[●]
Current Maturities of long term borrowings	307.18	[●]
Short term borrowings	-	
Deferred Payment Liability	-	[●]
Interest Accrued but not due	-	
Total Borrowings (B)	**3.044.55**	[●]
Total Capitalisation (A+B)	**5,215.05**	[●]

(1) Will be determined upon completion of the Issue

VCPPL

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	Post-Issue(1)
Shareholders' Funds :		
Capital	61.34	[●]
Other Equity	(56.84)	[●]
Instruments entirely equity in nature	-	
Total Shareholders' Funds	**4.50**	[●]
Borrowings		
Non-related party		
Long Term Borrowings	4,721.15	[●]
Current Maturities of Long Term Borrowings	76.25	[●]
Short term borrowings	-	
Deferred Payment Liability	-	[●]
Interest Accrued but not due	-	
Related party		
Long term borrowings	-	
Current maturities of long term borrowings	-	
Short term borrowings	-	
Interest Accrued but not due	-	
Interest Accrued and due		
Total Debt	**4,797.40**	[●]
Total Capitalisation	**4,801.90**	[●]

(1) Will be determined upon completion of the Issue

EOPPL[(1)]

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	Post-Issue[(1)]
Shareholders' Funds :		
Capital	87.03	[●]
Other Equity	8,769.11	[●]
Instruments entirely equity in nature	-	
Total Shareholders' Funds	**8,856.14**	[●]
Borrowings		
Non-related party		
Long Term Borrowings	5,439.40	[●]
Current Maturities of Long Term Borrowings	351.78	[●]
Short term borrowings	-	
Deferred Payment Liability	-	[●]
Interest Accrued but not due	-	
Related party		
Long term borrowings	-	
Current maturities of long term borrowings	-	
Short term borrowings	-	
Interest Accrued but not due	-	
Interest Accrued and due	19.55	
Total Debt	**5,810.73**	[●]
Total Capitalisation	**14,666.87**	[●]

(1) Will be determined upon completion of the Issue

QBPL

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	Post-Issue[1]
Shareholders' Funds :		
Capital	21.30	[●]
Other Equity	4,994.94	[●]
Instruments entirely equity in nature	-	
Total Shareholders' Funds	**5,016.24**	[●]
Borrowings		
Non-related party		
Long Term Borrowings	-	[●]
Current Maturities of Long Term Borrowings	322.07	[●]
Short term borrowings	-	
Deferred Payment Liability	-	[●]
Interest Accrued but not due	-	
Related party		
Long term borrowings	-	
Current maturities of long term borrowings	-	
Short term borrowings	-	
Interest Accrued but not due	-	
Interest Accrued and due	-	
Total Debt	**322.07**	[●]
Total Capitalisation	**5,338.31**	[●]

(1) Will be determined upon completion of the Issue

QBPPL

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	Post-Issue[1]
Shareholders' Funds :		
Capital	2.72	[●]
Other Equity	(1,350.78)	[●]
Instruments entirely equity in nature	-	
Total Shareholders' Funds	**(1,348.06)**	[●]
Borrowings		
Non-related party		
Long Term Borrowings	3,007.19	[●]
Current Maturities of Long Term Borrowings	230.00	[●]
Short term borrowings	-	
Deferred Payment Liability	-	[●]
Interest Accrued but not due	-	
Related party		
Long term borrowings	-	
Current maturities of long term borrowings	-	
Short term borrowings	-	
Interest Accrued but not due	-	
Interest Accrued and due	-	
Total Debt	**3,237.19**	[●]
Total Capitalisation	**1,889.13**	[●]

(1) Will be determined upon completion of the Issue

OBPPL

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	**Post-Issue[1]**
Shareholders' Funds :		
Capital	18.85	[●]
Other Equity	2,983.77	[●]
Instruments entirely equity in nature	-	
Total Shareholders' Funds	**3,002.62**	[●]
Borrowings		
Non-related party		
Long Term Borrowings	5,219.04	[●]
Current Maturities of Long Term Borrowings	210.30	[●]
Short term borrowings	-	
Deferred Payment Liability	-	[●]
Interest Accrued but not due	-	
Related party		
Long term borrowings	-	
Current maturities of long term borrowings	-	
Short term borrowings	-	
Interest Accrued but not due	-	
Interest Accrued and due		
Total Debt	**5,429.34**	[●]
Total Capitalisation	**8,431.96**	[●]

(1) Will be determined upon completion of the Issue

GSPL

(in ₹ million)

Particulars	As of December 31, 2018	
	Pre-Issue	Post-Issue[(1)]
Shareholders' Funds :		
Capital	10.80	[●]
Other Equity	(310.15)	[●]
Instruments entirely equity in nature	-	
Total Shareholders' Funds	**(299.35)**	[●]
Borrowings		
Non-related party		
Long Term Borrowings	2,437.66	[●]
Current Maturities of Long Term Borrowings	152.25	[●]
Short term borrowings	-	
Deferred Payment Liability	-	[●]
Interest Accrued but not due		
Related party		
Long term borrowings	-	
Current maturities of long term borrowings	-	
Short term borrowings	-	
Interest Accrued but not due	-	
Interest Accrued and due		
Total Debt	**2,589.91**	[●]
Total Capitalisation	**2,290.56**	[●]

(1) Will be determined upon completion of the Issue

FINANCIAL INDEBTEDNESS

The details of indebtedness of the Embassy Office Parks Group and GLSP as at December 31, 2018, together with a brief description of certain material covenants of the relevant financing agreements, are provided below:

Category of borrowing	Sanctioned Amount (in ₹ million)[1]	Outstanding amount (in ₹ million) as on December 31, 2018[1][2]
Asset SPVs		
Nature (Non-Related Party)		
Long Term Borrowings	—	66,231.11
Current Maturities of Long Term Borrowings	—	5,284.31
Short term borrowings	—	3,195.49
Deferred Payment Liability	—	6,690.55
Interest Accrued but not due (non-current)	—	
Interest Accrued but not due (current)	—	
Interest Accrued and due (current)	—	
Total	**99,424.00**	**81,401.46**
Investment Entity		
Nature (Non-Related Party)		
Long Term Borrowings	—	1,745.08
Current Maturities of Long Term Borrowings	—	1,303.66
Total	**11,577.92**	**3,048.74**

(1) *HRA & Co., Chartered Accountants have confirmed that as at March 9, 2019, each of the Asset SPVs and the Investment Entity have utilised the borrowings set out above for the purpose for which such borrowings were availed*

(2) *Includes outstanding amounts for the carved out portion in relation to borrowings availed by EODPL, which currently holds the Embassy One Assets. It is proposed that the Embassy One Assets will be transferred to QBPL pursuant to the Business Transfer Agreement simultaneously with the consummation of the Formation Transaction under the Blackstone QBPL SPA. See "Formation Transactions in relation to the Embassy REIT – Business Transfer Agreement" on page 273. The consideration for the purchase of the Embassy One Assets is proposed to be paid out of the Issue Proceeds. For details, see "Use of Proceeds" on page 381*

Principal terms of the borrowings availed by the Asset SPVs and the Investment Entity from banks and financial institutions:

1. ***Interest:*** In terms of the loans availed by the Asset SPVs and the Investment Entity, the interest rate is typically the base rate of a specified lender and spread per annum. The spread varies between different loans for different banks. Some of the arrangements also provide for increases in the rate of interest in the event of any specific non-compliances and in certain cases there may be an annual reset of interest rate.

2. ***Term:*** The term of the loans availed by the Asset SPVs and the Investment Entity typically ranges from 24 months to 15 years.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to (and in certain cases on an exclusive basis):

   (a) Create security by way of assignment of lease rentals pertaining to specific buildings, properties and/ or specific tenants;

   (b) Create equitable mortgage and charge over some of our properties along with buildings and amenities;

   (c) Provide corporate guarantees and personal guarantees by directors, promoters and other individuals;

   (d) Execute demand promissory notes for a specified amount in the form approved by the relevant lender;

(e) Provide an undertaking to pay the monthly instalments in case of breach/ cancellation of lease deeds, due to rent free period clause in lease agreements or tenants vacating the premises;

(f) Pledge of shares or non-disposal undertaking with respect to shares held by the holding company or promoters;

(g) Charge on the escrow account where rental proceeds are deposited;

(h) Creation of charge over debt service reserve accounts with the respective lender;

(i) Assign our insurance policies;

(j) Provide indemnities and undertakings;

(k) Creation of a negative lien on assets; and

(l) Creation of charge on movable assets including intangible assets and all future developments, if any.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by the Asset SPVs and the Investment Entity that may be acceptable to the lenders.

4. ***Re-payment:*** The working capital facilities are typically repayable on demand. The repayment period for term loans typically range from 24 months to 180 months. Some of our lenders typically have a right to accelerate the repayment of the loan in one lump sum or shorter instalments if in the opinion of the lender the cash flows of the company so permit.

5. ***Pre-payment:*** Pre-payment of the loans is typically permitted with certain lenders charging a pre-payment penalty of up to 2% of the amount outstanding or proposed to be repaid. Certain lenders may waive the pre-payment penalty if a stipulated minimum amount is pre-paid. Certain lenders also have the discretion to charge any amount as pre-payment penalty. Loans may be prepaid without any penalty depending on certain events.

6. ***Events of Default:*** Borrowing arrangements entered into by our Asset SPVs and the Investment Entity typically contain customary standard events of default for borrowing arrangements, including but not limited to:

(a) Declaration of dividend/ distributions without the consent of the lender, if amounts due to the lender as of the date of such declaration/ distribution of dividend have not been paid;

(b) Change in capital structure or change in control or change in management of the borrower without prior permission of the lender;

(c) Expansion/ authorizing of an existing project or commencement of a new project without the consent of the lender;

(d) Creation of any further charge on the secured assets or providing any guarantees to other lenders or incurring any further indebtedness without prior approval of the lender;

(e) Violation of any term of the relevant agreement or any other borrowing agreement;

(f) Undertaking or permitting any re-organisation, re-capitalisation, liquidation, dissolution, merger, de-merger, consolidation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction without the consent of the lender;

(g) Alienation of assets of the borrower without the consent of the lender;

(h) Invalidity of any material license;

(i) Entering into any profit sharing agreement whereby the income or profits of the Asset SPV or the Investment Entity may be shared with any other entity or person without the prior consent of the lender; and

(j) Utilisation of funds for purposes other than the sanctioned purpose.

This is an indicative list and there are additional terms that may amount to an event of default under the various borrowing arrangements entered into by the Asset SPVs and the Investment Entity.

The Asset SPVs and the Investment Entity have received consents from their lenders in connection with *inter-alia*, the proposed transfer of the shareholding of the Asset SPVs to the Embassy REIT and the repayment/ pre-payment of indebtedness availed by the Asset SPVs and the Investment Entity. Additionally, the consents received from certain lenders impose conditions that such Asset SPVs, the Investment Entity and the Embassy REIT must comply with for such consents to remain in effect. For further details, see "*Risk Factors – We may be subject to certain restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets*." on page 42 of this Offer Document.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding borrowing amounts may vary from time to time. In addition to the above, each of the Asset SPVs and the Investment Entity may, from time to time, enter into re-financing arrangements and draw down funds thereunder, prior to the filing of the Final Offer Document or Listing Date. In the event any of the above borrowings are repaid, prepaid or re-financed or further drawn-down post the date of this Offer Document, the relevant details in relation to the same will be provided in the Final Offer Document.

Proposed Refinancing

Pursuant to the Issue, a portion of the Net Proceeds is proposed to be utilised towards, *inter alia*, partial or full repayment or prepayment, as applicable of the loans availed by the Asset SPVs and the Investment Entity from banks and financial institutions.

The Embassy REIT has entered into the Shareholder Debt Documentation with the Asset SPVs and the Investment Entity with respect to the proposed refinancing. For details of the terms of such Shareholder Debt Documentation, see "*Use of Proceeds – Details of Utilisation of Net Proceeds*" on page 382.

Indicative terms of the REIT Debt Financing

After the completion of the Issue and the listing of the Units, the Embassy REIT may issue debt in accordance with applicable law, including the circular dated April 13, 2018 issued by the SEBI on guidelines for issuance of debt securities by REITs and InvITs, the indicative non-binding key terms of which are set out below (pursuant to a term sheet dated February 27, 2019):

Instrument	Listed, rated, secured, Rupee non-convertible bonds
Issue Amount	Up to ₹40,000 million (Rupees Forty thousand million only)
Rating	Provisional [ICRA] AAA with stable outlook from ICRA Limited* and Provisional CRISIL AAA/Stable from CRISIL Limited
Tenor	Three years
Indicative Yield	9.00 – 9.25% per annum, compounded monthly to be paid as premium on redemption
Repayment	Bullet
Call option	From the first anniversary of the issuance until the second anniversary, call option at a call price equal to 102.00% of the principal amount together with accrued redemption premium, upon 30 days notice. From the second anniversary of the issuance until a period of six months thereafter, call option at a call price equal to 100.25% of the principal amount together with accrued redemption premium on a quarterly basis. Thereafter call option at par together with accrued redemption premium on quarterly basis

Certain Covenants	*Inter alia*: • REIT level loan to value <=49% • The Sponsor Group (or affiliates) (as defined in the term sheet) shall have controlling shareholding in the Manager • Any financing at an Asset SPV shall not be guaranteed by certain Asset SPVs The term sheet also contemplates certain restrictive covenants, including: (i) negative pledge on certain assets; (ii) limitations on incurring new indebtedness; and (iii) restrictions on mergers and change of control
Security	The security package for the REIT Debt Financing includes mortgages of and negative lien over certain properties forming part of the Portfolio and share pledges on the shares of certain SPVs.
Consequences of event of default	If an event of default has occurred which has not been cured within the cure period stipulated under the REIT Debt Documentation (being the time period within which a default or breach may be remedied or rectified, without any further consequences, as may be mutually agreed for individual events of default), then the debenture trustee is entitled to declare that the debentures shall become due for redemption and all the outstanding dues shall be due and payable after such number of days as stipulated in the definitive documentation proposed to be entered into. Further, no distributions shall be permitted in case of occurrence and persistence of an event of default. The consequences of an event of default, including the cure period shall be appropriately captured in the REIT debt documentation and the heads of terms of the same shall be disclosed in the information memorandum to be issued in connection with the REIT Debt Financing.
Use of Proceeds	Proceeds will be used for providing shareholder loans to the various Asset SPVs and/ or subscribe to debentures of the Investment Entity which in turn would use the same for the repayment of their existing debt or repayment of deferred payment obligations, as applicable. Part of the proceeds can also be used for construction financing/ refurbishment expenses/ working capital requirements at Asset SPVs. Proceeds can also be used for other general corporate purposes including payment of fees and expenses on the issue

Note: Two of the Lead Managers or their associate/ affiliates are the arrangers of the REIT Debt Financing

This Offer Document does not, directly or indirectly, relate to any invitation, offer or sale of any securities, instruments or loans (including listed non-convertible debentures or bonds, if any) that may be issued by the Embassy REIT after the listing of the Units. Any person or entity investing in such issue or transaction by the Embassy REIT should consult its own advisors. Neither the Lead Managers, nor their associates or affiliates have any responsibility or liability for such issue or transaction by the Embassy REIT

** The rating assigned by ICRA Limited is not a comment on the ability of the Embassy REIT to meet dividend payouts to Unit investors. Neither should it be construed as a comment on the ability of the individual SPVs held by the Embassy REIT to service their debt obligations*

ICRA Disclaimer

All information contained in the Rating Communication Letters and rating rationale has been obtained by ICRA from sources believed by ICRA to be accurate and reliable. Although reasonable care has been taken to ensure that the information therein is true, such information is provided 'as is' without any warranty of any kind, and in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained therein must be construed solely as statements of opinion and not any recommendation of investment. ICRA shall not be liable for any losses incurred by users from any use of the Rating Communication Letters and Rating Rationale or its contents. Also, ICRA provides credit rating and other permissible services to the company which are provided at arms-length basis.

CRISIL Disclaimer

CRISIL Limited (CRISIL) has taken due care and caution in preparing the Report based on the information provided by its client and / or obtained by CRISIL from sources which it considers reliable (Information). A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit or assessment of the rated entity by CRISIL. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Report and no part of the Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Report. CRISIL is authorised to provide its services in India only. Embassy Office Parks REIT is responsible for compliances for use of the Report or part thereof, and its consequences, outside India.

Material Financial Transactions

There are no material financial transactions i.e. lending and investment transactions by the Lead Managers or the Trustee and their respective material associates to the Sponsors, Manager, SPVs, Holdco or the Investment Entity other than as set out below:

(i) Term loans extended by JM Financial Credit Solutions Limited and JM Financial Products Limited (affiliates of JM Financial) aggregating to ₹3,740 million to the Embassy Sponsor for general corporate purposes at an interest rate of 14% per annum; and

(ii) Two term loans extended by Hong Kong and Shanghai Banking Corporation Limited (an affiliate of HSBC) to MPPL and EODPL respectively. For further details, see "*Use of Proceeds*" on page 381.

VII. ABOUT THE ISSUE

THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Offer Document:

Issue	Up to [●] Units aggregating up to ₹47,500 million
Less	
Strategic Investor Portion	29,208,800 Units aggregating to ₹8,763 million, subject to a minimum of 5% and a maximum of 25% of the Issue
Issue (excluding Strategic Investor Portion)	Up to [●] Units aggregating up to ₹38,737 million
Of which	
Institutional Investor Portion (not more than 75% of the Issue (excluding Strategic Investor Portion))*	Not more than [●] Units
Non-Institutional Investor Portion (not less than 25% of the Issue (excluding Strategic Investor Portion))	Not less than [●] Units
Floor Price	₹[●]
Cap Price	₹[●]
Issue Price	₹[●]
Face Value	Not applicable
Minimum Bid Size	₹[●]
Bid/Issue Opening Date*	March 18, 2019
Bid/Issue Closing Date	March 20, 2019
Sponsors	Embassy Property Developments Private Limited and BRE/ Mauritius Investments
Trustee	Axis Trustee Services Limited
Manager	Embassy Office Parks Management Services Private Limited
Authority for the Issue	The Issue was authorised and approved by the board of directors of the Manager on September 20, 2018.
Tenure of the Embassy REIT	The Embassy REIT shall remain in force perpetually until it is dissolved or terminated in accordance with the Trust Deed and the REIT Regulations. For details, see "*Background of the Embassy REIT*" and "*The Trustee*" on pages 61 and 227, respectively
Units issued and outstanding immediately prior to the Issue	[●]
Units issued and outstanding immediately after the Issue	[●]
Sponsors' Units	Up to [●] Units to the Embassy Sponsor and up to [●] Units to the Blackstone Sponsor The Units to be held by the Embassy Sponsor and Blackstone Sponsor, respectively will be allotted to them pursuant to the Formation Transactions, immediately prior to the Allotment pursuant to this Issue
Distribution	See "*Distribution*" on page 357
Indian Taxation	See "*Taxation*" on page 463
Use of proceeds	See "*Use of Proceeds*" on page 381

Listing and timelines for Listing	Prior to this Issue, there was no market for the Units. The Units are proposed to be listed on the NSE and BSE. In-principle approvals for listing of the Units have been received from BSE and NSE on October 9, 2018 and October 11, 2018, respectively. The Manager shall apply to BSE and NSE for the final listing and trading approvals, after the Allotment and after the credit of the Units to the beneficiary accounts with the Depository Participants. The Units are required to be listed within 12 Working Days from the Bid/ Issue Closing Date
Designated Stock Exchange	NSE
Transfer Restriction	See "*Rights of Unitholders*" on page 436
Commitment received from Strategic Investors	See - "*Strategic Investor Portion*" below
Closing Date	The date on which Allotment of the Units pursuant to the Issue is expected be made, i.e. on or about March 29, 2019
Ranking	The Units being issued shall rank *pari passu* in all respects, including rights in respect of distribution. The Unitholders will be entitled to participate in distribution, if any, declared by the Embassy REIT after the date of Allotment See "*Rights of Unitholders*" on page 436
Alteration of terms of the Issue	In case of any alteration of the terms of the Units, including the terms of the Issue, which may adversely affect the interest of the Unitholders, an approval from the Unitholders shall be required where the votes cast in favour of the resolution shall be more than the votes cast against the resolution
Lock-in and Rights of Unitholders	For details, see "*Information concerning the Units*" and "*Rights of Unitholders*" on pages 403 and 436 respectively
Risk Factors	Prior to making an investment decision, investors should carefully consider the matters discussed under *"Risk Factors"* on page 22

**The Manager in consultation with the Lead Managers, may consider participation by Anchor Investors in this Issue for up to 60% of the Institutional Investor Portion in accordance with the REIT Regulations and the SEBI Guidelines. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date*

Strategic Investor Portion

Date of Unit Subscription Agreement	March 11, 2019
Strategic Investor Allocation Price*	₹300 per Unit
Total number of Units proposed to be subscribed/ total subscription amount**	29,208,800 Units aggregating to ₹8,763 million

Strategic Investor	Number of Units proposed to be subscribed	Subscription Amount (₹)
American Funds Insurance Series – New World Fund	717,600	215,280,000.00
American Funds Insurance Series – Global Small Capitalization Fund	990,800	297,240,000.00
New World Fund, Inc.	9,765,600	2,929,680,000.00
SMALLCAP World Fund, Inc.	17,734,800	5,320,440,000.00
Total	**29,208,800**	**8,762,640,000**

**In the event that the Strategic Investor Allocation Price is lower than the Issue Price, The Strategic Investors have agreed to deposit the difference between the Strategic Investor Allocation Price and the Issue Price into the Escrow Account within two Working Days of the Pricing Date*

***The Strategic Investors have undertaken to deposit the total subscription amount in the Escrow Account prior to the Bid/Issue Opening Date*

Allocation to Bidders in all categories, except Anchor Investor Portion and the Strategic Investor Portion, shall be made on a proportionate basis.

The Issue is being made through the Book Building Process, wherein not more than 75% of the Issue (excluding Strategic Investor Portion) shall be available for allocation to Institutional Investors on a proportionate basis, provided that the Manager, in consultation with the Lead Managers, may allocate up to 60% of the Institutional Investor Portion to Anchor Investors on a discretionary basis in accordance with the REIT Regulations and the SEBI Guidelines. Further, not less than 25% of the Issue (excluding Strategic Investor Portion) shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price. In case of under-subscription in any category, the unsubscribed portion in either category may be Allotted to Bidders in the other category at the discretion of the Manager in consultation with the Lead Managers and the Designated Stock Exchange.

There shall not be multiple classes of Units other than the subordinate units that may be issued to the Sponsors and their respective Associates. Further, in accordance with the REIT Regulations and SEBI Guidelines, no Unitholder shall enjoy superior voting rights or any other rights over another Unitholder.

There shall be only one denomination of Units at any given time. The Manager shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

No person connected with the Issue shall offer any incentive, whether director or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application for Allotment of Units.

The Units, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

For further details, including in relation to manner and method of application, see "*Issue Information*" on page 406.

USE OF PROCEEDS

Proceeds of the Issue

The gross proceeds of the Issue will be ₹47,500 million and the Net Proceeds from the Issue will be ₹[●] million. The Net Proceeds from the Issue will be utilised towards the following objects:

- Partial or full repayment or pre-payment of bank/ financial institution debt of certain Asset SPVs and by the Investment Entity;
- Payment of consideration for acquisition of the Embassy One Assets currently held by EODPL; and
- General purposes

The details of the Net Proceeds are set forth in the following table:

(In ₹ million)

Particulars	Estimated Amount
Gross proceeds of the Issue*	47,500
Less: Issue expenses	([●])
Net Proceeds	[●]

* *Includes, the proceeds, received pursuant to participation by Strategic Investor(s) in the Issue*

Requirements of Funds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(In ₹ million)

Particulars	Amount
Partial or full repayment or pre-payment of bank/ financial institution debt of certain Asset SPVs and the Investment Entity	37,100.00
Payment of consideration for acquisition of the Embassy One Assets currently held by EODPL	4,600.00
General purposes*	[●]

* *To be finalised upon determination of Issue Price*

The Trustee and the Manager shall ensure that the subscription amounts are kept in a separate bank account in the name of the Embassy REIT and are only utilised for adjustment against Allotment of Units or refund of money to the applicants until such Units are listed.

The Manager believes that the partial or full repayment or pre-payment of debt of the Asset SPVs (including, any accrued interest and any applicable penalties) from their respective lenders will (i) help reduce outstanding indebtedness of the Embassy REIT, on a consolidated basis; and (ii) aid the Embassy REIT in maintaining a favourable debt-equity ratio. This will also enable the Embassy REIT to raise further resources in the future to fund potential business development opportunities and the growth and expansion of its business in the future and allow the Embassy REIT to meet distributions to Unitholders.

The Manager proposes to deploy the Net Proceeds during Fiscals 2019 and 2020, depending on various factors, including the actual timing of completion of the Issue and the receipt of the Net Proceeds. The fund requirements mentioned above and the proposed deployment are based on the estimates of the Manager and have not been appraised by any bank, financial institution or any other external agency. The fund requirements may vary due to factors beyond the Manager's control such as market conditions, competitive environment, interest rate and exchange rate fluctuations. To the extent the Manager is unable to utilise any portion of the Net Proceeds towards the proposed deployment in Fiscals 2019 and 2020, the Manager shall deploy the Net Proceeds in subsequent Fiscals in accordance with applicable law. Consequently, the fund requirements are subject to revisions in the future, at the discretion of the Manager.

Details of Utilisation of Net Proceeds

The details of utilisation of the Net Proceeds are set forth herein below:

1. Partial or full repayment or pre-payment of debt of certain Asset SPVs and the Investment Entity

Our Portfolio, comprising of Portfolio Assets and Portfolio Investment, have from time to time availed of borrowings to finance their business and operations, through term loans, construction financing loans, working capital facilities, deferred payment obligations, etc. As of December 31, 2018, the total outstanding debt of the Asset SPVs was ₹81,401.46 million and the total outstanding debt of the Investment Entity was ₹3,048.74 million. For details of these financing arrangements including the terms and conditions, see "*Financial Indebtedness"* on page 373.

The Manager, on behalf of the Embassy REIT, proposes to invest an estimated amount of ₹37,100 million from the Net Proceeds in our Asset SPVs and the Investment Entity, by way of lending to certain Asset SPVs and subscribing to debt issued by the Investment Entity, to partially or completely repay/ pre-pay the outstanding debt of certain Asset SPVs, and enable the Investment Entity to repay/ pre-pay its outstanding debts. The proposed investment is intended to be made by way of loans provided to the Asset SPVs or subscribing to non convertible debentures issued by the Investment Entity pursuant to the Shareholder Debt Documentation dated, March 11, 2019 and March 1, 2019, respectively entered into with certain Asset SPVs and the Investment Entity.

The selection of debt proposed to be prepaid or repaid will be based on various factors and commercial considerations, including (i) cost of the debt, including applicable interest rates, (ii) any conditions attached to the debt restricting ability to prepay/ repay such debt and the time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment, if applicable, from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, and (vi) provisions of any laws, rules and regulations.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding borrowing amounts may vary from time to time. In addition to the above, each of the Asset SPVs and the Investment Entity may, from time to time, enter into re-financing arrangements and draw down funds thereunder, prior to the filing of the Final Offer Document or listing of the Embassy REIT. Accordingly, the actual amount outstanding on the date of repayment may be different from the amount specified in this Offer Document.

Terms of the Shareholder Debt Documentation

The Embassy REIT has entered into the Shareholder Debt Documentation dated March 11, 2019 and March 1, 2019, with the Asset SPVs and the Investment Entity respectively as on the date of this Offer Document. The brief terms of the Shareholder Debt Documentation are as set out below. The proposed debt issue under the Shareholder Debt Documentation will be made in compliance with the requirements prescribed under the relevant provisions of Companies Act, including to the extent applicable, the Companies (Acceptance of Deposits) Rules, 2014, as amended.

The Asset SPVs and the Investment Entity have received consents from their lenders in connection with *inter-alia*, the proposed transfer of the shareholding of the Asset SPVs to the Embassy REIT and the repayment/ pre-payment of indebtedness availed by the Asset SPVs and the Investment Entity. Additionally, the consents received from certain lenders impose conditions that such Asset SPVs, the Investment Entity and the Embassy REIT must comply with for such consents to remain in effect. For further details, see "*Risk Factors – We may be subject to certain restrictive covenants under our financing agreements that could limit our flexibility in managing our business or use cash or other assets*." on page 22 of this Offer Document.

The terms of the Shareholder Debt to be provided to the Asset SPVs (in respect of utilisation of the Net Proceeds), pursuant to the terms of the Shareholder Debt Documentation entered into between the Embassy REIT and each of the Asset SPVs, each dated March 11, 2019 are listed below:

Term	Particulars
Purpose	The debt provided to the Asset SPVs will be utilised solely for the purpose of funding the objects of the Issue including partial or complete repayment/prepayment of loans and facilities availed from banks and other financial institutions; and specifically in case of QBPL, shall also be used towards purchase of the Embassy One Assets

Term	Particulars
Term	15 years
Interest	The debt shall carry an interest in the range of 12.50% to 14.00% per annum
Repayment	Bullet repayment at the end of 15 years from the first drawdown date, provided that the Asset SPVs may prepay the whole or any part of the loan amounts due at any time with not less than five business days' notice to the Embassy REIT
Security	The debt shall be unsecured
Events of Default	If the occurrence of the following events is not remedied within 180 days (or as extended by the Embassy REIT), these will constitute events of default under the Shareholder Debt Documentation: • Non-payment of any amount due under the Shareholder Debt Documentation or other financing document (as defined under the Shareholder Debt Documentation) • Breach of any provision of any financing document • Declaration of insolvency or initiation of insolvency proceedings in relation to the relevant Asset SPV • Unenforceability, unlawfulness or invalidity of any financing document Upon the occurrence of an event of default, the Embassy REIT may, by notice, cancel the loan and declare outstanding amounts to be immediately due and payable and exercise any other rights available under applicable law and/or any financing document.
Governing Law	The Shareholder Debt Documentation shall be governed by the laws of India

The Investment Entity has pursuant to a board resolution dated February 19, 2019 and shareholder resolution dated February 27, 2019 approved the issue and allotment of 2,500 non-convertible debentures of nominal value of ₹1,000,000 each aggregating to ₹2,500 million on a private placement basis to the Embassy REIT on terms as listed below. The Investment Entity and the trustee for the NCDs have entered into a debenture trust deed dated March 1, 2019 (the "**Debenture Trust Deed**") setting out the terms of the issuance of the NCDs. Under the terms of the Debenture Trust Deed, the Investment Entity is required to issue the NCDs to the Embassy REIT within 45 days from listing, with seven working days' prior notice from the Embassy REIT for such issuance:

Term	Particulars
Purpose	The debt provided to the Investment Entity will be utilised solely for the purpose of repayment/prepayment of identified lease rental discounting facilities availed by the Investment Entity from HDFC Limited and Central Bank of India Limited
Instrument	Unlisted, unrated, secured, redeemable, non-convertible debentures
Term	Four years from the deemed date of allotment (as defined under the Debenture Trust Deed)
Interest	8.50% per annum to be paid on the principal amounts outstanding from time to time. Interest to be paid on the last day of each calendar month commencing from the deemed date of allotment.
Redemption	The debt shall be repayable/ redeemable in accordance with the terms of the repayment schedule agreed to; i.e. in 17 structured monthly instalments. Early redemption of the debentures is permitted from the internal accruals of GLSP or any other sources, at the option of GLSP and without any prepayment penalty.
Security	The debt shall be secured by a first ranking security interest over the movable and immovable assets of the Investment Entity providing a security cover of 2X (excluding intangible assets) at all times
Events of Default	The occurrence of certain events (including the following events) shall constitute an event of default under the Shareholder Debt Documentation: • Default by the Investment Entity in meeting its payment obligations under the Shareholder Debt Documentation for more than 90 days from the date when falling due • Breach of any terms of the transaction documents (as defined in the Debenture Trust Deed), if not cured within a period of 90 days • The Investment Entity fails to create and/or perfect the security within agreed timelines • In the reasonable opinion of the trustee, the security is in jeopardy • The Investment Entity becoming the subject of (i) any voluntary winding-up proceedings; or (ii) any involuntary proceedings under any law relating to winding up or bankruptcy or insolvency law; which has not been dealt with, disposed of, discharged or

Term	Particulars
	otherwise withdrawn, within 90 days from the date of commencement of such proceedings and the same results in a material adverse change • A moratorium in respect of all or any debts of the Investment Entity or a composition or an arrangement with creditors of the Investment Entity, is declared by a court of competent jurisdiction • Appointment of a liquidator, receiver, administrative receiver, administrator, or other similar officer in respect of the Investment Entity which results in a material adverse change and the same is not set aside within 90 days • Any nationalization or expropriation of the Investment Entity • Unenforceability, illegality or unlawfulness of the Shareholder Debt Documentation • The Investment Entity ceases to carry on all or substantially all of its business or gives notice of its intention to do so Upon the occurrence of an event of default, the trustee may declare the debentures to be due and payable immediately, appoint a nominee director on the board of the Investment Entity, appoint a receiver, enforce the security or deal with the security in the manner it deems appropriate and exercise such other rights available to it under the transaction documents, applicable law or equity. The trustee is required to immediately notify the Embassy REIT of the occurrence or the likelihood of the occurrence of an event of default
Governing Law	The debt documentation shall be governed by the laws of India

Details of outstanding loans availed by the Portfolio

The selection of debt proposed to be partially or fully repaid or pre-paid will be based on various factors and commercial considerations.

(in ₹ million)

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest[#]	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
Asset SPVs							
MPPL							
1.	Canara Bank	Term loan for refinancing and improving business	8.50%	Prepayment penalty of 2% payable on the amount outstanding in case of the loan being taken over by other banks/ financial institutions No prepayment penalties/ charges in respect of any amounts proposed to be prepaid/ repaid by the company in connection with the Issue	121 monthly step up instalments	2,500.00	1,525.90
2.	Federal Bank Limited	Term loan against rent receivables for investing in the business of MPPL	9.00%	No prepayment penalty if repaid out of internal accruals. Prepayment penalty of 2% payable if the loan is prepaid out loans availed from other banks and financial institutions No prepayment penalties/ charges in respect of any amounts proposed to be prepaid/ repaid by the company in connection with the Issue	144 monthly instalments	2,300.00	2,228.00

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
3.	HDFC Bank Limited	Term loan for repaying loans and paying creditors in the books and for further development of the property	Sanctioned loan amount of ₹350 million – 8.45% p.a.; ₹450 million – 8.35% p.a.; and ₹1,582 million – 8.95% p.a.	No prepayment charges within 45 days from the interest reset date in case the borrower is not agreeable on the interest reset rate provided the bank receives advance intimation of 45 days on the reset date. 2% prepayment penalty will be applicable for total amount outstanding if prepaid at any time other than the reset period No prepayment penalties/ charges in respect of any amounts proposed to be prepaid/ repaid by the company in connection with the Issue	180 monthly instalments	2,385.00	2,354.40
4.	HDFC Limited	Term loan for working capital for ongoing construction requirement for Hilton at Embassy Manyata, upgrading the landscape and lobbies at the campus for Embassy Manyata	Sanctioned loan amount of ₹11,387 million – 9.75% p.a.; ₹90 million – 14% p.a.; and ₹300 million – 11.50% p.a.	Prepayment penalty applicable as per the lender's discretion	88 monthly instalments	14,500.00	11,777.50
5.	The Hong Kong and Shanghai Banking Corporation Limited* ** The lender is an affiliate of HSBC Securities and Capital Markets (India) Private Limited, which is one of the BRLMs to this Issue. Also see, "Risk Factors – There*	Term loan for refinancing of existing bank loans and for funding the ongoing construction	Sanctioned loan amount of ₹2,012 million – 8.60% p.a.; ₹1,943 million – 8.60% p.a.; ₹1,525 million – 8.25% p.a.; and ₹1,629 million – 8.25% p.a.	Prepayment penalties applicable at bank's discretion No prepayment charges if repaid on the interest reset date, if any Prepayment penalties/ charges to be mutually agreed in respect of any amounts proposed to be prepaid/ repaid by the MPPL in connection with the Issue	10 year fully amortising term loan with monthly repayments.	7,109.00	6,851.71

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
	may be conflicts of interests between the Lead Managers and/or their associates and affiliates and the Manager, the Embassy Sponsor, the Blackstone Sponsor Group, the Blackstone Sponsor, the Trustee and/or their respective associates/ affiliates" on page 39 and "Financial Indebtedness – Material Financial Transactions" on page 377						
		Overdraft facility for refinancing of existing bank loans and for funding the ongoing construction	Sanctioned overdraft facility of ₹180 million – 8.45% p.a.; ₹190 million – 8.45% p.a.; ₹300 million – 8.80% p.a.; and ₹200 million – 8.80% p.a.	Prepayment penalty is applicable at bank's discretion No prepayment charges if repaid on the interest reset date, if any Prepayment penalties/ charges to be mutually agreed in respect of any amounts proposed to be prepaid/ repaid by the MPPL in connection with the Issue	Payable on demand	870.00	840.22

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
6.	Indian Overseas Bank	Term loan for lease rental discounting against rent receivables of Block K and H1 of Embassy Manyata	8.85%	Prepayment penalty of 1% of prepaid amount Indian Overseas Bank's sanctioning authority shall consider the company's request to waive all prepayment penalties/ charges in respect of any amounts proposed to be prepaid/ repaid by the company in connection with the Issue at the appropriate time	93 monthly instalments beginning from August 2015	1,880.00	1,135.83
		Term loan for lease rental discounting against rent receivables of Block D4, E1 and F2 at Embassy Manyata	8.85%	Prepayment penalty of 1% of prepaid amount Indian Overseas Bank's sanctioning authority shall consider the company's request to waive all prepayment penalties/ charges in respect of any amounts proposed to be prepaid/ repaid by the Company in connection with the Issue at the appropriate time	110 monthly instalments from August 2015	5,040.00	3,449.48
7.	PNB Housing Finance	Construction finance loan for construction and development of two office towers, convention centre and retail portion of front parcel of Block A and B (excluding hotel building) of Embassy Manyata	10.05%	No prepayment penalty if repaid out of sale proceeds of the project or through own funds including funds raised from REIT. Minimum 1% shall be levied in case of migration of loan to another institution No prepayment penalties/ charges in respect of any amounts proposed to be prepaid/ repaid by the company in connection with the Issue	To be repaid in 17 months after a principal moratorium of 48 months – ₹2,666.7 million at the 49th month, ₹2,514.8 million at the 56th month and ₹68.5 million at the 65th month	5,250.00	1,850.00
8.	State Bank of India	Term loan for lease rental discounting against rent receivables of Block L2 and L3 of Embassy Manyata	8.40%	No prepayment penalty if repaid out of own sources including through REIT and interest reset date if the same is not agreeable to the company. 1% for other sources No prepayment penalties/ charges in respect of any amounts proposed to be	153 monthly instalments	6,000.00	5,927.56

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
				prepaid/ repaid by the company in connection with the Issue			
UPPL							
9.	Yes Bank Limited	Term loan for refinancing of existing loans towards construction/ development of the project and payment of outstanding creditors for expenses incurred towards furnishing of hotel	11.00%	Nil	To be repaid over a period of 15 years	2,000.00	1,809.90
EODPL[(1)]							
10.	Oriental Bank of Commerce	Term loan for refinancing the existing term loans and part financing the balance construction	10.50%	One time pre-payment charge of 2% p.a. on the fund based outstanding balance to be charged for shifting to another bank or financial institution The bank's sanctioning authority shall consider the company's request to waive all prepayment penalties/charges in respect of any amounts proposed to be prepaid/repaid by the company in connection with the Issue at the appropriate time.	32 structured quarterly installments for commencing from September, 2019	1,150.00	1,103.20
11.	Indian Overseas Bank	Term loan towards development and finishing of Four Seasons at Embassy One including refinance of existing debt	10.50%	Prepayment will be subject to applicable prepayment charges The bank's sanctioning authority shall consider the company's request to waive all prepayment penalties/charges in respect of any amounts proposed to be prepaid/repaid by the company in connection with the Issue at the appropriate time.	Repayment in 32 structured quarterly installments commencing from September, 2019	2,300.00	2,132.40

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
		Non-fund based limits (letter of credit and bank guarantee)	NA	Nil	Letter of credit – documents against payment or documents against acceptance, with usance up to 180 days Bank guarantee – (a) guarantee for export promotion capital goods not to exceed nine years, and (b) guarantee for other than export promotion capital goods not to exceed 60 months	500.00	
12.	ICICI Bank	Term Loans to be utilized as follows: Up to 1,900 million towards repayment of construction loan availed from existing bank/ financial institutions in relation to commercial and retail portion of the "Embassy One" project , and balance amount towards repayment of unsecured loans of EODPL availed from Embassy Inn Private Limited and/ or EPDPL utilized towards development expenses of the commercial and retail portion of "Embassy One" and, the hotel portion of the project	Disbursement of ₹635 million - 10.55% Disbursement of ₹2,265 million - 10.65% Disbursement of ₹775– 10.65%	No prepayment charges shall be levied if prepayment is on account of funds being infused through the Embassy REIT or by way of equity infusion Prepayment penalties/ charges in respect of any amounts proposed to be prepaid/ repaid by EODPL in connection with the Issue at the appropriate time have been waived	144 monthly installments, commencing from September, 2019	Term Loan I – 635 Term Loan II – 3,115	3,675.00
13.	The Hong Kong and Shanghai Banking Corporation Limited*	Term loan towards refinancing of the Embassy Group's loans and financing interest payments	8.80%	Prepayment penalties applicable at Hong Kong and Shanghai Banking Corporation Limited's discretion	Bullet repayment at the end of 24 months	2,500	2,015.43

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
	** The lender is an affiliate of HSBC Securities and Capital Markets (India) Private Limited, which is one of the BRLMs to this Issue. Also see, "Risk Factors – There may be conflicts of interests between the Lead Managers and/or their associates and affiliates and the Manager, the Embassy Sponsor, the Blackstone Sponsor Group, the Blackstone Sponsor, the Trustee and/or their respective associates/ affiliates" and "Material Financial Transactions" on pages 377 and 377*						

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
IENMPL							
14.	State Bank of India	Overdraft facility under asset backed loan scheme towards repayment of existing loans	8.95%	2% of the drawing power will be charged on pre-payment, unless: (a) prepayment is from internal accruals or infusion of equity/ debt from related parties; (b) prepayment is pursuant to the borrower listing its securities (either directly or indirectly) on a stock exchange in India or otherwise, including providing any assets owned by the borrower towards a REIT listing, or on the date of reset of MCLR; (c) prepayment is on the interest reset date, or within 30 days from the interest reset date, in case of upward revision of spread at the time of annual review of the account (d) any prepayment within 30 days from the date of upward revision of the spread	48 structured quarterly installments	4,200.00	2,702.90
15.	State Bank of India	Overdraft facility under asset backed loan scheme towards repayment of existing loans	8.95%	2% of the drawing power will be charged on pre-payment, unless: (a) prepayment is from internal accruals or infusion of equity/ debt from related parties; (b) prepayment is pursuant to the borrower listing its securities (either directly or indirectly) on a stock exchange in India or otherwise, including providing any assets owned by the borrower towards a REIT listing, or on the date of reset of MCLR; and (c) prepayment is on the interest reset date, or within 30 days from the interest reset date, in case of upward	48 structured quarterly installments	410.00	347.16

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
				revision of spread at the time of annual review of the account (d) any prepayment within 30 days from the date of upward revision of the spread			
VCPPL							
17.	IDFC FIRST Bank Limited	Term loans (“**Loan A**” and “**Loan B**”) for refinancing of outstanding indebtedness and transaction related business; and part funding of the capital expenditure and transaction related expenses Overdraft facility for meeting short term working capital requirements	8.89%	1% of the outstanding amount prepaid unless if pre-payment is made out of internal accruals or surplus operating cash flow of the Company or debt from related parties or on reset of interest rates or pursuant to listing All prepayment penalties/ charges in respect of any amounts proposed to be prepaid/ repaid (partially/ completely) by VCPPL in connection with the Issue have been waived	With respect to Loan A and Loan B – 56 structured quarterly instalments With respect to the overdraft facility – within 15 days from the date of demand from lender, unless otherwise agreed	Loan A – 3,550.00 Loan B – 350.00 Overdraft facility – 150.00	Loan A – 3,421.31 Loan B – 0.00
18.	IDFC Infrastructure Finance Limited	Term loan for refinancing of outstanding indebtedness	9.25%	1.3% on the outstanding principal amount if prepayment is made within three years from the date of first disbursement, and 1% on the outstanding principal amount if prepayment is made in the immediately succeeding two years after the expiry of the aforementioned three years and thereafter. No prepayment penalty if pre-payment is made out of internal accruals or surplus operating cash flow of the Company or debt from related parties or on reset of interest rates or pursuant to listing	56 structured quarterly instalments	1,450.00	1,397.44
ETPL							
19.	Housing Development Finance Corporation Limited	Term loan against discounting of license fees/lease rentals	9.95%	As the lender may prescribe	96 monthly instalments	1,350.00	696.71

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
20.	Housing Development Finance Corporation Limited	Term loan for incurring capital expenditure for completion of repair work and working capital requirements	11.60%	2% (two per cent) on the outstanding principal loan amount. No prepayment penalty if prepayment is made out of internal accruals or equity	Bullet payment at the end of 24th month from the date of first disbursement	850.00	300.00
EOPPL							
21.	HDFC Limited	Term loan against discounting of rent receivables	10.00% for ₹700 million tranche 11.50% for ₹150 million tranche 10.35% for ₹4,975.50 million tranche	Prepayment penalties applicable at HDFC Limited's discretion	120 monthly instalments	6,750.00	5,825.56
QBPL							
22.	Standard Chartered Bank	Term loan for general corporate purposes	10.40%	Prepayment is permissible *inter-alia* on the occurrence of a 'capital market event' which includes the contribution of the asset or shares of the SPV to a REIT Prepayment penalties in respect of any amounts proposed to be prepaid/ repaid (partially/completely) by QBPL in connection with the Issue have been waived	To be repaid in 60 monthly instalments across 5 years with a bullet repayment of 247.91 on maturity	350.00	322.07
QBPPL							
23.	State Bank of India	Overdraft facility under asset backed loan scheme towards repayment of existing loans Overdraft facility under asset backed loan scheme towards utilization in a capital reduction scheme	8.95%	2% of the drawing power will be charged on pre-payment, unless: (a) prepayment is from internal accruals or infusion of equity/ debt from related parties; (b) prepayment is pursuant to the borrower listing its securities (either directly or indirectly) on a stock exchange in India or otherwise, including providing any assets owned by the borrower towards a REIT listing, or on the date of reset of MCLR; and	Overdraft facility I – repayable in 49 structured quarterly instalments Overdraft facility II – repayable in 47 structured quarterly instalments	Overdraft facility I -3,200.00 Overdraft facility II - 870.00	Overdraft facility I - 2,457.57 Overdraft facility II - 779.62

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
				(c) prepayment is on the interest reset date, or within 30 days from the interest reset date, in case of upward revision of spread at the time of annual review of the account (d) any prepayment within 30 days from the date of upward revision of the spread			
OBPPL							
24.	State Bank of India	Overdraft facility I under asset backed loan scheme towards repayment of existing loans Overdraft facility II under asset backed loan scheme for construction and development of Phase-II of Embassy Oxygen	8.35%	2% of the drawing power will be charged on pre-payment, unless: (a) prepayment is from internal accruals or infusion of equity/ debt from related parties; (b) prepayment is pursuant to the borrower listing its securities (either directly or indirectly) on a stock exchange in India or otherwise, including providing any assets owned by the borrower towards a REIT listing, or on the date of reset of MCLR; and (c) prepayment is on the interest reset date, or within 30 days from the interest reset date, in case of upward revision of spread at the time of annual review of the account (d) any prepayment within 30 days from the date of upward revision of the spread	Overdraft facility I – repayable in 48 structured quarterly instalments Overdraft facility II – repayable in 48 structured quarterly instalments	Overdraft facility I – 3,000 Overdraft facility II – 1,200	Overdraft facility I – 2,518.66 Overdraft facility II – 1,166.35
25.	State Bank of India	Construction loan for construction of Tower-II, Phase II of Embassy Oxygen	9.20%	2% of the drawing power will be charged on pre-payment, unless: (a) prepayment is from internal accruals or infusion of equity/ debt from related parties; (b) prepayment is pursuant to the borrower listing its securities (either directly or indirectly) on a stock exchange in India or otherwise,	Bullet re-payment at the end of a tenor of 31 (thirty one) months	2,000	1,744.33

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
				including providing any assets owned by the borrower towards a REIT listing, or on the date of reset of MCLR; and (c) prepayment is on the interest reset date, or within 30 days from the interest reset date, in case of upward revision of spread at the time of annual review of the account (d) any prepayment within 30 days from the date of upward revision of the spread			
GSPL							
26.	State Bank of India	Overdraft facility I under asset backed loan scheme for repayment of existing loans. Overdraft facility II under asset backed loan scheme for general corporate purposes including working capital requirements	8.95%	2% of the drawing power will be charged on pre-payment, unless: (a) prepayment is from internal accruals or infusion of equity/ debt from related parties; (b) prepayment is pursuant to the borrower listing its securities (either directly or indirectly) on a stock exchange in India or otherwise, including providing any assets owned by the borrower towards a REIT listing, or on the date of reset of MCLR; (c) prepayment is on the interest reset date, or within 30 days from the interest reset date, in case of upward revision of spread at the time of annual review of the account (d) any prepayment within 30 days from the date of upward revision of the spread	Overdraft facility I – repayable in 48 structured quarterly instalments Overdraft facility II – repayable in 48 structured quarterly instalments	Overdraft facility I – 2,580.00 Overdraft facility II – 430.00	Overdraft facility I – 2,200.67 Overdraft facility II – 389.87

S. No.	Lender	Nature of borrowing and purpose	Rate of Interest#	Prepayment Penalty	Repayment	Amount Sanctioned	Amount outstanding as on December 31, 2018
Investment Entity							
GLSP							
27.	HDFC Limited	Lease rental discounting facility for expansion of business	10.25%	Prepayment penalties applicable at HDFC Limited's discretion	Repayable in 120 months	7,627.92	1,256.87
28.	Central Bank Of India	Lease rental discounting facility for repayment of credit facilities	8.80%	Nil prepayment charges shall be payable if prepayment is within 60 days from the interest reset date, in case the company is not agreeable on the interest reset rate. Prepayment charges on the balance outstanding shall be at 1% p.a. for the remaining contract period, subject to a maximum of 2% to be paid, if prepaid at any time other than the reset period	Repayable in 88 months	2,700.00	603.71
29.	Central Bank Of India	Lease rental discounting facility for meeting the working capital requirements	8.80%		Repayable in 113 months	750.00	709.15
30.	Central Bank Of India	Lease rental discounting facility for meeting the working capital requirements	8.45%		Repayable in 110 months	500.00	485.29

\# *The percentages shown in the table above denote the rate of interest in effect as of December 31, 2018. Please note that the rate of interest is typically the base rate of a specified lender and spread per annum. The spread varies between different loans for different banks. For further details, see "Financial Indebtedness" on page 373*

(1) *These loans shall be transferred from EODPL to QBPL, pursuant to the Business Transfer Agreement. For further details, see "Formation Transactions in relation to the Embassy REIT – Business Transfer Agreement" on page 273.*

2. Payment of consideration for acquisition of the Embassy One Assets

The Embassy One Assets comprise of completed office and retail space, and Four Seasons at Embassy One. It is proposed that the Embassy One Assets will be sold by EODPL to QBPL, by way of a slump sale on an "as-if-completed" basis pursuant to the Business Transfer Agreement simultaneously with the consummation of the Formation Transaction under the Blackstone QBPL SPA. See "*Formation Transactions in relation to the Embassy REIT – Business Transfer Agreement*" on page 273. The Embassy One Assets are proposed to be transferred for an aggregate consideration of ₹4,600 million. The consideration for the Embassy One Assets is based on the market value and outstanding debt of the Embassy One Assets as of December 31, 2018, and may change based on various factors including closing adjustments, asset value, debt, etc.

3. General Purposes

Subject to the REIT Regulations, the Manager will have flexibility in utilizing the balance Net Proceeds, if any, for general purposes in relation to the operation, meeting exigencies and expenses incurred by the Embassy REIT (including payment of secondment fees to employees of the Manager and other expenses), towards funding growth opportunities and strategic initiatives and acquisitions, investment and acquisition of shares in Asset SPVs, funding initial stages of equity contribution towards our assets, working capital requirements, meeting day to day expenses, meeting expenses in the ordinary course of business, part or full debt repayment, strengthening of our marketing capabilities and towards repayment and pre-payment penalty on loans, as may be applicable subject to such utilization not exceeding 10% of the Net Proceeds in accordance with the REIT Regulations.

The Manager will have flexibility in utilizing the proceeds earmarked for general purposes. In the event that the Manager is unable to utilize the entire amount that it has currently estimated for use out of Net Proceeds in a particular fiscal year, it will utilize such unutilized amount in the next fiscal year.

Retention of Oversubscription in the Issue

The Manager in consultation with the Lead Managers, reserves the right to retain oversubscription of not more than 25% of the Issue Size in accordance with the REIT Regulations and SEBI Guidelines. In the event that the Manager in consultation with the Lead Managers, exercises such right, in accordance with the REIT Regulations, the proceeds from the Allotment of Units pursuant to such oversubscription shall be allocated towards the objects of the Issue and shall not be utilized towards general purposes. For details, see "*Risk Factors – The utilization of the proceeds from oversubscription, if any, will only be determined after the Bid/Issue Closing Date and included in the Final Offer Document*" on page 58.

Interim use of Net Proceeds

The Manager will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, the Manager may invest the funds in deposits in one or more scheduled commercial banks included in the Second Schedule of the RBI Act.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹[●] million. The Issue expenses consist of listing fees, underwriting fees, selling commission, fees payable to the Lead Managers, Auditor, Valuer, advisors, legal counsels, Registrar to the Issue, Banker(s) to the Issue, processing fees to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Units on the Stock Exchanges.

All expenses in relation to the Issue shall be paid by the Embassy REIT. However, for ease of operations, if required, the expenses of the Embassy REIT may, at the outset, be borne by the Embassy Sponsor or the Blackstone Sponsor Group on behalf of the Embassy REIT, and the Manager (on behalf of the Embassy REIT) agrees that it will reimburse the Embassy Sponsor or the Blackstone Sponsor Group all such expenses and vice - versa. The break-up for the estimated Issue expenses is as follows:

(In ₹ million)

Activity	Estimated expenses*	As a % of the total estimated Issue expenses*	As a % of the total Issue size*
Fees and commission to advisors to this Issue	[●]	[●]	[●]
Fee payable to others	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

** To be determined on finalization of the Issue Price and updated in the Final Offer Document prior to filing with SEBI and the Stock Exchanges*

In case the actual Issue expenses differ from the estimated Issue expenses, the Manager will have the flexibility to utilize such a difference, subject to applicable law.

Selling Commissions

Selling commission on the portion for Non-Institutional Investors which are procured by Members of the Syndicate (including their Sub-syndicate Members), SCSBs, RTAs and CDPs would be as follows:

Portion for Non-Institutional Investors 0.50% of the Amount Allotted* (plus applicable tax)

** Amount Allotted is the product of the number of Units Allotted and the Issue Price.*

Any additional amounts to be paid by the Embassy REIT/Sponsors shall be, as mutually agreed upon the Lead Managers, their affiliate Syndicate Members, and the Sponsors prior to the Bid/Issue Opening Date.

No processing fees shall be payable to the SCSBs on the applications directly procured by them.

ASBA Processing Fees to SCSBs

Processing fees payable to the SCSBs on the portion for Non-Institutional Investors which are procured by the Members of the Syndicate / Sub-syndicate / Registered Brokers / RTAs / CDPs and submitted to SCSBs for blocking would be as follows:

Portion for Non-Institutional Investors ₹10 per valid application* (plus applicable tax)

**Based on valid Applications.*

Registered Brokers

Selling commission payable to the Registered Brokers on the portion for Non-Institutional Investors, which are directly procured by the Registered Brokers and submitted to SCSBs for processing, would be as follows:

Portion for Non-Institutional Investors ₹10 per valid application* (plus applicable tax)

**Amount of selling commission payable to Registered Brokers shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment.*

ISSUE STRUCTURE

Initial Public Offering of up to [●] Units for cash at price of ₹ [●] per Unit aggregating up to ₹47,500 million by Embassy REIT. This Issue shall constitute at least [●]% of the total outstanding Units on a post-Issue basis. This Issue is being made through the Book Building Process.

Particulars	Institutional Investors[1]	Non Institutional Investors	Strategic Investors
Number of Units available for Allotment/allocation[2]	Not more than [●] Units	Not less than [●] Units	29,208,800 Units
Percentage of Issue Size available for Allotment/allocation	Not more than 75% of the Issue (excluding Strategic Investor Portion)[1]	Not less than 25% of the Issue (excluding Strategic Investor Portion)	Not less than 5% of the Issue and not more than 25% of the Issue
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate	Proportionate	Discretionary
Minimum Bid	[●] Units and in multiples of [●] Units thereafter	[●] Units and in multiples of [●] Units thereafter	Not less than 5% of the Issue Size, either jointly or severally with other Strategic Investors, such that the Bid Amount is not less than ₹200,000
Maximum Bid (subject to applicable limits)	Such number of Units (in multiples of [●] Units) not exceeding the size of the Issue (excluding the Strategic Investor Portion)	Such number of Units (in multiples of [●] Units) not exceeding the size of the Issue (excluding the Strategic Investor Portion)	Such number of Units not exceeding 25% of the Issue
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Bid Lot	[●] Units and in multiples of [●] Units thereafter	[●] Units and in multiples of [●] Units thereafter	Participation shall be in accordance with the Strategic Investor Unit Subscription Agreement
Allotment Lot	[●] Units and in multiples of [●] Units thereafter	[●] Units and in multiples of [●] Units thereafter	[●] Units and in multiples of [●] Units thereafter
Trading Lot	Such number of Units, the value of which is not less than ₹100,000	Such number of Units, the value of which is not less than ₹100,000	Such number of Units, the value of which is not less than ₹100,000
Who can apply[3]	(i) QIBs; or (ii) family trusts or intermediaries registered with SEBI, all with net-worth of more than ₹5,000 million, as per the last audited financial statements	Bidders other than Institutional Investors, eligible to apply in this Issue	(i) Infrastructure finance company registered with the Reserve Bank of India as a Non-Banking Financial Company; (ii) Scheduled Commercial Bank; (iii) Multilateral and/or bilateral development financial institution; (iv) Systemically important Non-Banking Financial Company registered with the Reserve Bank of India; or (v) Foreign Portfolio Investor
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the Bid cum Application Form[4][5]	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the Bid cum Application Form [4]	Subscription price per Unit, payable by the Strategic Investors is set out in the unit subscription agreement and the entire subscription price shall be deposited in a special escrow account prior to opening of the Issue. See "*Issue Information*" on page 406[6]

(1) *The Manager in consultation with the Lead Managers may allocate up to 60% of the Institutional Investor portion to Anchor Investors on a discretionary basis*

(2) *Subject to valid Bids being received at or above the Issue Price*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only the First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Bidders are advised to consult their own advisors with respect to any restrictions or limitations that may be applicable to them, including any restrictions or limitations in relation to their ability to invest in the Units. By making a Bid (including any revision thereof), the Bidder will be deemed to have represented to the Manager, the Trustee, the Lead Managers and the Syndicate Members that it is eligible to participate in the Issue and be Allotted Units under applicable law*

(4) *The full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. Any difference between the Anchor Investor Allocation Price and the Issue Price (in the event the Issue Price is higher) shall be paid within the Pay-in Date*

(5) *In case of ASBA Investors, the SCSBs shall be authorised to block such funds in the bank account of the Investor that are specified in the Bid cum Application Form*

(6) *Each Strategic Investor proposing to invest in the Issue has entered into a Strategic Investor Unit Subscription Agreement with the Manager (acting on behalf of the Embassy REIT) as on the date of this Offer Document. The Strategic Investor Issue Price shall not be less than the Issue Price. In case the Issue Price is higher than the Strategic Investor Allocation Price, each Strategic Investor shall bring in the additional amount within two Working Days of the Pricing Date.*

In case of under-subscription in any investor category, the unsubscribed portion in either the Institutional Investor Portion or the Non Institutional Investor Portion may be Allotted to Applicants in the other category at the discretion of the Manager in consultation with the Lead Managers.

The Embassy REIT shall not make any Allotment in excess of the Issue Size except in case of oversubscription for the purpose of rounding off to make Allotment.

Indicative Issue Timeline

Event	Indicative Date
Bid/ Issue Opening Date	March 18, 2019[1]
Bid/ Issue Closing Date	March 20, 2019
Finalization of the Basis of Allotment	On or about March 28, 2019
Closing Date	On or about March 29, 2019
Designated Date	On or about March 29, 2019
Initiation of refunds	On or about March 29, 2019
Listing Date	On or about April 03, 2019

(1) *The Manager may, in consultation with the Lead Managers, consider participation by Anchor Investors in accordance with the REIT Regulations and SEBI Guidelines. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date*

The above timetable is indicative and does not constitute any obligation or liability on Embassy REIT, the Manager, the Trustee or the Lead Managers.

While the Manager shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Units on the Stock Exchanges are taken within 12 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, including any extension of the Bid/ Issue Period by the Manager due to any revision(s) of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Units will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Except in relation to the Bids received from the Anchor Investors and Strategic Investors, Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/ Issue Period (except the Bid/Issue Closing Date) at the Bidding Centres and the Designated Branches mentioned on the Bid cum Application Form. Bidders are not allowed to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage. Bidders can make upward revisions in their Bids, subject to applicable law. It is clarified that Bids not uploaded on the electronic bidding system would be rejected. Due to limitation of the time available for uploading the Bids on the Bid/ Issue Closing Date, Investors are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Issue Closing Date. Any time mentioned in this Offer Document is IST. Investors are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days i.e. Monday to Friday (excluding any public holiday). None among the Embassy REIT, the Manager, the Trustee or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

The Manager in consultation with the Lead Managers, reserve the right to revise the Price Band during the Bid/ Issue Period. In case the Price Band is revised, the Issue Period shall be extended for a minimum period of one Working Day, subject to the total Bid/Issue Period not exceeding 30 days, provided that there shall not be more than two revisions to the Price Band during the Bid/ Issue Period. In case of force majeure, banking strike or similar circumstances, the Embassy REIT may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the total Bid/Issue Period not exceeding 30 days. The revised Price Band and Issue Period will be widely disseminated by notification to the Designated Intermediaries and Stock Exchanges, and also by indicating the change on the websites of the Embassy REIT, the Lead Managers, the Embassy Sponsor, the Manager and the Stock Exchanges and at the terminals of the members of the Syndicate. In accordance with the REIT Regulations and the SEBI Guidelines, the Price Band cannot be revised more than two times during the Bid/ Issue Period.

INFORMATION CONCERNING THE UNITS

Unitholding of the Embassy REIT

Particulars	Number of Units*
Units issued and outstanding prior to the Issue	[●]
Units issued and outstanding after the Issue	[●]

**To be determined upon finalization of the Issue Price and updated in the Final Offer Document prior to filing with SEBI and the Stock Exchanges*

Unitholders holding more than 5% of the Units of the Embassy REIT

		Pre-Issue*		Post-Issue#	
S. No.	Name of Unitholders	Number of Units	Percentage of holding (%)	Number of Units	Percentage of holding (%)
1.	[●]	[●]	[●]	[●]	[●]
2.	[●]	[●]	[●]	[●]	[●]

** Upon the completion of the Formation Transactions*
 # To be determined upon finalization of the Issue Price and updated in the Final Offer Document prior to filing with SEBI and the Stock Exchanges

Pro forma Net Asset Value

S. No.	Particulars	As at [●] Book Value	As at [●] Fair value
1.	Net Assets before the Issue (₹ million)	[●]	[●]
2.	Issue (₹ million)	[●]	[●]
3.	Net Assets after the Issue (₹ million)	[●]	[●]
4.	Units issued and outstanding after the Issue	[●]	[●]
5.	Pro forma NAV per Unit after the Issue (₹)	[●]	[●]

**To be updated in the Final Offer Document*

Unitholding of the Embassy Sponsor, Blackstone Sponsor Group, Manager and Trustee

The Embassy Sponsor will hold [●] Units of the Embassy REIT, aggregating to [●]% of the issued and paid-up Units, as disclosed in "*Formation Transactions in relation to the Embassy REIT—Issuance of Units pursuant to the Formation Transactions*" on page 274, upon completion of the Formation Transactions. The Blackstone Sponsor together with the Blackstone Sponsor Group will hold [●] Units of the Embassy REIT, aggregating to [●]% of the issued and paid-up Units, as disclosed in "*Formation Transactions in relation to the Embassy REIT—Issuance of Units pursuant to the Formation Transactions*" on page 274, upon completion of the Formation Transactions. The Trustee and the Manager do not hold any Units and shall not acquire any Units in the Issue. The directors of the Manager do not hold any Units and do not propose to acquire any Units in the Issue.

The Manager, on behalf of the Embassy REIT, shall ensure that transactions in Units by the Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group and their respective Associates during the period between the date of filing this Offer Document with SEBI and the date of closure of the Issue shall be reported to the recognised Stock Exchanges where the Units are proposed to be listed, within twenty four hours of the transactions.

Sponsor Group lock-in

In terms of the REIT Regulations, the Embassy Sponsor together with the Blackstone Sponsor and the Blackstone Sponsor Group shall hold at least 25% of Units on a post-Issue basis, aggregating to [●] Units, which shall be locked-in for a period of three years from the date of listing of the Units. Details of Units proposed to be locked-in is set out below:

Name	No. of Units	Percentage of post-Issue Units (%)
Embassy Sponsor	[●]	[●]
Blackstone Sponsor	[●]	[●]
Blackstone Sponsor Group (excluding Blackstone Sponsor)	[●]	[●]

Additionally, the Unitholding of the Sponsors and the Sponsor Groups shall be subject to lock-in in the following manner:

- the unitholding of the Embassy Sponsor and Blackstone Sponsor Group exceeding 25% on a post-Issue basis, aggregating to [●] Units, shall be locked-in for a period of not less than one year from the date of listing of the Units;
- the Embassy Sponsor and Blackstone Sponsor Group shall together hold not less than 15% of the outstanding units of the Embassy REIT, post-listing, at all times; and
- the Embassy Sponsor shall hold at least 5% of the outstanding Units of the Embassy REIT, post-listing, at all times.

Notwithstanding the above, please note that based on correspondence with SEBI, the Blackstone Sponsor may divest its Unitholding below 5% of the outstanding Units of the Embassy REIT to any third party, post listing, after the expiry of the three year lock-in period and cease to be a sponsor without Unitholder approval, so long as the Embassy Sponsor, its sponsor group or any other sponsor group continues to hold not less than 15% of the outstanding Units of the Embassy REIT.

Any change in control of the Manager shall require the prior approval of the Unitholders and SEBI in accordance with the REIT Regulations.

Manager employee incentivization plan

In order to incentivize eligible employees of the Manager, a Unit-based scheme or plan may be adopted by the Manager after the listing of the Units in this Offering. The incentivization plan is proposed to be implemented through the contribution of (i) Units aggregating up to ₹680 million held by the Sponsor Groups post-Listing, subject to lock-in and minimum Unitholding requirements under the REIT Regulations; and/or (ii) Units held by the Manager, received by virtue of the REIT Management Fees. Any such plan will be adopted by the Manager in its own capacity (without recourse or liability to the Embassy REIT) and the Embassy REIT shall not be under any obligation to issue any Units towards such plan.

The implementation of the plan, including *inter alia* the decision on eligibility of employees, the total quantum and allocation of Unit awards will be undertaken by the Nomination and Remuneration Committee of the Manager, through an employee welfare trust which is operated and managed through independent trustee(s).

As of the date of this Offer Document, the Manager has not adopted any employee benefit scheme or plans, and such employee benefit scheme or plan is intended to be adopted only after the listing of the Units, in compliance with applicable regulations. The timing of the adoption of such plan after listing has not been determined and the terms are subject to change.

Anchor Investor lock-in

The Units Allotted to Anchor Investors in this Issue shall be locked-in for a period of 30 days from the date of Allotment of the Units.

Strategic Investor lock-in

The Units Allotted to Strategic Investors in this Issue shall be locked-in for a period of 180 days from the date of listing of the Units.

Other Unitholders' lock-in

Any person other than the Sponsors holding Units of the Embassy REIT prior to the Issue shall hold the Units for a period of not less than one year from the date of listing of the Units. The Sponsors and members of the Sponsor Groups are subject to lock-in restrictions as described above.

ISSUE INFORMATION

Below is a summary, intended to provide a general outline of the procedures for the bidding, application, payment, Allocation and Allotment of the Units to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from the Manager or the Lead Managers.

The Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Investors that apply in the Issue will be required to confirm and will be deemed to have represented to the Trustee, the Manager, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Units. The Manager and the Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Units. The Manager, the Trustee, the Lead Managers and Syndicate Members, if any, do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and are not liable for any amendment, modification or change in the applicable law which may occur after the date hereof.

Authority for the Issue

The Issue was authorised and approved by the board of directors of the Manager on September 20, 2018.

The Manager, the Embassy Sponsor and the Blackstone Sponsor have filed a copy of this Offer Document with SEBI and the Stock Exchanges.

The Manager has received the in-principle approval of the BSE and the NSE for the listing of the Units on the BSE and the NSE. The Manager, the Embassy Sponsor and the Blackstone Sponsor will file a copy of the Final Offer Document with SEBI and the Stock Exchanges.

The Units have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

This section applies to all Bidders. All Bidders other than Anchor Investors and Strategic Investors are required to participate in the Issue only through the ASBA process. Bidders applying for Units should carefully read the provisions applicable to them before submitting a Bid in the Issue. All Bidders are required to pay the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount at the time of Bidding or in accordance with the unit subscription agreement for Strategic Investors.

Book Building Procedure

As of the date of this Offer Document, the Embassy REIT is eligible for the Issue in accordance with Regulation 14(2) of the REIT Regulations. Pursuant to a certificate dated March 11, 2019, HRA & Co., Chartered Accountants, have certified that (i) not less than 80% of the value of the Portfolio will be invested in completed and rent/income generating properties (as defined under the REIT Regulations) and (ii) not more than 20% of the value of the Portfolio will be invested in permitted investments under Regulation 18(5) of the REIT Regulations.

Further, this Issue is being made through the 100% Book Building Process, wherein not more than 75% of the Issue (excluding the Strategic Investor Portion) shall be available for allocation to Institutional Investors on a proportionate basis, provided that the Manager may, in consultation with the Lead Managers, allocate up to 60% of the Institutional Investor Portion to Anchor Investors on a discretionary basis, in accordance with the REIT Regulations and the SEBI Guidelines. Further, not less than 25% of the Issue (excluding the Strategic Investor Portion) shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price. In case of under-subscription in any category, the unsubscribed portion in a category may be allotted to applicants in the other category.

The Issue will also include participation by Strategic Investors in accordance with the SEBI Guidelines.

ASBA Bidders, are required to submit their Bids through the Designated Intermediaries including the SCSBs with whom the ASBA Account is maintained.

Bidders do not have the right to withdraw or lower their Bid (in terms of number of Units or Bid Amount) at any stage. Bidders can only make upward revisions in their Bids, subject to applicable law.

Investors should note that Allotment to successful Bidders will be only in the dematerialized form. Bid cum Application Forms which do not have the details of the Bidders' depository accounts including DP ID, PAN and Client ID will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form. On Allotment, the Units will be traded only on the dematerialized segment of the Stock Exchanges.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged offer document will be available at the offices of the Lead Managers, the Syndicate Members, if any, the principal place of business of the Embassy REIT and the Designated Intermediaries at the Bidding Centres. An electronic copy of the Bid cum Application Form will also be available on the websites of the SCSBs (as per the facility provided by the respective SCSB), NSE (www.nseindia.com) and the BSE (www.bseindia.com). The Anchor Investor Application Forms will be made available at the principal place of business of the Embassy REIT, the registered office of the Manager and the offices of each of the Lead Managers.

Bidders should use only the specified Bid cum Application Form bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms), as the case may be, for the purpose of making a Bid in terms of this Offer Document and ASBA Forms not bearing such stamps are liable to be rejected. Before being issued to Bidders, the Bid cum Application Form (except in relation to ASBA Bidders) will be serially numbered.

All Bidders (other than Strategic Investors and Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Strategic Investors and Anchor Investors are not permitted to participate in the Issue through the ASBA process. Bidders (other than Strategic Investors and Anchor Investors) must provide bank account details and authorization to block funds in the relevant space provided in the Bid cum Application Form and Bid cum Application Forms that do not contain such details will be rejected.

An ASBA Bidder shall use the ASBA Form obtained from the Designated Intermediaries for the purpose of making a Bid. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form with the relevant Designated Intermediary. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form.

The Bid cum Application Form will contain information about the Bidder and the price and number of Units that the Bidder wishes to Bid for. Bidders will have the option to make a maximum of three Bids in the Bid cum Application Form and such options will not be considered multiple Bids. Bidders do not have the right to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage.

The Bid cum Application Form will be treated as a valid application form for Allotment of the Units. On submission of the completed Bid cum Application Form to a Designated Intermediary or participation pursuant to Strategic Investor Unit Subscription Agreements, the Bidder (including any Strategic Investor) is deemed to have authorized the Manager to make the necessary changes in the Final Offer Document as may be required under the REIT Regulations, SEBI Guidelines and other applicable laws, for filing the Final Offer Document with SEBI and the Stock Exchanges without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians	White
Non-Residents including Eligible NRIs and FPIs and multilateral and bilateral development financial institutions, excluding Strategic Investors and Anchor Investors, applying on a repatriation basis	Blue
Anchor Investors*	White

* *Bid cum Application Forms for Anchor Investors will be made available at the principal place of business of the Embassy REIT and the registered office of the Manager and the Lead Managers.*

Designated Intermediaries after accepting the Bid cum Application Form (other than Anchor Investors) will upload the bid along with other relevant details in Bid cum Application Form on the electronic bidding system of stock exchange(s) and submit or deliver the Bid cum Application Form to respective SCSBs where the Bidders have a bank account for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only).

Who can Bid?

Each Bidder should check if it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/ Applicants may not be allowed to bid in the Issue or hold Units in excess of the limits specified under Applicable Law. Each Bidder (other than an Anchor Investor and a Strategic Investor) is required to Bid for a Minimum Bid Size of ₹0.2 million.

Bidders are advised to ensure that applications from them does not exceed the investment limits or maximum number of Units that can be held by them under applicable law.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

(i) QIBs;

(ii) Family trusts or intermediaries registered with SEBI, all with net-worth of more than five hundred crore rupees, as per the last audited financial statements;

(iii) Indian nationals resident in India, competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) under the Non Institutional Investor category;

(iv) Bids/Applications belonging to an account for the benefit of a minor (under guardianship) under the Non Institutional Investor category;

(v) Hindu Undivided Families ("**HUFs**"), in the individual name of the Karta under the Non Institutional Investor category. Such Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

(vi) Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in the Units under the Non Institutional Investor category;

(vii) FPIs which are Category III FPIs, Bidding under the Non Institutional Investor category;

(viii) Eligible NRIs, subject to Applicable Law under the Non Institutional Investor category;

(ix) Indian financial institutions, regional rural banks, cooperative banks, other than QIBs (subject to RBI regulations, the REIT Regulations, SEBI Guidelines and other applicable law) under the Non Institutional Investor category;

(x) Trusts (other than family trusts)/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in units of REITs;

(xi) Scientific organisations under the Non Institutional Investor category, if so authorised in India to invest in the Units; and

(xii) Any other person eligible to Bid/ Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under applicable law.

As per existing regulations, OCBs cannot participate in this Issue.

The Parties to the REIT and the members of the Syndicate are not liable for any amendment or modification or change to applicable law, which may occur after the date of this Offer Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that application from them does not exceed the applicable investment limits or maximum number of Units that can be held by them under applicable law.

The Trustee, the Valuer and the employees of the Valuer who were involved in the valuation of the Portfolio are not permitted to Bid in this Issue.

The Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "Securities Act") or any other applicable state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Units are being offered or sold only to (i) persons who are "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) ("Rule 144A") and referred to in this Offer Document as "U.S. QIBs"; for the avoidance of doubt, the term "U.S. QIB" does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Offer Document as QIBs or Qualified Institutional Buyers), and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act ("Regulations S") and the applicable laws of the jurisdiction where those offers and sales occur.

Units Offered and Sold within the United States

Each purchaser that is acquiring the Units offered pursuant to this Issue within the United States, by its acceptance of this Offer Document and of the Units, will be deemed to have acknowledged, represented to and agreed with Embassy REIT and the Lead Managers that it has received a copy of this Offer Document and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Units offered pursuant to this Issue in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Units offered pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Units for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of Embassy REIT or a person acting on behalf of an affiliate;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Units, or any economic interest therein, such Units or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until Embassy REIT determines, in its sole discretion, to remove them;

(6) the Units are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Units;

(7) the purchaser will not deposit or cause to be deposited such Units into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Units are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(8) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the Securities Act in the United States with respect to the Units;

(9) the purchaser understands that such Units (to the extent they are in certificated form), unless Embassy REIT determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE UNITS REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(10) Embassy REIT will not recognize any offer, sale, pledge or other transfer of such Units made other than in compliance with the above-stated restrictions; and

(11) the purchaser acknowledges that Embassy REIT, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Units are no longer accurate, it will promptly notify Embassy REIT, and if it is acquiring any of such Units as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Units Issued and Sold in this Issue

Each purchaser that is acquiring the Units offered pursuant to this Issue outside the United States, by its acceptance of this Offer Document and of the Units offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with Embassy REIT and the Lead Managers that it has received a copy of this Offer Document and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Units offered pursuant to this Issue in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Units offered pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser is purchasing the Units offered pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Units offered pursuant to this Issue, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Units was originated and continues to be located outside the United States and has not purchased such Units for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Units or any economic interest therein to any person in the United States;

(5) the purchaser is not an affiliate of the Embassy REIT or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Units, or any economic interest therein, such Units or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until Embassy REIT determines, in its sole discretion, to remove them;

(7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the Securities Act in the United States with respect to the Units;

(8) the purchaser understands that such Units (to the extent they are in certificated form), unless Embassy REIT determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE UNITS REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(9) Embassy REIT will not recognize any offer, sale, pledge or other transfer of such Units made other than in compliance with the above-stated restrictions; and

(10) the purchaser acknowledges that Embassy REIT, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Units are no longer accurate, it will promptly notify Embassy REIT, and if it is acquiring any of such Units as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each EEA State that has implemented the Prospectus Directive (each, a "**Relevant Member State"**), an offer to the public of any Units may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
b) to fewer than 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the Underwriters; or
c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Units shall result in a requirement for Embassy REIT or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to

Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Units under, the offers contemplated in this Offer Document will be deemed to have represented, warranted and agreed to with the Underwriter and Embassy REIT that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)I of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of to the public" in relation to any of the Units in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Units to be offered so as to enable an investor to decide to purchase or subscribe for the Units, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Units acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Units acquired by it in the Issue have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Units to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Units which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale.

Embassy REIT, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Participation by associates and affiliates of the Lead Managers and Syndicate Members

The Lead Manager and the Syndicate Members shall not be entitled to subscribe in this Issue in any manner, except towards fulfilling their underwriting obligations.

Further, the Lead Managers and associates of the Lead Managers are not permitted to participate in the Issue under the Anchor Investor Portion (except for mutual funds sponsored by entities which are associates of the Lead Managers, insurance companies promoted by entities which are associates of the Lead Managers, pension funds of entities which are associates of the Lead Managers, AIFs sponsored by entities which are associates of the Lead Managers or FPIs other than Category III FPIs sponsored by entities which are associates of the Lead Managers).

However, the associates and affiliates of the Lead Managers and the Syndicate Members may Bid for Units in the Issue, either in the Institutional Investor Portion or in the Non-Institutional Portion, as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bids by Eligible NRIs

Eligible NRIs are permitted to participate in the Issue subject to compliance with the applicable restrictions and conditions which may be prescribed by the Government from time to time.

(i) Bid cum Application Forms for Eligible NRIs applying will be available at the office of the REIT, the registered office of the Manager and with the Designated Intermediaries (at the Bidding Centres), as the case may be.

(ii) Only Bids accompanied by payment in freely convertible foreign exchange will be considered for Allotment.

(iii) In case of Bids by Eligible NRIs applying on repatriation basis, the Bid cum Application Form for Non-Residents should be used and the payments must be made through normal banking channels or out of funds held in Non-Resident External ("**NRE**") Accounts or Foreign Currency Non-Resident (Bank)

("**FCNR**") Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of Eligible NRI bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

(iv) In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments may be made out of an NRO Account and the Bid cum Application Form for Residents should be used.

Bids by FPIs

Foreign Portfolio Investors are permitted to participate in the Issue subject to compliance with Schedule 8 of the FEMA Regulations and such other terms and conditions as may be prescribed by SEBI from time to time. In terms of the SEBI (FPI) Regulations, any FII who holds a valid certificate of registration shall be deemed to be an FPI, till the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Further, through its circular dated March 15, 2016, the SEBI has permitted FPIs to invest in units of real estate investment trusts subject to compliance with such other terms and conditions as the SEBI may prescribe from time to time.

In case of Bids by FPIs the payment should be made out of funds held in a Special Rupee Account by an inward remittance through normal banking channels including debit to an NRE or FCNR account along with documentary evidence in support of the remittance. In case of Bids made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the SEBI FPI Regulations is required to be attached along with the Bid cum Application Form, failing which, the Manager in consultation with the Lead Managers, reserve the right to reject the Bid without assigning any reasons thereof.

Bids by Anchor Investors

The Manager in consultation with the Lead Managers may allocate up to 60% of the Institutional Investor Portion on a discretionary basis to Anchor Investors, in accordance with the REIT Regulations and the SEBI Guidelines. The Institutional Investor Portion will be reduced in adjustment of the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Units will be added to the Institutional Investor Portion. In accordance with the REIT Regulations and the SEBI Guidelines, the key terms for participation in the Anchor Investor Portion are provided below.

(i) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investor Portion at the principal place of business of the Embassy REIT, the registered office of the Manager and the offices of each of the Lead Managers.

(ii) A Bid by an Anchor Investor must be for a minimum of such number of Units so that the Bid Amount is at least ₹100 million.

(iii) A Bid cannot be submitted for more than 60% of the Institutional Investor Portion.

(iv) The Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and will be completed on the same day.

(v) The Manager in consultation with the Lead Managers, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

- two, where the allocation under Anchor Investor Portion is up to ₹2,500 million; and
- five, where the allocation under Anchor Investor Portion is over ₹2,500 million.

(vi) Allocation to Anchor Investors will be completed on the same day as the Anchor Investor Bid/ Issue Period. The number of Units allocated to Anchor Investors and the Anchor Investor Allocation Price, will be made available on the websites of the Stock Exchanges, the Embassy Sponsor, the Manager and the Lead Managers, prior to the Bid/ Issue Opening Date.

(vii) If the Issue Price is higher than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within two Working Days of the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price and the amount in excess of the Issue Price paid by Anchor Investors will not be refunded to them.

(viii) The Units Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(ix) The Manager in consultation with the Lead Managers, in its absolute discretion, will decide the list of Anchor Investors to whom the provisional CAN or CAN will be sent, pursuant to which the details of the Units allocated to them in their respective names will be notified to such Anchor Investors. The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- In case of resident Anchor Investors: "Escrow Account- Embassy REIT Issue – Strategic Investor and Anchor Investor-R"
- In case of non-resident Anchor Investors: "Escrow Account- Embassy REIT Issue – Strategic Investor and Anchor Investor-NR"

(x) None of the Lead Managers or any person related to the Lead Managers will participate in the Anchor Investor Portion (except for mutual funds sponsored by entities which are associates of the Lead Managers or insurance companies promoted by entities which are associates of the Lead Managers or pension funds of entities which are associates of the Lead Managers or Alternate Investment Funds sponsored by entities which are associates of the Lead Managers or FPIs other than Category III sponsored by entities which are associates of the Lead Managers). The parameters for selection of Anchor Investors will be clearly identified by the Lead Managers.

(xi) Bids made by Anchor Investors under both the Anchor Investor Portion and the Institutional Investor Portion will not be considered as multiple Bids.

(xii) The Manager in consultation with the Lead Managers, reserve the right to reject any Bid received from Anchor Investors in accordance with the REIT Regulations and SEBI Guidelines.

Bids by Strategic Investors

In accordance with the REIT Regulations and the SEBI Guidelines, the key terms for participation by Strategic Investors are provided below:

(i) The Strategic Investor(s) shall, either jointly or severally, invest not less than 5% and not more than 25% of the total Issue size.

(ii) The Manager on behalf of the Embassy REIT, has entered into a binding unit subscription agreements with the Strategic Investor(s) which propose(s) to invest in the Issue as on the date of this Offer Document.

(iii) Subscription price per Unit, payable by the Strategic Investor(s) shall be as set out in the unit subscription agreement and the entire subscription price shall be deposited in a special escrow account prior to opening of the Issue in accordance with the terms of the unit subscription agreement. For details, see "*The Issue*" on page 378.

(iv) The Strategic Investor Issue Price shall not be less than the Issue Price. In the event that the Issue Price is higher than the Strategic Investor Allocation Price, the Strategic Investor(s) shall bring in the additional amount within two Working Days of the determination of the Issue Price.

(v) If the Issue Price is lower than the Strategic Investor Allocation Price, the excess amount shall not be refunded to the Strategic Investor and the Strategic Investor shall take Allotment at the price at which allocation was agreed to be made to it in the unit subscription agreement.

(vi) The commitment received from Strategic Investors and details of the unit subscription agreements, including the name of each Strategic Investor, the number of Units proposed to be subscribed by it or the investment amount, proposed subscription price per Unit has been disclosed in the Offer Document. For details, see "*The Issue*" on page 378.

(vii) The unit subscription agreement shall not be terminated except in the event the Issue fails to collect minimum subscription.

(viii) The Manager in consultation with the Lead Managers, in its absolute discretion, will decide the list of Strategic Investors to whom the provisional CAN or CAN will be sent, pursuant to which the details of the Units allocated to them in their respective names will be notified to such Strategic Investors. The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- In case of resident Strategic Investors: "Escrow Account- Embassy REIT Issue – Strategic Investor and Anchor Investor-R"
- In case of non-resident Strategic Investors: "Escrow Account- Embassy REIT Issue – Strategic Investor and Anchor Investor-NR"

(ix) In accordance with the REIT Regulations and the SEBI Guidelines, the Units Allotted to Strategic Investors will be locked-in for a period of 180 days from the date of listing.

(x) Bids made by Strategic Investors (where such Strategic Investors are Institutional Investors) under both the Anchor Investor Portion and the Institutional Investor Portion will not be considered multiple Bids.

(xi) Bids by Strategic Investors in Anchor Investor Portion, Institutional Investor Portion or Non-Institutional Investor Portion will not be considered multiple Bids, subject to applicable limits.

Bids by SEBI registered VCFs and AIFs

The VCF Regulations prescribe, amongst others, the investment restrictions on VCFs registered with SEBI. Further, the AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Further, VCFs which have not re-registered as an AIF under the AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the AIF Regulations. Additionally, VCFs and AIFs are subject to certain investment restrictions, including with respect to the percentage of investible funds held in each investee entity. Under the AIF Regulations, Category I and II AIFs are permitted to invest not more than 25% of the investible funds in one "investee company" (which includes a real estate investment trust) and Category III AIFs are permitted to invest not more than 10% of the investible funds in one "investee company". Allotments made in respect of Bids by VCFs and AIFs in the Issue shall be subject to the rules and regulations that are applicable to each of them respectively.

All Non-Resident Bidders including Eligible NRIs and FPIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by Banking Companies

Bids may be made by banks as permitted by the RBI and is subject to conditions specified in the Prudential Guidelines – Banks' investment in units of REITs and InvITs dated April 18, 2017. In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, the Bid(s) may be rejected. Banks may participate in REITs and InvITs within the overall ceiling of 20% of their net worth permitted for direct investments in shares, convertible bonds/ debentures, units of equity-oriented mutual funds and exposures to Venture Capital Funds (VCFs), subject to the following conditions:

(i) Banks should put in place a Board approved policy on exposures to REITs/InvITs which lays down an internal limit on such investments within the overall exposure limits in respect of the real estate sector and infrastructure sector.

(ii) Banks shall not invest more than 10 per cent of the unit capital of an REIT/ InvIT.

(iii) Banks should ensure adherence to the prudential guidelines issued by RBI from time to time on Equity investments by Banks, Classification and Valuation of Investment Portfolio, Basel III Capital requirements for Commercial Real Estate Exposures and Large Exposure Framework, as applicable.

Bids by LLPs

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, the Bid(s) may be rejected.

Bids by Provident Funds/Pension Funds

On March 2, 2015, the Ministry of Finance issued a notification allowing investments by non-government provident funds, super-annuation funds and gratuity funds up to 5% in real estate investment trusts, as specified. On June 26, 2015, the Ministry of Labour and Employment issued a notification allowing investments by provident funds up to 5% in real estate investment trusts, as specified. The Pension Fund Regulatory and Development Authority issued circulars dated June 3, 2015, September 2, 2015, November 4, 2016 and May 4, 2017, respectively, allowing investments by national pension funds up to 5% in real estate investment trusts, as specified. However such investments by provident funds and pension funds will be subject to, amongst others, the sponsor or in some cases the securities having a minimum of AA or equivalent rating from at least two credit rating agencies registered with SEBI. In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, the Bid(s) may be rejected, subject to applicable law.

Bids by Mutual Funds

Bids may be made by mutual funds under all its schemes, existing and future, subject to the investment conditions and other restrictions prescribed under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (including, the circular on mutual funds dated February 28, 2017 and any other circulars, notifications and guidelines issued thereunder). A mutual fund may invest in the Units subject to the following:

a) No mutual fund under all its schemes shall own more than 10% of the Units; and

b) A mutual fund scheme shall not invest:

   (i) more than 10% of its NAV in the units issued by REITs and InvITs; and
   (ii) more than 5% of its NAV in the Units.

Provided that the limits mentioned in sub-clauses (i) and (ii) above shall not be applicable for investments in case of index fund or sector or industry specific scheme pertaining to REITs and InvITs.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Insurance Companies

Bids may be made by insurance companies as permitted by the Insurance Regulatory and Development Authority of India in terms of the Master Circular – Investments, 2016 (Version 2, May 2017) and the circular issued by the IRDAI entitled, Investment in Units of Real Estate Investment Trusts (REIT) & Infrastructure Investment Trusts (InvIT) dated March 14, 2017. Insurance companies can invest in units of REITs which conform to the following:

(i) The REIT rated not less than "AA" which shall form part of approved investments. REIT rated less than AA shall form part of other investments.

(ii) An insurer can invest not more than 3% of respective fund size of the Insurer (or) not more than 5% of the Units issued by a single REIT, whichever is lower.

(iii) No investment shall be made in the REIT where the sponsor is under the promoter group of the insurer.

(iv) Investments in units of REIT will form part of "investment property" as per Note 6 to Regulation 9 of IRDAI (Investment) Regulations, 2016 read along with Master Circular – Investments.

The investment in units of a REIT shall be valued at market value (last quoted price should not be later than 30 days). Where market quote is not available for the last 30 days, the units shall be valued as per the latest NAV (not more than 6 months old) of the units published by the trust.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), insurance companies, mutual funds, AIFs, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to Applicable Law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Manager in consultation with the Lead Managers, reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The Manager in consultation with the Lead Managers, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law. Certain categories of Bidders may not be allowed to Bid in the Issue or hold Units exceeding certain limits specified under applicable law. The Parties to the Embassy REIT and the members of the Syndicate are not liable for any amendment or modification or change to applicable law, which may occur after the date of this Offer Document.

Maximum and Minimum Bid Size

(i) Each Bidder (other than an Anchor Investor and a Strategic Investor) is required to Bid for a Minimum Bid Amount of ₹0.2 million and in multiples of [●] thereafter.

(ii) No Bidder shall Bid for such number of Units which exceeds the Issue size, subject to applicable investment limits or maximum number of Units that can be held by them under applicable law.

Information for the Bidders:

(i) This Offer Document will be filed by the Manager with SEBI and the Stock Exchanges at least five Working Days before the Bid/ Issue Opening Date.

(ii) After the filing of this Offer Document with SEBI and the Stock Exchanges, the Manager (on behalf of the Embassy REIT) shall make a pre-Issue advertisement on the websites of the Embassy REIT, the Embassy Sponsor, the Manager and the Stock Exchanges.

(iii) Copies of the Bid cum Application Form, the Abridged Offer Document and this Offer Document will be available with the members of the Syndicate and on the websites of the Stock Exchanges. Any investor (who is eligible to invest in the Units) may obtain this Offer Document or the Bid cum Application Form or both from the office of the Embassy REIT, and the office of the Manager or any member of the Syndicate. ASBA Forms may be obtained by Bidders from Designated Intermediaries.

(iv) The Bid/Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended for a minimum period of one Working Day, subject to the total Issue Period not exceeding 30 Working Days. In case of force majeure, banking strike or similar circumstances, the Embassy REIT, for reasons to be recorded in writing, may extend the Bid/Issue Period for a minimum period of three Working Days, subject to the total Bid/Issue Period not exceeding 30 days. The revised Price Band and Bid/ Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and also by indicating the change on the websites of the Lead Managers, the Embassy Sponsor, the Manager and the Stock Exchanges and at the terminals of the members of the Syndicate. In accordance with the REIT Regulations and the SEBI Guidelines, the Price Band cannot be revised more than two times and differential price shall not be offered to any investor.

(v) The Syndicate (in accordance with the terms of the Syndicate Agreement) and the Designated Intermediaries will accept Bids during the Bidding Period in accordance with the terms of this Offer Document, provided that the Lead Managers will accept the Bids from Anchor Investors only during the Anchor Investor Bid/Issue Period.

(vi) Eligible Bidders interested in Bidding for the Units may approach any member of the Syndicate or their authorized agent(s) to register their Bids. Eligible Bidders, other than Anchor Investors, may also approach the Designated Intermediaries to register their Bids under the ASBA process.

(vii) The Bids should be submitted on the prescribed Bid cum Application Form only. Bids by ASBA Bidders will be accepted by Designated Intermediaries in accordance with Applicable Law and any other circulars issued by SEBI in this regard. Bid cum Application Forms should bear the stamp of the respective Designated Intermediaries. Bid cum Application Forms (except electronic ASBA Forms) which do not bear the stamp of a member of the Designated Intermediaries are liable to be rejected.

(viii) The collection centre of the Designated Intermediaries, as the case may be, will acknowledge the receipt of the Bid cum Application Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Instructions for completing the Bid Cum Application Form

Bidders/ Applicants may note that forms not filled completely or correctly as per instructions provided in this Offer Document and the Bid cum Application Form are liable to be rejected.

Bids must be:

(i) made only in the prescribed Bid cum Application Form or Revision Form, as applicable;

(ii) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here and in the Bid cum Application Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders must provide details of valid and active DP ID, Client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended shall not be considered for Allotment. Bidders should note that the members of the Syndicate and/or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms; and

(iii) In a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

Bidders/ Applicants should also note that:

(i) information provided by the Bidders will be uploaded in the online system by the Designated Intermediaries, as the case may be, and the electronic data will be used to make allocation/ Allotment. Bidders are advised to ensure that the details are correct and legible;

(ii) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/ Applicants should ensure that that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal; and

General Instructions

Dos:

(i) Check if you are eligible to apply as per the terms of this Offer Document and under applicable laws and approvals;

(ii) Ensure that you have Bid within the Price Band;

(iii) Read all the instructions carefully and complete the relevant Bid cum Application Form;

(iv) Ensure that the details about the PAN, DP ID and Client ID are correct, and the Beneficiary Account is activated, as Allotment of Units will be in dematerialized form only;

(v) Ensure that the Bids are submitted at the Bidding centres only on the Bid cum Application Forms bearing the stamp of Designated Intermediary in case of ASBA Bidders;

(vi) Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;

(vii) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

(viii) If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

(ix) Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, if do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

(x) With respect to ASBA Bidders, ensure that your Bid is submitted with a Designated Intermediary where the ASBA Bidder or the person whose bank account will be utilized by the ASBA Bidder for Bidding has a bank account;

(xi) Ensure that the PAN (of the sole/first Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held;

(xii) Ensure that the full Bid Amount is paid for Bids submitted by Anchor Investors and Strategic Investors (as applicable) and funds equivalent to the Bid Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;

(xiii) Ensure that you have correctly checked the authorization box in the ASBA Form, or have otherwise provided an authorization to the SCSB via the electronic mode for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form;

(xiv) Instruct your respective banks to not release the funds blocked in the ASBA Accounts;

(xv) Ensure that you receive an acknowledgement from the Designated Intermediary for the submission of your Bid cum Application Form;

(xvi) Submit revised Bids to the same Designated Intermediary, as the case may be, through whom the original Bid was placed and obtain a revised acknowledgment, as the case may be;

(xvii) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (ii) persons exempt under applicable law from holding a PAN, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which the PAN is not mentioned will be rejected;

(xviii) In cases where the PAN is same, such Bids will be treated as multiple applications. Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. With effect from August 16, 2010, the demat accounts of Bidders for whom PAN details have not been verified shall be "suspended for credit" and no credit of Units pursuant to the Issue will be made into the accounts of such Bidders;

(xix) Ensure that the Demographic Details are updated, true and correct in all respects;

(xx) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

(xxi) In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

(xxii) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant;

(xxiii) Ensure that the category and the investor status is indicated;

(xxiv) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

(xxv) Ensure that Bids submitted by any person outside India are in compliance with applicable foreign and Indian laws;

(xxvi) With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid; and

(xxvii) Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

(i) Do not Bid for lower than the Minimum Bid Size such that the Bid Amount is less than ₹0.2 million;

(ii) Do not Bid more than the applicable investment limits or maximum number of Units that can be held by the Bidder under applicable law;

(iii) Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

(iv) Anchor Investors and Strategic Investor should not Bid through the ASBA process;

(v) Do not submit the Bid for an amount more than funds available in your ASBA account;

(vi) Do not submit a Bid without payment of the entire Bid Amount;

(vii) Do not Bid less than the Floor Price or higher than the Cap Price;

(viii) Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

(ix) Do not pay the Bid Amount in cash, by money order or postal order or stockinvest and in relation to ABSA Bidders in any other mode other than blocked amounts in the ASBA Accounts;

(x) Do not send Bid cum Application Forms by post and only submit the same to a Designated Intermediary, as applicable;

(xi) Do not fill up the Bid cum Application Form such that the Units Bid for exceed, the Issue size or the investment limit, or the maximum number of Units that can be held or the maximum amount permissible under Applicable Laws;

(xii) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

(xiii) Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account is suspended or for which such details cannot be verified by the Registrar;

(xiv) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per demographic details provided by the Depository); and

(xv) Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Units or the Bid Amount) at any stage.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Method and Process of Bidding

(i) The Manager and the Lead Managers have declared the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing this Offer Document with SEBI and the Stock Exchanges.

(ii) Post filing of this Offer Document with SEBI and the Stock Exchanges, the Manager shall make a pre-Issue advertisement on the websites of the Embassy Sponsor, the Manager and the Stock Exchanges.

(iii) The Price Band will be decided by the Manager in consultation with the Lead Managers and shall be disclosed at least two Working Days prior to the Bid/ Issue Opening Date on the websites of the Embassy Sponsor, the Managers and the Stock Exchanges and in the newspapers where the pre-Issue advertisement will be published, if any.

(iv) The Lead Managers will accept Bids from the Anchor Investors on the Anchor Investor Bid/ Issue Period, *i.e.* one Working Day prior to the Bid/ Issue Opening Date. Bidders, except Anchor Investors, who are interested in subscribing to the Units should approach any of the Designated Intermediaries to register their Bids during the Bid/ Issue Period.

(v) The Bidding Period will be for at least three Working Days and not exceeding 30 Working Days (including the days for which the Issue is open in case of revision in Price Band) In case of force majeure, banking strike or similar circumstances, the REIT for reasons to be recorded in writing may extend the Bid/Issue Period for a minimum period of three Working Days, subject to the total Bid/Issue Period not exceeding 30 days. If the Price Band is revised, the revised Price Band and the Bidding Period will disclosed on the websites of the Embassy Sponsor, the Manager and the Stock Exchanges and in the newspapers where the pre-Issue advertisement will be published.

(vi) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices within the Price Band and specify the demand (*i.e.*, the number of Units Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. In case of an upward revision in the Price Band, in the event the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Units Bid for will be adjusted downwards for the purpose of Allotment, such that no additional payment will be required from the Bidder and the Bidder shall be deemed to have approved such revised Bid. The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Units at a specific price. No Bidder shall either withdraw or lower its Bid at any stage.

(vii) After determination of the Issue Price, the maximum number of Units Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(viii) Except in relation to the Bids received from the Strategic Investors and Anchor Investors, the Members of the Syndicate or the SCSBs will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement for each price and demand option and will, on demand, give the same to the Bidder. Therefore, a Bidder can receive up to three acknowledgments for each Bid cum Application Form.

(ix) With respect to ASBA Bidders, on receipt of the ASBA Form (whether in physical or electronic mode) the Designated Branch of the SCSB will verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB will reject such Bids and will not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB will block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid.

(x) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "*-Payment Instructions*" on page 423.

Bidders' Depository Account and Bank Account Details

Bidders should note that on the basis of Bidders' PAN, DP ID and Client ID provided by them in the Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the Designated Intermediaries as the case may be, the Registrar will obtain from the Depository the demographic details including the Bidders' address, occupation and bank account details ("**Demographic Details**"), from the Depository. The Demographic Details will be used for giving refunds and allocation advice (including through physical refund warrants, direct credit, NACH, NEFT and RTGS) to the Bidders. It is mandatory to provide the bank account details in the space provided in the Bid cum Application Form and Bid cum Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch/credit of refunds to Bidders at the Bidders sole risk and none of the Lead Managers, the Syndicate Members, the Registrar, the Escrow Collection Banks, the SCSBs, the Manager or the Trustee will have any responsibility or undertake any liability for this. Accordingly, Bidders should carefully fill in their depository account details in the Bid cum Application Form.

By signing the Bid cum Application Form, the Bidder is deemed to have authorized the Depositories to provide to the Registrar, on request, the required Demographic Details as available in their records.

Refund Orders (where refunds are not being made electronically)/allotment advice/CANs will be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Delivery of refund orders/Allotment advice/CANs may be delayed if the same, once sent to the address obtained from the Depositories, are returned undelivered. In such event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form will be used only to ensure dispatch of refund orders. Any such delay will be at the Bidders sole risk and none of the Manager, the Trustee, the Escrow Collection Banks, the Lead Managers, the Syndicate Members or the Registrar will be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or be liable to pay any

interest for such delay. In case of refunds through electronic modes as detailed in this Offer Document, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

Bids with no corresponding record available with the Depositories matching the three parameters (namely, Bidders PAN (in case of joint Bids, PAN of first Bidder), the DP ID and Client ID), are liable to be rejected.

Payment Instructions

The Manager, in consultation with the Trustee and the members of Syndicate, will open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Anchor Investor and Strategic Investor will transfer the funds.

The Escrow Collection Banks will act in terms of this Offer Document and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders will maintain the monies in the Escrow Accounts until the Designated Date. The Escrow Collection Banks will not exercise any lien whatsoever over the monies deposited therein and will hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks will transfer the funds represented by allotment of Units (other than ASBA funds with the SCSBs) from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Public Issue Account with the Public Issue Account Bank. The balance amount after transfer to the Public Issue Account will be transferred to the Refund Account. Payments of refund to the Bidders will be made from the Refund Account are per the terms of the Escrow Agreement and this Offer Document.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement amongst the Manager, the Trustee (acting on behalf of the Embassy REIT), the Syndicate, the Escrow Collection Banks, the Public Issue Account Bank, the Refund Banks and the Registrar to facilitate collections from Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders will specify the ASBA Account in the ASBA Form and the SCSB will block an amount equivalent to the Bid Amount in the ASBA Account so specified. The SCSB will keep the Bid Amount in the relevant ASBA Account blocked until finalization of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

In the event of rejection of the ASBA Bid cum Application Form, failure of the Issue or for unsuccessful ASBA Bid cum Application Forms, the Registrar will give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account and the SCSBs will unblock the Bid Amount on receipt of such instruction.

Other Instructions

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid for the total number of the Units required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids, provided that the Bids clearly indicate the scheme concerned for which the Bid is made. Bids by QIBs under the Anchor Investor Portion and Institutional Investor Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids. Bids by Strategic Investor in Anchor Investor Portion, Institutional Investor Portion or Non-Institutional Investor Portion will not be considered as multiple Bids, subject to applicable limits.

After Bidding on an ASBA Form either in physical or electronic mode, where such ASBA Bid is submitted to the Designated Intermediaries and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Form or a non – ASBA Form. Submission of a second Bid cum Application Form, whether an ASBA Form, to either the same or to another Designated Intermediary, or a non-ASBA Form, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Units in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form.

The Manager in consultation with the Lead Managers, reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN. In cases where the PAN is same, such Bids will be treated as multiple applications.

Right to Reject Bids

In case of QIB Bidders Bidding in the Institutional Investor Portion, the Members of the Syndicate may reject Bids due to reasons as provided in this Offer Document, provided that such rejection will be made at the time of acceptance of the Bid and the reasons for rejecting such Bids will be provided to such Bidder in writing. Consequent refunds will be made through any of the modes described in the Offer Document and will be sent to the relevant Bidder's address at its risk. The Members of the Syndicate may also reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.

With respect to ASBA Bids, the Designated Branches of the SCSBs will have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in such ASBA Account. Subsequent to the acceptance of the ASBA Bid by Designated Intermediaries, the Designated Intermediaries will have a right to reject the ASBA Bids only on technical grounds and/or as specified in this Offer Document.

Grounds for Technical Rejections

Bidders are advised that incomplete or illegible Bid cum Application Forms will be rejected by the Designated Intermediaries. Bidders are advised to note that Bids are liable to be rejected on technical grounds including the following:

(i) Amount paid does not tally with the amount payable for the highest value of Units Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Form does not tally with the amount payable for the value of the Units Bid for;

(ii) Application on plain paper;

(iii) In case of partnership firms (excluding LLPs), Units may be registered in the names of the individual partners and no firm as such will be entitled to apply;

(iv) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors. However, minors can Bid through their guardians;

(v) PAN not stated (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts and persons/entities not required to hold PAN under applicable Law);

(vi) GIR number furnished instead of PAN;

(vii) Where PAN details are not verified by demat accounts, i.e. where the demat account is "suspended for credit";

(viii) Bids for lower value of Units than specified for that category of investors;

(ix) Bids at a price less than the Floor Price;

(x) Bids at a price over the Cap Price;

(xi) Bids for a value of less than ₹0.2 million;

(xii) Bidder category not specified;

(xiii) Multiple Bids as described in this Offer Document;

(xiv) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;

(xv) Bids accompanied by cash, cheque, stockinvest, money order or postal order;

(xvi) Signature of sole and/or the First Bidder (in case of joint Bids) is missing;

(xvii) Bid cum Application Form does not have the stamp of the Designated Intermediaries (except for electronic ASBA Bids), as the case may be;

(xviii) Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid/ Issue Opening Date advertisement and this Offer Document and as per the instructions in this Offer Document and the Bid cum Application Forms;

(xix) With respect to ASBA Bids, inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;

(xx) Authorisation for blocking funds in the ASBA Account not provided;

(xxi) Bids for amounts greater than the maximum permissible amounts prescribed by Applicable Law;

(xxii) Bids by OCBs;

(xxiii) Bids by persons in the United States other than "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act;

(xxiv) Bids by persons in EEA Member States where the marketing of units has been registered or authorized (as applicable) under the relevant national implementation of Article 42 of AIFMD, *other than* "Professional Investors" or any other category of person to which such marketing permitted under the national laws of such EEA Member State. See " *– Notice to Prospective Investors in the European Economic Area*" for further details;

(xxv) Bank account details for the refund not given;

(xxvi) Bids by persons prohibited from buying, selling or dealing in the Units directly or indirectly by SEBI or any other regulatory authority;

(xxvii) Bids by persons who are not eligible to acquire Units under applicable law or their relevant constitutional documents or otherwise;

(xxviii) Bids that do not comply with the securities laws of their respective jurisdictions;

(xxix) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(xxx) Where no confirmation is received from SCSB for blocking of funds; and

(xxxi) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES THE APPLICATION IS LIABLE TO BE REJECTED.

Electronic Registration of Bids

(i) The Designated Intermediaries will register the Bids received, using the online facilities of the Stock Exchanges. Details of Bids in the Strategic Investor and Anchor Investor Portion will not be registered on the online facilities of the Stock Exchanges. There will be at least one online connection in each city, where the Stock Exchanges are located in India and where such Bids are being accepted. The Lead Managers, the Manager and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It will be presumed that for the Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(ii) The Stock Exchanges will offer a screen-based facility for registering such Bids for the Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Bid/Issue Period. The Designated Intermediaries and the Designated Branches of the SCSBs can also set up facilities for offline electronic registration of Bids subject to the condition that it will upload the offline data file into the on-line facilities for book building on a regular basis. Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID, Client ID and PAN, by the end of each bidding day and bring the inconsistencies to the notice of SCSBs or intermediaries concerned, for rectification and re-submission within the time specified by the Stock Exchange(s). Further, the Stock Exchange(s) shall allow modification of selected fields *viz.* DP ID/Client ID or Pan ID (Either DP ID/ Client ID or Pan ID can be modified but not both), bank code and location code in the Bid details already uploaded on a daily basis up to timeline as has been specified.

(iii) On the Bid/ Issue Closing Date, the Designated Intermediaries will upload the Bids until such time as may be permitted by the Stock Exchanges. In order to ensure that the data uploaded is accurate, the Designated Intermediaries may be permitted one Working Day after the Bid/ Issue Closing Date to amend some of the data fields (currently DP ID, Client ID and PAN) entered by them in the electronic bidding system, after which the Registrar will proceed with the Allotment of the Units. Bidders are cautioned that a high inflow of Bids is typically experienced on the last Working Day of the Bidding, which may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time. Such Bids that could not uploaded will not be considered for allocation. Bids will only be accepted on Working Days (excluding any public holiday).

(iv) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price will be made available at the Bidding centres and on the websites of each of the Stock Exchanges during the Bidding Period on regular intervals as per applicable law.

(v) At the time of registering each Bid, the Designated Intermediaries in case of ASBA Bids will enter the following details of the Bidder in the electronic system:

- Name of the real estate investment trust;
- Bid cum Application Form/ASBA Form number;
- Investor Category;
- PAN of the first applicant;
- DP ID;
- Client ID;
- Number of Units Bid for; and
- Price option

(vi) A system generated acknowledgment will be given to the Bidder (on demand) as a proof of the registration of each of the Bidding options. **It is the Bidders' responsibility to obtain the acknowledgement from the Designated Intermediaries.** The registration of the Bid by the Designated Intermediary does not guarantee that the Units will be allocated/ Allotted. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

(vii) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Manager and/ or the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Embassy REIT, the management of the Manager or the Trustee or any property of the Embassy REIT nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document; nor does it warrant that the Units will be listed or will continue to be listed on the Stock Exchanges.

Build up of the book and revision of Bids

(i) Bids received from various Bidders through the Designated Intermediaries will be electronically uploaded to the Stock Exchanges mainframe on a regular basis.

(ii) The book gets built up at various price levels. This information will be available with the Lead Managers at the end of the Bidding Period.

(iii) During the Bid/ Issue Period, subject to applicable law, any Bidder who has registered his or her interest in the Units at a particular price level is free to revise the Bid upwards within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(iv) Upward revisions can be made in both the desired number of Units and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or its previous Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries will not accept incomplete or inaccurate Revision Forms.

(v) The Bidder can make this upward revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(vi) With respect to ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB will block the additional Bid Amount.

(vii) When a Bidder revises his or her Bid, he or she will surrender the earlier acknowledgment and will, on demand, receive a revised acknowledgment slip from the Designated Intermediaries. It is the responsibility of the Bidder to request for and obtain the revised acknowledgment slip, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(i) Based on the demand generated at various price levels, the Manager in consultation with the Lead Managers, will finalize the Issue Price.

(ii) Allocation to Anchor Investors will be at the discretion of the Manager in consultation with the Lead Managers, subject to compliance with the REIT Regulations, the SEBI Guidelines and other Applicable Laws. In the event of under-subscription in the Anchor Investor Portion, the balance Units will be added to the Institutional Investor Portion. The number of Units allocated to Anchor Investors and the Anchor Investor Allocation Price, will be made available in public domain by the Lead Managers before the Bid/Issue Opening Date.

(iii) In case of under-subscription in any investor category, the unsubscribed portion in either the Institutional Investor category or the Non Institutional Investor category may be allotted to applicants in the other category.

(iv) Allocation to Strategic Investors will be at the discretion of the Manager in consultation with the Lead Managers, subject to compliance with the REIT Regulations, the SEBI Guidelines and other applicable laws.

(v) Allocation to Non-Residents, including Eligible NRIs and FPIs will be subject to applicable law.

(vi) No Bidders can withdraw or lower their Bids at any time.

Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors and Strategic Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per unit, issue size of 3,000 units and receipt of five bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the units of the issuer infrastructure investment trust at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of units is the price at which the book cuts off, i.e., ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Signing of Underwriting Agreement

(i) The Trustee (acting on behalf of the Embassy REIT), the Manager, the Embassy Sponsor, the Blackstone Sponsor, the Lead Managers and the Syndicate Members may enter into an Underwriting Agreement on or immediately after the finalization of the Issue Price. As in the Issue Agreement, we will agree in the Underwriting Agreement to indemnify the underwriters against certain liabilities relating to the Issue.

(ii) After signing the Underwriting Agreement, the Manager will update and file the updated Offer Document with SEBI and the Stock Exchanges in terms of the REIT Regulations and the SEBI Circular, which then will be termed the "Final Offer Document". The Final Offer Document will contain details of the Issue Price and Issue size if any, underwriting arrangements and will be complete in all material respects.

It is proposed that pursuant to the terms of the Underwriting Agreement, the Lead Managers shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Units:

This portion has been intentionally left blank and will be completed before filing of the Final Offer Document.

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative Number of Units to be Underwritten	Amount Underwritten (₹ in millions)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after pricing and actual allocation. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The board of directors of the Manager or any committee thereof, at its meeting held on [●], has accepted and entered into the Underwriting Agreement on behalf of the Manager.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Units allocated to Bidders procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to Units to the extent of the defaulted amount subject to the terms of the Underwriting Agreement.

Issuance of Allotment Advice

(i) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Units in the Issue.

(ii) The Registrar will then dispatch an Allotment Advice to the Bidders who have been Allotted Units in the Issue. The dispatch of an Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder.

Notice to Strategic Investors and Anchor Investors: Allotment Reconciliation and CANs

(i) A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms and Bids received from Anchor Investors and Strategic Investors. Based on the physical book and at the discretion of the Manager and the Lead Managers, selected Strategic Investors and Anchor Investors will be sent a CAN or, if required, the revised CAN.

(ii) **In the event that the Issue Price is higher than the Strategic Investor Allocation Price or Anchor Investor Allocation Price**: Strategic Investors and Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Units allocated to such Anchor Investor or Strategic Investor and the pay-in date for payment of the balance amount. Anchor Investors and Strategic Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price or the Strategic Investor Allocation Price, as applicable, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors and Strategic Investors.

(iii) **In the event the Issue Price is lower than the Strategic Investor Allocation Price and Anchor Investor Allocation Price:** Strategic Investors and Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice and will not receive a refund for the difference between the Issue Price and the Anchor Investor Allocation Price or Strategic Investor Allocation Price, as applicable.

Designated Date and Allotment of Units

Whilst the Manager shall ensure all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Units on the Stock Exchanges are completed within 12 Working Days of the Bid Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/ Issue Period by the Manager, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Units will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Investors are advised to instruct their Depository Participant to accept the Units that may be Allotted to them in this Issue.

Basis of Allotment

(i) The allotment of Units to Bidders other than Strategic Investors and Anchor Investors shall be on proportionate basis within the specified investor categories and the number of Units Allotted shall be rounded off to the nearest integer, subject to minimum Allotment as per REIT Regulations and the SEBI Guidelines.

(ii) In case of under-subscription in any investor category, the unsubscribed portion in either the Institutional Investor category or the Non Institutional Investor category may be allotted to applicants in the other category.

For Anchor Investor Portion

Allocation of Units to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Manager in consultation with the Lead Managers, subject to compliance with the following requirements:

- not more than 60% of the Institutional Investor Portion will be available for allocation to Anchor Investors;
- allocation to Anchor Investors will be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to ₹2,500 million and minimum number of five Anchor Investors for allocation more than ₹2,500 million.

The number of Units Allocated to Anchor Investors and the Anchor Investor Allocation Price will be made available on the websites of the Stock Exchanges, the Embassy Sponsor, the Manager and the Lead Managers, prior to the Bid/ Issue Opening Date.

For Strategic Investor Portion

Allocation of Units to Strategic Investors at the Strategic Investor Allocation Price will be at the discretion of the Manager, in consultation with the Lead Managers, subject to compliance with the following requirements:

- Strategic Investor(s) shall, jointly or severally, invest not less than 5% and not more than 25% of the total Issue
- allocation to Strategic Investors will be on a discretionary basis, as per applicable law

The details of Allocation to Strategic Investors will be made available on the websites of the Stock Exchanges, the Embassy Sponsor, the Manager and the Lead Managers, prior to the Bid/ Issue Opening Date, subject to applicable law.

Method of Proportionate Basis of Allotment in the Issue

Except in relation to Anchor Investors and Strategic Investors, the Manager will finalize the Basis of Allotment in consultation with the Designated Stock Exchange. The senior officials of the Designated Stock Exchange along with the Lead Managers, the Manager and the Registrar will be responsible for ensuring that the Basis of Allotment is finalized as per REIT Regulations and SEBI Guidelines.

Except in relation to Anchor Investors and Strategic Investors, the Allotment will be made on a proportionate basis.

As per the REIT Regulations, the minimum trading lot for the purpose of trading of Units of the Embassy REIT shall be ₹0.1 million

Units in Dematerialized Form with NSDL or CDSL

As per the REIT Regulations, the Allotment of Units in the Issue will be only in dematerialized form.

In this context, two agreements have been signed amongst the Trustee (acting on behalf of the Embassy REIT), the respective Depositories and the Registrar:

(i) Agreement dated January 3, 2019, between NSDL, the Trustee (acting on behalf of the Embassy REIT) and the Registrar; and

(ii) Agreement dated January 10, 2019, between CDSL, the Trustee (acting on behalf of the Embassy REIT) and the Registrar.

Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(i) A Bidder applying for Units must have at least one valid beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(ii) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(iii) Bid cum Application Forms or Revision Forms containing incomplete or incorrect details under the heading "Bidder's Depository Account Details" are liable to be rejected.

(iv) Units in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where the Units are proposed to be listed have electronic connectivity with CDSL and NSDL.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, PAN, Bidders depository account details, number of Units applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and with respect to ASBA Bids, the bank account number in which an amount equivalent to the Bid Amount was blocked.

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted Units in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted with the Designated Branches, Bidders can contact the relevant Designated Branch.

We estimate that the average time required by the Registrar to the Issue, the SCSBs or us for redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress complaints as expeditiously as possible.

Payment of Refunds

In the case of Bidders other than ASBA Bidders, the Registrar will obtain from the Depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID and the Client ID provided by the Bidders in their Bid cum Application Forms.

In the case of Bids from Eligible NRIs and FPIs, any refunds, and other distributions, will normally be payable in Indian Rupees only and net of bank charges and/ or commission. Where desired, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post. Neither the Manager nor the Trustee will be responsible for any loss incurred by Bidders on account of conversion of foreign currency.

Mode of Refunds

For Strategic Investors and Anchor Investors

For Strategic Investors and Anchor Investors, any payment of refund will be through any of the following modes:

(i) **NACH**—National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(ii) **Direct Credit** – Bidders having bank accounts with the Refund Bank, as per the Demographic Details received from the Depositories will be eligible to receive refunds through direct credit. Any bank charges levied by the Refund Bank will be borne by Embassy REIT.

(iii) **RTGS** – Bidders having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

(iv) **NEFT** – Payment of refund will be undertaken through NEFT wherever the Bidders bank branches are NEFT enabled and have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to an MICR code of that particular bank branch. The IFSC will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. Wherever the Bidders have registered their MICR code and bank account number while opening and operating the demat account, these will be duly mapped with the IFSC of that particular bank branch and payment of refund will be made to the Bidders through NEFT. In the event NEFT is not operationally feasible, the payment of refunds will be made through any one of the other modes discussed in this section.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted.

Refunds for ASBA Bidders

In the case of ASBA Bidders, the Registrar will instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amounts specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids, within 12 Working Days of the Bid/Issue Closing Date.

Disposal of Applications and Application Moneys and Interest in Case of Delay

With respect to Bidders other than ASBA Bidders, the Manager will ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges after the Allotment of Units.

In case of Bidders who receive refunds through NACH, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Issue Closing Date. A suitable communication will be sent to the Bidders receiving refunds through this mode within 12 Working Days from the Bid/Issue Closing Date, giving details of the bank where refunds will be credited along with amount and expected date of electronic credit of refund.

Letters of Allotment or Refund Orders or instructions to the SCSBs

With respect to Strategic Investors and Anchor Investors, the Manager will ensure dispatch of Allotment Advice and refund orders (except for Anchor Investors and Strategic Investors who receive refunds through electronic transfer of funds), give benefit to the beneficiary account with the Depository Participants and submit documents pertaining to the Allotment to the Stock Exchanges after the Allotment of Units.

In the case of ASBA Bidders, the Registrar will instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amounts specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids, within 12 Working Days of the Bid Closing Date.

Interest in case of delay in dispatch of Allotment Advice or refund orders/ instruction to SCSB by the Registrar

Allotment of Units in the Issue, including the credit of Allotted Units to the beneficiary accounts of the Depository Participants, will be made not later than 12 Working Days of the Bid/ Issue Closing Date. If Allotment letters/ refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through direct credit, NEFT, RTGS or NACH, the refund instructions have not been issued to the clearing system in the disclosed manner and/ or demat credits are not made to investors within 12 Working Days from the Bid/ Issue Closing Date, the Manager will be liable to pay interest at 15% per annum, as prescribed under the REIT Regulations and other Applicable Laws.

The Trustee and the Manager on behalf of the Embassy REIT shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Units from all the Stock Exchanges where listing is sought has been received.

Withdrawal of the Issue

The Manager in consultation with the Trustee and the Lead Managers, reserve the right not to proceed with the Issue at any time after the Bid/ Issue Opening Date but before Allotment. If the Manager withdraws the Issue, it will issue a public notice within two days, providing reasons for not proceeding with the Issue. The Lead Managers, through the Registrar, will notify the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such notification. The notice of withdrawal will be will be made available on the websites of the Stock Exchanges, the Embassy Sponsor, the Manager and will also be issued in the same newspapers where the pre-Issue advertisements have appeared, if any.

If the Manager withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with a further public offering of Units, it will file a fresh draft offer document with SEBI or the Stock Exchanges, as the case may be.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Manager will apply for only after Allotment; and (ii) the final approval of the Final Offer Document after it is filed with SEBI and the Stock Exchanges.

Minimum Subscription and Minimum Allotment

In case the Embassy REIT does not receive (i) the minimum subscriptions of at least 90% of the Issue specified in this Offer Document; or (ii) subscription for the minimum public unitholding in accordance with Regulation 14(2A) of the REIT Regulations, or (iii) if to the number of prospective Allottees forming part of the public is less than 200, the Manager shall refund the entire subscription money received. In the event of non-receipt of listing permission from the Stock Exchanges or withdrawal of the observation letter issued by SEBI, the Units will not be eligible for listing and the Embassy REIT will be liable to refund the subscription monies, if any, to the respective Allottees immediately, along with interest at the rate of 15% per annum from the date of Allotment.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Manager in consultation with the Lead Managers, on the basis of assessment of market demand for the Units offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below.

Bidders are requested to also refer to "*Risk Factors*", "*Our Business*", and "*Financial Information*" on pages 22, 131 and 276, respectively, to make an informed investment decision.

The Price Band is ₹[●] to ₹[●].

Based on the evaluation of the qualitative and quantitative factors listed below, the Equity Value at the Floor Price, the Cap Price and the Issue Price is as follows:

Particulars	At Floor Price	At Cap Price	At Issue Price
Equity Value	[●]	[●]	[●]
Number of Units Issued	[●]	[●]	[●]

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Issue Price are as follows:

- Located in India, a leading services hub for global corporates
- Best-in-class office properties with high quality infrastructure
- Strategically located in the top performing markets with high barriers to entry
- Highly occupied by a diversified, high quality, 'sticky' multinational tenant base
- Simple business with embedded growth
- Highly experienced management team
- Renowned Sponsors with global expertise and local knowledge

For further details, see "*Our Business and Properties – Our Competitive Strengths* on page 131".

Quantitative Factors

The information presented below is based on the Condensed Combined Financial Statements. For details, see "*Financial Information of the Embassy REIT*" on page 523.

We believe that some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Valuation provided by the Valuers

The Valuers have used the discounted cash flow method to determine the value of the Portfolio. The assumptions based on which the value of the Portfolio has been arrived at, have been disclosed in the section entitled "*Summary Valuation Report*" on page 626.

2. Projections

The Manager has provided the projected revenue from operations, EBITDA cash flow from operating activities NOI and NDCF of the Embassy REIT for the Fiscals 2021, 2020 and 2019. For details of the Projections and notes thereto, see "*Projections*" on page 321.

3. Price/ Net Asset Value per Unit ratio in relation to Issue Price and NDCF as a % of Equity Value in relation to Issue Price

Particulars	Amount (in ₹)	Price/ Net Asset Value per Unit		
		At Floor Price	At Cap Price	At Issue Price
Net Asset Value per Unit as of [●] (1)	[●]	[●]	[●]	[●]

(1) Net assets in accordance with the Condensed Combined Financial Statements have been used in the analysis. For further details, refer to "Financial Information of the Embassy REIT" on page 523. Net Asset Value per unit has been calculated based on [●]

Particulars	Amount (in ₹ million)	NDCF as a % of Equity Value***		
		At Floor Price	At Cap Price	At Issue Price
FY2020 NDCF (2)		[●]	[●]	[●]
FY2021 NDCF (2)		[●]	[●]	[●]

(2) *NDCF for the financial years ended March 31, 2020 and 2021 in the above table is in accordance with the Projections prepared by the Manager. We calculate NDCF in the manner specified in "Projections—Annexure C: NDCF framework for the Embassy REIT". NDCF is a significant performance metric, the framework for which is adopted by the Manager in line with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 issued by SEBI on September 26, 2014, as amended from time to time and any circulars and guidelines issued thereunder. The Manager believes this metric serves as a useful indicator of the REIT's expected ability to provide a cash return on investment. NDCF does not have a standardized definition under Ind AS or IFRS, and our method of calculating NDCF may not be comparable with similarly named measures presented by other companies. NDCF should not be considered by itself or as a substitute for net income, operating income or cash flow from operating activities or related margins or other measures of operating performance, liquidity or ability to pay dividends. For more information, see "Projections" on page 321. Further, please see the section entitled "Risk Factors—Risks Relating to Our Business and Industry—Our actual results may be materially different from the expectations expressed or implied in this Offer Document. The Independent Auditors' Report on projections of revenue from operations, net operating income, earnings before interest, tax, depreciation and amortization, cash flow from operating activities and net distributable cash flows and the underlying assumptions contains restrictions with respect to the purpose of the report and, use of the report by investors in the United States.*

*** *Prepared on a post-IPO capital structure and corporate structure as basis.*

4. *Comparison with Industry Peers*

Currently there are no listed real estate investment trusts in India. Accordingly, it is not possible to provide an industry comparison in relation to the Embassy REIT.

RIGHTS OF UNITHOLDERS

The rights and interests of Unitholders are contained in this Offer Document and the REIT Regulations. Under the Trust Deed and the Investment Management Agreement, these rights and interests are safeguarded by the Trustee and the Manager. Any rights and interests of Unitholders as specified in this Offer Document would be deemed to be amended to the extent of any amendment to the REIT Regulations.

Face Value

The Units will not have a face value.

Beneficial Interest

Each Unit represents an undivided beneficial interest in the Embassy REIT. A Unitholder has no equitable or proprietary interest in the Portfolio (or any part thereof) and is not entitled to the transfer of the Portfolio (or any part thereof) or any interest in the Embassy REIT Assets (or any part thereof). A Unitholder's right is limited to the right to require due administration of the Embassy REIT in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

Ranking

No Unitholder of the Embassy REIT shall enjoy superior voting or any other rights over another Unitholder. Further, there shall not be multiple classes of Units of the Embassy REIT. Each Unit Allotted to the Unitholders shall have one vote for any decisions requiring a vote of the Unitholders. However, the Embassy REIT may issue subordinate units of the Embassy REIT only to the Embassy Sponsor, the Blackstone Sponsor and their respective Associate, where such subordinate units shall carry only inferior voting or any other rights compared to the other Units, in accordance with the REIT Regulations.

Redressal of grievances

The Trustee shall periodically review the status of Unitholder's complaints and their redressal undertaken by the Manager. The Stakeholders' Relationship Committee of the Manager shall consider and resolve the grievances of the Unitholders. For details, see "*Corporate Governance*" on page 230.

Distribution

The Unitholders shall have the right to receive distribution in the manner set forth in this Offer Document and/or the Trust Deed, subject to the REIT Regulations. For details, see "*Distribution*" on page 357.

Limitation to the Liability of Unitholders

The liability of each Unitholder of the Embassy REIT shall be limited to making the capital contributions payable by it in respect of the Units subscribed by it. The Unitholders shall not be responsible or liable, directly or indirectly, for acts, omissions or commissions of the Trustee, the Manager, the Embassy Sponsor, the Blackstone Sponsor or any other person, whether or not such act, omission or commission, has been approved by the Unitholders in accordance with the REIT Regulations or not.

Meeting of Unitholders

Meetings of Unitholders will be conducted in accordance with the REIT Regulations.

Passing of resolutions

1. With respect to any matter requiring approval of the Unitholders:

    (i) a resolution shall be considered as passed when the votes cast by Unitholders, so entitled and voting, in favour of the resolution exceed a certain percentage as specified in the REIT Regulations, of votes cast against;

    (ii) the voting may be done by postal ballot or electronic mode;

(iii) a notice of not less than 21 days either in writing or through electronic mode shall be provided to the Unitholders;

(iv) voting by any Unitholder (including the Embassy Sponsor or the Blackstone Sponsor), who is a related party (as understood in accordance with the REIT Regulations) in such transaction, as well as associates (as defined under Regulation 2(1)(b) of the REIT Regulations) of such Unitholder(s) shall not be considered on the specific issue; and

(v) the Manager shall be responsible for all the activities pertaining to conducting of meeting of the Unitholder, subject to overseeing by the Trustee.

Provided that for issues pertaining to the Manager, including a change in Manager, removal of Manager or change in control of Manager; the Trustee shall convene and handle all activities pertaining to conduct of the meetings. Provided further that, for issues pertaining to the Trustee, including change in Trustee, the Trustee shall not be involved in any manner in the conduct of the meeting.

2. Further, with respect to the Embassy REIT:

(i) an annual meeting of all Unitholders shall be held not less than once a year within 120 days from the end of each Fiscal and the time between two meetings shall not exceed 15 months;

(ii) with respect to the annual meeting of Unitholders,

(a) any information that is required to be disclosed to the Unitholders and any issue that, in the ordinary course of business, may require approval of the Unitholders may be taken up in the meeting including:

- latest annual accounts and performance of the Embassy REIT;
- approval of auditor and fees of such auditor, as may be required;
- latest valuation reports;
- appointment of valuer, as may be required;
- any other issue including special issues as specified under Regulation 22(6) of the REIT Regulations; and

(b) for any issue taken up in such meetings which require approval from the Unitholders, votes cast in favour of the resolution shall be more than the votes cast against the resolution or such other percentage as may be prescribed under the REIT Regulations.

3. In case of the following, approval from Unitholders shall be required where votes cast in favour of the resolution shall be more than the votes cast against the resolution:

(i) any approval from Unitholders required in terms of Regulation 18 (*Investment conditions and distribution policy),* Regulation 19 (*Related party transactions)* and Regulation 21 *(Valuation of assets*) of the REIT Regulations;

(ii) any transaction, other than any borrowing, the value of which is equal to or greater than 25% of the assets of the Embassy REIT;

(iii) any borrowing in excess of specified limit as required under Regulation 20(2) of the REIT Regulations;

(iv) any issue of Units after the Issue by the Embassy REIT, in whatever form, other than any issue of Units which may be considered by SEBI, under Regulation 22(6) of the REIT Regulations;

(v) increasing period for compliance with investment conditions to one year in accordance with Regulation 18(9) of the REIT Regulations;

(vi) any issue, in the ordinary course of business, which in the opinion of the Embassy Sponsor, the Blackstone Sponsor or Trustee or Manager, is material and requires approval of the Unitholders, if any; and

(vii) any issue for which SEBI or the stock exchanges requires approval of the Unitholders.

4. In case of the following, approval from Unitholders shall be required where votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution, provided that in case of clause (iv) below, if approval is not obtained, the person shall provide an exit option to the Unitholder(s) to the extent and in the manner specified by SEBI:

   (i) any change in the Manager, including removal of the Manager or change in control of the Manager;

   (ii) any material change in investment strategy or any change in the Embassy REIT Management Fees;

   (iii) the Embassy Sponsor, the Blackstone Sponsor or Manager proposing to seek delisting of units of the Embassy REIT;

   (iv) the value of the Units held by a person along with its associates (as defined under Regulation 2(1)(b) of the REIT Regulations) other than the Embassy Sponsor and its Associates or the Blackstone Sponsor and its Associates exceeding 50% of the value of the outstanding Units, prior to acquiring any further Units;

   (v) any issue, not in the ordinary course of business, which in the opinion of Sponsors or Manager or Trustee requires approval of the Unitholders;

   (vi) any issue for which SEBI or the stock exchanges requires approval of the Unitholders; and

   (vii) any issue taken up on request of the Unitholders including:

      (a) removal of the Manager and appointment of another manager to the Embassy REIT;

      (b) removal of the Auditor and appointment of another auditor to the Embassy REIT;

      (c) removal of the Valuer and appointment of another valuer to the Embassy REIT;

      (d) delisting of the Embassy REIT, if the Unitholders have sufficient reason to believe that such delisting would act in the interest of the Unitholders;

      (e) any issue which the Unitholders have sufficient reason to believe that is detrimental to the interest of the Unitholders; and

      (f) change in the Trustee if the Unitholders have sufficient reason to believe that acts of such Trustee are detrimental to the interest of the Unitholders.

   With respect to the right(s) of the Unitholders under clause (vii) above:

   (i) not less than 25% of the Unitholders by value, other than any party related to the transactions and its associates (as defined under Regulation 2(1)(b) of the REIT Regulations, shall apply, in writing, to the Trustee for the purpose;

   (ii) on receipt of such application, the Trustee shall require the Manager to place the issue for voting in the manner as specified in the REIT Regulations; and

   (iii) with respect to sub-clause (f) of clause (vii) above, not less than 60% of the Unitholders by value shall apply, in writing, to the Manager for the purpose.

Information rights

The Embassy REIT and the Manager shall also submit such information to the Stock Exchanges and Unitholders on a periodical basis as may be required under the REIT Regulations and the Listing Agreement. The Embassy REIT and the Manager shall disclose to the Stock Exchanges, Unitholders and SEBI, such information and in such manner as per applicable law.

Buyback and Delisting of Units

Any buyback, redemption, return of capital or delisting of Units, will be in accordance with the REIT Regulations.

VIII. LEGAL AND REGULATORY MATTERS

LEGAL AND OTHER INFORMATION

*This section discloses all outstanding title litigation pertaining to the Portfolio along with details of other title related disclosures. Further, details of all outstanding regulatory actions and criminal matters against the Embassy REIT, the Embassy Sponsor, the Blackstone Sponsor, the Manager, or any of their Associates, the Blackstone Sponsor Group, the Trustee and the Valuer (together, "**Relevant Parties**"), have been disclosed. Only such outstanding civil/ commercial matters against the Relevant Parties have been disclosed where amount involved are in excess of the materiality thresholds disclosed below. Further, all direct tax, indirect tax and property tax matters against the Relevant Parties and the key persons (i.e. board of directors) of the Sponsors have been disclosed in a consolidated manner. Tax investigations involving the Sponsors and their key persons (i.e. board of directors) have also been disclosed. All disclosures are as of the date of this Offer Document.*

I. Title disclosures (including title litigation) pertaining to the Portfolio

For the purpose of this section, details of all pending title litigation pertaining to the Portfolio have been disclosed. Other than as disclosed below, there are no pending title litigations pertaining to the Portfolio as of the date of this Offer Document:

A. *Embassy Manyata*

MPPL has filed a writ petition against the BBMP and others seeking to *inter-alia*, quash (i) a circular from 2014 re-fixing the improvement charges under the Karnataka Municipal Corporations Act, 1976, and the Karnataka Municipal Corporations (Recovery of Improvement Expenses) Rules, 2009, and (ii) a notice from 2015 demanding payment of betterment charges of ₹127.9 million. In 2016, the High Court of Karnataka has granted an interim stay on the impugned circular and notice.

B. *Hilton at Embassy Golflinks*

A third party has filed a suit against GLSP, UPPL and Mac Charles (India) Limited and others in 2003 before the City Civil Court, Bengaluru, seeking specific performance of an agreement for sale for 94,000 square feet of land forming part of the larger parcel of land admeasuring 5 acres and 23 guntas situated at Challaghatta village. The court dismissed the suit in 2008. The plaintiff has challenged such dismissal in 2009 before the High Court of Karnataka in an appeal. GLSP and UPPL have been arraigned as respondents in the appeal.

C. *Express Towers*

(a) IENMPL has filed a writ petition against the Government of Maharashtra and the Collector, Mumbai in 2003 before the Bombay High Court, challenging the demand against IENMPL for payment of increased transfer charges in relation to a sub-lease. While transfer charges amounting to ₹0.12 million annually for 61 years as per GoI's letter were levied in 2001, the transfer charges were revised to ₹2.34 million in the same year by the Collector, Bombay. In 2004, the Bombay High Court passed an order staying the operation of demand for increased transfer charges, subject to IENMPL continuing to pay the original transfer charges. IENMPL has also undertaken that in the event of dismissal of petition they shall pay the demanded increased transfer charges.

(b) IENMPL had initiated legal proceedings against a tenant before the Court of Small Causes, Mumbai in 2007 for eviction and recovery of possession of 2,150 square feet in Express Towers and for *mesne profits*. On November 15, 2011, the court directed the tenant to pay ₹0.26 million per month towards *mesne profits* for the period between March 1, 2007 and February 2010, and ₹0.29 million per month March 1, 2010 onward. An appeal by the tenant against this order before the Court of Small Causes was dismissed on May 6, 2015. Aggrieved, the tenant filed a petition before the Bombay High Court. On August 28, 2017, the High Court passed an order directing the tenant to pay ₹225 per square feet per month from May 1, 2015 to continue the possession of the premises. The tenant continues to occupy the premises and pay rentals.

(c) A criminal public interest litigation instituted by a third party against the state of Maharashtra and others in 2017 which has alleged irregularities in the manner in which Express Towers was being used, and the manner in which the shareholders of IENMPL have acquired the asset. IENMPL impleaded itself as party to this public interest litigation. The Bombay High Court had directed the third party to file an amended petition to, *inter alia*, include IENMPL as a party, which has been filed by the third party on February 27, 2019.

D. Embassy Golflinks

(a) Certain third parties have filed a suit for partition in 2005 against their family members and GLSP before the City Civil Court, Bengaluru, in respect of a property admeasuring 4 acres and 1 guntas, where GLSP is entitled to two acres and 21 guntas, forming part of Embassy Golflinks wherein the court passed a preliminary decree for partition. GLSP has filed an appeal in 2013 before the High Court of Karnataka challenging the decree. The High Court has passed interim orders in 2015 and stayed the decree.

(b) A third party individual has filed a suit before Court of the City Civil Judge, Bengaluru in 2005, against GLSP and others for declaring a sale deed allegedly executed in 2004 by him in favour of GLSP and another pertaining to a portion of land situated at Embassy Golflinks, as null and void on account of fraud and misrepresentation. The plaintiff died at the evidence stage and his alleged heir was not permitted to come on record by as the court rejected his application by passing an order in 2015. Aggrieved by the order, the alleged heir filed a civil revision petition before the High Court of Karnataka in 2015 which was subsequently converted into a writ petition.

(c) Certain third parties have filed a suit in 2008 before the City Civil Court, Bengaluru in respect of a property admeasuring 1 acre and 21 guntas, forming part of Embassy Golflinks. The suit was dismissed in 2013 due to no representation on behalf of the plaintiffs. The plaintiffs filed a petition before the City Civil Judge, Bengaluru in 2013 to set aside the dismissal order and restore the suit, along with an application for condonation of delay. GLSP has filed objections to the petition.

(d) A third party has filed a suit against GLSP and others before the City Civil Court, Bengaluru in 2004, directing (i) certain defendants apart from GLSP to execute sale deeds in respect of a property admeasuring 1 acre and 36 guntas, forming part of Embassy Golflinks in favour of the plaintiff by virtue of an agreement to sell executed in 1995 and, (ii) grant of permanent injunction to restrain all the defendants from interfering with the property or in the alternative, refund ₹3.96 million to the plaintiffs. Pursuant to a writ petition filed by one of the defendants, the High Court of Karnataka has stayed the suit in 2014.

(e) Certain third parties have filed an application in 2007, before the Court of City Civil Judge, Bengaluru against GLSP and another third party seeking an injunction restraining them from alienating or creating any third party interest in a property admeasuring 2 acres and 14 guntas, forming part of Embassy Golflinks. The court passed an interim order in 2007 which has been subsequently vacated by the court the matter is currently pending. The third party claimants have also filed a claim in 2009 against GLSP and others, before the High Court of Karnataka seeking appointment of an arbitrator and an arbitrator was appointed by an order in 2015. The claimants sought (i) performance of joint development agreements executed in 2004 and 2005, against GLSP and another individual, pertaining to the property before the arbitrator, and (ii) an injunction to restrain the respondents from alienating or creating any third party interests in the building constructed on the property, before the arbitrator and the parties await date for next hearing.

(f) GLSP has filed a petition in 2014 before the High Court of Karnataka *inter-alia,* against a show cause notice issued under the Public Premises (Eviction of Unauthorised Occupation) Act, 1971, in relation to eviction of GLSP from certain parcels of land admeasuring 92 square meters, 274.86 square meters and 2,079.79 square meters in Domlur Village, Bengaluru, which as per the show cause notice allegedly belongs to the Department of Defence and seeking a direction against the BBMP and others to complete the construction of the road on the aforementioned lands. The High Court in 2014 directed BBMP to continue with the construction of the road in terms of certain agreements signed between the Department of Defence and BBMP and also restrained the respondents from acting upon the impugned notice or taking coercive steps against GLSP. The respondents have obtained a stay on such order in 2016 by way of an appeal filed in 2015 before the High Court of Karnataka. The stay order also stated that GLSP cannot be evicted without the leave of court.

(g) A third party has filed a suit before the City Civil Court, Senior Division, Rural District against GLSP and others alleging that the defendants and GLSP have colluded with each other to sell certain parcels of land belonging to the petitioner, admeasuring 12 guntas, 1 acre 9 guntas and 15 guntas respectively and forming part of Embassy Golflinks to GLSP. The petitioner has alleged that the sale deed executed in 2003 is not binding on the petitioner. The suit was dismissed in 2016 for default by the petitioner. The petitioner has thereafter filed an application seeking to restore the case.

(h) GLSP received a notice from a third party individual alleging that certain third parties were the absolute owners of land in possession of GLSP admeasuring 2 acres and 8 guntas in Bengaluru. The IX Additional City Civil and Sessions Judge, pursuant to a preliminary decree in 2017, granted the petitioner half a share in the land. GLSP was not made a party to the above suit filed by the third party. GLSP has filed an appeal in the High Court of Karnataka to set aside the decree of the IX Additional City Civil and Sessions Judge and to remand the suit to the trial court by impleading GLSP as a defendant.

In addition to the above and except as disclosed in "*Risk Factors*" and "*Regulatory Approvals*" on pages 22 and 456, respectively, our title, development rights and other interests in relation to certain of our Portfolio may be subject to the following uncertainties or defects:

(a) Flagship Infrastructure Private Limited has granted a right of way in favour of QBPPL and Flagship Developers Private Limited to the access road leading to the Embassy Qubix. While the agreement is registered, any termination of this agreement by Flagship Infrastructure Developers Private Limited would result in QBPPL incurring additional expenses in order to obtain an alternative entry route for Embassy Qubix.

(b) QBPPL has transferred rights to all future FSI in respect of the land on which Embassy Qubix is built to Flagship Developers Private Limited pursuant to a contractual arrangement. Any future FSI in respect of such land will be utilised by Flagship Developers Private Limited on a separate parcel of land owned by it adjacent to Embassy Qubix.

(c) All future FSI, TDRs or built up area rights that become available for purchase and use on the land on which FIFC is located or the FIFC building shall vest in ETPL, provided that the condominium partners shall be entitled to a proportion of such development rights pro-rata to their share in the voting rights of the condominium as of that date. Further, ETPL has not paid property tax for the year 2017-18 on account of ETPL being entitled to refund of excess property tax paid for the year 2016-17. ETPL is yet to obtain a no dues certificate from MCGM for 2017-18.

(d) For Express Towers, subsisting rights of a third party for revival of possession of premises admeasuring 3,628 sq.ft. were not fully surrendered by them and IENMPL's authority to grant licenses to tenants for such premises could be challenged by the third party. Further, assignment of certain premises to the Indian Express Limited in 2008 and back to IENMPL by Indian Express Limited in 2014 has not been intimated to the Collector, Mumbai, which may be in violation of the terms of the lease deed.

(e) Since the 1970s, many correspondences have been exchanged by IENMPL, MCGM, and the Government of Maharashtra, in relation to unauthorized construction and approval for change of use of three floors of Express Towers since the execution of the lease deed (including notices relating to alleged unauthorized construction and unauthorized use) IENMPL last applied to the MCGM in 1990 for such permission which was rejected. IENMPL thereafter wrote to the Government of Maharashtra requesting that they direct the MCGM to regularise the office use and occupation of plaza floors (as per the previous approval of the Government of Maharashtra). The Government of Maharashtra has observed that the local regulations do not contain a provision dealing with plaza floors and has since written to the local authorities in 2004 to formulate guiding principles for treatment of plaza floors, such amendments are yet to be notified.

(f) IENMPL has received a notice from the Collector, Mumbai in 2008 alleging violations of the terms of the lease deed such as use of premises for purposes other than the permitted use; carrying out construction/ repair work without the approval of the state architect; and granting licenses to use to third parties without payment of transfer charges. IENMPL has responded to this notice in 2008 confirming compliance with the terms of the lease deed and there has been no further correspondence in this regard since 2008. For details of the writ petition filed by IENMPL in relation to payment of increased transfer charges, see "*Title Disclosures (including title litigation) pertaining to the Portfolio*" on page 439. An order NO. CSLR/REV-1/LND2540(236)/BBR-III order/5th floor 2019/3563 has been received on March 6, 2019 by IENMPL requiring payment, within 21 days, of Rs.16.27 million towards regularization of a prior sub-lease of an erstwhile tenant; and that IENMPL submit, within one month, details of other transfers and leave and licenses for regularization. The order also states that due to alleged breaches of terms and conditions, further investigation and necessary action may be taken under section 53 of Maharashtra Land Revenue Act 1966 (which authorizes the Collector to pass an order for eviction, provided that the company is found to be in breach of the terms of the lease); and that IENMPL has the right to prefer an appeal before the Maharashtra Revenue Tribunal.

(g) IENMPL has received a show cause notice under provisions of the Maharashtra Land Revenue Code from the Collector and District Magistrate, Mumbai in 2018, alleging violations such as licensing portions of the building to third parties and construction work being carried out without approval from the government, and premises not being used in accordance with the permitted use, non-availability of occupancy certificates for several floors during inspection and directing IENMPL to show cause as to why action should not be taken against it as per the provisions of the Maharashtra Land Revenue Act, 1966. IENMPL has responded to the show cause notice *inter-alia* denying the allegations, clarifying that the 'agreement to lease' referred to in the notice has been superseded by the lease deed entered into in 1972, and submitting the requisite occupancy certificates. IENMPL has subsequently submitted responses to the inspection report and submitted that there are no violations of the lease deed and requesting that the notice be withdrawn/ cancelled.

(h) While agreements to sale and powers of attorney have been executed with landowners in respect of 465.77 acres of land required for operating Embassy Energy, these documents do not expressly permit the commencement operations of Embassy Energy on such land prior to execution of the sale deeds.

(i) In relation to Embassy Energy, as of the date of this Offer Document, ISPL has identified 465.77 acres of land for Embassy Energy. The approval obtained by EEPL from the Government of Karnataka for the establishment of Embassy Energy requires that the land is purchased and the solar project is established only after obtaining conversion of the use of the land for non-agricultural purposes. EEPL is required to obtain approvals from the local authorities to purchase the land for the solar project under Section 109 of the Karnataka Land Reforms Act, 1961 which is deemed conversion of agricultural land and no further approvals are necessary. EEPL directly or through land aggregators has executed agreements for sale and powers of attorney with various land owners for 465.77 acres of land. Applications for approval under Section 109 have been made for 464.51 acres of land and such approvals have been received for 265.20 acres. EEPL has executed sale deeds in respect of 254.47 acres of land. Of the 254.47 acres of land for which sale deeds have been executed, (i) payment of conversion fine and (ii) mutation of records for 33 acres of land is pending as on the date of this Offer Document. For further details, see "*Regulatory Approvals*" on page 456.

(j) In relation to Embassy Energy, title diligence undertaken by us notes certain deficiencies in title documentation including non-availability of RTC records for certain periods, missing encumbrance certificates for certain periods for certain survey numbers, non-availability of detailed family trees for specific survey numbers, subsisting encumbrances created by original landowners with respect to certain survey numbers (in respect of which land aggregators responsible for acquisition of the land have provided indemnity bonds to EEPL); and non-availability of original title documents for review by the title lawyer on account of these documents being in the possession of ISPL or the land aggregator appointed by ISPL.

(k) In respect of Embassy 247, use of land admeasuring 4,701.6 sq. m. was converted from agricultural to industrial pending receipt of approval from the Collector, Suburban Mumbai. Unauthorised change in land use may attract penal consequences under the Maharashtra Land Revenue Code, 1966.

II. Material litigation and regulatory action pending against the Embassy REIT (Asset SPVs and the Investment Entity)

With respect to the Asset SPVs and the Investment Entity, details of all pending regulatory actions and criminal matters against the Asset SPVs and the Investment Entity have been disclosed.

For the purpose of pending civil/ commercial matters against the Embassy REIT (Asset SPVs and Investment Entity), Associates of the Embassy REIT (excluding the Manager, the Sponsors, their respective associates and the Blackstone Sponsor Group) matters exceeding ₹176.63 million (being 1% of the combined income as of March 31, 2018) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of the Embassy REIT has been disclosed.

Other than as disclosed below, there are no pending criminal litigation, regulatory actions or material civil/ commercial matters against any of the Asset SPVs or the Investment Entity or the Associates of the Embassy REIT (excluding the Manager, the Sponsors, their respective associates and the Blackstone Sponsor Group) as of the date of this Offer Document. Further, there is no litigation against the Embassy REIT as on the date of this Offer Document.

A. MPPL

(i) Regulatory Proceedings

The Director, SEZ Section, GoI issued guidelines in 2009 which laid down that captive power plants in IT/ ITES SEZs were to be classified as separate units and were entitled to avail fiscal benefits under the SEZ Act including the benefit of exemption from the levy of excise duty under the Central Excise Act, 1994, on the goods supplied to them. However, in 2015, a new circular was issued which withdrew all such benefits and incentives extended to the captive power plants set up in a SEZ with effect from April 1, 2015. In 2016, new guidelines were issued which restored the benefits and exemptions given under the 2009 circular. However, the exemptions and benefits were prospective in nature and did not apply to SEZ developers, such as MPPL, for the period between the 2015 circular and the 2016 guidelines. By way of their letters in 2016, two diesel providers who were providing high speed diesel to MPPL, informed MPPL that amount payable due to excise duty on supply of diesel to MPPL was ₹31.60 million and ₹8.49 million, respectively, due to the changed guidelines. MPPL filed an application before the Development Commissioner, Manyata Embassy Business Park SEZ in 2016 seeking approval of its DG set unit as a SEZ unit with retrospective effect, which was not granted. Subsequently, MPPL filed an appeal before the Development Commissioner, Manyata Embassy Business Park SEZ seeking modification of the letter of approval granted by the Board of Approval, SEZ Section to classify MPPL's captive power plant as a SEZ unit, as it was not granted with retrospective effect, which was rejected. MPPL has filed a writ petition in 2017 before the High Court of Karnataka to set aside the said order and a stay order has been granted.

(ii) Other material litigation

Certain third parties have filed a petition against MPPL and others before an arbitral tribunal in 2018, where such third parties have prayed for an award directing MPPL and others, in accordance with a memorandum of agreement entered into between the third parties and MPPL to pay, (i) ₹90 million along with interest at 18% per annum from September 3, 2008 to date of realisation, (ii) ₹7.52 million as interest on delayed payment of ₹70 million calculated for specified periods mentioned therein, and (iii) ₹19.39 million as interest on delayed payment of ₹40 million calculated for specified periods mentioned therein.

B. EEPL

Regulatory Proceedings

(a) The Karnataka Electricity Regulatory Commission has issued orders in 2005, 2008 and 2014 granting exemption to all solar power generators in Karnataka that achieved commercial operation date between April 1, 2013 and March 31, 2018 from paying certain charges such as, *inter alia*, payment of wheeling and banking charges, cross subsidy surcharges, transmission losses and wheeling losses for a period of ten years from the date of commissioning. The Commission issued an order in 2018 directing cancellation of the aforementioned exemption available to Karnataka's power generators, including EEPL. Subsequently, EEPL and others have filed writ petitions in 2018 in the High Court of Karnataka against the State of Karnataka, the Karnataka Electricity Regulatory Commission, Bangalore Electricity Supply Company Limited, Gulbarga Electricity Supply Company Limited and Karnataka Power Transmission Corporation Limited. The High Court of Karnataka by way of an order dated May 24, 2018 has directed interim stay on the Commission's order. In the event of cancellation of the aforesaid exemption, EEPL would incur an estimated loss of approximately ₹1053.50 million over a ten year period. The Bangalore Electricity Supply Company Limited filed an interlocutory application on June 18, 2018, seeking recalling of order dated May 24, 2018 of the High Court of Karnataka, and Karnataka Electricity Regulatory Commission has filed common preliminary objections on September 27, 2018 and requested the High Court of Karnataka to dismiss the writ petition filed by EEPL and others.

(b) The Karnataka Electricity Regulatory Commission has issued an order in 2018 pursuant to which banking facilities available to non-renewable energy certificate based renewable energy generators were reduced from a period of one year to six months, and restrictions were imposed on the extent of banked energy which could be withdrawn during the peak time of day. EEPL filed a writ petition against the Karnataka Electricity Regulatory Commission and others before the High Court of Karnataka. The High Court of Karnataka pursuant to an order dated August 9, 2018 has granted an interim stay on the commission's order.

Other Material Litigation

(a) EEPL has received a demand notice under the IBC on February 28, 2019 from a third party sub-contractor, engaged by IL&FS Development Company (IEDCL), the parent company of ISPL, which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorized as operational debts) aggregating up to Rs. 1,008.1 million are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the sub-contractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated March 1, 2019, refuted all such claims inter alia on the basis that the payments are due from ISPL (and/ or its parent entity) to the sub-contractor and not from EEPL, and therefore the sub-contractor has no claim against EEPL.

C. GLSP

(i) *Regulatory Proceedings*

GLSP and its occupier have received a notice in 2017 from the Karnataka State Pollution Control Board stating that the sewage treatment plant at Embassy Golflinks was inspected by the relevant officials and was found to not be operating in accordance with the standards stipulated pursuant to an order passed by the National Green Tribunal and a public notice issued by the Karnataka State Pollution Control Board detailing revised standards required to be adopted for such plants in 2017. GLSP was called upon to show cause as to why action should not be initiated against it under the Water Act, 1974 and related legislations within 30 days from the date of the notice. Golflinks Embassy Business Park Management Services LLP has responded to the notice stating that it is in the process of complying with the observations and requesting for a period of five to seven months for compliance and to grant consent.

III. Material litigation and regulatory action pending against the Embassy Sponsor

With respect to the Embassy Sponsor, details of all pending regulatory actions and criminal matters against the Embassy Sponsor have been disclosed.

For the purpose of pending civil/ commercial matters against the Embassy Sponsor, matters exceeding ₹606.20 million (being 5% of the total consolidated revenue of the Embassy Sponsor as of March 31, 2018) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of the Embassy REIT has been disclosed.

Other than as disclosed below, there are no pending criminal litigation, regulatory actions or material civil/ commercial litigation against the Embassy Sponsor as on the date of this Offer Document.

(i) Criminal Litigation

A charge sheet has been filed by the Central Bureau of Investigation against various individuals and the companies including Embassy Realtors Private Limited (which subsequently merged with the Embassy Sponsor) and its founder, Jitendra (Jitu) Virwani in 2014, who have been named as accused number 12 and 11 respectively. As part of allegations made against the various others accused, there have also been allegations of corruption and irregularities in 2004 with relation to certain land development and housing projects awarded by the Government of Andhra Pradesh and the Andhra Pradesh Housing Board to a consortium in which, Embassy Realtors Private Limited, was holding a minority stake. The offences alleged against the Embassy Sponsor and Jitendra Virwani are under the Indian Penal Code, 1860, including, *inter-alia*, Sections 120 (b) & 420. Jitendra Virwani filed a criminal petition in the High Court of Telangana and Andhra Pradesh seeking an interim order of stay against the proceedings in the trial court; the High Court has exempted the personal appearance of Jitendra Virwani instead of staying the further proceedings. Subsequently, the Embassy Sponsor has filed a criminal petition in the High Court of Telangana and Andhra Pradesh in 2016 seeking to inter-alia quash the proceedings pending before the Special Court for CBI cases at Hyderabad. An interim order of stay has been granted by the High Court in favour of the Embassy Sponsor in this regard. The Embassy Sponsor and Jitendra Virwani were also named as respondents in proceedings initiated by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002 in relation to the same subject matter and an order for the provisional attachment of certain movable assets of the Embassy Sponsor and Jitendra Virwani was passed in January 2018. The Adjudicating Authority has in June 2018 passed an order to the effect that such alleged assets were not involved in the money laundering and has revoked the attachment of such assets. The Directorate of Enforcement has filed an appeal along with a stay application in August 2018 against the order of the Adjudicating Authority which are pending.

(ii) Regulatory Proceedings

(a) The Deputy Commissioner (Registration) and District Registrar, Bengaluru has by an order passed in 2017 directed the Embassy Sponsor to make payment of stamp duty of ₹93.22 million and registration fee of ₹16.50 million pertaining to a sale agreement for residential properties in Bengaluru. Embassy Sponsor has filed an appeal before the Karnataka Appellate Tribunal, Bengaluru in 2018 challenging the order.

(b) A third party individual has filed an application before the National Green Tribunal, Chennai in 2015 against the State of Karnataka, and several other builders including Embassy Sponsor, alleging that builders are harming the Bellandur lake and surrounding environment by discharging effluents in the lake, around which they are developing residential and commercial projects. The matter is currently pending for hearing.

(c) The Embassy Sponsor has received a notice from the Competition Commission of India in 2018 inquiring into its acquisition of over 70% of the shareholding of Mac Charles (India) Limited as a combination. The Embassy Sponsor has replied to the notice *inter alia* submitting that the transaction does not constitute a combination within the meaning of Section 5 of the Competition Act, 2002 since Mac Charles (India) Limited was eligible to avail the *de minimus* exemption for combinations under the provisions of the Competition Act, 2002.

(d) The Maharashtra Pollution Control Board pursuant to a notice in 2011 has filed a criminal case in 2012 before the Chief Judicial Magistrate Court, Pune against the Embassy Sponsor and another accused for violating environmental laws by carrying out construction at plot no. 3, Rajiv Gandhi Infotech Park, Pune without obtaining prior clearance. The court issued summons in 2012, against which Embassy Sponsor has filed a criminal writ petition in the Bombay High Court.

IV. Material litigation and regulatory action pending against the Associates of the Embassy Sponsor

With respect to the Associates of the Embassy Sponsor, details of all pending regulatory actions and criminal matters against the Associates of the Embassy Sponsor have been disclosed.

For the purpose of pending civil/ commercial matters against the Associates of the Embassy Sponsor, (excluding the Asset SPVs and the Investment Entity) matters exceeding ₹606.20 million (being 5% of the total consolidated revenue of the Embassy Sponsor, as of March 31, 2018) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of the Embassy REIT have been disclosed.

Other than as disclosed below, there are no pending criminal litigation, regulatory actions or material civil/commercial litigation against the Associates of the Embassy Sponsor as on the date of this Offer Document. For details of Material litigation and regulatory action pending against the Asset SPVs and Investment Entity, see "—Material litigation and regulatory action pending against the Embassy REIT (Asset SPVs and the Investment Entity)" on page 443

(i) Criminal Litigation

A third party has filed a criminal case before the Magistrate Court, Bengaluru in 2017 for alleged dishonour of a cheque amounting to ₹0.6 million against Embassy Services Private Limited in 2014. The company has filed a criminal petition to quash the proceedings in the High Court of Karnataka. The High Court has granted a stay on the matter in 2018.

(ii) Regulatory Proceedings

(a) Concord India Private Limited received a notice in 2008 from the Range Forest Officer, Bengaluru regarding initiation of proceedings in the High Court of Karnataka for the alleged unauthorised occupation of 78 acres forest land in a plantation reserved forest in Bengaluru. The company has filed a writ petition in 2008 to quash the notice pursuant to which the court ordered in 2012 that the occupied area was not forest land. The Range Forest Officer has filed a writ appeal in the High Court of Karnataka in 2012 against the order and the company has also filed a writ petition in the High Court of Karnataka in 2012 against the State of Karnataka challenging old notifications of the Karnataka State Government declaring the occupied area as an industrial area instead of as a de-reserved reserve forest area for non-forest activity.

(b) Le Meridien Hotel, Bengaluru (owned by Mac Charles (India) Limited) has received a notice in 2013 from the Employees' Provident Fund Organisation to show cause why damages on belated remittance should not be levied. The hotel agreed to the delay in payment except for certain periods. The Assistant Provident Fund Commissioner in 2016 ordered the hotel to pay belated remittance of ₹0.11 million within stipulated time along with interest payable. The hotel has filed an appeal in 2016 before the Employees Provident Fund Appellate Tribunal, Bengaluru challenging the order and the tribunal grated interim stay.

(c) J.V. Holdings Private Limited has received a notice in 2014 from the RBI to show cause why action should not be initiated against it for doing business as an NBFC in violation of the Reserve Bank of India Act, 1934. The company filed its reply to the RBI and the RBI in 2016 directed it to either merge with another NBFC, wind up its business or register as an NBFC. The RBI also directed the company in 2017 to exit partnerships it is invested in to qualify as a core investment company. In 2018, the RBI has asked J.V. Holdings Private Limited to submit its response on the status of complying with the notice. The company has replied to the RBI stating that it has commenced provision of marketing services and that the proposed income from such business activity will be such that the company will not be an NBFC by March 31, 2019. The company has sought for an exemption from the RBI from registering itself as a core investment company/ NBFC.

(d) Udhyaman Investments Private Limited has received a notice in 2015 from the RBI to provide clarifications to determine whether it is an NBFC. The company clarified that it does not qualify as an NBFC and the matter is currently pending.

(e) Certain oil suppliers supplying oil to the SEZ operated by Vikas Telecom Private Limited have received a demand notice for a sum of ₹4,309,200 from the Customs Department alleging that they have not obtained SEZ unit approval for the year 2015 for the DG area of the SEZ and were hence ineligible to claim the tax exemption on supply of diesel to the SEZ. The oil suppliers have requested that Vikas Telecom Private Limited either provide them with the SEZ unit approval or pay the demand amount. Vikas Telecom Private Limited has filed an appeal before the SEZ Commissioner seeking SEZ unit approval with retrospective effect from 2015. The SEZ Commissioner has rejected the contention and has provided SEZ unit approval with prospective effect. Vikas Telecom Private Limited has filed a writ petition seeking to quash the order passed by the SEZ Commissioner and seeking that the SEZ Commissioner be directed to provide the SEZ unit approval with retrospective effect. Vikas Telecom Private Limited has obtained an interim order granting a stay on the demand notice.

(iii) Other Material Litigation

(a) A suit was filed by third party individuals in 2016 against Nam Estates Private Limited, Udhyaman Investments Private Limited and others before the Civil Judge, Devanahalli, Bengaluru seeking partition and separate possession of a property admeasuring 120 acres in Bengaluru.

(b) A suit was filed by third parties in 2018 against Nam Estates Private Limited and another before the Principal Civil Judge (Senior Division), Devanahalli, Bengaluru, claiming possession of a property admeasuring 120 acres in Bengaluru.

(c) A third party has filed a petition before the ICA against Concord India Private Limited for resolution of a dispute in respect of a memorandum of understanding between the third party and Concord India Private Limited entered into in 1999 in respect of joint development of 78 acres of land situated at Kadugodi plantation. The petitioner has claimed that they are entitled to develop the land, whereas Concord India Private Limited has stated that the petitioner is not entitled to any relief since the memorandum of understanding was terminated by the petitioner. The petitioner has requested for the appointment of an arbitrator in this regard.

(d) A suit was filed by a third party against DSRK Holdings (Chennai) Private Limited before the High Court of Madras for specific performance of a contract of sale (for 46.91 acres of land at Sholinganallur) entered in to between the company and the petitioner in 2004. The petitioner has sought for execution and registration of the sale deeds in its favour.

(e) A suit was filed by a third party in 2007 against GV Properties Private Limited and others before the City Civil Court, alleging that land owned by him admeasuring 5 acres and 11 guntas were alienated to GV Properties Private Limited without his knowledge.

(f) A suit was filed by a third party against certain third parties before the City Civil Court, Bengaluru seeking a permanent injunction against utilization of 155,000 square feet of land situated at Bengaluru. Swire Properties Private Limited was impleaded by the plaintiffs in the suit at a later stage alleging that Swire Properties Private Limited was also infringing upon the said land parcels.

V. Material litigation and regulatory action pending against the Blackstone Sponsor, its Associates and the Blackstone Sponsor Group

As of the date of this Offer Document, the Blackstone Sponsor, its Associates and the Blackstone Sponsor Group do not have any regulatory actions, criminal matters, or material civil/commercial litigation i.e. in excess of USD 4.69 million (being 5% of the income of the Blackstone Sponsor in the calendar year ended December 31, 2017) pending against them.

VI. Material litigation and regulatory action pending against the Manager and its Associates

As of the date of this Offer Document, the Manager and its Associates (to the extent that such Associates are not Associates of the Sponsors) do not have any regulatory actions, criminal matters, or other material civil/ commercial litigation pending against them. For the purposes of civil/commercial matters against the Manager and its Associates (to the extent that such Associates are not Associates of the Sponsors), matters involving amounts exceeding ₹15.35 million (being 5% of the revenue of the Manager for FY 2018) have been considered material.

VII. Material litigation and regulatory action pending against the Trustee

Except as disclosed below, the Trustee does not have any regulatory actions, criminal matters, or material litigation pending against it, as of the date of this Offer Document. For the purpose of pending civil/ commercial matters against the Trustee, matters involving amounts exceeding ₹10.97 million (being 5% of the profit after tax of the Trustee for FY 2018) have been considered material.

(a) SEBI has issued a show cause notice dated September 6, 2018 under Rule 4(1) of SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 in the matter of Reliance Communications Limited for certain non-compliances by the Trustee in its capacity as the debenture trustee. The matter is sub judice.

VIII. Material litigation and regulatory action pending against the Valuer

As of the date of this Offer Document, the Valuer does not have any regulatory actions, criminal matters, or material litigation pending against it. For the purpose of pending civil/ commercial matters against the Valuer, matters involving amounts exceeding ₹5.00 million have been considered material.

IX. Tax litigations/investigations pertaining to the Embassy Sponsor and its key persons

All direct tax, indirect tax and property tax matters involving the Embassy Sponsor and its key persons (i.e. the board of directors of the Embassy Sponsor) have been disclosed in a consolidated manner. For details, see "—*Tax Proceedings*" on page 449. Other than as disclosed below, there are no investigations by tax authorities pending against the Embassy Sponsor or its key persons as on the date of this Offer Document:

On January 7, 2015, search proceedings were initiated against the Embassy Sponsor, the directors and certain senior officials of the Embassy Sponsor pursuant to the provisions of Section 132 of the Income Tax Act, 1961. The search proceedings were concluded on January 8, 2015. Additionally, survey proceedings were initiated against two Associates of the Embassy Sponsor, being Embassy Services Private Limited and RGE Constructions and Developments Private Limited, pursuant to the provisions of Section 132A of the Income Tax Act, 1961. Pursuant to the search proceedings, the management of the Embassy Sponsor agreed to declare a sum of '1,120 million as undisclosed income for the Fiscals 2012, 2014 and 2015. The management represented that the impugned declaration was made to avoid any confrontation/litigation with the Income Tax department and confirmed that the books of accounts for the aforementioned fiscals were not misstated in any way. In the financial statements of the Embassy Sponsor for Fiscals 2015 and 2016, the auditors of the Embassy Sponsor have noted that the above declaration does not result in any additional tax provision for the Fiscals 2014 and 2015, and results in an additional tax provision of '41.04 million for Fiscal 2012.

X. Tax litigations/investigations pertaining to the Blackstone Sponsor and its key persons

All direct tax, indirect tax and property tax matters involving the Blackstone Sponsor and its key persons (i.e. the board of directors of the Blackstone Sponsor) have been disclosed in a consolidated manner. For details, see "—*Tax Proceedings*" on page 449. There are no investigations by tax authorities pending against the Blackstone Sponsor or its key persons as on the date of this Offer Document.

Tax Proceedings

Details of all direct tax, indirect tax and property tax matters against the Relevant Parties, as of the date of this Offer Document is as follows:

Nature of case	Number of cases	Amount involved (in ₹ million)
Embassy REIT		
Direct Tax	34	287.26
Indirect Tax	15	551.94
Property Tax	2	962.47
Embassy Sponsor – EPDPL		
Direct Tax	15	271.04
Indirect Tax	3	309.63
Property Tax	Nil	Nil
Key Persons (Board of Directors) of the Embassy Sponsor		
Direct Tax	3	669.56
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Blackstone Sponsor		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Key Persons (Board of Directors) of the Blackstone Sponsor		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Manager – EOPMSPL		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Blackstone Sponsor Group		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Associates of the Manager*		
Direct Tax	44	440.01
Indirect Tax	11	435.51
Property Tax	2	156.86
Associates of the Embassy Sponsor#		
Direct Tax	48	251.42
Indirect Tax	28	1644.99
Property Tax	1	28.91
Associates of the Blackstone Sponsor#		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil

Nature of case	Number of cases	Amount involved (in ₹ million)
Trustee		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil

* Includes Associates of the Sponsors

\# Excludes the Blackstone Sponsor Group, the Asset SPVs and the Investment Entity, as applicable

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws currently in force in India, which are applicable to the Embassy REIT. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the regulations set out below may not be exhaustive, and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by the Asset SPVs and the Investment Entity proposed to be acquired by the Embassy REIT.

Transfer of Property Act, 1882 ("TP Act")

The TP Act establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property and mortgage of immovable property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of immovable property. The TP Act also governs lease agreements, including the rights and liabilities of the lessor and the lessee.

Special Economic Zones Act, 2005 ("SEZ Act")

Special economic zones ("**SEZs**") in India are regulated and governed by the SEZ Act. The SEZ Act has been enacted for the establishment, development and management of the SEZs for the promotion of exports. An SEZ is a specifically delineated duty free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs. SEZs may be established under the SEZ Act, either jointly or severally by the central government, state government or any other person. A board of approval ("**SEZ Board**") has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. The SEZ Board has a number of powers including the authority to approve proposals for the establishment of the SEZ, the operations to be carried out in the SEZ by the developer, changes in shareholding, the foreign collaborations and foreign direct investments for the development, operation and maintenance of the SEZs.

Maharashtra Industrial Development Act, 1961 ("MID Act")

The MID Act, as amended, was established to make special provision for securing the orderly establishment in industrial areas and industrial estates of industries in the state of Maharashtra and to establish the Maharashtra Industrial Development Corporation. The MID Act provides for the powers and functions of the Maharashtra Industrial Development Corporation, which include promotion and assistance in the rapid and orderly establishment, growth, and development of industries in the state of Maharashtra.

Uttar Pradesh Industrial Area Development Act, 1976 ("UPIAD Act")

The UPIAD Act was established to provide for the constitution of industrial development authorities including the New Okhla Industrial Development Authority, for the development of certain areas in the state of Uttar Pradesh into industrial and urban townships. The UPIAD Act provides for the functions of the New Okhla Industrial Development Authority, which include regulation and erection of buildings and setting up of industries, and lay down the purpose of usage of land as industrial or commercial or residential or any other specified purpose.

Mumbai Metropolitan Region Development Authority Act, 1974 ("MMRDA Act")

The MMRDA Act, as amended, was established to, *inter alia*, provide for the establishment of an authority for the purpose of planning, coordinating and supervising the proper, orderly and rapid development of areas and executing plans, projects and schemes for such development. The MMRDA Act provides for the powers and functions of the Mumbai Metropolitan Region Development Authority, which includes reviewing projects or schemes for development in the Mumbai metropolitan region.

Karnataka Land Reforms Act, 1961 ("KLRA Act")

The KLRA Act, as amended, was established to enact a uniform law relating to land reforms in the state of Karnataka relating to agrarian relations, conferment of ownership on tenants, ceiling on land holdings and for certain other matters. The KLRA Act also provides for, *inter alia*, relaxation in the form of according sanctions to exempt lands from certain provisions of the KLRA Act such as ceiling on land holding, prohibition on acquisition of land by certain persons, prohibitions on holding agricultural land by certain persons and barring of transfer of land to non-agriculturists.

Karnataka Municipal Corporation Act, 1976 ("KMC Act")

The KMC Act, as amended, was established to consolidate and amend the laws, relating to the establishment of municipal corporations in Karnataka. Under the KMC Act, a corporation is established based on certain criteria, which include the population of the area and the density of the population. Under the KMC Act, the construction industry is regulated by the municipal corporations which impose mandatory requirements such as approvals, building bye-laws, regulation of future constructions, etc. The KMC Act empowers municipal corporations to make bye laws for the use of sites and buildings and for all matters that are required or allowed to be carried on under the KMC Act.

Maharashtra Municipal Corporations Act, 1949 ("MMC Act")

The MMC Act, as amended, was enacted to consolidate and amend the laws, relating to the establishment of municipal corporations (excluding Greater Mumbai) in Maharashtra. Under the MMC Act, a corporation is established consisting of councillors, elected on the basis of the population of the area. The construction industry is regulated by the municipal corporations established under the MMC Act. The MMC Act empowers the corporation to make regulations of buildings, bye-laws for erecting or re-erecting buildings, standing orders for market-building, levy of property taxes, approvals etc.

Maharashtra Apartment Ownership Act, 1970 ("MAO Act")

The MAO Act, as amended, was enacted to provide for the ownership of an individual apartment in a building and to make such apartment heritable and transferable property in the state of Maharashtra. The MAO Act provides for, *inter alia*, provisions related to ownership of apartments, common areas and facilities, common profits and expenses, bye-laws, insurance, disposition of property etc.

Electricity Act, 2003 ("Electricity Act")

The Electricity Act is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trading of electricity are regulated activities that require licenses from the Central Electricity Regulatory Commission ("**CERC**"), relevant state electricity regulatory commissions ("**SERC**") or a Joint Commission (constituted by an agreement entered into by two or more state governments with each other or by the central government, in respect of one or more union territories with one or more state governments, as the case may be).

A generating company is required to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines. Further, the generating company may supply electricity to any licensee or even directly to consumers, subject to availing open access to the transmission and distribution systems and payment of transmission charges, including wheeling charges and open access charges, as may be determined by the CERC or the relevant SERC, as applicable. In terms of the Electricity Act, open access means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system, by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the CERC or the relevant SERC or Joint Commission, as applicable. The Electricity Act mandates non-discriminatory open access in inter-state transmission and SERCs to enable the provision of open access in transmission and distribution to all consumers who require a supply of electricity where the maximum power to be made available at any time exceeds one megawatt.

The Electricity Act gives the authority to the appropriate commission to regulate tariff for supply by a generation company, transmission, wheeling and retail sale of electricity. However, the appropriate commission shall only adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government. The CERC regulates inter-state transmission of electricity and SERCs facilitate intra-state transmission and wheeling of electricity. Under the Electricity Act, appropriate commission has been mandated to take steps for promoting the development of market (including trading) in power taking into account the National Electricity Policy. The SERCs under the Electricity Act are also required to promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee.

The Electricity (Amendment) Bill, 2018 was introduced in the Lok Sabha to amend certain provisions of the Electricity Act. Among others, the amendment empowers the Government of India to establish and review a national renewable energy policy, tariff policy and electricity policy. The Electricity (Amendment) Bill, 2018 also seeks to end the monopoly of power distribution companies by segregating the carriage (distribution sector/ network) from the content (electricity supply business) in the power sector by introducing multiple supply licensees so as to bring in further competition and efficiency in the distribution sector. Further, the maximum penalty for non-compliance of any provisions of the Electricity Act was raised to ‘ 10 million. The Electricity (Amendment) Bill, 2018 is yet to be passed by the parliament.

The National Tariff Policy 2016 is also applicable to electricity generation, transmission and pricing.

Further, various state acts and rules in relation to generation, transmission, distribution, trading and use of electricity, such as the Bombay Electricity Duty Act, 1958, the Electricity (Karnataka Amendment) Act, 2013 etc. are applicable to our Asset SPVs and Investment Entity.

Aircraft Act, 1934 (“Aircraft Act”)

The primary legislation governing the aviation sector in India is the Aircraft Act, 1934, as amended, and the Aircraft Rules, 1937, as amended (“**Aircraft Rules**”) enacted pursuant to the Aircraft Act. These legislations empower various authorities, including the Ministry of Civil Aviation (“**MoCA**”) and Directorate General of Civil Aviation (“**DGCA**”), to, *inter alia*, regulate aircraft operations in India and the height of buildings or structures constructed at a specified distance from an aerodrome under Section 9A of the Aircraft Act to ensure safety of operation of aircrafts in accordance with international standards and recommended practices governing the operations of aircrafts. At present, the procedure for grant of no objection certificate in relation to the height of buildings and structures is set out in the Ministry of Civil Aviation (Height Restrictions for Safeguarding of Aircraft Operations) Rules, 2015, notified on September 30, 2015, as amended, and the Air Traffic Management Circular No. 6 of 2017, issued by the Directorate of Air Traffic Management on July 28, 2017.

Food and Safety Standards Act, 2003 (“FSSA”)

The FSSA was enacted with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (“**Food Authority**”) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import and to ensure availability of safe and wholesome food for human consumption. The Food Authority is required to provide scientific advice and technical support to the Government of India and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by ‘Food Safety Appellate Tribunal’.

In exercise of powers under the FSSA, the Food Authority has also framed, *inter alia*, the Food Safety and Standard Rules, 2011, which sets out the enforcement structure comprising of ‘commissioner of food safety’, ‘food safety officer’ and ‘food analyst’ and procedures of taking extracts, seizure, sampling and analysis. The FSSA also lays down penalties for various offences (including recall procedures).

Environmental regulations

We are subject to various environmental regulations as the operation of our establishments might have an impact on the environment. The basic purpose of such statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCBs**”), have been set up in each state and at a central level. Establishments, as prescribed under various regulations may be required to obtain consent orders from the PCBs. These consent orders are required to be renewed periodically.

Environment Protection Act, 1986 ("EPA")

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent, control and abate environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process. Further, the Environment (Protection Rules), 1968 provide for, *inter alia*, standards for emissions or discharge of environmental pollutants, prohibitions and restrictions on the location of industries and the carrying on processes and operations in different areas, procedure for submission of samples for analysis and functions of environmental laboratories.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act requires that any industrial plant emitting any air pollutant into the atmosphere must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act prohibits the use of any stream or well or land for the disposal of any poisonous, noxious or polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of, *inter-alia*, any industry, operation or process, which are likely to discharge sewage or trade effluent.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

An "occupier" has been defined as any person who has control over the affairs of a factory or premises or any person in possession of hazardous or other waste. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous and other wastes generated in their establishments and are required to obtain license/ authorization from concerned PCBs, for handling, generating, collecting, processing, treating, packaging, storing, transporting, using, recycling, recovering, pre-processing, co-processing, offering for sale, or the like of the hazardous and other wastes.

Tax related legislation

Central Goods and Service Tax Act, 2017 ("GST Act")

On August 8, 2016, the Lok Sabha unanimously passed the 122nd Constitutional Amendment Bill, thereby introducing the GST regime. GST provides for imposition of tax on the supply of goods or services and is levied at two levels, central GST, and state GST, along with an integrated GST, for inter-state supply of goods or services. GST replaces a majority of indirect taxes and duties that are in place currently at the central and state levels, and is applicable on all goods with the exclusion of alcohol for human consumption, electricity, sale of land and, subject to certain conditions, sale of buildings.

Companies related legislation

All our Asset SPVs and the Investment Entity are companies and are therefore, subject to the provisions of the Companies Act, 2013 ("**Companies Act**"). The Companies Act, *inter alia*, regulates the incorporation of companies, prescribes the roles and responsibilities of directors, shareholders and key managerial personnel and the procedure for undertaking various corporate actions by the company. Declaration of dividends by companies is regulated, among other sections, under Section 123 of the Companies Act. One of the conditions stated therein is that dividend can be declared by a company out of profits for the year or out of profits for the previous financial year, subject to compliance with the specified conditions, or out of money provided by the state or central government for the payment of dividend by the company. Also, dividend can be declared and paid only from the free reserves of the company. Similarly, a number of restrictions and conditions are set out in Section 68 of the Companies Act for undertaking a buy back by companies. For instance, a buy-back can be conducted by a company only from its free reserves, securities premium account or from proceeds of the issue of any shares or other specified securities subject to compliance with specified conditions. Further, a company is not permitted to undertake a buy-back of more than twenty five per cent of the aggregate of paid-up capital and free reserves of the company in a particular financial year and no offer or buy-back can be made within a period of one year from the date of closure of the preceding offer or buy-back, if any.

We are also required to comply with the Competition Act, 2002, as amended ("**Competition Act**"), which regulates practices having an appreciable adverse effect on competition in the relevant market in India and combinations (including mergers, amalgamations and acquisitions) in excess of certain thresholds.

Laws relating to Employment

Certain other laws and regulations that may be applicable to us in India include the following:

- Shops and Commercial Establishment Acts, where applicable;
- Contract Labour (Regulation & Abolition) Act, 1970;
- Ease of Compliance to maintain Registers under various Labour Laws Rules, 2017;
- Employees' Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936; and
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Other Regulations

In addition to the above, our Asset SPVs and the Investment Entity is required to comply with the provisions of the Foreign Exchange Management Act, 1999, which was enacted to consolidate and amend the law relating to foreign exchange with the object of facilitating external trade and payments for promoting the orderly development and maintenance of foreign exchange market in India.

The Asset SPVs and the Investment Entity are also governed by the provisions of the National Building Code of India, 2016 ("**NBC**"), including in relation to fire and life safety. Many of the NBC provisions has been incorporated by various state governments and local bodies in their own building regulations. The Maharashtra Fire Prevention and Life Safety Measures Rules, 2009, framed under the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, and Karnataka Fire Force Act, 1964 are examples to this, and are aimed to improve the status of fire safety measures in the state of Maharashtra and Karnataka, respectively.

Further, the Asset SPVs and the Investment Entity are also governed by various other acts, rules and policies such as the Bombay Lifts Act, 1939 and the Bombay Lift Rules 1958, the Karnataka Lifts, Escalators and Passenger Conveyors Act, 2012 and the Karnataka Lifts, Escalators and Passenger Conveyors Rules, 2015, Petroleum Act, 1934 and the Petroleum Rules, 2002, Maharashtra's Information Technology/ Information Technology Enabled Services (IT/ ITES) Policy, 2015, various labour laws, various tax related legislations and other applicable statutes for its day-to-day operations.

REGULATORY APPROVALS

Other than as stated in this section, the Embassy REIT and the Asset SPVs have received necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/or regulatory authorities, required for carrying out their present business, as applicable. In view of the approvals listed below, the Embassy REIT can undertake the Issue as well as its current business and the Asset SPVs can undertake their current business, as applicable, and no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or to continue its business, as applicable. Unless otherwise stated, these approvals are all valid as on the date of this Offer Document.

I. Approvals required in relation to the Issue

1. In-principle approval from the BSE dated October 9, 2018.

2. In-principle approval from the NSE dated October 11, 2018.

II. Approvals required for the Embassy REIT

Certificate of registration (bearing number IN/REIT/17-18/0001 dated August 3, 2017) with SEBI as a real estate investment trust and the letter dated August 21, 2018 from the SEBI.

III. Approvals required for the Formation Transactions

A. Approvals obtained as of the date of this Offer Document

1. Approval dated October 31, 2017 from the Development Commissioner, Cochin Special Economic Zone, and endorsed by the Ministry of Commerce and Industry, Department of Commerce (SEZ Section), for the transfer of shares of MPPL to the Embassy REIT.

2. Approval dated February 15, 2018 from the Ministry of Commerce and Industry, Department of Commerce (SEZ Section) for the transfer of 100% of EOPPL shares to the Embassy REIT.

3. Approval dated December 10, 2018 from the Joint Director of Industries (IT), Directorate of Industries, Mumbai for change in shareholding pattern pursuant to transfer of 100% of the shares of VCPPL to the Embassy REIT.

4. Approval dated December 10, 2018 from the Joint Director of Industries (IT), Directorate of Industries, Mumbai for change in shareholding pattern pursuant to transfer of 100% of the shares of QBPL to the Embassy REIT.

5. Approval dated December 10, 2018 from the Joint Director of Industries (IT), Directorate of Industries, Mumbai for change in shareholding pattern pursuant to transfer of 100% of the shares of QBPPL to the Embassy REIT.

6. Approval dated October 24, 2018 from the Assistant Development Commissioner, Pune Cluster-SEZ, Wipro-SEZ, Pune for transfer of 100% of the shares of QBPL to the Embassy REIT.

7. Approval dated October 16, 2018 from the Joint Development Commissioner, Pune Cluster, Wipro-SEZ, Pune for transfer of 100% of the shares of QBPPL to the Embassy REIT.

8. Approval dated October 17, 2018 from the Deputy Development Commissioner, NOIDA Special Economic Zone, Uttar Pradesh for transfer of 100% of the shares of OBPPL to the Embassy REIT.

9. Approval dated October 4, 2018 from the Regional Officer-2, Office of the Regional Officer (II), Maharashtra Industrial Development Corporation, Pune for transfer of 100% of the shares of QBPL.

10. Order dated January 3, 2019 by the Competition Commission of India approving transfer by the Embassy sponsor group, the Blackstone Sponsor Group and certain third parties of their shareholding in the Asset SPVs to the Embassy REIT under sub-section (1) of Section 31 of the Competition Act, 2002.

11. Approval dated February 27, 2019 from the Maharashtra Industrial Development Corporation approving the transfer of shares held by the Embassy Sponsor and the Blackstone Sponsor Group in EOPPL to the Embassy REIT.

12. Approval dated February 28, 2019 from the Directorate of Industries, Government of Maharashtra, for change of name of Pune Embassy Projects Private Limited to Embassy Office Parks Private Limited and change in management and ownership of EOPPL.

IV. Approvals required for operation of Embassy Manyata

MPPL is required to obtain various approvals and licenses under applicable laws in order to operate Embassy Manyata. These approvals and/ or licenses include, among others, registrations and approvals under central and state tax legislation, land and building permits, occupancy certificates, and approvals from the Department of Commerce (SEZ Section). MPPL is also required to obtain approvals from several central and state government departments including the Electrical Inspectorate, Ministry of Environment and Forests, Karnataka State Pollution Control Board etc.

MPPL has obtained necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate Embassy Manyata. Certain approvals may have lapsed in their normal course and MPPL has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

Approvals applied for, but not received as of the date of this Offer Document:

Application dated August 17, 2018 for revalidation of the environmental clearance for Embassy Manyata.

Approvals yet to be applied for/ not obtained:

Application for the consent to establish for the under-construction area of Embassy Manyata.

V. Approvals required for operation of Embassy Golflinks

GLSP is required to obtain various approvals and licenses under applicable laws in order to operate Embassy Golflinks. These approvals and/ or licenses include, among others, registrations and approvals under central and state tax legislation, land and building permits, occupancy certificates and other approvals from several central and state government departments including, the Director General of Police and Director, Karnataka Fire Services, Electrical Inspectorate, Karnataka State Pollution Control Board, etc.

GLSP has obtained necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate Embassy Golflinks. Certain approvals may have lapsed in their normal course and GLSP has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

Approvals applied for, but not received as of the date of this Offer Document:

Application dated November 16, 2018 to Karnataka State Pollution Control Board for renewal of authorisation of hazardous waste for Embassy Golflinks.

VI. Approvals required for operation of Hilton at Embassy Golflinks

UPPL is required to obtain various approvals and licenses under applicable laws in order to operate the Hilton at Embassy Golflinks. These approvals and/ or licenses include, among others, registrations and approvals under central and state tax legislation, Food Safety and Standards Act, 2006, land and building permits, occupancy certificates and other approvals from several central and state government departments including, Excise Department, Police Department, Government of Karnataka, Inspector of Legal Metrology, State Level Environment Impact Assessment Authority, Karnataka, Electrical Inspectorate, Karnataka State Pollution Control Board, etc.

UPPL has obtained necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate Hilton at Embassy Golflinks. Certain approvals may have lapsed in their normal course and UPPL has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

VII. Approvals required for the construction and development of the Embassy One Assets

EODPL is required to obtain various approvals and licenses under applicable laws in order to construct and develop the Embassy One Assets. These approvals and/ or licenses include, among others, environmental clearances, land and building permits, occupancy certificates, height clearance approvals, electricity approvals, lift licenses and other approvals from several central and state government departments including Electrical Inspectorate, State Level Environment Impact Assessment authority, Karnataka , Karnataka State Pollution Control Board, etc.

EODPL has obtained necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to construct and develop the Embassy One Assets. Certain approvals may have lapsed in their normal course and EODPL has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

Approvals applied for, but not received as of the date of this Offer Document:

Application for registration of DG set made to the Chief Electrical Officer in August, 2018.

Approvals yet to be applied for/ not obtained:

1. Application for approval for setting up of the Four Seasons Hotel at Embassy One to be made to the Ministry of Tourism, Government of India.

2. Application for authorisation in Form 2 under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

VIII. Approvals required for the operation of Embassy Energy

EEPL is required to obtain various licenses under applicable laws in order to commission Embassy Energy. These approvals and licenses include, among others, registrations and approvals under the Karnataka Land Reforms Act, 1961 for permission to acquire agricultural land, central and state tax legislation, electricity laws, fire NOCs and other approvals from several central and state governmental authorities including the Electrical Inspectorate, the Gulbarga Electricity Supply Company Limited, the Power Telecommunication Coordination Committee and the Karnataka Power Transmission Corporation Limited, South Western Railway, etc.

EEPL has obtained and is in the process of obtaining necessary permits, licenses and approvals from the appropriate regulatory and governing authorities for operating Embassy Energy. In this regard, please see, "*Risk Factors – The title and development rights or other interests over land where the Portfolio are located may be subject to legal uncertainties and defects, which may interfere with our ownership of the Portfolio and result in us incurring costs to remedy and cure such defects*" on page 38 for more details on the same. Certain approvals may have also lapsed in their normal course and EEPL has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

Approvals applied for, but not received as of the date of this Offer Document:

1. Application dated June 12, 2018 for grant of permission under Section 109 of the Karnataka Land Reforms Act, 1961 for approximately 177.34 acres of land located at Bellary district.

2. Application dated October 4, 2018 to the Deputy Commissioner, Bellary District requesting sanction of permission under Section 109 of the Karnataka Land Reforms Act, 1961 for 21.97 acres in Bellary district.

Approvals yet to be applied for/ not obtained:

Application in Form 2 to the Senior Assistant Director, Factories & Boilers, Bellary district for grant of factories license.

IX. Approvals required for the operation of Express Towers

IENMPL is required to obtain various approvals and licenses under applicable laws in order to operate the Express Towers. These approvals and/ or licenses include, among others, registrations and approvals under central and state tax legislations, no objection certificate from public health department Municipal Corporation of Greater Mumbai, land and building permits, occupancy certificates, fire safety approvals, electrical approvals, and approvals from MMRDA. IENMPL is also required to obtain approvals from several central and state government departments including the Electricity Inspector, Mumbai, Government of Maharashtra, MMRDA, Maharashtra Pollution Control Board, etc.

IENMPL has obtained necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate the Express Towers except as stated in "*Legal and Other Information*" on page 439 and this section.

Approvals applied for, but not received as of the date of this Offer Document:

Formal communication acknowledging receipt of IENMPL's letter dated January 31, 1989 confirming compliance with conditions for regularisation of mezzanine floor on the 1st floor of Express Towers admeasuring 5,600 sq.ft.

Approvals yet to be applied for/ not obtained:

1. Completion and commencement certificates from the MCGM and approvals from the Chief Architect to the Government of Maharashtra for alterations and construction on certain floors and alteration of usage on the certain floors.

2. Approvals from the Collector, Mumbai City, for change of use of one floor and for installation of antennas on service floors.

For further details, see "*Risk Factors*" and "*Legal and Other Information*" on pages 22 and 439, respectively.

X. Approvals required for the operation of the Embassy 247

VCPPL is required to obtain various approvals and licenses under applicable laws in order to operate the Embassy 247. These approvals and/ or licenses include, among others, registrations and approvals under central and state tax legislation, land and building permits, occupancy certificates, fire safety approvals, electrical approvals and approvals from the Directorate of Industries, Government of Maharashtra. VCPPL is also required to obtain approvals from several central and state government departments including the Electrical Inspector, State Environment Impact Assessment Authority, Maharashtra, Maharashtra Pollution Control Board, etc.

VCPPL has obtained and is in the process of obtaining necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate the Embassy 247. Certain other approvals may have lapsed in their normal course and VCPPL has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications. Additionally, VCPPL has initiated the process of updating the revenue records and made an application dated August 28, 2018, to have its name mutated in the revenue records.

Approvals applied for, but not received as of the date of this Offer Document:

1. Application dated August 7, 2018, to the State Environment Impact Assessment Authority, Environmental Department, Mumbai for environmental clearance for the Embassy 247. As per the agenda of the 66th meeting of the State Expert Appraisal Committee held on August 18, 2018, the

committee accorded approval to the terms of reference for proposed construction for undertaking environment impact assessment and preparation of environment management plan. Further, the committee requested VCPPL to prepare and submit environment impact assessment report.

2. Application dated January 20, 2016 to the Maharashtra Pollution Control Board for consent to establish and consent to operate under the Water (Prevention and Control of Pollution) Act, 1961 and Air (Prevention and Control of Pollution) Act, 1981 for Embassy 247.

For further details, see "*Risk Factors*" and "*Legal and Other Information*" on pages 22 and 439, respectively.

XI. Approvals required for the operation of FIFC

ETPL is required to obtain various approvals and licenses under applicable laws in order to operate FIFC. These approvals and/ or licenses include, among others, registrations and approvals under central and state tax legislation, land and building permits, occupancy certificates, fire safety approvals, electrical approvals and other approvals from MMRDA. ETPL is also required to obtain approvals from several central and state government departments including the Electrical Inspector, Mumbai, Ministry of Environment and Forests, Maharashtra Pollution Control Board, etc.

ETPL has obtained necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate FIFC. Certain approvals may have lapsed in their normal course and ETPL has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

XII. Approvals required for operation of Embassy Techzone

EOPPL is required to obtain various approvals and licenses under applicable laws in order to operate Embassy Techzone. These approvals and/ or licenses include, among others, registrations and approvals under central and state tax legislation, land and building permits, occupancy certificates and other approvals from the Maharashtra Industrial Development Corporation, Department of Commerce (SEZ Section) and approvals from the Directorate of Industries, Government of Maharashtra. EOPPL is also required to obtain approvals from several central and state government departments including the, Electrical Inspectorate, Environment Department, Government of Maharashtra, Maharashtra State Pollution Control Board, etc.

EOPPL has obtained necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate Embassy Techzone, except occupancy certificates for certain portions of Embassy Techzone and except as set below. Certain approvals may have lapsed in their normal course and EOPPL has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

Approvals applied for, but not received as of the date of this Offer Document:

1. Applications dated December 20, 2018 and January 28, 2019 to the Research Officer, Ministry of Environment, Forest and Climate Change, Regional Office (West Central Zone), Nagpur and Scientist D., Regional Office (West Central Zone), Ministry of Environment & Forest & Climate Change, Nagpur, respectively, for issue of certified compliance report for modification and expansion of Embassy Techzone.

2. Application dated September 13, 2017 to the Development Commissioner, SEEPZ Special Economic Zone, Ministry of Commerce and Industry, Mumbai for grant of permission to add 7.29 hectares (approximately 18.03 acres) to the notified SEZ area for the project.

3. Application dated July 23, 2015 to the Development Commissioner, SEEPZ, Andheri (East) to notify additional SEZ area of 2.88 hectares (approximately 7.11 acres)

4. Application dated March 17, 2016 to the Deputy Development Commissioner, SEEPZ-SEZ, Ministry of Commerce & Industry, Andheri (East) to obtain revised gazette notification for the entire SEZ approved area of approximately 20 hectares (approximately 49.42 acres).

5. Application dated August 18, 2017 to the Development Commissioner, SEEP Special Economic Zone for merger with PEPPL.

6. Application dated January 11, 2019 to the Commissioner of Police, Pimpri Chinchwad, Pune to obtain the final no objection certificate for obtaining the storage of petroleum license in the name of EOPPL.

Approvals yet to be applied for/ not obtained

1. Applications for grant of occupancy certificates for 9th floor of A wing of block 1.3, ground floor of block 1.6, 5th and 7th floors of block 1.11, the food court building and other utility buildings at Embassy Techzone.

2. Application to the Department of Industries for change in name/ ownership of the company pursuant to merger of PEPPL and EOPPL.

XIII. Approvals required for the operation of Embassy Quadron

QBPL is required to obtain various approvals and licenses under applicable laws in order to operate Embassy Quadron. These approvals and/ or licenses include, among others, registrations and approvals under central and state tax legislation, Food Safety and Standards Authority of India, 2006, land and building permits, occupancy certificates, fire safety approvals, electrical approvals, approvals from the Maharashtra Industrial Development Corporation, approvals from the Directorate of Industries, Government of Maharashtra and Development Commissioner, Ministry of Commerce (SEZ Section) Government of India. QBPL is also required to obtain approvals from several central and state government departments including Public Works Department, Government of Maharashtra, Ministry of Environment and Forests, Maharashtra State Pollution Control Board, etc.

QBPL has obtained necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate Embassy Quadron. Certain approvals may have lapsed in their normal course and QBPL has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

XIV. Approvals required for the operation of Embassy Qubix

QBPPL is required to obtain various approvals and licenses under applicable laws in order to operate Embassy Qubix. These approvals and/ or licenses include, among others, registrations and approvals under central and state tax legislation, Food Safety and Standards Act, 2006, land and building permits, occupancy certificates, fire safety approvals, electrical approvals, approvals from the Maharashtra Industrial Development Corporation, approvals from the Directorate of Industries, Government of Maharashtra and Development Commissioner, Ministry of Commerce (SEZ Section) Government of India. QBPPL is also required to obtain approvals from several central and state government departments including the Electrical Inspector, Pune, Ministry of Environment and Forests, Maharashtra State Pollution Control Board, etc.

QBPPL has obtained necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate Embassy Qubix. Certain approvals may have lapsed in their normal course and QBPPL has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

Approvals applied for, but not received as of the date of this Offer Document:

Application dated January 8, 2019 to the Regional Officer (II) and Assistant Director of Industries (SEZ), MIDC, Pune for sanctioning revised plan of a fire station building at QBPPL.

XV. Approvals required for the operation of Embassy Oxygen

OBPPL is required to obtain various approvals and licenses under applicable laws in order to operate Embassy Oxygen. These approvals and/ or licenses include, among others, registrations and approvals under central and state tax legislation, Food Safety and Standards Act, 2006, land and building permits, occupancy certificates, fire safety approvals, electrical approvals and other approvals from NOIDA and Development Commissioner, Ministry of Commerce (SEZ Section) Government of India. OBPPL is also required to obtain approvals from several central and state government departments including the State Level Environment Impact Assessment Authority, Uttar Pradesh, Office of the Deputy Director, Electrical Safety, U.P., Ghaziabad, Uttar Pradesh Pollution Control Board, etc. OBPPL is also in the process of developing three towers as a part of the second phase of the Project with an approximate built up area of 1.8 million square feet. ("**Phase-II**"). For the purpose of Phase-II, OBPPL is required to obtain building height clearance permits, environmental approvals, fire no objection certificates, mining approvals, etc.

OBPPL has obtained necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate Embassy Oxygen. OBPPL has made applications to obtain occupancy certificates for certain portions of Phase-II. Certain other approvals may have lapsed in their normal course and OBPPL has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

Approvals applied for, but not received as of the date of this Offer Document:

1. Application dated June 6, 2018 to the Member Secretary, State Environment Impact Assessment Authority, Directorate of Environment (U.P.), Dr. Bhimrao Ambedkar Paryavaran Parisar, Vineet Khand – 1, Gomti Nagar, Lucknow (U.P.) for environmental clearance for expansion of Embassy Oxygen by 29,757.70 square meters

2. Applications dated January 11, 2019 to the Assistant Director, Electrical Safety, U.P. Govt., Ghaziabad, U.P. for (i) inspection of installation (transformers) and issue electrical safety certificate; (ii) inspection of installation (lifts) and issue electrical safety certificate; and (iii) inspection of installation (HT DG engines) and issue electrical safety certificate

3. Application dated December 1, 2018 to the Chief Town Planner, Building Cell, NOIDA for purchase of additional FAR

XVI. Approvals required for the operation of Embassy Galaxy

GSPL is required to obtain various approvals and licenses under applicable laws in order to operate Embassy Galaxy. These approvals and/ or licenses include, among others, registrations and approvals under central and state tax legislation, Food Safety and Standards Act, 2006, land and building permits, occupancy certificates, fire approvals, electrical approvals and other approvals from NOIDA. GSPL is also required to obtain approvals from several central and state government departments including the Ministry of Environment and Forests, Office of the Deputy Director, Electrical Safety, U.P., Ghaziabad, Uttar Pradesh Pollution Control Board, etc.

GSPL has obtained necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate Embassy Galaxy. Certain other approvals may have lapsed in their normal course and GSPL has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

Approvals applied for, but not received as of the date of this Offer Document:

1. Application dated May 26, 2015 to the Trade Marks Registry for grant of approval for registration of "the Galaxy" trade mark under Class 37.

TAXATION

INDEPENDENT AUDITORS REPORT ON STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE TRUST AND ITS UNITHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Axis Trustee Services Limited (as Trustee of the Embassy Office Parks REIT)
Axis House, 2nd Floor
Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
India

Embassy Office Parks REIT
Royal Oaks,
Embassy Golf Links Business Park
Off Intermediate Ring Road,
Bengaluru – 560071

and

The Board of Directors
Embassy Office Parks Management Services Private Limited ("Manager")
1st Floor, Embassy Point
150, Infantry Road
Bengaluru – 560001.

Dear Sirs

Sub: Statement of special tax benefits ('the Statement') available to Embassy Office Parks REIT (the "Trust"), and its unit-holders prepared in accordance with the requirements under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended (the 'Regulations') and Securities and Exchange Board of India circular CIR/IMD/DF/141/2016 on Disclosure of Financial Information In Offer Document for REITs dated December 26, 2016.

We, B S R & Associates LLP, the independent auditors of the Trust, have been requested by the Manager to issue a report on the special tax benefits available to the Trust, its unit-holders, as given in the Annexure ("the Statement") attached for inclusion in the offer document, the final offer document or any other issue related material in connection with the proposed issue of units of the Trust (the "Issue"). The Statement has been prepared by the management of the Manager and stamped by us for identification purpose only. This report is issued in accordance with the terms of our engagement letter with the Trust and the Manager dated March 1, 2019.

Management's Responsibility for the report

The preparation of the enclosed Statement and its contents is the responsibility of the Manager of the Trust. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Manager is also responsible for ensuring that the information contained in the Statement are true and correct. The Manager is also responsible for ensuring compliance with the requirements of the information set out in the Statement and provide all relevant information.

Auditor's Responsibility

1. Our responsibility is to obtain limited assurance and form an opinion as to whether the enclosed Annexure prepared by the Manager states the possible special tax benefits available to the Trust and its unit-holders under the Income-tax Act, 1961 presently in force in India.

2. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (revised) ("**The Guidance Note**") issued by the Institute of Chartered

Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company, taken as a whole.

3. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

4. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the reporting criteria. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The procedures selected depend on the auditor's judgment including assessment of risks associated with the reporting criteria. Accordingly we have performed the following procedures in relation to the Statement :-

    a. Obtained a list of all the special tax benefits available to the Trust and its unit-holders under the Income-tax Act, 1961 presently in force in India.

    b. Enquired with the Trustee of the Trust and the Manager.

    c. Obtained management representation that the information contained in the Statement is true and correct and all the benefits available has been disclosed.

    We have not performed any other procedure apart from those mentioned above. We have neither performed an audit nor conducted a review on the aforementioned Statement.

5. The benefits discussed in the Statement cover only special tax benefits available to the Trust and its unit-holders and do not cover any general tax benefits available to the Trust and its unit-holders. We were informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

6. The contents of the enclosed statement are based on information, explanations and representations obtained and on the basis of our understanding of the business activities and operations of the Trust.

7. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Trust, its unit holders, the SPVs and its shareholders, the Manager and the Sponsors (Embassy Property Developments Private Limited and BRE/ Mauritius Investments) or any other party to the issue for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

8. For the purpose of this certificate, SPVs would mean Embassy Office Parks Private Limited, Manyata Promoters Private Limited, Umbel Properties Private Limited, Embassy-Energy Private Limited, Galaxy Square Private Limited, Quadron Business Park Private Limited, Qubix Business Park Private Limited, Oxygen Business Park Private Limited, Earnest Towers Private Limited, Vikhroli Corporate Park Private Limited, Indian Express Newspapers (Mumbai) Private Limited and the carved out financial statements of Embassy One Developers Private Limited.

Opinion

Based on the procedures performed as mentioned in the Para 4 above and the evidence obtained by us we hereby report that nothing has come to our attention that causes us to believe that the information contained in the Annexure prepared by the Manager does not state the special tax benefits available to the Trust and its unit-holders under the Income-tax Act, 1961 presently in force in India.

We report that several of these benefits are dependent on the Trust or its unit-holders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Trust or its unit-holders to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Trust may face in the future and accordingly, the Trust may or may not choose to fulfill.

In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- The Trust and its unit-holders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met with.

Restriction on Use

This report and the enclosed Statement is intended solely for your information and for inclusion in the offer document or the final offer document or any other issue related material in connection with the proposed Issue.

This report and the enclosed Statement is not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for the purpose stated above. We, however, hereby consent to the whole of or extracts of this report being used in the offer document, the final offer document and in any other material used in connection with the Issue.

For **B S R & Associates. LLP**
Chartered Accountants
Firm Registration No.: 116231W / W-100024

Rushank Muthreja
Partner
Membership No.: 211386
UDIN Number: UDIN for tax benefit statement is 19211386AAAAAC1693

Bengaluru
Date: March 1, 2019

ANNEXURE TO STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO REAL ESTATE INVESTMENT TRUST ('REIT') AND ITS UNITHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

I. UNDER THE INCOME-TAX ACT, 1961 (the 'Act')

1. Tax benefits available to the REIT

1.1 Tax benefit to REITs in respect of income received from the HoldCo / Special Purpose Vehicles ('SPVs')

The REIT will receive income in the form of dividends and interest from SPVs. Such interest income received or receivable by the REIT from the SPVs should be exempt from tax in the hands of the REIT, as per section 10(23FC)(a) of the Act, provided that the SPV is an Indian Company in which the REIT holds a controlling interest and such percentage of shareholding, as is prescribed under the SEBI (Real Estate Investment Trust) Regulations, 2014 ('**REIT Regulations**'). Further, dividend income received from HoldCo / SPVs which is exempt from DDT under section 115-O(7) is exempt from tax in the hands of the REIT under section 10(23FC)(b) of the Act.

1.2 No Dividend Distribution Tax ('DDT') on dividends distributed by wholly-owned HoldCo / SPVs

Dividend (interim or otherwise) declared, distributed or paid by a HoldCo / SPV, to the REIT out of its current income, should be exempt from DDT, as per section 115-O(7) of the Act provided the REIT directly holds 100 percent of the nominal value of equity share capital of the HoldCo / SPV (excluding the equity share capital required to be held mandatorily by any other person in accordance with any law for the time being in force or any directions of Government or any regulatory authority, or equity share capital held by any Government or Government body).

1.3 Benefits in the hands of REIT in respect of rental income received from directly-owned assets

Income which is earned by the REIT from renting or leasing or letting out any real estate asset directly owned by the REIT shall be exempt from tax in the hands of the REIT under section 10(23FCA) of the Act. For the purposes of this exemption, a "real estate asset" has been ascribed the same meaning as provided in Regulation 2(1)(zj) of the REIT Regulations.

1.4 Benefits in the hands of REIT in respect of income other than the income distributed by the HoldCo / SPVs

1.4.1 Section 10(38) – Income on transfer of long term listed equity share or units of an equity-oriented fund in the hands of REIT

Income arising to REIT on transfer of listed equity shares or units of an equity-oriented fund, will be liable to tax as under:

(i) Long-term capital gains on sale of shares/ units held for more than 12 months exceeding INR 1 lakh - 10% (plus applicable surcharge and cess) as per section 112A of the Act; and

(ii) Short-term capital gains on sale of shares/ units held for up to 12 months – 15% (plus applicable surcharge and cess) as per section 111A of the Act.

The above rates of taxes are applicable on the basis that the transfer of equity shares has been subjected to Securities Transaction Tax ('STT') on both acquisition and transfer or the transfer of units of an equity-oriented fund has been subjected to Securities Transaction Tax ('**STT**') on their transfer.

1.4.2 Income by way of dividend referred to under section 115-O of the Act

Dividend received by REIT from domestic companies (other than those referred to in paragraph 1.2 above) is exempt from normal income-tax under section 10(34) of the Act.

However, such dividend income (exceeding INR 10 lakhs) shall be chargeable to additional tax at 10% (plus applicable surcharge and cess) in the hands of the REIT under section 115BBDA of the Act.

1.4.3 Income from buy back of shares

The provisions of section 115QA mandate unlisted domestic companies to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on distributed income on buy-back of shares (not being shares listed on a recognized stock exchange). Consequently, any income arising to the REIT from the buyback of shares of an unlisted domestic company (including an SPV) shall be exempt from income-tax in its hands as per section 10(34A) of the Act.

1.4.4 Carry forward and set-off of capital losses

While any capital gains income earned by the REIT on disposition of shares in the HoldCo / SPV will be liable to tax at the applicable rates prescribed by the Act, either as long-term (when the period of holding of said shares is more than 24 months) or short-term capital gains (if otherwise); losses, if any, of this nature, will be permitted to be set-off and carried forward as under:

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Also, as per section 70 of the Act read with section 74, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

2. Tax benefits available to the unit holders of the REIT

2.1 Special benefits on account of tax pass-through

REITs have been conferred a hybrid pass-through status for income-tax purposes, subject to fulfilment of conditions prescribed in the Act read with the REIT Regulations, whereby:

(i) income distributions by the HoldCo / SPVs are exempted from income-tax in the REITs hands (refer 1.1 above);

(ii) rental income received by the REIT from directly owned assets is exempt from income-tax in the REITs hands (refer 1.3 above); and

(iii) any other income is taxed in the hands of the REIT at the applicable rates.

Onward distribution of the above income by the REIT to its unit holders retains the same character and in the same proportion as the underlying income stream received by the REIT, and is taxed in the unit holders' hands based on their residential status as follows:

2.1.1 Where the unit-holder is a non-resident

(i) 5% (plus applicable surcharge and cess), to the extent that the distribution takes the character of interest income;

(ii) At tax rate applicable to the non-resident under the Act, depending on its constitution, to the extent that the distribution takes the character of rental income; and

(iii) Tax exempt in respect of the balance distribution.

A non-resident shall be entitled to claim benefits, if any, under the applicable DTAA that India may have entered into with its country of residence.

2.1.2 Where the unit-holder is a resident

(i) Ordinary tax rate applicable to the resident, to the extent that the distribution takes the character of either interest or rental income; and

(ii) Tax exempt in respect of the balance distribution.

2.2 Concessional taxes on sale of units

2.2.1 In case the REIT units are held as a capital asset by the unit holder, gains arising on sale of the REIT units will be liable to tax as under:

(i) Long-term capital gains exceeding INR 1 lakh on sale of units held for more than 36 months – 10% (plus applicable surcharge and cess) as per section 112A of the Act; and

(ii) Short-term capital gains on sale of units held for up to 36 months – 15% (plus applicable surcharge and cess) as per section 111A of the Act.

2.2.2 The above rates of taxes are applicable on the basis that the transfer of REIT units has been subjected to STT. Additionally, non-resident unit holders may seek to claim a lower rate of tax on the above income, under an applicable DTAA that India may have entered into with its country of residence.

2.2.3 Where the unit holder is a domestic company, the capital gains earned as above will be subject to MAT, under section 115JB of the Act. However, MAT paid, if any, by such companies should be available as credit which can be set-off against future income-tax liability of such company for a period of up to 15 years as per section 115JAA of the Act.

2.3 Tax deferral for sponsors and erstwhile shareholders of SPVs

2.3.1 Tax deferral is provided for erstwhile shareholders of HoldCo / SPVs, including the REIT Sponsor, who acquire units in the REIT through a swap of their shares in the HoldCo / SPVs for units in the REIT. Tax is deferred till the sale of the swapped units, and for the purposes of computation of capital gains tax which is then payable:

(i) In computing the period of holding of the units, the period for which shares in the HoldCo / SPV were held shall be added; and

(ii) Cost of acquisition of the shares in the HoldCo / SPV shall be deemed to be the cost of acquisition of the REIT units.

2.3.2 Additionally, section 115JB of the Act provides that in case of domestic companies which are liable to pay MAT, the gains arising, if any, on exchange of shares in the HoldCo / SPV for REIT units are to be excluded at the time of computation of MAT liability in the year in which the exchange takes place. Only the gains if any, on eventual sale of the REIT units are to be included for the purposes of computation of MAT lability.

II. UNDER THE WEALTH TAX ACT, 1957

The Wealth Tax Act, 1957 has now been abolished from FY 2015-16 and is not applicable from AY 2016-17 onwards.

III. TAX DEDUCTION AT SOURCE

1. <u>On income distributions made by the REIT</u>

1.1 Where the REIT distributes any income which is characterized as interest in terms of section 115UA(1) of the Act, the REIT will be required to withhold income-tax therefrom at the following rates:

(i) 10%, where the distributions are made to a resident unitholder as per section 194LBA(1) of the Act; and

(ii) 5% (plus applicable surcharge and cess), where the distributions are made to a non-resident unitholder as per section 194LBA(2) of the Act. If the non-resident unitholder is entitled to a lower tax rate on interest under the relevant DTAA, the REIT may withhold tax at such lower rate, 1.2 Where the REIT distributes any income which is characterized as rent in terms of section 115UA(1) of the Act, the REIT will be required to withhold income-tax therefrom at the following rates:

(i) 10%, where the distributions are made to a resident unitholder as per section 194LBA(1) of the Act; and

(ii) At the rates in force, where the distributions are made to a non-resident unitholder as per section 194LBA(3) of the Act. If the non-resident unitholder is entitled to a lower tax rate on interest under the relevant DTAA, the REIT may withhold tax at such lower rate,

Any distributions by the REIT other than those referred above (i.e., other than those which are characterised as interest and / or rent under section 115UA(1) of the Act) will not attract any withholding tax.

1.3 Any distributions made by the REIT to the following unitholders should not be subject to any withholding tax:

(i) Category I and Category II Alternative Investment Funds as per Notification No 51 / 2015 issued by Central Board of Direct Taxes; and

(ii) Mutual funds referred to in section 10(23D) of the Act.

2. On income distributions made to the REIT

Where the REIT receives any income in the nature of interest (in terms of section 115UA (1) of the Act) from the SPV's, no taxes are required to be withheld by the payer in accordance with section 194A (3)(xi) of the Act.

Where the REIT receives any income in the nature of rent (in terms of section 10(23FC)(a) of the Act) from assets directly held, no taxes are required to be withheld by the payer in accordance with third provision of section 194I of the Act.

3. On sale of units

3.1 No withholding tax applies in respect of capital gains arising from transfer of units to a resident or a non-resident which is a Foreign Portfolio Investor ('FPI') registered with the Securities and Exchange Board of India.

3.2 Withholding tax may apply on capital gains arising to a non-resident who is not a FPI. Where such non-resident is entitled to benefits, including capital gains tax exemptions, under the applicable DTAA, it will have to furnish all the relevant documents / information to demonstrate his claim of taking DTAA benefits.

Notes:

1. The income-tax rates specified in this note are as applicable for the financial year 2018-19, and are exclusive of surcharge and education cess, if any. Rate of surcharge and cess are provided below:

Surcharge:

For domestic companies:

If the net income does not exceed INR 10 million – Nil
If the net income exceeds INR 10 million but does not exceed INR 100 million - 7 per cent of income tax
If the net income exceeds INR 100 million - 12 per cent of income tax

For foreign companies:

If the net income does not exceed INR 10 million - Nil
If the net income exceeds INR 10 million but does not exceed INR 100 million - 2 per cent of income tax
If the net income exceeds INR 100 million - 5 per cent of income tax

For individuals, HUF, AOP & BOI:

If the net income does not exceed INR 5 million – Nil
If the net income exceeds INR 5 million but does not exceed INR 10 million – 10% of income tax

If the net income exceeds INR 10 million –15% of income tax

For other assessees:

If the net income does not exceed INR 10 million – Nil
If the net income exceeds INR 10 million – 12% of income tax

For dividend distribution tax and buy back of shares:

12% of income-tax calculated as per respective provisions of dividend distribution tax and buy back of shares.

Health and Education cess:

In all cases, Health and Education cess will be levied at the rate of 4 per cent of income-tax and surcharge.

2. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Shares and units.
3. The stated benefits will be available only to the sole/ first named holder in case the units are held by joint holders
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
5. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
7. This statement of special direct tax benefits enumerated above is as per the Act as amended by the Finance Act, 2018. The above statement of special direct tax benefits sets out the possible special tax benefits available to the Trust and its unitholders under the current tax laws presently in force in India. Several of these benefits available are dependent on the Trust or its unitholders fulfilling the conditions prescribed under the relevant tax laws.
8. The information provided above sets out the possible special tax benefits available to the unit holders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares and units, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares and units particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation impacting the benefits, which an investor can avail.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the Units by a Benefit Plan Investor. A "Benefit Plan Investor" is (i) an "employee benefit plan" (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) that is subject to Title I of ERISA, (ii) a plan, individual retirement account ("**IRAs**") or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or provisions under any other U.S. and non-U.S. federal, state, local or other laws or regulations that are similar to such provisions of the Code or ERISA (collectively, "**Similar Laws**"), (iii) an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement by reason of a plan's investment in such entity (each as described in clause (i), (ii) and (iii) referred to as a "**Plan**"), and (iv) any entity that otherwise constitutes a "benefit plan investor" within the meaning of the regulations promulgated under ERISA by the U.S. Department of Labor (the "**DOL**"), as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**").

The following is merely a summary, however, and should not be construed as legal advice or as complete in all relevant respects. All investors are urged to consult their own legal advisors before investing assets of a Plan in the Units and to make their own independent decision.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "**ERISA Plan**") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Units of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Considerations

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of Title I of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and may result in the disqualification of an IRA. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.

Whether or not the underlying assets of Embassy REIT are deemed to include "plan assets", as described below, the acquisition and/or holding of the Units by an ERISA Plan with respect to which the Embassy REIT, a member of the Embassy sponsor group, the Blackstone Sponsor Group or any of their respective affiliates ("**Relevant Entities**") is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the **DOL** has issued prohibited transaction class exemptions, or "**PTCEs**," that may apply to the acquisition and holding of the Units. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any ERISA Plan involved in the transaction and provided further that the ERISA Plan receives no less, and pays no more, than adequate consideration in connection with the transaction. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of ERISA Plans considering acquiring and/or holding the Units in reliance on these or any other exemption should carefully review the exemption to assure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Because of the foregoing, Units should not be acquired or held by any Benefit Plan Investor or any other person investing "plan assets" of any ERISA Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code and will not constitute a similar violation of any applicable Similar Law.

Plan Asset Considerations

The Plan Asset Regulations generally provide that when an ERISA Plan acquires an equity interest in an entity that is neither a "publicly-offered security" (as defined in the Plan Asset Regulations) nor a security issued by an investment company registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"), the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that less than 25% of the total value of each class of equity interest in the entity is held by "benefit plan investors" (the "**25% Test**") or that the entity is an "operating company" (each as defined in the Plan Asset Regulations). For purposes of the 25% Test, the assets of an entity will not be treated as "plan assets" if, immediately after the most recent acquisition of any equity interest in the entity, less than 25% of the total value of each class of equity interest in the entity is held by Benefit Plan Investors, excluding equity interest held by persons (other than Benefit Plan Investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof.

The Units are expected to constitute an "equity interest" in the Embassy REIT for purposes of the Plan Asset Regulations, and are not expected to constitute "publicly offered securities" for purposes of the Plan Asset Regulations. In addition, the Embassy REIT will not be registered under the Investment Company Act and the Embassy REIT will be unable to adequately monitor participation in the Embassy REIT by "benefit plan investors" such that participation by "benefit plan investors" will exceed the ERISA 25% Test limit at any given time.

Operating Companies

Under the Plan Asset Regulations, an entity is an "operating company" if it is primarily engaged, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital. In addition, the Plan Asset Regulations provide that the term "operating company" includes an entity qualifying as a "real estate operating company" (a "**REOC**"). An entity may qualify as a REOC if (i) on its "initial valuation date" and on at least one day within each "annual valuation period," at least 50% of the entity's assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors) are "invested" in real estate that is managed or developed and with respect to which such entity has the right to substantially participate directly in management or development activities; and (ii) such entity in the ordinary course of its business actually is engaged directly in the management and development of the real estate. The "initial valuation date" is the date on which the entity first makes an investment that is not a short-term investment of funds pending long-term commitment. An entity's "annual valuation period" is a pre-established period not exceeding 90 days in duration, which begins no later than the anniversary of the entity's initial valuation date.

The Embassy REIT will use commercially reasonable efforts to ensure that the terms and conditions of its investments, and the contractual rights obtained and exercised with respect to such investments, will enable the Embassy REIT to qualify as a REOC within the meaning of the Plan Asset Regulations from and after the date the Embassy REIT makes its first investment. However, no assurance can be given that this will be the case.

If the Embassy REIT's assets are deemed to constitute ERISA "plan assets" (i.e., if the Embassy REIT fails to qualify as a REOC as of its initial valuation date, or during any subsequent annual valuation period), certain transactions that the Embassy REIT might enter into, or may have entered into, in the ordinary course of the

Embassy REIT's business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded and may give rise to prohibited transaction excise taxes and fiduciary liability, as described above. In addition, if the Embassy REIT's assets are deemed to be "plan assets" of an ERISA Plan, the management, as well as various providers of fiduciary or other services to the Embassy REIT, and any other parties with authority or control with respect to the Embassy REIT, may be considered fiduciaries under ERISA and Section 4975 of the Code, or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers). Moreover, if the underlying assets of the Embassy REIT were deemed to be assets constituting "plan assets," there are several other provisions of ERISA that could be implicated for an ERISA Plan if it were to acquire and hold Units either directly or by investing in an entity whose underlying assets are deemed to be assets of the ERISA Plan.

Plans that are governmental Plans, non-US Plans and certain church Plans, while not subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, may nevertheless be subject to Similar Law. Fiduciaries of any such plans should consult with their counsel before purchasing Units.

Representation

In light of the above, by the purchase of any Units each purchaser and subsequent transferee of Units will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the Units constitutes assets of any Plan or (ii) the purchase and holding of the Units by such purchaser or transferee does not and will not constitute or otherwise result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.

Important Notice for Plans

None of the Relevant Entities intend to and cannot act as a fiduciary under ERISA, the Code or any Similar Law with respect to any Benefit Plan Investor's decision to purchase the Units, remain invested in, or, where applicable, redeem its interest from the Embassy REIT, and it is not their intention to act in a fiduciary capacity with respect to any Plan. The Relevant Entities have a financial interest in investors' investment in the Units on account of the fees and other compensation they expect to receive from the Embassy REIT and their other relationships with the Embassy REIT as contemplated hereunder. Any such fees and compensation do not constitute fees or compensation rendered for the provision of investment advice to any Plan.

The foregoing discussion is general in nature, is not intended to be all-inclusive and is based on laws in effect on the date of this Offer Document. Such discussion should not be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Units on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the acquisition and/or holding of Units.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts, which are or may be deemed material have been entered into in due course. These contracts and also the documents for inspection referred to hereunder, may be inspected at the principal place of business of the Embassy REIT, from 10:00 A.M. to 5:00 P.M., on all Working Days from the date of this Offer Document until the date of listing of the Units pursuant to this Issue. Any of the contracts or documents mentioned in this Offer Document may be amended or modified at any time if so required in the interest of the Embassy REIT or if required by the other parties, without reference to the Unitholders, subject to compliance with applicable law.

1. Trust deed entered into between the Embassy Sponsor and the Trustee dated March 30, 2017 and the amendment to the trust deed entered into among the Embassy Sponsor, Blackstone Sponsor and the Trustee dated September 11, 2018

2. SEBI registration certificate for the Embassy REIT bearing number IN/REIT/17-18/0001 dated August 3, 2017 as a real estate investment trust and letter from the SEBI dated August 21, 2018

3. Investment management agreement entered into between the Trustee (on behalf of the Embassy REIT), and the Manager dated June 12, 2017, as amended on September 20, 2018

4. Composite settlement and securities purchase agreement dated February 28, 2017 as amended by an amendment agreement dated July 4, 2017 and the amended and restated composite settlement and securities purchase agreement dated April 16, 2018, entered into *inter-alia,* amongst MPPL, EOPPL, Reddy Veeranna and Suguna Reddy

5. Secondment agreement entered into between the Manager and the Trustee dated March 11, 2019

6. Trademark license agreement entered into amongst Embassy Shelters Private Limited, the Manager and the Trustee dated September 20, 2018

7. Sponsor support services agreement entered into between the Embassy Sponsor and the Manager dated September 20, 2018

8. Deed of right of first offer entered into amongst the Embassy Sponsor, the Manager and the Trustee dated September 20, 2018

9. Shareholders' Agreement entered into amongst the Embassy Sponsor, SG Indian Holding (NQ) Co I Pte Ltd, SG Indian Holding (NQ) Co II Pte Ltd and SG Indian Holding (NQ) Co III Pte Ltd and the Manager dated September 20, 2018

10. Share acquisition agreement entered into amongst the Embassy Sponsor, Manager and the Trustee dated March 11, 2019, in relation to sale of shares of EOPPL

11. Share acquisition agreement entered into amongst the Embassy Sponsor, Manager and the Trustee dated March 11, 2019, in relation to sale of shares of EEPL

12. Share acquisition agreement entered into amongst the Embassy Sponsor, Manager and the Trustee dated March 11, 2019, in relation to sale of shares of UPPL

13. Share acquisition agreement entered into amongst SG Indian Holding (NQ) Co I Pte. Ltd., SG Indian Holding (NQ) Co II Pte. Ltd., SG Indian Holding (NQ) Co III Pte. Ltd., Manager and the Trustee dated March 11, 2019, in relation to shares of EOPPL

14. Share acquisition agreement entered into amongst the Blackstone Sponsor, Manager and the Trustee dated March 11, 2019, in relation to shares of MPPL

15. Share acquisition agreement entered into amongst BREP GML Holding (NQ) Pte. Ltd., BREP VII GML Holding (NQ) Pte. Ltd., BREP Asia SBS GML Holding (NQ) Ltd., BREP VII SBS GML Holding (NQ) Ltd., Manager and the Trustee dated March 11, 2019, in relation to shares of GSPL

16. Share acquisition agreement entered into amongst BRE/ Mauritius Investments II, Manager and the Trustee dated March 11, 2019, in relation to shares of QBPL

17. Share acquisition agreement entered into amongst BREP NTPL Holding (NQ) Pte. Ltd, BREP VII NTPL Holding (NQ) Pte. Ltd., BREP Asia SBS NTPL Holding (NQ) Ltd., BREP VII SBS NTPL Holding (NQ) Ltd., Manager and the Trustee dated March 11, 2019, in relation to shares of QBPPL

18. Share acquisition agreement entered into amongst BREP Asia SG Oxygen (NQ) Pte. Ltd., BREP VII SG Oxygen Holding (NQ) Pte. Ltd., BREP Asia SBS Oxygen Holding (NQ) Ltd., BREP VII SBS Oxygen Holding (NQ) Ltd., Manager and the Trustee dated March 11, 2019, in relation to shares of OBPPL

19. Share acquisition agreement entered into amongst BREP Asia HCC Holding (NQ) Pte. Ltd., BREP VII HCC Holding (NQ) Pte. Ltd., BREP Asia SBS HCC Holding (NQ) Ltd., BREP VII SBS HCC Holding (NQ) Ltd., Manager and the Trustee dated March 11, 2019, in relation to shares of VCPPL

20. Share acquisition agreement entered into amongst India Alternate Property Limited, Manager and the Trustee dated March 11, 2019, in relation to shares of ETPL

21. Share acquisition agreement entered into amongst BREP Asia SG Indian Holding (NQ) Co. II Pte. Ltd., BREP VII SG Indian Holding (NQ) Co. II Pte. Ltd., BREP Asia SBS Holding-NQ Co. XI Ltd., BREP VII SBS Holding-NQ Co. XI Ltd., Manager and the Trustee dated March 11, 2019, in relation to shares of IENMPL

22. Share acquisition agreement entered into amongst Premsagar Infra Realty Private Limited, Manager and the Trustee dated September 20, 2018 in relation to shares of ETPL

23. Share acquisition agreement entered into amongst Rana George, Manager and the Trustee dated September 12, 2018, in relation to shares of EEPL

24. Business transfer agreement dated March 11, 2019 entered into amongst QBPL and EODPL, in relation to the transfer of the Embassy One Assets from EODPL to QBPL

25. Share acquisition agreement dated February 28, 2019 entered into amongst the Embassy Sponsor, UPPL, K.J. Kuruvilla, Suja George, the Manager and the Trustee, in relation to shares of UPPL

26. Project development agreement dated February 10, 2017 executed between EEPL and ISPL

27. Board resolution dated February 19, 2019 and shareholders' resolution dated February 27, 2019, of the Investment Entity and debenture trust deed dated March 1, 2019 between the debenture trustee and the Investment Entity in relation to the subscription to NCDs by the Embassy REIT.

28. Shareholder Debt Documentation dated March 11, 2019 between the Embassy REIT and Asset SPVs (other than EEPL).

29. Deferred payment agreement dated March 3, 2017 entered into between EEPL and ISPL

30. Operation and management agreement between EEPL and ISPL

31. Share Acquisition Agreement dated March 11, 2019 entered into among the Manager, IENMPL and PTPL in relation to the shares of IENMPL

32. Issue agreement entered into among the Trustee (on behalf of the Embassy REIT), the Manager, the Embassy Sponsor, the Blackstone Sponsor and the Lead Managers dated September 24, 2018

33. Escrow agreement entered into between the Trustee (on behalf of the Embassy REIT), the Embassy Sponsor, the Blackstone Sponsor, the Manager, the Lead Managers, the Syndicate Members, Escrow Collection Banks, the Public Issue Account Bank, the Refund Bank and Registrar dated March 8, 2019

34. Syndicate Agreement entered into between the Lead Managers, the Syndicate Members, the Embassy Sponsor, the Blackstone Sponsor, the Trustee (on behalf of the Embassy REIT) and the Manager dated March 8, 2019

35. Underwriting Agreement entered into between the Underwriters, the Manager, the Trustee (acting on behalf of the Embassy REIT), the Embassy Sponsor and the Blackstone Sponsor dated [●]

36. Registrar agreement dated September 20, 2018 entered into among the Trustee (on behalf of the Embassy REIT), Manager and the Registrar to the Issue

37. Unit Subscription Agreement dated March 11, 2019 entered into among the Trustee (on behalf of the Embassy REIT), Manager and the Strategic Investors

38. Agreement dated January 3, 2019, between NSDL, the Embassy REIT, and the Registrar to the Issue

39. Agreement dated January 10, 2019, between CDSL, the Embassy REIT and the Registrar to the Issue

40. Certified copies of the updated Memorandum and Articles of Association of the Manager as amended from time to time

41. Board resolution of the Manager dated September 20, 2018, authorizing this Issue

42. Consents from the (i) Lead Managers; (ii) Legal counsel to the Embassy REIT, Embassy Sponsor and to the Blackstone Sponsor as to Indian law; (iii) Legal Counsel to the Lead Managers as to Indian Law; (iv) International Legal Counsel to the Lead Managers; (v) International Legal Counsel to the Embassy REIT, the Embassy Sponsor and to the Blackstone Sponsor; (vi) Valuer; (vii) Registrar to the Issue; (viii) Escrow Collection Banks; (ix) Public Issue Account Banks; (x) Refund Banks; and (xi) Compliance Officer of the Embassy REIT

43. Consent from the Auditors dated March 11, 2019

44. Special Purpose Condensed Combined Financial Statements of the Embassy Office Parks Group for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and for the nine months period ended December 31, 2018 and the nine months period ended December 31, 2017 and the report thereon dated March 1, 2019

45. Valuation Report dated February 28, 2019 issued by CBRE

46. Industry report titled "Real Estate Market Report" dated September 18, 2018 issued by CBRE

47. Consent from CBRE dated March 1, 2019

48. Consent from Crowe Horwath HTL Consultants Pvt. Ltd. dated September 18, 2018

49. Architect certificates each dated February 28, 2019 issued by RSP Design Consultants (India) Private Limited in relation to Express Towers, Embassy 247, FIFC, Embassy Quadron, Embassy Qubix, Embassy Oxygen and Embassy Galaxy

50. Architect certificate dated February 28, 2019 issued by Jayant Vaitha, Advocate in relation to Embassy One Assets

51. Architect certificates each dated February 28, 2019 issued by RSP Design Consultants (India) Private Limited in relation to Embassy Manyata, Embassy Techzone and Embassy Golflinks

52. Consolidated financial statements of the Embassy Sponsor for Fiscals 2018, 2017 and 2016, along with the report thereto

53. Standalone financial statements of the Blackstone Sponsor for financial years ended December 31, 2017, December 31, 2016 and December 31, 2015 along with the report thereto

54. Standalone financial statements of the Manager for Fiscals ended 2018, 2017 and 2016 along with the report thereto

55. Statement of Projections of Embassy Office Parks Group and the report thereon dated March 1, 2019

56. The statement of special tax benefits and its report thereon available to the trust and its Unitholders under the applicable tax laws in India dated March 1, 2019.

57. Due diligence certificate dated September 24, 2018 addressed to SEBI from the Lead Managers

58. In principle listing approvals dated October 9, 2018 and October 11, 2018 issued by the BSE and the NSE, respectively

59. SEBI observation letter bearing number DDHS/NK/OW/35575/2018 dated December 28, 2018

Any of the contracts or documents mentioned in this Offer Document may be amended/modified at any time if so required in the interest of the Embassy REIT or if required by other parties, without reference to the Unitholders, subject to compliance with applicable law.

IX. OTHER INFORMATION

GENERAL INFORMATION

The Embassy REIT

The Embassy REIT was settled on March 30, 2017 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 under Regulation 3(1) of the REIT Regulations having registration number IN/REIT/17-18/0001. The principal place of business of the Embassy REIT is situated at Royal Oaks, Embassy Golflinks Business Park, Off Intermediate Ring Road, Bengaluru 560 071, Karnataka, India*.

For information on the background of the Embassy REIT and the description of the Portfolio, see "*Background of the Embassy REIT*" and "*Our Business and Properties*" on pages 61 and 131, respectively.

* *Pursuant to a deed of sub-lease dated September 11, 2018 entered into between the Embassy Sponsor and the Manager*

Compliance Officer of the Embassy REIT

The compliance officer of the Embassy REIT is Ramesh Periasamy. His contact details are as follows:

Ramesh Periasamy
Royal Oaks
Embassy Golflinks Business Park
Off Intermediate Ring Road
Bengaluru 560 071
Karnataka, India
Tel: +91 80 3322 0000/ 2222
Fax: +91 80 4903 0046
E-mail: compliance@embassyofficeparks.com
Website: www.embassyofficeparks.com

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice/ letter of Allotment, credit of Allotted Units in the respective beneficiary account and refund orders and non-receipt of funds by electronic mode.

The Embassy Sponsor – Embassy Property Developments Private Limited

Registered Office

1st Floor, Embassy Point
150 Infantry Road
Bengaluru 560 001
Karnataka, India

Address for Correspondence

Royal Oaks
Embassy Golflinks Business Park
Off Intermediate Ring Road
Bengaluru 560 071
Karnataka, India
Tel: +91 80 4179 9999
Fax: +91 80 2228 7789
E-mail: cs@embassyindia.com
Website: www.embassyindia.com

Contact Person of the Embassy Sponsor

P.R. Ramakrishnan is the contact person of the Embassy Sponsor. His contact details are as follows:

P.R. Ramakrishnan
Executive Director, Finance
Royal Oaks
Embassy Golflinks Business Park
Off Intermediate Ring Road
Bengaluru 560 071
Karnataka, India
Tel: +91 80 3322 0000/ 2222
Fax: +91 80 4903 0046
E-mail: ramupr@embassyindia.com
Website: www.embassyindia.com

The Blackstone Sponsor – BRE/Mauritius Investments

Registered Office and address for correspondence

6th Floor Tower A
1 Cybercity
Ebene, Republic of Mauritius
Tel: +230 403 6000
Fax: +230 403 6060
E-mail: venkatesen.chetty@abaxservices.com

The Blackstone Sponsor does not have a website.

Contact Person of the Blackstone Sponsor

Venkatesen Saminada Chetty is the contact person of the Blackstone Sponsor. His contact details are as follows:

Venkatesen Saminada Chetty
Tel: +230 403 6000
Fax: +230 403 6060
E-mail: venkatesen.chetty@abaxservices.com

Kimmo Tammela
Direct Line: +65 6850 7575
Fax: +65 6850 7501
Email: kimmo.tammela@blackstone.com

The Manager – Embassy Office Parks Management Services Private Limited

Registered Office of the Manager

1st Floor, Embassy Point
150, Infantry Road
Bengaluru 560 001
Karnataka, India

Address for Correspondence

Royal Oaks
Embassy Golflinks Business Park
Off Intermediate Ring Road
Bengaluru 560 071
Karnataka, India

Tel: +91 80 3322 0000/ +91 80 3322 2222
Fax: +91 80 4903 0046
E-mail: compliance@embassyofficeparks.com
Website: www.embassyofficeparks.com
Contact Person: Ramesh Periasamy

The Trustee – Axis Trustee Services Limited

Registered Office

Axis House
Ground Floor, Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6230 0446
E-mail: debenture.trustee@axistrustee.com
Website: www.axistrustee.com
Contact Person: Krishna Kumari

Address for correspondence

Axis Trustee Services Limited
The Ruby
2nd Floor, SW 29
Senapati Bapat Marg, Dadar (West)
Mumbai 400 028
Maharashtra, India

Auditor

BSR & Associates LLP, Chartered Accountants
Maruthi Infotech Centre
11-12/1 Inner Ring Road, Koramangala
Bengaluru 560 071
Karnataka, India
Tel: +91 80 3980 6000
Fax: +91 80 3980 6999
E-mail: rmuthreja@bsraffiliates.com
Firm Registration No: 116231W/W-100024
Peer Review No.: 009059

Valuer

CBRE South Asia Private Limited
19th Floor, DLF Square
M Block, Jacaranda Marg
DLF City Phase II
Gurugram 122 002, India
Tel: +91 124 465 9700
Fax: +91 124 256 1519
E-mail: vamshi.krishna@cbre.co.in
Website: www.cbre.co.in
Contact Person: Vamshi Krishna Kanth Nakirekanti

Global Coordinators and Book Running Lead Managers to the Issue

Morgan Stanley India Company Private Limited
18F, Tower 2
One Indiabulls Centre
841, Senapati Bapat Marg
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6118 1000
Fax: +91 22 6118 1040
E-mail: embassyreit@morganstanley.com
Investor Grievance E-mail:
investors_india@morganstanley.com
Website: www.morganstanley.com
Contact Person: Narendra Rathi
SEBI Registration No.: INM000011203

DSP Merrill Lynch Limited
Ground Floor, A Wing
One BKC, G Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 6632 8000
Fax: +91 22 2204 8518
E-mail: dg.embassyreit_ipo@baml.com
Investor grievance email:
dg.india_merchantbanking@baml.com
Website: www.ml-india.com
Contact Person: Karthik S Prabhakaran
SEBI Registration No.: INM000011625

J.P. Morgan India Private Limited
J.P. Morgan Tower
Off. C.S.T. Road
Kalina, Santacruz (East)
Mumbai 400 098
Maharashtra, India
Tel: +91 22 6157 3000
Fax: +91 22 6157 3911
E-mail: EMBASSYREIT_IPO@jpmorgan.com
Investor grievance e-mail:
investorsmb.jpmipl@jpmorgan.com
Website:www.jpmipl.com
Contact person: Saarthak K. Soni
SEBI Registration No.: INM000002970

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC
Plot No. C- 27, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
Fax: + 91 22 6713 2447
E-mail: embassy.reit@kotak.com
Investor grievance e-mail:
kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Book Running Lead Managers to the Issue

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
Fax: +91 22 4325 3000
Email: embassy.reit@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Mayuri Arya
SEBI Registration No.: INM000012029

Credit Suisse Securities (India) Private Limited
9F/10F, Ceejay House, Plot F
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Worli, Mumbai 400 018
Maharashtra, India
Tel: +91 22 6777 3777
Fax: +91 22 6777 3820
E-mail: list.embassyreit@credit-suisse.com
Investor grievance e-mail: list.igcellmer-bnkg@credit-suisse.com
Website: www.credit-suisse.com
Contact Person: Anand Bang
SEBI Registration No.: INM000011161

Deutsche Equities India Private Limited
The Capital, 14th floor
C -70, G Block
Bandra Kurla Complex
Mumbai 400 051
Maharashtra, India
Tel: +91 22 7180 4444
Fax: +91 22 7180 4199
E-mail: embassyreit.ipo@db.com
Investor grievance e-mail: investor.redressal@db.com
Website: www.db.com/India
Contact Person: Viren Jairath
SEBI Registration No.: INM000010833

Goldman Sachs (India) Securities Private Limited
Rational House
951-A, Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6616 9000
Fax: +91 22 6616 9001
E-mail: gs-embassyofficeparks-ipo@gs.com
Investor grievance email: india-client-support@gs.com
Website: www.goldmansachs.com
Contact Person: Mrinalini Baral
SEBI Registration No.: INM000011054

HSBC Securities and Capital Markets (India) Private Limited
52/60, Mahatma Gandhi Road
Fort
Mumbai 400 001
Maharashtra, India
Tel: +91 22 2268 5555
Fax: +91 22 2263 1284
E-mail: embassyreit@hsbc.co.in
Investor grievance e-mail: investorgrievance@hsbc.co.in
Website: http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking
Contact Person: Shreye Mirani/ Vaibhav Grewal
SEBI Registration No.: INM000010353

IIFL Holdings Limited
IIFL Centre, 10th Floor
Kamala City, Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
Email: embassy.reit@iiflcap.com
Investor grievance e-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Devendra Maydeo/ Aditya Agarwal
SEBI Registration No.: INM000010940

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030
Fax: +91 22 6630 3330
E-mail: embassy.reit@jmfl.com
Investor grievance e-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11, Plot F, Shivsagar Estate
Dr. Annie Besant Road, Worli, Mumbai 400 018
Maharashtra, India
Tel: +91 22 4037 4037
Fax: +91 22 4037 4111
E-mail: embassyreit@nomura.com
Investor grievance e-mail: investorgrievances-in@nomura.com
Website: www.nomuraholdings.com/company/group/asia/india/index.html
Contact Person: Manish Agarwal/ Vishal Kanjani
SEBI Registration No.: INM000011419

Syndicate Members

IIFL Securities Limited
6th & 7th Floor, Ackruti Centre Point
Central Road, MIDC
Andheri (E) Mumbai - 400 093
Tel: + 91 22 3929 4000/ 4103 5000
Fax: +91 22 2580 6654
E-mail: cs@iifl.com / prasad.umarale@iifl.com
Investor Grievance
E-mail: customergrievances@iifl.com / prasad.umarale@iifl.com
Website: www.iifl.com
Contact Person: Prasad Umarale
SEBI Registration No.: INZ000164132

JM Financial Services Limited
2, 3 and 4, Kamanwala Chambers
Ground Floor, Sir P M Road,
Fort, Mumbai - 400 001
Tel: +91 22 6136 3400
Fax: NA
E-mail: surajit.misra@jmfl.com,
Website: www.jmfinancialservices.in
Contact Person: Surajit Misra
SEBI Registration Number: INZ000195834

Kotak Securities Limited
4th Floor, 12 BKC, G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Tel: +91 22 6218 5470
Fax: +91 22 6661 7041
Email: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Umesh Gupta
SEBI Registration Number: INZ000200137

Bankers to the Issue

HDFC Bank Limited
FIG- OPS Department- Lodha,
I Think Techno Campus O-3 Level,
Next to Kanjurmarg, Railway Station,
Kanjurmarg (East) Mumbai 400 042
Tel: (91 22) 3075 2927/28/2914
Fax: (91 22) 2579 9801
Email: Vincent.Dsouza@hdfcbank.com,
Siddharth.Jadhav@hdfcbank.com,
Prasanna.Uchil@hdfcbank.com,
Neerav.Desai@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Vincent Dsouza, Siddharth Jadhav,
Prasanna Uchil, Neerav Desai
SEBI Registration Number: INBI00000063

YES Bank Ltd
YES Bank Tower,
7th floor Indiabulls Finance Centre
Tower 2 Senapati Bapat Marg,
Mumbai – 400013
Tel: (91 22) 3347 7259/ 33477260
Fax: (91 22) 2497 4875
Email: dlbtiservices@yesbank.in
Contact Person: Shankar Vichare/ Sachin Shinde
Website: www.yesbank.in
SEBI Registration Number: INBI00000935

Inter-se allocation of responsibilities

The following table sets forth the *inter-se* allocation of responsibilities for various activities among the Lead Managers for the Issue:

S. No.	Activity	Responsibility	Co-ordination
1.	Assist the Manager in selecting the Portfolio; capital structuring along with the relative components and formalities such as type of instruments, etc.	Lead Managers	Morgan Stanley
2.	Due diligence of the Embassy REIT's operations/management/business plans/ legal, etc., Sponsors / Managers' experience, the proposed formation transactions, the proposed and future assets arrangements, any other related party transactions (including trademark licensing or other arrangements) Corresponding with regulatory authorities in regards to the offer document and the Embassy REIT and ensuring compliance and completion of prescribed formalities with the Stock Exchanges and SEBI	Lead Managers	Morgan Stanley
3.	Finalizing the financial model and coordinating with the auditors to rebase the forecasts as per relevant accounting standards	Lead Managers	Morgan Stanley
4.	Auditor co-ordination including historical financials, comfort letters and other certificates required from auditor and other chartered accountants	Lead Managers	Morgan Stanley
5.	Drafting and approval of all publicity material including statutory advertisement, corporate advertisement, brochure, etc.	Lead Managers	BofAML
6.	Appointment of Rating Agencies, Valuer, Registrar to the Issue, Bankers to the Issue, printers, advertising agency and other intermediaries (including coordinating all agreements to be entered with such parties)	Lead Managers	BofAML
7.	Finalizing research analyst presentation, road show marketing presentation and FAQ	Lead Managers	JP Morgan India
8.	Finalizing various agreements including underwriting, offering, syndicate and escrow	Lead Managers	BofAML
9.	International Institutional Marketing of the Issue which will cover, inter alia: • Formulating overall international institutional marketing strategy; • Finalizing the list and division of international investors for one-on-one meetings; and • Finalizing international road show schedule and investor meeting schedules	Lead Managers	Morgan Stanley / BofAML
10.	Domestic Institutional Marketing of the Issue which will cover, inter alia: • Formulating overall domestic institutional marketing strategy; • Finalizing the list and division of domestic investors for one-on-one meetings; and	Lead Managers	Kotak / JP Morgan India

S. No.	Activity	Responsibility	Co-ordination
	• Finalizing domestic road show schedule and investor meeting schedules		
11.	Non-Institutional marketing strategy which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget, finalizing media, marketing and public relations strategy; finalizing centers for holding conferences for brokers, etc.; • Finalizing the brokerage & commission for Non-Institutional category for the brokers and sub syndicate; • Finalizing collection centers; and • Deciding on the quantum of the Offer material and allocation amongst the printers	Lead Managers	Kotak
12.	Coordination with stock exchanges for Book Building software and submitting 1% deposit. Finalizing the Anchor Minutes and Strategic Investor minutes	Lead Managers	BofAML
13.	Managing the book and finalizing of pricing and Allocation in consultation with the Manager	Lead Managers	Morgan Stanley
14.	Assisting the Manager in ensuring the completion of the formation transactions and the allotment of Units in consideration thereof	Lead Managers	JP Morgan India
15.	Post bidding activities including management of escrow accounts, coordination for finalization of basis of allotment including non-institutional and institutional allocation, coordination for preparation of intimation of allocation letters and dispatch of allocation letters and refund to Bidders, coordination for obtaining relevant listing approvals, coordination for dispatch of certificates and demat delivery of Units and coordination with the various agencies connected with the post issue work such as Registrar to the Issue, Banker to the Issue and the Refund bank	Lead Managers	Kotak
16.	Post bidding restructuring to create Embassy REIT, sale of Portfolio to the Embassy REIT etc.	Lead Managers	JP Morgan India

Indian Legal Counsel to Embassy REIT, the Manager, the Embassy Sponsor and the Blackstone Sponsor

Cyril Amarchand Mangaldas
201, Midford House
Off. M.G. Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2558 4870
Fax: +91 80 2558 4266

International Legal Counsel to the Embassy REIT

Clifford Chance
Clifford Chance Pte Limited
Marina Bay Financial Centre
25th Floor, Tower 3
12 Marina Boulevard
Singapore 018 982
Tel: +65 6410 2200
Fax: +65 6410 2288

International Counsel to the Blackstone Sponsor

Simpson Thacher & Bartlett
ICBC Tower – 35th Floor
3 Garden Road, Central
Hong Kong, China
Tel: +852 2514 7600
Fax: +852 2869 7694

Indian Legal Counsel to the Lead Managers

S&R Associates
One Indiabulls Centre
1403, Tower 2 B
841 Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4302 8000
Fax: +91 22 4302 8001

International Legal Counsel to the Lead Managers

Latham & Watkins LLP
9 Raffles Place
#42-02 Republic Plaza
Singapore 048619
Tel: +65 6536 1161
Fax: +65 6536 1171

Tax Advisers to the Embassy REIT, the Blackstone Sponsor Group and the Manager

Bobby Parikh Associates
701, Ceejay House
Shiv Sagar Estate
Dr Annie Besant Road
Worli, Mumbai 400 018
Maharashtra, India

Registrar and Transfer Agent

Karvy Fintech Private Limited (formerly KCPL Advisory Services Private Limited)
Karvy Selenium Tower B
Plot No. 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Investor grievance e-mail: embassy.reit@karvy.com
Website: https://www.karvyfintech.com
Contact Person: Mr. M Murali Krishna
SEBI Registration No.: INR000000221*

** The registration is currently under the name of Karvy Computershare Private Limited. Karvy Fintech Private Limited has filed an application with the SEBI for registration under its new name, which is currently pending*

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in. For a list of branches of SCSBs named by the respective SCSBs to receive ASBA Forms from the Designated Intermediary, please refer to the above-mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

SCORES Registration

The Embassy REIT has submitted details for authentication for SCORES by SEBI Registered Intermediaries and is currently registered on SCORES.

DEFINITIONS

This Offer Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made under that provision.

The words and expressions used in this Offer Document, but not defined herein shall have the meaning ascribed to such terms under the REIT Regulations, the SEBI Guidelines, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in "Condensed Combined Financial Statements", "Projections" "Taxation" and "Legal and other Information" on pages 529, 321, 463, and 439, respectively, shall have the meanings ascribed to such terms in these respective sections.

In this Offer Document, unless the context otherwise requires, a reference to "we", "us" and "our" refers to the Embassy REIT, the Asset SPVs and the Investment Entity, collectively. For the sole purpose of the Condensed Combined Financial Statements, reference to "we", "us" and "our" refers to the Embassy REIT and the Asset SPVs on a combined basis.

Embassy REIT Related Terms

Term	Description
ANSR	ANSR Global Corporation Pvt. Ltd.
Accenture	Accenture Solutions Private Limited
Access Healthcare	Access Healthcare Services Pvt. Ltd.
Asset SPVs	Holdco and SPVs
Associates	Associates of a person shall be as defined under the Companies Act, 2013, or under applicable accounting standards, and shall also include: (i) any person directly or indirectly controlled by the said person; (ii) any person who directly controls the said person; (iii) where the said person is a company or a body corporate, any person(s) who is designated as a promoter of the company or body corporate and any other company or body corporate and any other company or body corporate with the same promoter; and (iv) where the said person is an individual, any relative of the individual We have complied with the requirements of Regulation 2(1)(b) of the REIT Regulations while identifying associates of the Embassy REIT, the Sponsors and the Manager except in respect of sub-clause (ii) of Regulation 2(1)(b), which requires any person who controls, both directly and indirectly, the said person to be identified as an associate. In this regard, only entities which directly control the Sponsors or the Manager, as applicable, have been considered
Auditors	BSR & Associates LLP, statutory auditors of the Embassy REIT
Blackstone Sponsor	BRE/ Mauritius Investments
Blackstone Sponsor Group	The Blackstone Sponsor and the following entities: 1. BRE/Mauritius Investments II 2. BREP Asia HCC Holding (NQ) Pte. Ltd. 3. BREP Asia SBS GML Holding (NQ) Ltd 4. BREP Asia SBS HCC Holding (NQ) Ltd 5. BREP Asia SBS Holding-NQ CO XI Ltd 6. BREP Asia SBS NTPL Holding (NQ) Ltd 7. BREP Asia SBS Oxygen Holding (NQ) Ltd 8. BREP Asia SG Indian Holding (NQ) Co II Pte. Ltd. 9. BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.

Term	Description
	10. BREP GML Holding (NQ) Pte. Ltd. 11. BREP NTPL Holding (NQ) Pte. Ltd. 12. BREP VII GML Holding (NQ) Pte. Ltd. 13. BREP VII HCC Holding (NQ) Pte. Ltd. 14. BREP VII NTPL Holding (NQ) Pte. Ltd. 15. BREP VII SBS GML Holding (NQ) Ltd 16. BREP VII SBS HCC Holding (NQ) Ltd 17. BREP VII SBS Holding-NQ CO XI Ltd 18. BREP VII SBS NTPL Holding (NQ) Ltd 19. BREP VII SBS Oxygen Holding (NQ) Ltd 20. BREP VII SG Indian Holding (NQ) Co II Pte. Ltd. 21. BREP VII SG Oxygen Holding (NQ) Pte. Ltd. 22. India Alternate Property Limited 23. SG Indian Holding (NQ) Co. I Pte. Ltd 24. SG Indian Holding (NQ) Co. II Pte. Ltd 25. SG Indian Holding (NQ) Co. III Pte. Ltd
Business Transfer Agreement or BTA	Business transfer agreement dated March 11, 2019 in relation to the transfer of Embassy One Assets to QBPL
CBRE	CBRE South Asia Private Limited
Cerner	Cerner Healthcare Solutions
Cognizant	Cognizant Technology Solutions India Private Limited
Condensed Combined Financial Statements	The special purpose condensed combined financial statements of Embassy Office Parks Group, which comprise the combined balance sheet as at December 31, 2018, December 31, 2017 and as at March 31, 2018, March 31, 2017 and March 31, 2016, statement of net assets at fair value as at March 31, 2018, statement of total returns at fair value for nine months ended December 31, 2018, the nine months ended December 31, 2017 and the financial year ended 31 March 2018, the combined statement of profit and loss, combined statement of cash flow, combined statement of changes in equity, and a summary of significant accounting policies and other explanatory information for nine months ended December 31, 2018, nine months ended December 31, 2017 and the financial years ended 31 March 2018, 31 March 2017 and 31 March 2016. The condensed combined financial statements have been prepared in accordance with the basis of preparation described in Note 2.1 to the condensed combined financial statements. The condensed combined financial statements are not prepared in accordance with the requirements of Schedule III notified under the Companies Act, 2013
DBS	DBS Bank Ltd.
DM Estates	D.M. Estates Private Limited
EEPL	Embassy-Energy Private Limited
Embassy Office Parks Group or EOP Group	In relation to the Condensed Combined Financial Statements, EOPPL, MPPL, UPPL, EEPL, GSPL, QBPL, QBPPL, OBPPL, ETPL, VCPPL, IENMPL and the carved-out portion of EODPL
Embassy 247	Embassy 247 situated at Hariyali Village, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India
Embassy Energy	The solar photovoltaic electricity generation facility situated at villages Ittigi in Huvinahadagali taluka, and Moorigeri and Nelkuthiri in Hagri Bomannahalli taluka, Bellary district, Karnataka
Embassy Galaxy	Galaxy Business Park situated at A-44-45, Sector-62, Noida, Gautam Buddha Nagar 201 309, Uttar Pradesh, India
Embassy Golflinks	Golflinks Business Park situated off Intermediate Ring Road, Domlur I Stage, Bengaluru 560 070, Karnataka, India, owned by GLSP
Embassy Manyata	Manyata Embassy Business Park situated at Outer Ring Road, Nagavara, Bengaluru 560 045, Karnataka, India

Term	Description
Embassy One Assets	Completed office and retail space, and Four Seasons at Embassy One, situated at Katha No. 8 (old no. 57), Bellary Road, Bengaluru 560 032, Karnataka, India
Embassy Oxygen	Oxygen Business Park situated at Plot No. 7, Sector 144, Noida 201 304, Uttar Pradesh, India
Embassy Quadron	Quadron Business Park situated at Plot No. 28, Rajiv Gandhi Infotech Park Phase II, Hinjewadi, Pune 411 057, Maharashtra, India
Embassy Qubix	Qubix Business Park situated at Plot No. 2, Rajiv Gandhi Infotech Park Phase I, Hinjewadi, Pune 411 057, Maharashtra, India
Embassy REIT Assets	The Portfolio, and such other assets as may be held by the Embassy REIT from time to time in accordance with the REIT Regulations and applicable law
Embassy Sponsor	Embassy Property Developments Private Limited
Embassy Techzone	Embassy Tech Zone situated at Hinjewadi Phase 2 Road, Hinjewadi Rajiv Gandhi Infotech Park, Hinjewadi, Pune 411 057, Maharashtra, India
EODPL	Embassy One Developers Private Limited
ESPL	Embassy Services Private Limited
ETPL	Earnest Towers Private Limited
ETPL SPA	Share purchase agreement dated September 20, 2018 entered into among Premsagar Infra Realty Limited, the Manager (on behalf of the Embassy REIT) and the Trustee (on behalf of the Embassy REIT)
EXL	exlService.com (India) Private Limited
Express Towers	Express Towers situated at Barrister Rajni Patel Marg, Nariman Point, Mumbai 400 021, Maharashtra, India (excluding economic interests in portions of 24th floor and the 25th floor), owned by IENMPL
Facility Rentals	The sum of base rents, fit-out rents and parking income from each of the Asset SPVs, as applicable, and reflected as "facility rental" in the financial statements of the relevant SPVs or the Holdco, as applicable
FIFC	First International Financial Centre situated at plot no. C-54, C-55, G-Block, Bandra Kurla Linking Road, Bandra Kurla Complex, Mumbai 400 051, Maharashtra, India (excluding (a) leasehold interest in unit Nos. 001, 901 901, 1001 1101, 1201, 1202, 1301 and 1302; (b) leasehold interest in 251 car parking spaces; and (c) undivided leasehold right, title and interest in 45.8% share in the common areas and facilities, which are owned by third parties) owned by ETPL
FIFC By Laws	By laws of First International Financial Centre Condominium
Formation Transaction Agreements	The agreements entered into in relation to the Formation Transactions, comprising of the following: (i) Embassy EOPPL SPA (ii) EEPL SPA-I (iii) UPPL SPA-I (iv) Blackstone EOPPL SPA (v) Blackstone MPPL SPA (vi) Blackstone GSPL SPA (vii) Blackstone QBPL SPA (viii) Blackstone QBPPL SPA (ix) Blackstone OBPPL SPA (x) Blackstone VCPPL SPA (xi) Blackstone ETPL SPA (xii) Blackstone IENMPL SPA (xiii) Settlement Agreement (xiv) Business Transfer Agreement (xv) ETPL SPA (xvi) EEPL SPA – II (xvii) UPPL SPA – II (xviii) IENMPL SAA

Term	Description
	For further details in relation to each of the Formation Transaction Agreements set out above, see "*Formation Transactions in relation to the Embassy REIT – Formation Transaction Agreements*" on page 267
Formation Transactions	The transactions pursuant to which the Embassy REIT will acquire the Portfolio prior to the Allotment in the Issue
Four Seasons at Embassy One or Four Seasons Hotel at Embassy One	Four Seasons Hotel Bengaluru forming part of Embassy One Assets
Future Retail	Future Retail Limited
GEMS	Golflink Embassy Business Park Management Services LLP
GLSP or Investment Entity	Golflinks Software Park Private Limited
Goldman Sachs	Goldman Sachs Services Private Limited
Google	Google India Private Limited
GPMS	Golflink Park Management Services LLP
GPPL	Golflinks Properties Private Limited
GSPL	Galaxy Square Private Limited
Hilton at Embassy Golflinks	Hilton at Embassy Golflinks situated at Embassy Golflinks
Hilton at Embassy Manyata	Hilton and Hilton Garden Inn situated at Embassy Manyata
Holdco or EOPPL	Embassy Office Parks Private Limited
IBM	IBM India Private Limited
IENMPL	Indian Express Newspapers (Mumbai) Private Limited
IENMPL SAA	Share Acquisition Agreement dated March 11, 2019 entered into among IENMPL, PTPL and the Manager
ISPL	IL&FS Solar Power Limited
Investment Management Agreement	The investment management agreement dated June 12, 2017, entered into between the Trustee (on behalf of the Embassy REIT) and the Manager, as amended on September 20, 2018
JLL	Jones Lang Lasalle Building Operations Private Limited
JP Morgan	JP Morgan Services India Private Limited, as tenant in certain Embassy REIT Assets
Khazanah	Khazanah India Advisors Private Limited
Legato	Legato Health Technologies LLP
Lowe's	Lowe's Services India Private Limited
Maersk	Maersk Tankers India Private Limited
Manager or EOPMSPL	Embassy Office Parks Management Services Private Limited
McAfee	McAfee Software (India) Private Limited
McKinsey	McKinsey & Company India LLP and/or McKinsey & Company, Inc.
Mercedes-Benz	Mercedes-Benz Research and Development India Private Limited
MPPL	Manyata Promoters Private Limited
NTT Data	NTT Data Information Processing Services Private Limited
OBPPL	Oxygen Business Park Private Limited
Parties to the Embassy REIT	The Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group, the Trustee and the Manager
PEPPL	Pune-Embassy Projects Private Limited
Portfolio	Together, the Portfolio Assets and the Portfolio Investment
Portfolio Assets	Assets which will be directly or indirectly owned by the Embassy REIT prior to listing in terms of the REIT Regulations, in this case being (i) Embassy Manyata, (ii) Hilton at Embassy Golflinks (iii) Embassy One Assets, (iv) Embassy Energy, (v) Express Towers, (vi) Embassy 247, (vii) FIFC, (viii) Embassy Techzone, (ix) Embassy Quadron, (x) Embassy Qubix, (xi) Embassy Oxygen, and (xii) Embassy Galaxy

Term	Description
Portfolio Investment	The investment held by Embassy REIT (through the Holdco) in GLSP, aggregating to 50% of the issued and paid-up equity share capital of GLSP
Projections	Projections of revenues from operations, EBITDA and cash flows from operating activities of the Embassy REIT for Fiscals 2021, 2020 and 2019, prepared in accordance with the REIT Regulations and the SEBI Guidelines
Projections Period	The three fiscal years commencing April 1, 2018 and ending March 31, 2021
Potential ROFO Assets	Embassy Concord, Embassy Knowledge Park, Embassy Splendid Techzone and Embassy TechVillage. For further details, see *"The Sponsors – The Embassy Sponsor"* on page 216
QBPL	Quadron Business Park Private Limited
QBPPL	Qubix Business Park Private Limited
REIT Debt Financing	The debt financing proposed to be raised by the Embassy REIT subsequent to the listing of the Embassy REIT
REIT Management Fees	Fees payable to the Manager by the Embassy REIT in consideration for services rendered by the Manager pursuant to the Investment Management Agreement
Rolls-Royce	Rolls-Royce India Private Limited
Same-Store Portfolio	Same-Store Portfolio refers to the office blocks and/or buildings within the Portfolio Assets and the Portfolio Investment that were completed as of April 1, 2015
Same-Store Rentals	Same-Store Rentals for a fiscal year is the sum of base rentals recorded from leased space in the Same-Store Portfolio during the year. Same-Store Rentals is a Non-GAAP measure and does not reconcile to the combined revenue from operations in our financial statements. In particular, Same-Store Rentals includes base rentals of our Portfolio Investment, which are not consolidated into our combined revenue from operations. Same-Store Rentals should not be considered as an alternative to our revenues or any other measure of financial performance presented in accordance with Ind AS. We believe presenting information about the portion of our assets that has been fully completed for the entirety of three fiscal year periods provides investors with meaningful information about the performance of our assets across periods and trends in our organic business.
Same-Store Rental CAGR	Represents the compounded annual growth rate in Same-Store Rentals during the period FY2016 to FY2018.
Settlement Agreement	The amended and restated composite settlement and securities purchase agreement dated April 16, 2018, entered into amongst MPPL, EPDPL, EOPPL, Reddy Veeranna and Suguna Reddy and others
Shareholder Debt	Debt to be provided by the Embassy REIT to the Asset SPVs and the Investment Entity for the partial or full repayment or pre-payment of debt of the Asset SPVs and the Investment Entity, construction financing/ refurbishment expenses/ working capital requirements at Asset SPVs and the Investment Entity, and other general corporate purposes including payment of fees and expenses on the issue of the Shareholder Debt
Shareholder Debt Documentation	Documentation entered into between the Embassy REIT and (i) the Asset SPVs, and (ii) the Investment Entity, in relation to the Shareholder Debt
Sponsors	The Embassy Sponsor and the Blackstone Sponsor
SPV(s)	Special purpose vehicles, as defined in Regulation 2(l)(zs) of the REIT Regulations, in this case being, MPPL, UPPL, EEPL, IENMPL, VCPPL, ETPL, QBPL, QBPPL, OBPPL and GSPL
Summary Valuation Report	Summary valuation report issued by the Valuer in relation to the Embassy REIT, as included in this Offer Document
Swiss Re	Swiss Re Global Business Solution India Private Limited (Formerly known as Swiss Re Shared Services (India) Private Ltd.)
Target	Target Corporation India Private Limited

Term	Description
Tech Mahindra	Tech Mahindra Limited
Trust Deed	The trust deed dated March 30, 2017, as amended on September 11, 2018, entered into amongst the Embassy Sponsor, Blackstone Sponsor and the Trustee
Trustee	Axis Trustee Services Limited
Unitholders	Any person or entity who holds Units of the Embassy REIT
Units	An undivided beneficial interest in the Embassy REIT, and such Units together represent the entire beneficial interest in the Embassy REIT
UPPL	Umbel Properties Private Limited
Valuation Report	Full valuation report issued by the Valuer in relation to Embassy REIT
Valuer	CBRE South Asia Private Limited
VCPPL	Vikhroli Corporate Park Private Limited
Volkswagen	Volkswagen IT Services India Pvt. Ltd.
Warburg Pincus	Warburg Pincus India Private Limited
Wells Fargo	Wells Fargo Bank, NA Re. Office
WeWork	WeWork India Management Private Limited

Issue Related Terms

Term	Description
Cut-off Price	The Issue Price of the Units to be issued pursuant to the Issue which shall be finalised by the Manager, in consultation with the Lead Managers
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allocated/ Allocation	Following the determination of the Issue Price by the Manager in consultation with the Lead Managers, the allocation of Units to Investors on the basis of the Bid-cum Application Form submitted by Investor
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the issue, transfer and allotment of Units to be issued pursuant to the Issue
Allotment Advice	Note, advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted Units after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottees	The successful Bidders to whom Units are Allotted
Anchor Investor	An Institutional Investor, applying under the Anchor Investor Portion in accordance with the requirements specified in the REIT Regulations and the SEBI Guidelines in terms of this Offer Document
Anchor Investor Allocation Price	Price at which Units will be allocated to Anchor Investors in terms of this Offer Document, decided by the Manager in consultation with the Lead Managers
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Offer Document and the Final Offer Document
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors are to be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which Units will be Allotted to Anchor Investors in terms of this Offer Document and the Final Offer Document, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by the Manager in consultation with the Lead Managers
Anchor Investor Portion	Up to 60% of the Institutional Investor Portion which may be allocated to Anchor Investors by the Manager in consultation with the Lead Managers on a discretionary basis

Term	Description
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid by authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the REIT Regulations and SEBI Guidelines
ASBA Bidder	All Bidders other than Anchor Investors and Strategic Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of this Offer Document and the Final Offer Document
Axis	Axis Capital Limited
Basis of Allotment	The basis on which Units will be Allotted to successful Bidders under the Issue and which is described in "*Issue Information*" on page 406
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder or the amount payable by any Strategic Investors, as the case may be, upon submission of the Bid in the Issue
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Units
Bid(s)	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase Units of the Embassy REIT at a price within the Price Band, including all revisions and modifications thereto as permitted and including any participation by Strategic Investors under the REIT Regulations and SEBI Guidelines. The term "Bidding" shall be construed accordingly
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors and Strategic Investors, the date after which the Designated Intermediaries will not accept any Bids, which will be published in (i) all editions of the Financial Express (a widely circulated English national daily newspaper); (ii) all editions of Jansatta (a widely circulated Hindi national daily newspaper); and (iii) all editions of Vishwavani (a Kannada daily newspaper with wide circulation in Karnataka)
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which will be published in (i) all editions of the Financial Express (a widely circulated English national daily newspaper) (ii) all editions of Jansatta (a widely circulated Hindi national daily newspaper) and (iii) all editions of Vishwavani (a Kannada daily newspaper with wide circulation in Karnataka)
Bid/ Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Offer Document and the Bid cum Application Form and for a Strategic Investor in terms of the unit subscription agreement with such investor and unless otherwise stated or implied, includes an Anchor Investor and a Strategic Investor
Bidding Centers	Centers at which the Designated Intermediaries shall accept ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Bodies Corporate	Any body corporate as defined in Regulation 2(1)(d) of the REIT Regulations
BofAML	DSP Merrill Lynch Limited

Term	Description
Book Building Process	The book building process, as provided under the REIT Regulations and SEBI Guidelines
Book Running Lead Managers or BRLMs	Axis, Credit Suisse, Deutsche, GS, HSBC, IIFL, JM Financial and Nomura
Broker Centres	Broker centers notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN or Confirmation of Allocation Note	Note or advice to Anchor Investors confirming Allocation of Units to such Investors after the Anchor Investor Bid/Issue Period and Strategic Investors, as applicable
Cap Price	The higher end of the Price Band, subject to any revision thereto being ₹[●] per Unit, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Client ID	Client identification number maintained with one of the Depositories in relation to a demat account
Closing Date	The date on which Allotment of Units pursuant to the Issue is expected to be made, i.e. on or about March 29, 2019
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Credit Suisse	Credit Suisse Securities (India) Private Limited
Deutsche	Deutsche Equities India Private Limited
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, PAN, occupation and bank account details
Depository Participant or DP	A depository participant as defined under the Depositories Act
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred from the Escrow Accounts and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account(s) or the Refund Accounts, as appropriate
Designated Intermediaries	Syndicate, sub-syndicate/members, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in as updated
Designated Stock Exchange	NSE
DP ID	Depository Participant's Identification
Draft Offer Document	The Draft Offer Document dated September 24, 2018, issued in accordance with the REIT Regulations and the SEBI Guidelines, which did not contain complete particulars of the Issue including the price at which the Units will be Allotted and the size of the Issue

Term	Description
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and this Offer Document will constitute an invitation to subscribe to the Units
Escrow Accounts	'No-lien' and 'non-interest bearing' accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors and Strategic Investors will transfer money through direct credit/NEFT/NACH/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated March 8, 2019, entered into amongst the Trustee (on behalf of the Embassy REIT), the Manager, the Sponsors, the Registrar to the Issue, the Escrow Collection Banks, the Public Issue Account Bank, the Refund Bank, the Syndicate Members and the Lead Managers for, inter-alia, collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Collection Banks	HDFC Bank Limited and Yes Bank Limited
Final Offer Document	The Final Offer Document to be filed with SEBI and the Stock Exchanges after the Pricing Date in accordance with the REIT Regulations and the SEBI Guidelines containing, amongst other things, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
First Bidder	Bidder whose name shall be mentioned first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, in this case being ₹[●] at or above which the Issue Price and the Anchor Investor Issue Price and the Strategic Investor Issue Price will be finalised and below which no Bids will be accepted
Global Coordinators and Book Running Lead Managers or GCBRLMs	Morgan Stanley, BofAML, JP Morgan India and Kotak
GS	Goldman Sachs (India) Securities Private Limited
HSBC	HSBC Securities and Capital Markets (India) Private Limited
IIFL	IIFL Holdings Limited
Institutional Investor Portion	Portion of the Issue (including the Anchor Investor Portion) being not more than 75% of the Issue, comprising not more than [●] Units which shall be available for allocation to Institutional Investors (including Anchor Investors), subject to valid Bids being received at or above the Issue Price
Institutional Investors	Institutional Investor means (i) a Qualified Institutional Buyer, or (ii) a family trust or intermediaries registered with SEBI, with net-worth of more than ₹5,000 million as per the last audited financial statements
Insurance Companies	Companies registered as insurance companies with the IRDAI
Issue	Initial public offer of up to [●] Units aggregating up to ₹47,500 million by the Embassy REIT
Issue Agreement	Agreement dated September 24, 2018 entered into amongst the Trustee (on behalf of the Embassy REIT), the Embassy Sponsor, the Blackstone Sponsor, the Manager and the Lead Managers
Issue Price	₹[●] per Unit, being the final price at which Units will be Allotted to successful Bidders, other than Anchor Investors and Strategic Investors, in terms of this Offer Document The Issue Price will be decided by the Manager in consultation with the Lead Managers on the Pricing Date
Issue Proceeds	The gross proceeds of the Issue
Issue Size	The Issue, aggregating up to ₹47,500 million
JM Financial	JM Financial Limited
JP Morgan India	J.P. Morgan India Private Limited

Term	Description
Kotak	Kotak Mahindra Capital Company Limited
Listing Agreement	Listing agreement to be entered into with the Stock Exchanges by the Manager or the Trustee on behalf of the Embassy REIT, in line with the format as specified under the Securities and Exchange Board of India circular number CIR/CFD/CMD/6/2015 dated October 13, 2015 on "Format of uniform Listing Agreement"
Listing Date	The date on which the Units of the Embassy REIT will be listed on the Stock Exchanges
LMs or Lead Managers	Together, the GCBRLMs and the BRLMs
Minimum Bid Size	₹0.2 million, for Bidders other than Anchor Investors and Strategic Investors, ₹100 million for Anchor Investors and 5% of the total Issue size (either jointly or severally) for Strategic Investors
Morgan Stanley	Morgan Stanley India Company Private Limited
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Net Proceeds	Proceeds of the Issue less Issue expenses
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
Non-Institutional Portion	Portion of the Issue being not less than 25% of the Issue, comprising at least [●] Units, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price
Non-Resident Indian/ Non-Resident	An individual resident outside India who is a citizen or is an 'overseas citizen of India' cardholder within the meaning of Section 7A of the Citizenship Act, 1955 and includes a Non-Resident Indian, FVCIs, FIIs and FPIs
Offer Document	This Offer Document dated March 11, 2019 issued in accordance with the provisions of the REIT Regulations and the SEBI Guidelines, which does not have complete particulars of the Price Band and the Issue Price at which the Units will be offered and the size of the Issue, including any addenda or corrigenda This Offer Document has been filed with SEBI and the Stock Exchanges at least five Working Days prior to the Bid/ Issue Opening Date and shall become the Final Offer Document which shall be filed with SEBI and the Stock Exchanges after the Pricing Date
Pay-in Date	The last date specified in the CAN for payment of application monies by the Anchor Investors and Strategic Investors, which shall be no later than two working days from the Bid/ Issue Closing Date/ Pricing Date, as applicable
Price Band	Price band between the minimum price of ₹[●] per Unit (Floor Price) and the maximum price of ₹[●] per Unit (Cap Price) The Price Band will be decided by the Manager in consultation with the Lead Managers, and will be advertised at least two Working Days prior to the Bid/ Issue Opening Date, on the websites of the Embassy REIT, the Embassy Sponsor and the Manager, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which the Manager in consultation with the Lead Managers finalises the Issue Price
Public Issue Account(s)	'No-lien' and 'non-interest bearing' bank account(s) opened to receive monies from the Escrow Account(s) and from the ASBA Accounts on the Designated Date
Public Issue Bank	HDFC Bank Limited
Qualified Institutional Buyers or QIB(s)	Qualified institutional buyers as defined in Regulation 2(l)(ss) of the SEBI ICDR Regulations
Refund Account(s)	'No-lien' and 'non-interest bearing' account(s) opened with the Refund Bank(s), from which refunds, if any of the whole or part of the Bid Amount to Anchor Investors shall be made

Term	Description
Refund Bank(s)	HDFC Bank Limited
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than BRLMs and the Syndicate Members, eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar to the Issue	Karvy Fintech Private Limited
Registrar Agreement	The agreement dated September 20, 2018, entered into between the Trustee (on behalf of the Embassy REIT), the Manager and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Revision Form	Form used by the Bidders to modify the quantity of Units or the Bid Amount in any of their ASBA Forms or any previous Revision Forms. Bidders are not allowed to withdraw or lower their Bids (in terms of number of Units or the Bid Amount) at any stage. Bidders are permitted to make upward revisions in their Bids
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in as updated from time to time
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Strategic Investors	Strategic investors as defined under Regulation 2(1)(ztb) of the REIT Regulations
Strategic Investor Allocation Price	Price at which Units will be allocated to Strategic Investors in terms of this Offer Document and the relevant unit subscription agreement, decided by the Manager in consultation with the Lead Managers
Strategic Investor Issue Price	Final price at which Units will be Allotted to Strategic Investors in terms of this Offer Document and the Final Offer Document, which price will be equal to or higher than the Issue Price The Strategic Investor Issue Price will be decided by the Manager in consultation with the Lead Managers
Strategic Investor Unit Subscription Agreement	Strategic Investor Unit Subscription Agreements as described in "*The Issue*" on Page 378
Syndicate Agreement	The agreement dated March 8, 2019, entered into between the Trustee (on behalf of the Embassy REIT), the Manager, the Embassy Sponsor, the Blackstone Sponsor, the Lead Managers and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries, registered with SEBI who are permitted to carry out activities as an underwriter, being, IIFL Securities Limited, JM Financial Securities Limited and Kotak Securities Limited
Syndicate/ Members of the Syndicate	The Lead Managers and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	Agreement dated [●], entered into between the Trustee (on behalf of the Embassy REIT), the Underwriters, the Manager, the Embassy Sponsor and the Blackstone Sponsor
Working Day	Working Day, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/ Issue Closing Date and the listing of the Units on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical, Industry related and other terms

Term	Description
"in-fill"	Refers to geographic areas that are typified by significant population densities and low availability of land suitable for being developed into competitive properties, resulting in limited opportunities for new construction
ABD	Alternate Business District
Absorption/Take Up	Represents the total office space known to have been let out to tenants or owner-occupiers during the survey period. A property is deemed to be taken-up only when contracts are signed or a binding agreement exists
ADR	Average Daily Rate (ADR) is a measure of the average rate charged for rooms sold and is calculated by dividing total rooms revenue for a period by the number of rooms sold during that period
APAC	Asia Pacific
Bare Shell	Space delivered to the tenant with a simple, plain cement structure with water lines and common electric connection. The tenant (or the developer, at additional cost) will be required to carry out interior fit-outs, electrical and plumbing work
Base Rent (psf per month)	$\frac{\text{Base Rentals for the specified period}}{\text{(Occupied Area * monthly factor)}}$
Base Rentals (Rs.)	Rental income contracted from the leasing of Completed Area; does not include fit-out and car parking income
BFSI	Banking, Financial Services and Insurance
BKC	Bandra Kurla Complex
Bn	Billion
BPO	Business Process Outsourcing
Built to suit or BTS	Properties which have been built on specifications laid down by a specific tenant, for onward leasing by the tenant only. The properties may or may not be owned by the developer (depending on the lease/sale model followed), but are expected to be occupied by the same tenant only in the long term
Business Process as a Service (BPaaS)	A version of software as a service (SaaS) where buyer receive standardized business process services sourced from the cloud by accessing a shared set of resources at each delivery level (people, application, infrastructure) from a single service provider and constructed for multi-tenancy. Services are often automated, and accessed via Internet-based technologies
Business Process Management (BPM)	Erstwhile BPO; now re-branded as BPM – includes processes that may be IT-enabled, do not necessitate on-shore presence and are hence offshore
CAGR	Compounded Annual Growth Rate
Cap rate	Cap rate is a real estate industry metric. Cap rate for office space a geography refers to the ratio of the net operating income from rentals from the office space to their gross asset value
Capital Values	Quoted capital values; measured in INR/ sq ft representing the average asking (quoted) sale price for all available space in existing buildings at the end of the period.
Captive Hotel	Hotels built as a part of and located within business parks
CBD	Central Business District
CBRE Report	"Real Estate Market Report" dated September 18, 2018 issued by CBRE
Chain Affiliated Hotels	Hotels that are either (i) owned and operated by hotel chains, or (ii) operated by hotel chains on behalf of other owners or (iii) operated by owners themselves or third parties under a franchise arrangement from hotel chains. For this purpose, we have included all recognised international global chains operating in India, irrespective of the number of hotels or rooms operated by them in the country. Domestic hotel chains that are generally considered as operating under common branding are included; other domestic chains are only considered if they have 5 or more hotels operating at least regionally in India; for clarity, groups that have multiple hotels only within one state are not considered unless these are generally regarded as hotel chains by the market. Hotel companies that are

Term	Description
	primarily operating time share facilities have been excluded; one-star hotels have also been excluded
Commercial (Non-IT)	Refers to a development type; includes all non-IT buildings, inclusive of those for corporate office space
Committed Occupancy (%)	$\frac{\text{(Occupied Area) + (Completed Area under letter of intent)}}{\text{Completed Area}}$
Completed Area	The Leasable Area of a property for which occupancy certificate has been received
Completed Area (sf)	Leasable Area for which occupancy certificate has been received and includes area for which construction has been completed and occupancy certificate is awaited
CPI	Consumer Price Index
Criterion for Building Basket	Grade A, MTB properties greater than or equal to 75,000 sq ft have been included as part of this study. However, basis city dynamics, prominent Built To Suit (BTS) developments have also been considered in Bengaluru
Current account deficit	Country's total imports of goods, services and transfers less its total export of goods, services and transfers
customer stickiness	customer stickiness is an industry related term, which refers to customer loyalty and the tendency of customers to renew their relationship with their landlord, supplier or service provider
CY	Calendar year
Delhi NCR	National Capital Region
Developable Area	The total area (including hotels) which is developed on each property, and includes carpet area, common area, service and storage area, as well as other open area, including car parking
DIPP	Department for Promotion of Industry and Internal Trade
Disposable income	Income less income tax
EBD	Extended Business District Bengaluru
Economy segment	Typically 2 star hotels providing functional accommodation and limited services, while being focussed on price consciousness
e-Commerce	Commercial transaction conducted electronically on the Internet by businesses and consumers is called e-commerce. Ecommerce is divided into Business to Business (B2B), Business to consumer (B2C) and Consumer to Consumer (C2C)
EOP	Embassy Office Parks
ER&D	Engineering, Research & Development
ExBD	Extended Business District MMR
FDI	Foreign Direct Investments
Fiscal deficit	The gap between the government's total spending and the sum of its revenue receipts and non-debt capital receipts. It represents the total amount of borrowed funds required by the government to fully meet its expenditure
FPI	Foreign Portfolio Investors
FS	Financial Services
Fully Furnished/fitted	A "plug-and-play" facility ready for tenant to move in
GAV (Gross Asset Value)	Market value of property as per the valuation done by CBRE, as of December 31, 2018
GCC	Global Capability Centre
GDP	Gross Domestic Product
GIC	Global In-house Centre
Global In-house Centres/ Captive units	Captive units include both MNC-owned units that undertake work for the parents' global operations and the company owned units of domestic firms

Term	Description
Global Sourcing	Services sourced from country/countries different from the country where the firm receiving the services is located. It includes both offshoring and nearshoring
GoI	Government of India
Grade A	Refers to a development type; tenant profiles include prominent multinational corporations and the building area is not less than 10,000 sq. ft. It should include an open plan office with large size floor plates, adequate ceiling height, 24 X 7 power back-up, supply of telephone lines, infrastructure for access to internet, central air-conditioning, spacious and well decorated lobbies, circulation areas, good lift services, sufficient parking facilities and should have centralized building management and security systems
Grade B	Refers to a development type where the tenant profile includes mid to small sized corporates, average floor plate sizes, flexible layout, adequate lobbies, provision of centralized or free-standing air-conditioning, adequate lift services, parking facilities not essential. An integrated property management system might not be in place, while external facade might be ordinary. Multiple ownership might be a norm. Such developments have typically been excluded from the Industry Report. Inclusion to be entirely case specific and micro-market specific as per the local city dynamics
Gross Domestic Product	Nominal real PPP Total value of the goods and services produced by economic resources located in a country in a year regardless of their ownership (compare gross national product)
Gross National Savings	Gross saving is disposable income less consumption
Gross Rentals (Rs.)	Gross Rentals is the sum of Base Rentals, fit-out and car parking income from Occupied Area for the month of December 2018.
Gross Rentals at market (Rs.)	Market Rent * Occupied Area + car parking and fit-out income as of the month of December 2018
GST	Goods and Services Tax
IBEF	India Brand Equity Foundation
Hotel Market Report or HTL Report or Horwath Report	“Hotel Market Report” dated September 18, 2018 issued by CHHTL
IMF	International Monetary Fund
Inflation	A sustained rise in the general price level. The inflation rate is the percentage rate of change in the price level
Information Technology (IT)	Refers to a development type; includes buildings developed for occupiers involved in IT/ITeS operations (as defined in the National and State Level IT Policies), inclusive of STPI (Software Technology Parks of India)
infrastructure-like	infrastructure-like refers to the presence of amenities and other facilities at our office parks that are akin to infrastructure available in well-organised cities, such as roads, power sub-stations and intra-park buses.
In-place Rent (psf per month)	Base Rent for the month of December 2018
INR	Indian rupees
IS outsourcing (RIM)	IS outsourcing services involving a long-term, contractual arrangement in which a service provider takes ownership of responsibility for managing all or parts of a client’s information system operations or department based on a service level agreement. An IS outsourcing contract usually includes data centre operations and may also include services such as desktop management, local and wide area network operations management, helpdesk support, application development and maintenance, disaster recovery services and related consulting and system integration activities
IT Services	IT Services involve a full range of engagement types that include consulting, system integration, IT outsourcing/managed services/hosting services, training and support/maintenance
ITES	IT Enabled Services
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KPO	Knowledge Process Outsourcing

Term	Description
Leasable Area (sf)	Total square footage that can be occupied by a tenant for the purpose of determining a tenant's rental obligations Leasable Area is the sum of Completed Area, Under Construction Area and Proposed Development Area)
Luxury and upper upscale segment	These classifications typically refer to top tier hotels; in India these would generally be classified as 5 star, deluxe and luxury hotels
Market Rent (psf per month)	Management's estimate of Base Rent that can be expected from leasing of the asset to a tenant as of December 2018; does not include fit-out and parking income
Market Value	Market Value as determined by the Valuer as of December 31, 2018. For details on the valuation approach and methodology, please see "*Summary Valuation Report*" on page 626 Market Value is not a recognized measure under Ind-AS or IFRS and does not reconcile with the carrying amounts of property, plant and equipment and investment properties appearing on our combined balance sheet as of December 31, 2018. Our Special Purpose Condensed Combined Financial Statements also include a Asset SPV wise net assets at fair value. For further details, please see Statement of Net Assets at Fair Value in "*Financial Information of the Embassy REIT*" on page 523
Midscale segment	Typically 3 star hotels with distinctly moderate room sizes, quality and pricing, and a lower quality of services; while domestic brand midscale hotels are often more full service in nature, services tend to be more selectively available among international branded midscale hotels
MICE	Meetings, Incentives, Conferences and Exhibitions
MMR	Mumbai Metropolitan Region
Mn or mm	Million
MNC	Multi National Company
MRTS	Mass-Rapid Transit System
Multi Tenanted Buildings (MTB)	Properties which have been built on general specifications laid down by the developer and have been leased out to multiple tenants. The properties may or may not be owned by the developer, (depending on the lease/sale model followed)
NA	Not applicable
NASSCOM	National Association of Software and Services Companies
NBD	North Bengaluru District
NBFC	Non-banking financial companies
NH	National highway
NMBD	Navi Mumbai Business District
NOIDA	New Okhla Industrial Development Authority
Noida Expressway	Noida – Greater Noida Expressway
OBD	Other Business District
Occupancy	Occupancy or average occupancy for a hotel represents the total number of room nights sold for a given period divided by the total number of room nights available for the same period
Occupancy (%)	$\frac{\text{Occupied Area}}{\text{Completed Area}}$
Occupied Area	The Completed Area of a property which has been leased or rented out in accordance with an agreement entered into for the purpose
Occupied Area (sf)	Completed Area for which lease agreements have been signed with tenants
OECD	Organisation for Economic Cooperation and Development
Ongoing Development	The Leasable Area of a property for which the master plan for development has been obtained, internal development plans have been finalised and requisite approvals for the commencement of construction required under law have been applied for and construction is yet to commence

Term	Description
ORR	Outer Ring Road
Outsourcing	Outsourcing is a type of engagement, such as consulting and integration that can be sourced from any of the lower-cost regions
PBD	Whitefield and Other Peripheral Business District
PBD East	Peripheral Business District East
PBD West	Peripheral Business District West
PE	Private Equity
Per Capita Income	Average income earned per person
PPA	Power Purchase Agreement
Pre-Committed Area	The Under Construction Area in respect of which an agreement to lease or rent has been entered into
Proposed Development	The Leasable Area of a property for which the master plan for development has been obtained, the internal development plans are yet to be finalized and applications for requisite approvals required under law for commencement of construction are yet to be made
Proposed Development Area (sf)	Leasable Area of a property for which the master plan for development has been obtained, internal development plans are yet to be finalized and applications for requisite approvals required under law for commencement of construction are yet to be received
PSU	Public sector undertaking
Public Private Partnership/PPP	A long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance
Re-leasing spread	Refers to the change in rent per square foot between new and expiring leases, expressed as a percentage
Rent Free Period	Represents the typical number of months of rent free period offered to tenants by landlords as an incentive, which is typically used by tenants to cover fit - outs. The variable can be expressed as a range
Rental Values	Quoted rental values; measured in INR/sq ft/month representing the average asking (quoted) rental rate for all available space in existing buildings at the end of a period. This rate indicates an average of what landlords would charge to lease space in that market, with operating costs covered by the tenant. Rental values provided in this database are exclusive of property taxes
RERA	Real Estate (Regulation and Development) Act, 2016
RevPAR	Revenue Per Available Room (RevPAR) is a hotel industry financial metric calculated by multiplying the Average Daily Rate by the percentage occupancy
SAARC	South Asian Association for Regional Cooperation
SB	South Bengaluru
SBD	Secondary Business District
Security Deposit	A non-interest bearing and refundable deposit paid by the tenant to the lessor, which is paid back upon termination of the lease agreement
SEZ (Special Economic Zone)	Refers to a development type; includes all IT focused Special Economic Zones approved as per the SEZ India Authority
Site Area	The total extent of the land over which the Developable Area is situated
Sq ft	Square Feet
STPI	Software Technology Parks of India
Supply	Represents the total area of new floor space that has reached practical completion and is occupied, ready for occupation or an occupancy permit, where required, has been issued during the survey period. The status of the building will have been changed from space 'Under Construction' to 'Completed' during the quarter. Development Completions are also known as 'New Supply' in some markets
TBD	Thane Business District

Term	Description
Tenant improvement capex	Refers to capital expenditure spent by us towards fit-outs. For some of our tenants, we provide built-to-suit premises, wherein we provide "fit-outs", i.e., interior permanent furnishings or spacings as per the tenants' requirements (as opposed to warm shell premises that contain only minimally furnished interiors). For such properties, we recover the value of the fit-outs provided through fit-out rentals
Total Occupied Stock Calculation	Total Stock minus Vacant Space
Total Stock	Represents the total completed space (occupied and vacant) in the market at the end of the quarter / year
Typical Lease Term	The standard lease term for office space in India is mostly three years, with a tenant's option to renew the lease for two more terms of three years each (3+3+3 years)
Under Construction Area	The Leasable Area of a property for which the master plan for development has been obtained, internal development plans have been finalised and requisite approvals for the commencement of construction required under law have been applied, construction has commenced and the occupancy certificate is yet to be received
Under Construction Area (sf)	Leasable Area for which internal development plans have been finalized and requisite approvals as required under law for the commencement of construction have been applied for, construction has commenced and the occupancy certificate is yet to be received
Upper Midscale segment	Hotels which are more moderately positioned and priced than upscale hotels. These may be full service or even select service hotels, typically with lesser public areas and facilities and possibly smaller room sizes, than upscale hotels. In India these would generally be classified as 4 star and sometimes 3 star
Upscale segment	Hotels which are more moderately positioned and priced, with smaller room sizes, than the top tier hotels. In India these would generally be classified as 4 or even 5 star hotels, with quality ranging between mid / upper 4 star and entry level 5 star quality
USD or US$	US Dollars
Vacancy Rate (%)	Vacant Space expressed as a percentage of Total Stock
Vacant Area	The Completed Area of a property less Occupied Area
Vacant Space	Represents the total office space in existing properties, which is physically vacant and is being actively marketed as at the end of the quarter/ year. Space that is physically vacant, but not being marketed or is not available for occupation is excluded from vacancy. Space that is Under Construction is also excluded from Vacant Space
WALE	Weighted Average Lease Expiry. Calculated assuming tenants exercise all their renewal options post expiry of their initial commitment period
Warm Shell	Space delivered to the tenant including AC ducting, basic electrical wiring and plumbing. In a warm shell lease, the client may decide to do the fit-out or ask the developer to undertake the same
Working Age Population	The working age population is defined as those aged 15 to 64. The basic indicator for employment is the proportion of the working age population aged 15-64 who are employed. The age dependency ratio is the ratio of dependents (people younger than 15 or older than 64) to the working-age population
Y-o-Y	Year-on-Year
YTD	Year to date

Abbreviations

Term	Description
BBMP	Bruhat Bengaluru Mahanagara Palike
BSE	BSE Limited
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 2013

Term	Description
Competition Act	Competition Act, 2002, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
DIN	Director Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year or Fiscal or FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
GAAR	General Anti Avoidance Rules
GoI or Government	Government of India
GST Act	Central Goods and Services Tax Act, 2017
IBC	Insolvency and Bankruptcy Code, 2016
Ind AS	Indian Accounting Standards as defined in Section 133 of the Companies Act, 2013, including any amendments or modifications thereto
Indian GAAP or Previous GAAP	Previously generally accepted accounting principles in India that were notified by the MCA under the Companies (Accounting Standards) Rules, 2006, and amended pursuant to the relevant provisions of the Companies Act
Indian GAAS	Generally Accepted Auditing Standards in India
IRDAI	Insurance Regulatory and Development Authority of India
MCA	Ministry of Corporate Affairs
MCGM	Municipal Corporation of Greater Mumbai
MoEF	Ministry of Environment and Forests
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
REIT	Real Estate Investment Trust
REIT Regulations	Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended
Rs./Rupees/INR/₹	Indian Rupees
Rule 144A	Rule 144A under the Securities Act
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI Guidelines	Circular dated December 19, 2016 on Guidelines for public issue of units of REITs issued by SEBI, circular dated December 26, 2016 on Disclosure of Financial Information in Offer Document for REITs issued by SEBI, as amended on January 15, 2019 circular dated December 29, 2016 on Continuous Disclosures and Compliances by REITs issued by SEBI, circular dated January 18, 2018 on participation by Strategic Investor(s) in InvITs and REITs issued by the SEBI and any other circulars, guidelines and clarifications issued by SEBI under the REIT Regulations, from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Securities Act	U.S. Securities Act of 1933, as amended
Stock Exchanges	Together, BSE and NSE
Trust Act	Indian Trusts Act, 1882
U.S./U.S.A./United States	United States of America
USD/US$	United States Dollar

DECLARATION

The Manager declares and certifies that all relevant provisions of the REIT Regulations SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Offer Document is contrary to the provisions of the REIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Manager further certifies that all the statements and disclosures in this Offer Document are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Office Parks Management Services Private Limited:**

Anuj Puri
Independent Director

Date: March 11, 2019
Place: Mumbai

DECLARATION

The Manager declares and certifies that all relevant provisions of the REIT Regulations SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Offer Document is contrary to the provisions of the REIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Manager further certifies that all the statements and disclosures in this Offer Document are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Office Parks Management Services Private Limited:**

Dr. Punita Kumar Sinha
Independent Director

Date: March 11, 2019
Place: Mumbai

DECLARATION

The Manager declares and certifies that all relevant provisions of the REIT Regulations SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Offer Document is contrary to the provisions of the REIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Manager further certifies that all the statements and disclosures in this Offer Document are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Office Parks Management Services Private Limited:**

Dr. Ranjan Pai
Independent Director

Date: March 11, 2019
Place: Bengaluru

DECLARATION

The Manager declares and certifies that all relevant provisions of the REIT Regulations SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Offer Document is contrary to the provisions of the REIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Manager further certifies that all the statements and disclosures in this Offer Document are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Office Parks Management Services Private Limited:**

Vivek Mehra
Independent Director

Date: March 11, 2019
Place: Delhi

DECLARATION

The Manager declares and certifies that all relevant provisions of the REIT Regulations SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Offer Document is contrary to the provisions of the REIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Manager further certifies that all the statements and disclosures in this Offer Document are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Office Parks Management Services Private Limited:**

Aditya Virwani
Non-Executive Director

Date: March 11, 2019
Place: Bengaluru

DECLARATION

The Manager declares and certifies that all relevant provisions of the REIT Regulations SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Offer Document is contrary to the provisions of the REIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Manager further certifies that all the statements and disclosures in this Offer Document are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Office Parks Management Services Private Limited:**

Jitendra Virwani
Non-Executive Director

Date: March 11, 2019
Place: Bengaluru

DECLARATION

The Manager declares and certifies that all relevant provisions of the REIT Regulations SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Offer Document is contrary to the provisions of the REIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Manager further certifies that all the statements and disclosures in this Offer Document are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Office Parks Management Services Private Limited:**

Robert Christopher Heady
Non-Executive Director

Date: March 11, 2019
Place: Hong Kong

DECLARATION

The Manager declares and certifies that all relevant provisions of the REIT Regulations SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Offer Document is contrary to the provisions of the REIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Manager further certifies that all the statements and disclosures in this Offer Document are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Office Parks Management Services Private Limited:**

Tuhin Parikh
Non-Executive Director

Date: March 11, 2019
Place: Mumbai

DECLARATION

The Embassy Sponsor hereby declares and certifies that all statements specifically made and undertakings provided by it in this Offer Document, about or in relation to itself in connection with the Issue are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Property Developments Private Limited**

Aditya Virwani
Director

Date: March 11, 2019
Place: Bengaluru

DECLARATION

The Embassy Sponsor hereby declares and certifies that all statements specifically made and undertakings provided by it in this Offer Document, about or in relation to itself in connection with the Issue are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Property Developments Private Limited**

Chandra Das Sitaram
Director

Date: March 11, 2019
Place: Singapore

DECLARATION

The Embassy Sponsor hereby declares and certifies that all statements specifically made and undertakings provided by it in this Offer Document, about or in relation to itself in connection with the Issue are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Property Developments Private Limited**

Jitendra Virwani
Director

Date: March 11, 2019
Place: Bengaluru

DECLARATION

The Embassy Sponsor hereby declares and certifies that all statements specifically made and undertakings provided by it in this Offer Document, about or in relation to itself in connection with the Issue are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Property Developments Private Limited**

Karan Virwani
Director

Date: March 11, 2019
Place: Bengaluru

DECLARATION

The Embassy Sponsor hereby declares and certifies that all statements specifically made and undertakings provided by it in this Offer Document, about or in relation to itself in connection with the Issue are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **Embassy Property Developments Private Limited**

Narpat Singh Choraria
Director

Date: March 11, 2019
Place: Bengaluru

DECLARATION

The Blackstone Sponsor hereby declares and certifies that all statements specifically made and undertakings provided by it in this Offer Document, about or in relation to itself in connection with the Issue are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **BRE/ Mauritius Investments**

Richard Arlove
Director

Date: March 11, 2019
Place: Mauritius

DECLARATION

The Blackstone Sponsor hereby declares and certifies that all statements specifically made and undertakings provided by it in this Offer Document, about or in relation to itself in connection with the Issue are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **BRE/ Mauritius Investments**

Kimmo Tammela
Director

Date: March 11, 2019
Place: Singapore

DECLARATION

The Blackstone Sponsor hereby declares and certifies that all statements specifically made and undertakings provided by it in this Offer Document, about or in relation to itself in connection with the Issue are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **BRE/ Mauritius Investments**

Gilles Marie Thierry Adolphe
Director

Date: March 11, 2019
Place: Mauritius

DECLARATION

The Blackstone Sponsor hereby declares and certifies that all statements specifically made and undertakings provided by it in this Offer Document, about or in relation to itself in connection with the Issue are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

For **BRE/ Mauritius Investments**

Venkatesen Saminada Chetty
Director

Authorised Signatory

Date: March 11, 2019
Place: Mauritius

DECLARATION

The Trustee (on behalf of the Trust) declares and certifies that all relevant provisions of the REIT Regulations SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Offer Document is contrary to the provisions of the REIT Regulations the SCRA, SEBI Guidelines, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Trustee (on behalf of the Trust) further certifies that all the statements and disclosures in this Offer Document are material, true, correct, not misleading and adequate in order to enable the investors to make a well informed decision.

Axis Trustee Services Limited (on behalf of the Embassy REIT)

Authorised Signatory

Date: March 11, 2019
Place: Mumbai

X. ANNEXURES

FINANCIAL INFORMATION OF THE EMBASSY REIT

Independent Auditor's Report

To the Board of Directors of

Embassy Office Parks Management Services Private Limited ('EOPMSPL' or 'the Manager')
1st Floor, Embassy Point,
150, Infantry Road,
Bangalore-560001

Report on audit of Condensed Combined Financial Statements

Qualified Opinion

We have audited the accompanying special purpose condensed combined financial statements ('Condensed Combined Financial Statements') of the Embassy Office Parks Group (as defined in note 1 of the Condensed Combined Financial Statements) which comprise the Combined Balance Sheet as at 31 December 2018, 31 March 2018, 31 March 2017 and 31 March 2016; the Combined Statement of Profit and Loss, the Combined Statement of Changes in Equity, the Combined Statement of Cash Flow, and a summary of significant accounting policies and other explanatory information for the nine months ended 31 December 2018 and the years ended 31 March 2018, 31 March 2017 and 31 March 2016, the Statement of Net Assets at Fair Value as at 31 December 2018, the Statement of Total Returns At Fair Value for the nine months ended 31 December 2018 and the year ended 31 March 2018 and other additional financial disclosures as required under Securities and Exchange Board of India (SEBI) circular number CIR/IMD/DF/141/2016 dated 26 December 2016 (together referred to as the Condensed Combined Financial Statements), annexed to this report.

The Condensed Combined Financial Statements have been prepared in accordance with the basis of preparation as set out in note 2.1 to the Condensed Combined Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the SPVs, except for the effect of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid Condensed Combined Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Embassy Office Parks Group as at 31 December 2018, 31 March 2018, 31 March 2017 and 31 March 2016 and of its profit, its changes in equity, and its cash flows for the nine months ended 31 December 2018 and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016, its Net Assets at Fair Value as at 31 December 2018 and its Total Returns at Fair Value for the nine months ended 31 December 2018 and for the year ended 31 March 2018, in accordance with the basis of preparation set out in note 2.1 to the Condensed Combined Financial Statements.

Basis of Qualified Opinion

1. As at 31 December 2018, Manyata Promoters Private Limited (MPPL) has advanced loans aggregating Rs 7,250.00 million (31 March 2018: Rs 8,610.00 million, 31 March 2017: Rs 1,260.00 million and 31 March 2016: Rs 555.00 million) to a company in which a Director of MPPL is interested. As per the requirements of Section 185 of the Act, no company shall, directly or indirectly, provide/receive any loan or give/obtain any guarantee or provide/obtain any security to a person in whom a Director is interested. Accordingly, the aforementioned loans given by MPPL are not in compliance with the requirements of the Companies Act, 2013 ("the Act"). Liabilities / penalties, if any, on account of the above non-compliance are presently not ascertainable and therefore have not been provided for in these Condensed Combined Financial Statements. However, subsequent to the reporting date, MPPL has received Rs 550.00 million from the company in which the Director of MPPL is interested.

2. As at 31 December 2018, Umbel Properties Private Limited (UPPL) has received a loan aggregating Rs. 2,036.41 million (31 March 2018: Rs. 2,061.41 million, 31 March 2017: Rs. 1,928.38 million and 31 March 2016: Rs. 1,500.15 million) from a company in which a Director of UPPL is interested of which Rs. 1,027.48 million (31 March 2018: Rs. 1,052.48 million, 31 March 2017: Rs. 919.45 million and 31 March 2016: Rs. 491.22 million) (net of repayments) has been received after 12 September 2013. As per the requirements of Section 185 of the Act, no company shall, directly or indirectly, provide/receive any loan or give/obtain any guarantee or provide/obtain any security to a person in whom a Director is interested. Accordingly, the aforementioned loans obtained by UPPL are not in compliance with the requirements of the Act. Liabilities / penalties, if any, on account of the above non-compliance are presently not ascertainable and therefore have not been provided for in these Condensed Combined Financial Statements. However, subsequent to the reporting date, the above loan has been converted into equity shares.

Emphasis of Matter

1. We draw attention to note 45(4) to the Condensed Combined Financial Statements which refers to the uncertainty in relation to the pending case as at 31 December 2018, 31 March 2018, 31 March 2017 and 31 March 2016 against the demand order to pay a sum of Rs. 2,739.50 million (including interest and penalty demanded) towards the differential property tax payable by Manyata Promoters Private Limited (MPPL) for the period 2008-09 to 2015-16. MPPL is contesting that the schedule property is developed as a special economic zone and is not to be classified under the category under which the Assistant Revenue Officer has raised the demand. MPPL filed a Writ Petition against the demand order which was dismissed by the Honourable High Court of Karnataka which had upheld the demand made by Bruhat Bengaluru Mahanagara Palike (BBMP). Against the order passed by a single judge for the dismissal of the Writ Petition, MPPL filed an appeal before the Honourable High Court of Karnataka and the same has been admitted by the High Court on 27 June 2016. The matter had been posted for hearing in the Honourable High Court of Karnataka on 29 August 2016. However, as of the date of these Condensed Combined Financial Statements, no further developments have taken place. Management believes that MPPL has reasonable grounds to succeed with the said Writ Petition based on an independent legal opinion obtained and accordingly MPPL has not made any provision in relation to the demand. As at 31 December 2018, 31 March 2018, 31 March 2017 and 31 March 2016, MPPL has paid Rs. 569.40 million, Rs. 569.40 million, Rs. 542.62 million and Rs. 542.62 million respectively under protest against the above demand.

2. We also draw attention to Note 45(4) which refers to the uncertainty in relation to the pending case as at 31 December 2018 and 31 March 2018, against the demand order to pay a sum of Rs. 760.07 million (including interest and penalty demanded) towards the difference of property tax based on the total survey report of certain buildings of MPPL. MPPL is contesting this demand before The Joint Commissioner, BBMP, Bytarayanapura, Bangalore objecting the total survey report and property tax assessment notice. The same is still pending for disposal. As of the date of these Condensed Combined Financial Statements, no further developments have taken place. Management believes that MPPL has reasonable grounds to succeed in the said appeal based on an independent legal opinion obtained and accordingly MPPL has not made any provision in relation to the demand. As at 31 December 2018 and 31 March 2018, MPPL has paid Rs 77.29 million and Rs 77.29 million respectively under protest against the above demand.

3. We also draw attention to Note 45(10) of the Condensed Combined Financial Statements which refers to the pending litigation in relation to the Order dated 14 May 2018 issued by Karnataka Electricity Regulatory Commission, (KERC) Bengaluru withdrawing the exemption from payment of wheeling and banking charges, cross subsidy charges etc. which were available for a period of ten years from the date of commissioning. The impact of the above has been estimated by the management of EEPL to be approximately Rs 335.44 million as at 31 December 2018 (31 March 2018: Rs 33.90 million; 31 March 2017: Nil; 31 March 2016: Nil).

   Embassy Energy Private Limited (EEPL) has filed a writ petition with the Honorable High Court of Karnataka challenging the KERC Order and has obtained an interim Stay Order dated 24 May 2018. KERC has filed an appeal with the Honorable High Court of Karnataka for transferring the case to the Electricity Tribunal. The Management believes that EEPL has reasonable grounds to succeed in the said case based on an independent legal opinion obtained. Accordingly, the management of EEPL believes the outcome of this litigation will not have an impact on EEPL.

Our opinion is not modified in relation to the above matters.

Responsibilities of Management and Those Charged with Governance for the Condensed Combined Financial Statements

The Manager is responsible for the preparation and presentation of these Condensed Combined Financial Statements that give a true and fair view of the combined state of affairs, combined profit and other comprehensive income, combined changes in equity, combined cash flows, position of net asset at fair value and the total returns at fair value of the Embassy Office Parks Group in accordance with the basis of preparation as set out in note 2.1 to the Condensed Combined Financial Statements. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Condensed Combined Financial Statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

The respective managements of the SPVs (as defined in note 1 to the Condensed Combined Financial Statements) are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 ("the Act") for safeguarding the assets of the SPVs and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Condensed Combined Financial Statements by the Manager as aforesaid.

In preparing the Condensed Combined Financial Statements, the Manager is responsible for assessing the Embassy Office Parks Group's ability 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 Embassy Office Parks Group or to cease operations, or has no realistic alternative but to do so.

The Manager is also responsible for overseeing the Embassy Office Parks Group's financial reporting process.

Auditor's Responsibility for Audit of Condensed Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the Condensed Combined 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 Standards on Auditing issued by the Institute of Chartered Accountants of India will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Condensed Combined Financial Statements.

We also conducted our audit in accordance with (a) the terms of reference vide our engagement letter dated 4 January 2019 to carry out work on such Condensed Combined Financial Statements to be included in the Offer Document and the Final Offer Document of Embassy Office Parks Real Estate Investment Trust ("the Trust") in connection with its proposed Initial Public Offering; (b) Guidance Note on Combined and Carve-out Financial Statements (c) Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India and (d) Securities and Exchange Board of India (SEBI) circular number CIR/IMD/DF/141/2016 dated 26 December 2016, to the extent applicable to these Condensed Combined Financial Statements.

As part of an audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Condensed Combined 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 whether the Embassy Office Parks Group has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls.

- 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 Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Condensed Combined 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 Embassy Office Parks Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Condensed Combined Financial Statements, including the disclosures, and whether the Condensed Combined Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the Condensed Combined Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities. For the other entities included in the Condensed Combined Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Embassy Office Parks Group and such other entities included in the Condensed Combined Financial Statements of which we are the independent auditors 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.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section, is sufficient and appropriate to provide a basis for our audit opinion on the Condensed Combined Financial Statements.

Basis of Accounting

Without modifying our opinion, we draw attention to note 2.1 to the Condensed Combined Financial Statements which describes the basis of preparation of the Condensed Combined Financial Statements. The Condensed Combined Financial Statements have been prepared by the Manager to meet the requirements of the Real Estate Investment Trusts (REIT) Regulations, 2014, as amended, read along with SEBI circular number CIR/IMD/DF/141/2016 dated 26 December 2016 and the circulars issued thereunder and for inclusion in the Offer Document and the Final Offer Document prepared by the Manager in connection with the proposed Initial Public Offering of units of the Trust. As a result, the Condensed Combined Financial Statements may not be suitable for any other purpose.

Other matters

1. The respective SPVs, except the carved out financial statements of Embassy One Developers Private Limited (EODPL), have prepared a separate set of financial statements for the nine months ended 31 December 2018 and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 in accordance with the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. We/ other auditors have issued separate auditor's report to the shareholders of the SPVs for the years ended 31 March 2018, 31 March 2017 and 31 March 2016. We have not issued separate auditor's report to the shareholders of the SPVs on the separate set of financial statements for the nine months ended 31 December 2018.

2. The carved out financial statements of EODPL for the nine months ended 31 December 2018 and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 have been prepared in accordance with the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India.

3. The financial statements of Manyata Promoters Private Limited (MPPL) for the years ended 31 March 2017 and 31 March 2016 prepared in accordance with the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 were jointly audited by us and another firm of chartered accountants who expressed a qualified opinion on those financial statements dated 21 September 2017. Details of the qualified opinion have been included in the point 2 of the 'Basis of Qualified Opinion' section.

4. The financial statements of Embassy Energy Private Limited (EEPL) for the year ended 31 March 2016 and the transition date opening balance sheet considered for preparation of the Condensed Combined Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2016 dated 12 May 2016 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by EEPL on transition to the Ind AS, which have been audited by us.

5. The financial statements of Vikhroli Corporate Park Private Limited (VCPPL) for the years ended 31 March 2017, 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 considered for preparation of the Condensed Combined Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose reports for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 dated 28 July 2017, 18 July 2016 and 11 May 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by VCPPL on transition to the Ind AS, which have been audited by us.

6. The financial statements of Earnest Towers Private Limited (ETPL) for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 considered for preparation of the Condensed Combined Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose reports for the years 31 March 2016 and 31 March 2015 dated 28 September 2016 and 23 September 2015 respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by ETPL on transition to the Ind AS, which have been audited by us.

7. We did not audit the financial statements of Indian Express Newspapers (Mumbai) Private Limited (IENPL), whose financial statements reflect total assets of Rs. 6,363.31 million as at 31 March 2018 (31 March 2017: Rs. 6,612.24 million; 31 March 2016: Rs. 6,828.17 million), total revenues of Rs. 1,347.90 million (31 March 2017: Rs. 1,202.96 million; 31 March 2016: Rs. 1,290.64 million) and net cash inflows/ (outflows) amounting to Rs. 0.70 million (31 March 2017: (Rs. 12.14 million); 31 March 2016: (Rs. 30.95 million)) for the years then ended, as considered in the Condensed Combined Financial Statements. The Condensed Combined Financial Statements also include IENPL's net asset value at fair value of Rs. 14,086.86 million as at 31 March 2018, total return at fair value of

Rs. 1,286.29 million for the year ended 31 March 2018 as considered in the Condensed Combined Financial Statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Condensed Combined Financial Statements, in so far as it relates to the amounts and disclosures included in respect of IENPL as at and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 are based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by SEBI circular number CIR/IMD/DF/141/2016 ("the SEBI circular") dated 26 December 2016, we report that:

(i) 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;

(ii) The Combined Balance Sheet, the Combined Statement of Profit and Loss, the Combined Statement of Changes in Equity, the Combined Statement of Cash Flow, the Statement of Net Assets At Fair Value and Statement of Total Return At Fair Value dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Condensed Combined Financial Statements;

(iii) In our opinion, the Condensed Combined Financial Statements comply with the basis of preparation as stated in note 2.1 to the Condensed Combined Financial Statements; and

(iv) In our opinion and to the best of our information and according to the explanations given to us, the Condensed Combined Financial Statements give the disclosures, in accordance with the SEBI circular, in respect of Statement of Net Assets at Fair Value as at 31 December 2018 and the Statement of Total Returns at Fair Value for the nine months ended 31 December 2018 and for the year ended 31 March 2018.

Restrictions on Use

This report is intended solely for your information and for inclusion in the Offer Document and the Final Offer Document prepared in connection with the proposed Initial Public Offering of the Trust and is not to be used, referred to or distributed for any other purpose without our prior written consent.

for **B S R & Associates LLP**

Chartered Accountants
Firm Registration Number: 116231W/W-100024

Rushank Muthreja
Partner
Membership No: 211386

Place: Bengaluru
Date: 1 March 2019

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Combined Balance Sheet

		Rs in millions			
	Note	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
ASSETS					
Non-current assets					
Property, plant and equipment	3	10,109.32	10,398.30	4,156.54	4,344.65
Capital work-in-progress	4	7,578.03	4,970.19	3,585.54	2,139.50
Investment property	5	67,653.37	66,610.50	62,731.15	63,951.39
Investment property under development	6	4,945.26	4,600.09	2,919.57	853.47
Goodwill on consolidation	7	8,119.37	8,119.37	8,119.37	8,104.62
Other intangible assets	7A	2,845.56	2,911.75	2,837.95	2,859.91
Equity accounted investee	8	6,433.56	5,558.67	4,598.72	4,013.89
Financial assets					
– Investments	9	471.00	389.58	355.28	6,314.27
– Loans	11	648.59	828.72	1,573.19	1,501.43
– Other financial assets	12	2,754.05	2,048.34	1,904.17	1,804.39
Deferred tax assets (net)	13	565.82	541.82	342.90	200.56
Non-current tax assets (net)	14	1,245.54	922.80	893.74	872.16
Other non-current assets	15	8,455.39	8,102.58	3,908.40	959.09
Total non-current assets		**121,824.86**	**116,002.71**	**97,926.52**	**97,919.33**
Current assets					
Inventories	16	5.06	8.90	2,925.58	2,383.56
Financial assets					
– Investments	10	2,254.18	2,518.17	1,350.64	1,292.05
– Trade receivables	17	370.52	378.35	362.60	399.60
– Loans	18	8,084.29	9,278.31	1,276.37	595.06
– Cash and cash equivalents	19	2,353.35	1,483.36	2,664.11	1,434.09
– Other bank balances	19	260.38	696.11	1,062.24	280.40
– Other financial assets	20	1,853.88	4,496.49	4,023.67	896.43
Other current assets	21	784.34	292.82	377.24	289.48
Total current assets		**15,966.00**	**19,152.51**	**14,042.45**	**7,570.67**
Total assets		**137,790.86**	**135,155.22**	**111,968.97**	**105,490.00**
EQUITY AND LIABILITIES					
EQUITY					
Capital	22	3,608.18	4,481.90	4,279.11	3,870.71
Instruments entirely equity in nature	23	—	8.57	8.46	8.46
Other equity	24	34,066.21	30,298.79	29,672.59	27,838.04
Total equity		**37,674.39**	**34,789.26**	**33,960.16**	**31,717.21**

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Combined Balance Sheet

	Note	Rs in millions			
		As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
LIABILITIES					
Non-current liabilities					
Financial liabilities					
– Borrowings	25	76,512.28	75,908.65	58,223.64	49,235.32
– Other financial liabilities	26	2,794.36	2,812.83	3,080.77	2,777.58
Provisions	28	7.54	5.20	5.13	3.95
Deferred tax liabilities (net)	27	2,830.44	2,519.54	2,359.77	2,108.29
Other non-current liabilities	29	696.11	647.73	711.30	650.07
Total non-current liabilities		**82,840.73**	**81,893.95**	**64,380.61**	**54,775.21**
Current liabilities					
Financial liabilities					
– Borrowings	30	3,249.37	3,550.57	29.15	1,450.31
– Trade payables					
– total outstanding dues of micro enterprises and small enterprises;	31	—	—	—	—
– total outstanding dues of creditors other than micro enterprises and small enterprises.	31	172.99	416.91	288.83	468.51
– Other financial liabilities	32	13,066.76	13,711.78	12,481.36	16,209.65
Provisions	33	2.23	0.33	0.25	0.21
Other current liabilities	34	652.31	765.23	814.35	791.79
Current tax liabilities (net)	35	132.08	27.19	14.26	77.11
Total current liabilities		**17,275.74**	**18,472.01**	**13,628.20**	**18,997.58**
Total equity and liabilities		**137,790.86**	**135,155.22**	**111,968.97**	**105,490.00**
Significant accounting policies	2				

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

As per our report of even date attached:

for **B S R & Associates LLP**
Chartered Accountants
Firm's registration number: 116231W / W-100024

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

Rushank Muthreja
Partner
Membership number: 211386

Place: Bengaluru
Date: 1 March 2019

Jitendra Virwani
Director
DIN: 00027674

Place: Bengaluru
Date: 1 March 2019

Tuhin Parikh
Director
DIN: 00544890

Place: Mumbai
Date: 1 March 2019

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Combined Statement of Profit And Loss

Rs in millions

	Note	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Income and gains						
Revenue from operations	36	13,759.83	11,829.51	16,118.00	14,849.20	13,970.16
Other income	37	1,172.47	1,053.55	1,544.65	1,607.17	1,783.51
Total Income		**14,932.30**	**12,883.06**	**17,662.65**	**16,456.37**	**15,753.67**
Expenses and losses						
Cost of materials consumed	38	42.34	39.58	54.55	49.08	42.36
Employee benefits expense	42	219.83	152.81	214.93	207.89	180.51
Operating and maintenance expenses	39	1,730.38	1,480.72	2,069.35	2,332.87	2,071.82
Other expenses	40	1,167.84	1,162.20	1,720.14	1,466.82	1,171.31
Impairment loss on property, plant and equipment	3 and 4	386.05	351.75	1,195.29	—	—
		3,546.44	**3,187.06**	**5,254.26**	**4,056.67**	**3,466.01**
Earnings before finance costs, depreciation, amortisation and income tax excluding share of profit of equity accounted investees		**11,385.86**	**9,696.00**	**12,408.39**	**12,399.70**	**12,287.66**
Finance costs	41	5,174.25	4,746.25	6,312.26	6,937.75	7,083.35
Depreciation and amortisation expense	43	2,686.69	2,384.76	3,228.16	3,243.73	3,157.91
Profit before share of profit of equity accounted investees and income tax		**3,524.92**	**2,564.99**	**2,867.97**	**2,218.22**	**2,046.40**
Share of profit of equity accounted investee (net of income tax)		874.89	696.89	959.95	579.33	241.29
Profit before income tax		**4,399.81**	**3,261.88**	**3,827.92**	**2,797.55**	**2,287.69**
Tax expense:						
Current tax	44	1,326.66	930.71	1,297.88	917.42	716.24
Deferred tax charge	44	320.16	903.28	745.45	715.58	1,162.56
MAT credit entitlement	44	(98.15)	(693.66)	(784.49)	(606.02)	(522.94)
Income tax expense		**1,548.67**	**1,140.33**	**1,258.84**	**1,026.98**	**1,355.86**
Profit for the nine months/ year		**2,851.14**	**2,121.55**	**2,569.08**	**1,770.57**	**931.83**
Items of other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
– Remeasurements of defined benefit liability, net of tax		1.14	1.06	1.41	0.69	0.79
Total comprehensive income for the nine months/ year		**2,852.28**	**2,122.61**	**2,570.49**	**1,771.26**	**932.62**
Earnings per unit - refer note 49						
Significant accounting policies	2					

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

As per our report of even date attached:

for **B S R & Associates LLP**

Chartered Accountants
Firm's registration number: 116231W / W-100024

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

Rushank Muthreja
Partner
Membership number: 211386

Place: Bengaluru
Date: 1 March 2019

Jitendra Virwani
Director
DIN: 00027674

Place: Bengaluru
Date: 1 March 2019

Tuhin Parikh
Director
DIN: 00544890

Place: Mumbai
Date: 1 March 2019

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Combined Statement of Changes In Equity

A. (a) Capital

	Amount (Rs in millions)	
	Equity	Instrument entirely equity in nature
Balance as at 1 April 2015	**4,528.30**	**8.46**
Add: Conversion of Compulsorily Convertible Debentures	86.93	—
Add: Receipt of unpaid amount on partly paid up shares	0.45	—
Add: Issue of equity shares—VCPPL	13.39	—
Add: Conversion of EOPPL's Compulsorily Convertible Debentures (CCDs) into equity shares	86.93	—
Add: Conversion of QBPPL Compulsorily Convertible Preference Shares (CCPS) into equity shares	0.00	—
Add: Conversion of Series B and Series D preference shares into equity shares—GSPL	4.46	—
Add: Conversion of Compulsorily Convertible Debentures (CCDs) into equity shares—VCPPL	9.49	—
Add: Loss of carved out entity taken directly to equity (EODPL)	(113.31)	—
Add: Decrease in equity of carved out entity (EODPL)	(745.93)	—
Balance as at 31 March 2016	**3,870.71**	**8.46**
Add: Shares issued on conversion of debentures in OBPL	18.72	—
Less: Elimination of share capital of EEPL	(0.08)	—
Add: Loss of carved out entity taken directly to equity (EODPL)	(60.10)	—
Add: Increase in equity of carved out entity (EODPL)	449.86	—
Balance as at 31 March 2017	**4,279.11**	**8.46**
Add: Increase in equity of carved out entity (EODPL)	1,813.98	—
Add: Loss of carved out entity taken directly to equity (EODPL)	(1,607.43)	—
Equity shares cancelled due to capital reduction in GSPL	(2.17)	—
Redemption of series B preference shares in GSPL	—	(8.46)
Issue of series C preference shares in GSPL	—	8.57
Shares cancelled due to capital reduction in QBPPL	(1.59)	—
Balance as at 31 March 2018	**4,481.90**	**8.57**
Add: Decrease in equity of carved out entity (EODPL)	(73.67)	—
Add: Loss of carved out entity taken directly to equity (EODPL)	(800.09)	—
Conversion of Series C preference shares into equity shares—Galaxy	0.04	(8.57)
Balance as at 31 December 2018	**3,608.18**	**—**
Balance as at 31 March 2017	**4,279.11**	**8.46**
Add: Decrease in equity of carved out entity (EODPL)	702.66	—
Add: Loss of carved out entity taken directly to equity (EODPL)	(570.10)	—
Equity shares cancelled due to capital reduction in GSPL	(2.17)	—
Redemption of series B preference shares in GSPL	—	(8.46)
Issue of series C preference shares in GSPL	—	8.57
Equity shares cancelled due to capital reduction in QBPPL	(1.59)	—
Balance as at 31 December 2017	**4,407.91**	**8.57**

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Combined Statement of Changes In Equity

B. Other equity

Rs in millions

Particulars	Attributable to owners of the trust															
	Capital Reserve pursuant to scheme of arrangement	Capital redemption reserve	General Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Amalgamation /Demerger Reserve	Other component of equity	Equity component of compulsorily convertible debentures	Equity component of 0.01% Non-convertible redeemable debentures	Equity component of optionally convertible redeemable debentures	Equity component of 0.01% Optionally convertible preference shares	Equity portion of Interest free loans	Contribution from equity participants	Equity portion of corporate guarantee	Total
Balance as on April 1, 2015	**(490.94)**	**660.28**	**6,018.18**	**10,827.52**	**188.21**	**(2,274.22)**	**(2,198.01)**	**(21.78)**	**10,698.09**	**46.12**	**546.02**	**49.36**	**28.82**	**407.25**	**—**	**24,484.90**
Profit for the year	—	—	—	—	—	931.83	—	—	—	—	—	—	—	—	—	931.83
Other comprehensive income (net of tax)	—	—	—	—	—	0.79	—	—	—	—	—	—	—	—	—	0.79
Total comprehensive income	**(490.94)**	**660.28**	**6,018.18**	**10,827.52**	**188.21**	**(1,341.60)**	**(2,198.01)**	**(21.78)**	**10,698.09**	**46.12**	**546.02**	**49.36**	**28.82**	**407.25**	**—**	**25,417.52**
Transactions with owners, recorded directly in equity																
Reserves taken over pursuant to scheme of arrangement	—	—	—	1,436.80	—	(1,639.43)	—	—	—	—	—	—	—	—	—	(202.63)
Capital contribution	—	—	—	—	—	—	—	—	—	—	—	—	—	201.22	—	201.22
Receipt of unpaid amount on partly paid up shares	—	—	—	336.89	—	—	—	—	—	—	—	—	—	—	—	336.89
Less:(Profit)/loss of carved out business directly moved to equity share capital (EODPL)	—	—	—	—	—	(113.31)	—	—	—	—	—	—	—	—	—	(113.31)
Total contribution by owners	**(490.94)**	**660.28**	**6,018.18**	**12,601.21**	**188.21**	**(3,094.34)**	**(2,198.01)**	**(21.78)**	**10,698.09**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**25,639.69**

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Combined Statement of Changes In Equity

Rs in millions

Particulars	Capital Reserve pursuant to scheme of arrangement	Capital redemption reserve	General Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Amalgamation /Demerger Reserve	Other component of equity	Equity component of compulsorily convertible debentures	Equity component of 0.01% Non-convertible redeemable debentures	Equity component of optionally convertible redeemable debentures	Equity component of 0.01% Optionally convertible preference shares	Equity portion of Interest free loans	Contribution from equity participants	Equity portion of corporate guarantee	Total
	Attributable to owners of the trust															
Transfer to/ (from) general reserve	—	—	100.00	—	—	—	—	—	—	—	—	—	—	—	—	100.00
Transfer to/ (from) Debenture Redemption Reserve (DRR)	—	—	—	—	(100.00)	—	—	—	—	—	—	—	—	—	—	(100.00)
Eliminations on additional stake in MPPL acquired by EOPPL	(103.18)	—	—	(67.56)	—	(7.38)	8.64	—	—	—	—	—	—	—	—	(169.48)
Premium on conversion of Series B and Series D preference shares into equity shares—GSPL	—	—	—	709.55	—	—	—	—	—	—	—	—	—	—	—	709.55
Premium on conversion of Compulsorily Convertible Preference Shares (CCPS) into equity shares—QBPPL	—	—	—	0.42	—	—	—	—	—	—	—	—	—	—	—	0.42
Premium on conversion of Compulsorily Convertible Debentures (CCDs) into equity shares—EOPPL	—	—	—	8,783.01	—	—	—	—	(8,826.53)	—	—	—	—	—	—	(43.52)
Premium on conversion of Compulsorily Convertible Debentures (CCDs) into equity shares—VCPPL	—	—	—	1,701.38	—	—	—	—	—	—	—	—	—	—	—	1,701.38
Balance at the end of the reporting year March 31, 2016	**(594.12)**	**660.28**	**6,118.18**	**23,728.01**	**88.21**	**(3,101.72)**	**(2,189.37)**	**(21.78)**	**1,871.56**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**27,838.04**

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Combined Statement of Changes In Equity

Rs in millions

Particulars	Attributable to owners of the trust															Total
	Capital Reserve pursuant to scheme of arrangement	Capital redemption reserve	General Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Amalgamation /Demerger Reserve	Other component of equity	Equity component of compulsorily convertible debentures	Equity component of 0.01% Non-convertible redeemable debentures	Equity component of optionally convertible redeemable debentures	Equity component of 0.01% Optionally convertible preference shares	Equity portion of Interest free loans	Contribution from equity participants	Equity portion of corporate guarantee	
Balance as on 1 April 2016	**(594.12)**	**660.28**	**6,118.18**	**23,728.01**	**88.21**	**(3,101.72)**	**(2,189.37)**	**(21.78)**	**1,871.56**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**27,838.04**
Profit for the year	—	—	—	—	—	1,770.57	—	—	—	—	—	—	—	—	—	1,770.57
Other comprehensive income (net of tax)	—	—	—	—	—	0.69	—	—	—	—	—	—	—	—	—	0.69
Total comprehensive income	**(594.12)**	**660.28**	**6,118.18**	**23,728.01**	**88.21**	**(1,330.46)**	**(2,189.37)**	**(21.78)**	**1,871.56**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**29,609.30**
Transactions with owners, recorded directly in equity																
Premium on conversion of debentures into equity shares—OBPL	—	—	—	1,852.85	—	—	—	—	(1,871.56)	—	—	—	—	—	—	(18.71)
Preacquisition profits of EEPL and MPPL	—	—	—	—	—	16.41	—	—	—	—	—	—	—	—	—	16.41
Preclosure of guarantee	—	—	—	—	—	—	—	5.49	—	—	—	—	—	—	—	5.49
Less: (Profit)/loss of carved out business directly moved to equity share capital (EODPL)	—	—	—	—	—	60.10	—	—	—	—	—	—	—	—	—	60.10
Total contribution by owners	**(594.12)**	**660.28**	**6,118.18**	**25,580.85**	**88.21**	**(1,253.95)**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**29,672.59**
Balance as at 31 March 2017	**(594.12)**	**660.28**	**6,118.18**	**25,580.85**	**88.21**	**(1,253.95)**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**29,672.59**
Balance as on April 1 April 2017	**(594.12)**	**660.28**	**6,118.18**	**25,580.85**	**88.21**	**(1,253.95)**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**29,672.59**
Profit for the year	—		—	—	—	2,569.08	—	—	—	—	—	—	—	—	—	2,569.08
Other comprehensive income (net of tax)	—		—	—	—	1.41	—	—	—	—	—	—	—	—	—	1.41
Total comprehensive income	**(594.12)**	**660.28**	**6,118.18**	**25,580.85**	**88.21**	**1,316.54**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**32,243.08**
Transactions with owners, recorded directly in equity																
Waiver of loan to shareholder treated as equity transaction*	—	—	—	—	—	(1,363.98)	—	—	—	—	—	—	—	—	—	(1,363.98)
Premium on capital reduction	—	(252.27)	—	(277.10)	—	(1,658.36)	—	—	—	—	—	—	—	—	—	(2,187.73)

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Combined Statement of Changes In Equity

Rs in millions

Particulars	Attributable to owners of the trust															
	Capital Reserve pursuant to scheme of arrangement	Capital redemption reserve	General Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Amalgamation /Demerger Reserve	Other component of equity	Equity component of compulsorily convertible debentures	Equity component of 0.01% Non-convertible redeemable debentures	Equity component of optionally convertible redeemable debentures	Equity component of 0.01% Optionally convertible preference shares	Equity portion of Interest free loans	Contribution from equity participants	Equity portion of corporate guarantee	Total
Less: (Profit)/loss of carved out business directly moved to equity share capital (EODPL)	—	—	—	—	—	1,607.43	—	—	—	—	—	—	—	—	—	1,607.43
Total contribution by owners	**(594.12)**	**408.01**	**6,118.18**	**25,303.75**	**88.21**	**(98.37)**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**30,298.79**
Balance as at 31 March 2018	**(594.12)**	**408.01**	**6,118.18**	**25,303.75**	**88.21**	**(98.37)**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**30,298.79**
Balance as on 1 April 2018	**(594.12)**	**408.01**	**6,118.18**	**25,303.75**	**88.21**	**(98.37)**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**30,298.79**
Profit for the period	—		—	—	—	2,851.14	—	—	—	—	—	—	—	—	—	2,851.14
Other comprehensive income (net of tax)	—		—	—	—	1.14	—	—	—	—	—	—	—	—	—	1.14
Transactions with owners, recorded directly in equity																—
– Corporate guarantees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	40.52	40.52
– Capital contribution	—	—	—	—	—	—	—	—	—	—	—	—	—	66.00	—	66.00
– Redemption of debentures	—	—	88.21	—	(88.21)	—	—	—	—	—	—	—	—	—	—	—
– Conversion of Series C preference shares into equity shares—GSPL	—	—	—	8.53	—	—	—	—	—	—	—	—	—	—	—	8.53
Less: (Profit)/loss of carved out business directly moved to equity share capital (EODPL)	—	—	—	—	—	800.09	—	—	—	—	—	—	—	—	—	800.09
Balance as at 31 December 2018	**(594.12)**	**408.01**	**6,206.39**	**25,312.28**	**—**	**3,554.00**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**674.47**	**40.52**	**34,066.21**
Balance as on 1 April 2017	**(594.12)**	**660.28**	**6,118.18**	**25,580.85**	**88.21**	**(1,253.95)**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**29,672.58**
Profit for the period	—	—	—	—	—	2,121.55	—	—	—	—	—	—	—	—	—	2,121.55
Other comprehensive income (net of tax)	—	—	—	—	—	1.06	—	—	—	—	—	—	—	—	—	1.06
Total comprehensive income	**(594.12)**	**660.28**	**6,118.18**	**25,580.85**	**88.21**	**868.66**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**31,795.19**

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Combined Statement of Changes In Equity

Rs in millions

Particulars	Attributable to owners of the trust															
	Capital Reserve pursuant to scheme of arrangement	Capital redemption reserve	General Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Amalgamation /Demerger Reserve	Other component of equity	Equity component of compulsorily convertible debentures	Equity component of 0.01% Non-convertible redeemable debentures	Equity component of optionally convertible redeemable debentures	Equity component of 0.01% Optionally convertible preference shares	Equity portion of Interest free loans	Contribution from equity participants	Equity portion of corporate guarantee	Total
Transactions with owners, recorded directly in equity																
Premium on capital reduction	—	(252.27)	—	(277.10)	—	(1,658.36)	—	—	—	—	—	—	—	—	—	(2,187.73)
Less: (Profit)/loss of carved out business directly moved to equity share capital (EODPL)	—	—	—	—	—	570.10	—	—	—	—	—	—	—	—	—	570.10
Total contribution by owners	**(594.12)**	**408.01**	**6,118.18**	**25,303.75**	**88.21**	**(219.60)**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**30,177.56**
Balance as at 31 December 2017	**(594.12)**	**408.01**	**6,118.18**	**25,303.75**	**88.21**	**(219.60)**	**(2,189.37)**	**(16.29)**	**—**	**46.12**	**546.02**	**49.36**	**28.82**	**608.47**	**—**	**30,177.56**

* EOPPL had provided a loan of Rs 1,131.00 million to one of its shareholder during the year ended 31 March 2011. The loan carried market interest rates and was repayable on 1 April 2019. The interest on such loan was paid by the shareholder every year except for the year ended 31 March 2017 and the loan balance including interest accrued of Rs 1,246.10 million as at 31 March 2017 was confirmed as payable by the shareholder. During the year ended 31 March 2018, based on mutual discussions, the Board of EOPPL (which comprises of two shareholders who are equal joint venturers) approved waiver of the above aggregate loan balances including interest accrued during the financial year ended 31 March 2018 and such waiver has been treated as a shareholder transaction during the year by EOPPL and has accordingly been recorded directly in the statement of changes in equity.

The number of units that Embassy Office Parks Group will issue to investors in the proposed Initial Public Offer is not presently ascertainable. Hence the disclosures in respect of component of unit holder's equity and reconciliation between the carrying amount at the beginning and the end of the years have not been given.

As per our report of even date attached:

for **B S R & Associates LLP**
Chartered Accountants
Firm's registration number: 116231W / W-100024

Rushank Muthreja
Partner
Membership number: 211386

Place: Bengaluru
Date: 1 March 2019

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

Jitendra Virwani
Director
DIN: 00027674

Place: Bengaluru
Date: 1 March 2019

Tuhin Parikh
Director
DIN: 00544890

Place: Mumbai
Date: 1 March 2019

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Combined Statement of Cash Flow

Rs in millions

	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flows from operating activities					
Profit before income tax	4,399.81	3,261.88	3,827.92	2,797.55	2,287.69
Adjustments:					
Share of profits of equity accounted investees	(874.89)	(696.89)	(959.95)	(579.33)	(241.29)
Preacquisition loss of SPV's acquired	—	—	—	2.94	—
Increase/ (decrease) in equity of carved out financial statements	(73.67)	702.66	1,813.98	449.86	(745.93)
Interest income and fair value change in financial assets	(1,071.42)	(998.04)	(1,433.12)	(1,321.10)	(1,500.72)
Dividend income received	—	(0.50)	(0.50)	(28.56)	(65.87)
Profit on sale of investments	(47.04)	(20.71)	(31.52)	(57.75)	(20.12)
Liquidated damages received	—	—	—	(139.74)	—
Liabilities no longer required written back	(39.17)	(1.93)	(2.53)	(18.11)	(83.00)
Finance costs	5,174.25	4,746.24	6,312.27	6,937.74	7,083.34
Depreciation and amortisation expense	2,686.69	2,384.77	3,228.16	3,243.73	3,157.91
Assets and other balances written off	18.65	21.81	14.42	32.77	57.50
Allowances for credit losses	11.19	4.03	4.91	1.90	—
Loss on retirement of property, plant and equipment	—	—	64.08	1.99	34.79
Impairment loss on property, plant and equipment	386.05	351.75	1,195.29	—	—
Operating cash flows before working capital changes	**10,570.45**	**9,755.07**	**14,033.41**	**11,323.89**	**9,964.29**
Changes in					
Trade receivables	(3.36)	4.75	(20.67)	37.00	30.53
Inventories	3.84	(2.70)	(0.76)	(542.02)	4.04
Other non-current and current financial and non-financial assets	2,334.05	(570.48)	(690.05)	(509.06)	(735.18)
Other non-current and current liabilities and provisions	163.59	1,075.37	371.73	739.00	374.38
Trade payables	(243.92)	(25.78)	128.08	(179.68)	245.90
Cash generated from operations	**12,824.65**	**10,236.23**	**13,821.74**	**10,869.12**	**9,883.96**
Income taxes paid, net	(1,479.62)	(817.21)	(1,314.10)	(1,002.25)	(632.03)
Net cash generated from operating activities	**11,345.03**	**9,419.02**	**12,507.64**	**9,866.87**	**9,251.93**
Cash flow from investing activities					
Acquisition of investment property, property, plant and equipment and intangible assets	(7,098.14)	(10,629.62)	(19,747.82)	(7,777.09)	(5,108.05)
Proceeds from sale of investment property and property, plant and equipment	—	—	163.69	—	—
Inter-corporate deposits taken / (given)	1,360.00	(793.00)	(5,837.10)	(1,112.42)	(474.74)
(Increase) / decrease in fixed deposits, net	(193.94)	24.08	95.08	(762.34)	93.21
Interest received	730.40	644.97	1,132.43	343.26	546.41
Dividend income received	—	0.50	0.50	28.56	65.87
Purchase of investments	—	—	—	—	(169.93)
Investments in mutual funds, net	358.76	(970.29)	(1,170.32)	(227.75)	(720.40)
Receipt of advance given for purchase of shares with compensation	—	—	—	—	3,432.80
Net cash used in investing activities	**(4,842.92)**	**(11,723.36)**	**(25,363.54)**	**(9,507.77)**	**(2,334.83)**

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Combined Statement of Cash Flow

Rs in millions

	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flow from financing activities					
Issue of share capital (net of issue expenses paid)	—	—	—	—	1,371.64
Redemption of debentures	(1,000.00)	(1,275.11)	—	—	(9,714.70)
Finance costs paid	(7,061.45)	(3,977.84)	(5,515.35)	(5,880.85)	(6,710.21)
Proceeds from borrowings, net	2,475.75	9,496.66	19,335.45	6,795.20	8,482.21
Payment on capital reduction	—	(2,191.48)	(2,191.48)	—	—
Issue of preference shares	—	8.57	8.57	—	—
(Redemption) of preference shares	—	(8.46)	(8.46)	—	—
Net cash generated from / (used in) financing activities	**(5,585.70)**	**2,052.34**	**11,628.74**	**914.35**	**(6,571.08)**
Net increase/ (decrease) in cash and cash equivalents	**916.41**	**(252.00)**	**(1,227.16)**	**1,273.45**	**346.02**
Cash and cash equivalents at the beginning of the year	1,436.94	2,664.11	2,664.10	1,390.66	815.35
Cash and cash equivalents transferred on merger		—	—	—	229.29
Cash and cash equivalents at the end of the year	**2,353.35**	**2,412.11**	**1,436.94**	**2,664.11**	**1,390.66**
Cash and cash equivalents comprise:					
Cash on hand	0.64	0.94	0.47	0.69	0.46
Balances with banks					
– in current accounts	1,163.11	1,060.57	933.09	1,573.40	705.67
– in escrow accounts	1,048.27	1,061.16	486.02	527.95	335.16
– in deposit accounts with original maturity below three months	141.33	289.44	63.78	562.07	392.80
Less: Book Overdraft	—	—	(46.42)	—	(43.43)
Cash and cash equivalents at the end of the year (refer note 19)	**2,353.35**	**2,412.11**	**1,436.94**	**2,664.11**	**1,390.66**

As per our report of even date attached:

for B S R & Associates LLP

Chartered Accountants
Firm's registration number: 116231W / W-100024

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

Rushank Muthreja
Partner
Membership number: 211386

Place: Bengaluru
Date: 1 March 2019

Jitendra Virwani
Director
DIN: 00027674

Place: Bengaluru
Date: 1 March 2019

Tuhin Parikh
Director
DIN: 00544890

Place: Mumbai
Date: 1 March 2019

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Statement of Net Assets At Fair Value

		Rs in millions	
		As at 31 December 2018	As at 31 December 2018
S. No.	Particulars	Book Value	Fair value
A	Assets	137,790.86	331,024.72
B	Liabilities	100,116.47	100,116.47
C	Net Assets (A-B)	**37,674.39**	**230,908.24**
D	No. of units	Refer Note 1	
E	NAV (C/D)		

Measurement of fair values:

The fair value of Investment Property, Property, Plant and Equipment (hotel property), Investment Property under development and Capital work-in-progress (hotel property) has been determined by independent external property valuers, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued.

Valuation technique

The fair value measurement for all of the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

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

Notes

1 The number of units that Embassy Office Parks Group will issue to investors in the proposed Initial Public Offer is not presently ascertainable. Hence the disclosures in respect of Net Asset Value (NAV) per Unit have not been given.

2 Project wise break up of Fair value of Assets as at 31 December 2018 is as follows:

	Rs in millions		
Particulars	Fair value of Investment Property, Investment property under development, Property, plant and equipment and Capital work-in-progress (refer Note 3 below)*	Other assets at book value (refer Note 3 below)	Total assets
MPPL	134,887.00	11,788.42	146,675.42
EOPPL	20,507.00	1,370.89	21,877.89
UPPL	4,884.00	347.57	5,231.57
EEPL	10,820.00	861.97	11,681.97
EODPL (Carve out)	13,032.00	92.31	13,124.31
Investment in GLSP**	23,260.91	—	23,260.91
GSPL	8,367.00	190.85	8,557.85
ETPL	14,920.00	259.70	15,179.70
OBPL	19,580.00	532.57	20,112.57
QBPPL	14,524.00	3,458.69	17,982.69
QBPL	10,185.00	254.69	10,439.69
VCPPL	17,155.00	579.04	17,734.04
IENPL	18,812.00	354.11	19,166.11
	310,933.91	**20,090.81**	**331,024.72**

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Statement of Net Assets At Fair Value

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* Fair values of assets as disclosed above are the fair values of the total assets of all SPVs as included in the Condensed Combined Financial Statements.

** Fair value of equity investments in GLSP has been done based on equity valuation method.

3 Fair values of investment property, investment property under development, property, plant and equipment, capital work in progress and investment in GLSP as at 31 December 2018 as disclosed above are solely based on the fair valuation report of the independent valuer appointed under the REIT Regulations.

For the purpose of fair valuation of assets, the Embassy Office Parks Group has fair valued its Investment property, Investment property under development (including capital advances), Property, Plant and Equipment (relating to the hotel property in UPPL and the Solar power plant in EEPL); Capital Work-in-progress (relating to the proposed hotel to be developed in MPPL and EODPL) and the investment in GLSP.

Other assets at book value excludes capital advances and unbilled revenue.

4 EOPPL has made an application on 13 September 2017 to convert its non SEZ portion into SEZ. Pending such approval the fair valuation of the Non—SEZ portion has been computed by the valuers considering that it is a Non -SEZ unit. The fair value of the property considering that the whole park is an SEZ unit determined by the valuer would have been higher by Rs. 213.00 million.

5 Karnataka Electricity Regulatory Commission (KERC) Bengaluru has issued an order dated 14 May 2018 withdrawing the exemption from payment of Wheeling and banking charges, cross Subsidy charges etc. which were available for a period of ten years from the date of commissioning on the Solar project in EEPL.

The Company has filed a writ petition with the Honorable High Court of Karnataka challenging the KERC Order and has obtained an interim Stay Order dated 24 May 2018. KERC has filed an appeal with the Honorable High Court of Karnataka for transferring the case to the Electricity Tribunal.

While computing the fair valuation of EEPL the valuers did not consider the possibility of the above charges. In case the above charges are applicable to EEPL the fair valuation of EEPL as at 31 December 2018 would be lower by Rs. 1,761.00 million.

As per our report of even date attached:

for **B S R & Associates LLP**

Chartered Accountants
Firm's registration number: 116231W / W-100024

Rushank Muthreja
Partner
Membership number: 211386

Place: Bengaluru
Date: 1 March 2019

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

Jitendra Virwani
Director
DIN: 00027674

Place: Bengaluru
Date: 1 March 2019

Tuhin Parikh
Director
DIN: 00544890

Place: Mumbai
Date: 1 March 2019

Embassy Office Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
Statement of Total Return At Fair Value

S. No.	Particulars	Amount (Rs millions) For the nine months ended 31 December 2018	Amount (Rs millions) For the year ended 31 March 2018
A	Total comprehensive Income	2,852.28	2,570.49
B	Add : Changes in fair value not recognised (refer Note 1 below)	11,221.92	17,924.01
C (A+B)	**Total Return**	**14,074.20**	**20,494.50**

Note:

1 In the above statement, changes in fair value for the year ended 31 March 2018 and the nine months ended 31 December 2018 has been computed based on the difference in fair values of Investment Property, Investment property under development, Property, Plant and Equipment (relating to the hotel property in UPPL and the Solar power plant in EEPL); Capital Work-in-progress (relating to the proposed hotel to be developed in MPPL and EODPL) and investment in GLSP as at 31 December 2018 and 31 March 2018. The fair values of the afore-mentioned assets as at 31 December 2018 and 31 March 2018 are solely based on the valuation report of the independent valuer appointed under the REIT Regulations.

As per our report of even date attached:

for **B S R & Associates LLP**

Chartered Accountants
Firm's registration number: 116231W / W-100024

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

Rushank Muthreja
Partner
Membership number: 211386

Place: Bengaluru
Date: 1 March 2019

Jitendra Virwani
Director
DIN: 00027674

Place: Bengaluru
Date: 1 March 2019

Tuhin Parikh
Director
DIN: 00544890

Place: Mumbai
Date: 1 March 2019

Embassy Office Parks Group (As defined in note 1)
Condensed Combined Financial Statements
Notes to Accounts

1. Organisation structure

The special purpose condensed combined financial statements ('Condensed Combined Financial Statements') comprise financial statements of Embassy Office Parks Real Estate Investment Trust (the 'Embassy Office Parks REIT' or the 'Trust') and the financial statements of Embassy Office Parks Private Limited ('EOPPL'), Manyata Promoters Private Limited ('MPPL'), Umbel Properties Private Limited ('UPPL'), Embassy-Energy Private Limited ('EEPL'), Galaxy Square Private Limited ('GSPL'), Quadron Business Park Private Limited ('QBPL'), Qubix Business Park Private Limited ('QBPPL'), Oxygen Business Park Private Limited ('OBPPL'), Earnest Towers Private Limited ('ETPL'), Vikhroli Corporate Park Private Limited ('VCPPL'), Indian Express Newspapers (Mumbai) Private Limited ('IENPL') and the carved out financial statements of Embassy One Developers Private Limited ('EODPL') (individually referred to as 'Special Purpose Vehicle' or 'SPV' and together referred to as 'Embassy Office Parks Group'). The SPVs are companies domiciled in India.

The brief activities and shareholding pattern of the SPVs are provided below:

Name of the SPV	Activities	Current shareholding (in percentage)
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 Groups.	Embassy Property Developments Private Limited (EPDPL): 50.00% EPDPL together with Jitendra Virwani: 0.00% (1 Share) SG Indian Holding (NQ) Co I Pte. Ltd: 49.75% SG Indian Holding (NQ) Co II Pte. Ltd: 0.03% and SG Indian Holding (NQ) Co III Pte. Ltd: 0.22%
MPPL	Development and leasing of office space and related interiors (Manyata Embassy Business Park) located at Bangalore.	EOPPL : 35.77% BRE/Mauritius Investments: 36.97% Reddy Veeranna: 27.00% Suguna Reddy: 0.26%
UPPL	Development, rental and maintenance of serviced residences (Hilton residences).	EPDPL: 58% D M Estates Private Limited: 29% Golflinks Properties Private Limited: 13%
EEPL	Generation and supply of solar power to the office spaces of Embassy Office Parks located in Bangalore.	EOPPL: 80% EPDPL: 10% Rana George: 10%
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. Ltd.: 79.62% BREP VII GML Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS GML Holding (NQ) Ltd.: 0.38% BREP VII SBS GML Holding (NQ) Ltd.: 0.11%
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%
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. Ltd.: 79.62% BREP VII NTPL Holding (NQ) Pte. Ltd.: 19.89% BREP VII SBS NTPL Holding (NQ) Ltd.: 0.38% BREP VII NTPL Holding (NQ) Ltd.: 0.11%

Embassy Office Parks Group (As defined in note 1)
Condensed Combined Financial Statements
Notes to Accounts

Name of the SPV	Activities	Current shareholding (in percentage)
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. Ltd.: 79.61% BREP VII SG Oxygen Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS Oxygen Holding (NQ) Ltd.: 0.39% BREP VII SBS Oxygen Holding (NQ) Ltd.: 0.11%
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%
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 Ltd.: 79.81% BREP VII HCC Holding (NQ) Pte Ltd.: 19.89% BREP Asia SBS HCC Holding (NQ) Ltd.: 0.19% BREP VII SBS HCC Holding (NQ) Ltd.: 0.11%
IENPL	Development and leasing of office space and related interiors and maintenance of such assets (Express Towers Building) located in Mumbai.	Panchshil Techpark Private Limited: 51.07% BREP Asia SG Indian Holding (NQ) Co II Pte Limited: 37.27% BREP VII SG Indian Holding (NQ) Co II Pte Limited: 9.31% Shekhar Gupta jointly with Ms. Neelam: 2.11% BREP Asia SBS Holding (NQ) Co. XI Ltd.: 0.18% BREP VII SBS Holding (NQ) Co. XI Ltd.: 0.05%
EODPL (Carved out portion)	Construction and operation of a Four Seasons hotel and leasing of commercial and retail space.	Embassy Inn Private Limited: 45% WWD Pearl Limited, Mauritius: 55%

Each of the SPVs (directly or indirectly, through their holding companies) including the carved out portion of EODPL are proposed to be transferred from the respective shareholders to the Trust. Embassy Property Developments Private Limited ('EPDPL') and BRE/Mauritius Investments ('BMI') collectively known as (the 'Sponsors' or the 'Co-Sponsor') have set up the Embassy Office Parks REIT as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and the Trust has been registered with SEBI as a Real Estate Investment Trust on 3 August 2017 under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. The Trustee to Embassy Office Parks REIT is Axis Trustee Services Limited (the 'Trustee') and the Manager for Embassy Office Parks REIT is Embassy Office Parks Management Services Private Limited (the 'Manager' or 'EOPMSPL').

All the above SPV's have been combined as a part of the Embassy Office Parks Group's Condensed Combined Financial Statements on a line by line basis and the proposed shareholding by Embassy Office Parks REIT prior to the proposed listing of units by Embassy Office Parks REIT is 100% in each of the SPVs.

2. Significant accounting policies

2.1 Basis of preparation of combined and carve out financial statements

The Condensed Combined Financial Statements of the Embassy Office Parks Group comprises the Combined Balance Sheets as at 31 December 2018, 31 March 2018, 31 March 2017 and 31 March 2016; the Combined Statement of Profit and Loss, the Combined Statement of Cash Flow, the Combined Statement of Changes in Equity and a summary of significant accounting policies and other explanatory information for the nine months ended ("nine months ended") 31 December 2018 and 31 December 2017 and the years ended 31 March 2018, 31 March 2017 and 31 March 2016, the Statement of Net Assets at Fair Value as at 31 December 2018, the Statement of Total Returns at Fair Value for the nine months ended 31 December 2018 and the year ended 31 March 2018 and other additional financial disclosures. The Condensed Combined Financial Statements were authorised for issue in accordance with resolutions passed by the Board of Directors of the Manager on behalf of the REIT IPO Committee on 1 March 2019. The Condensed Combined Financial Statements have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS') read with SEBI (Real Estate Investment Trusts) Regulations, 2014 ('REIT Regulations'), as amended from time to time, the SEBI circular number CIR/IMD/DF/141/2016 dated 26 December 2016 (SEBI Circular), the Guidance note on Reports in Company Prospectuses (Revised 2016), and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("Guidance Notes").

The Condensed Combined Financial Statements are special purpose financial statements and have been prepared by Embassy Office Parks REIT and the Manager to meet the requirements of the REIT Regulations and for inclusion in the Offer Document ('OD') and the Final Offer Document ('FOD') prepared by the Manager in connection with the proposed Initial Public Issue of units of Embassy Office Parks REIT. As a result, the Condensed Combined Financial Statements may not be suitable for any other purpose. Further the Condensed Combined Financial Statements are not prepared in accordance with the requirements of Schedule III notified under the Companies Act, 2013.

In accordance with the requirements of the REIT Regulations, since Embassy Office Parks REIT is newly set up on 3 August 2017 and has been in existence for a period lesser than three completed financial years and the historical financial statements of Embassy Office Parks REIT are not available for the entire portion of the reporting period of three years, the Condensed Combined Financial Statements have been disclosed even for the periods when such historical condensed combined financial statements were not available. Further, as required by the REIT regulations, the Condensed Combined Financial Statements are prepared based on an assumption that all the assets and SPV's were part of Embassy Office Parks REIT for such period when Embassy Office Parks REIT was not in existence. However, the Condensed Combined Financial Statements may not be representative of the position which may prevail after the SPVs are transferred to Embassy Office Parks REIT.

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

Statement of compliance and transition to Ind-AS

The Condensed Combined Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read along with principles of "Guidance note on Combined and Carve-Out Financial Statements" issued by Institute of Chartered Accountants of India (ICAI). Further, the financial information presented by Embassy Office Parks Group has complied with the minimum requirements for condensed financial statements as per Ind AS 34 on "Interim Financial Reporting" to the extent applicable and the disclosure requirements prescribed by Securities Exchange Board of India Circular number CIR/IMD/DF/141/2016 relating to Disclosure of financial information in offer document for REITs dated 26 December 2016 ('SEBI Circular').

These Condensed Combined Financial Statements for the nine months ended 31 December 2018 and 31 December 2017 and the years ended 31 March 2018, 31 March 2017 and 31 March 2016 are the financial statements the Embassy Office Parks Group and has been prepared in accordance with Ind AS read with SEBI (Real Estate Investment Trusts) Regulations, 2014 ('REIT Regulations'), as amended from time to time, the SEBI circular number CIR/IMD/DF/141/2016 dated 26 December 2016 (SEBI Circular), the Guidance note on Reports in Company Prospectuses (Revised 2016), and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("Guidance Notes"). For periods up to and including the year ended March 31, 2016 some of the SPVs (i.e. EOPPL, MPPL, UPPL, EEPL, ETPL and EODPL) and for the periods up to and including the year ended March 31, 2017 rest of the SPVs (i.e, GSPL,

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QBPL, QBPPL, OBPPL, VCPPL and IENPL) prepared their statutory financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) rules 2014 ("Indian GAAP").

In preparing these Condensed Combined Financial Statements, the Embassy Office Parks Group's opening balance sheet was prepared as at 1 April 2015 ('Transition Date'), the Embassy Office Parks Group's assumed date of transition to Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS financial statements, be applied consistently and retrospectively for all fiscal years presented. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the Condensed Combined Financial Statements between Ind AS and Indian GAAP as at the transition date have been recognised directly in equity.

In preparing its opening Ind AS balance sheet, the Embassy Office Parks Group has applied the following principles for assets, liabilities and equity forming part of the Condensed Combined Financial Statements.

a) Recognise all assets and liabilities whose recognition is required by Ind ASs;

b) Not recognise items as assets and liabilities if Ind ASs do not permit such recognition;

c) Reclassify items that if recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs; and

d) Apply Ind ASs in measuring all recognised assets and liabilities.

In preparing the Condensed Combined Financial Statements as at the Transition date, the Embassy Office Parks Group has availed optional exemptions and mandatory exceptions in accordance with Ind AS 101, as explained below:

A. Optional exemptions availed

1. As permitted by Ind AS 101, the Embassy Office Parks Group has elected to continue with the carrying values under Indian GAAP for all items of property, plant and equipment except for adjustment of certain prior period errors and certain consequential adjustments due to application of Ind AS 101. The said election has been made in respect of intangible assets and investment properties as well.
2. As permitted by Ind AS 101, the Embassy Office Parks Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations.
3. As permitted by Ind AS 101, the Embassy Office Parks Group has determined whether an arrangement contains a lease based on facts and circumstances existing at the date of transition to Ind-AS.
4. As permitted by Ind AS 101, the Embassy Office Parks Group has not separated compound financial instruments if the liability component is no longer outstanding at the date of transition.

B. Mandatory exceptions

1. The Embassy Office Parks Group's estimates under Ind AS at the Transition Date are consistent with estimates made for the same date under Indian GAAP unless there is objective evidence that those estimates were in error or to reflect any differences in accounting policies. Key estimates considered in preparation of Condensed Combined Financial Statements that were not required under the Indian GAAP are listed below—
   - Fair valuation of investment property;
   - Fair valuation of financial instruments carried at FVTPL and or FVOCI;

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- Impairment of financial assets based on expected credit loss model; and
- Determination of the discounted value for financial instruments carried at amortised cost.

2. The Embassy Office Parks Group has determined the classification of financial assets based on facts and circumstances that exist on the Transition Date. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Basis of Combination and carve out

The Condensed Combined Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the SPVs used for the purpose of combination are drawn up to the same reporting date i.e. year ended on 31 March 2018.

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

a) The Condensed Combined Financial Statements have been prepared using the principles of consolidation as per Ind AS 110—Consolidated Financial Statements, to the extent applicable.

b) The financial statements of all the SPVs were combined by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows.

c) The financial statements of all the SPVs were combined based on the assumption that all the SPVs were part of a single group for the entire period presented pursuant to the SEBI circular.

d) Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Embassy Office Parks Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets) are eliminated in full;

e) An order of the Honorable High Court of Allahabad dated 16 May 2016 accorded approval to the merger of Aachvis IT SEZ Infra Private Limited and Standard IT Web Solutions Private Limited into OBPPL with an Appointed Date of 1 April 2015. The transaction was recorded under purchase method of accounting under Indian GAAP during the year ended 31 March 2016. As the Merger Order was received after the Transition Date to Ind AS i.e 1 April 2015 the same should have been accounted for as Business Combination under common control under Ind AS 103 “Business Combination” however, the same has been accounted for as per the accounting provided in the Order of the Honorable High Court of Allahabad from 1 April 2015.

   Further, as required under Appendix C to Ind-AS 103—Business Combinations which states that the financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, the Embassy Office Parks Group has applied the above accounting treatment for opening balances as at 1 April 2015.

f) EEPL was acquired by EOPPL on 6 January 2017. However, as required by the SEBI Circular, the Condensed Combined Financial Statements have been prepared and presented as if the SPV was part of the Embassy Office Parks Group since EEPL was incorporated on 27 August 2015.

g) The carrying amount of EOPPL’s investments in EEPL (80%) and MPPL (35.77%) have been offset/eliminated against the net worth of such investments on the respective dates of acquisition and the excess of cost of investment over such net worth has been disclosed as Goodwill. Refer note 7. The remaining net-worth of EEPL and MPPL i.e. 20% and 64.23% respectively, is proposed to be held by the Embassy Office Parks REIT directly and accordingly has not been eliminated.

h) The investment of EOPPL in 27% equity shares of MPPL as at 31 March 2016, which was held pursuant to the exercise of pledge, has not been eliminated against the net worth of such investment as it was under dispute and EOPPL did not exercise absolute rights over such shares. Pending settlement of the dispute, the same was accounted as a non-current investment amounting to Rs. 6,185 millions. Subsequent to 31 March 2016 the matter has been settled pursuant to an arbitral award and these 27% shares were transferred to a Shareholder. Also refer note 9 for details.

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i) EOPMSPL has not been combined for the year ended 31 March 2016 as the said entity does not form part of the Embassy Office Parks REIT. Further, EOPPL's investment in EOPMSPL (100%) has been transferred to EPDPL during the year ended 31 March 2017. The investment in the shares of this SPV have been disclosed as investment in subsidiary measured at cost as at 31 March 2016.

j) Equity shares and other reserve balances of all the SPVs have been combined on a line by line basis and eliminations have been done for the combination of MPPL and EEPL to the extent of their stake held by EOPPL as specified above. The net balances have been disclosed as the capital / other equity of the Embassy Office Parks Group. Considering that the balance shareholders i.e. equity stake not held by EOPPL will also be transferring their stake to the Embassy Office Parks REIT, Non-Controlling Interest is not applicable.

k) The Embassy Office Parks REIT will purchase certain assets of EODPL relating to the hotel, commercial leasing and retail business out of the proceeds of the proposed listing of units of the REIT. As required by the REIT regulations, the carved out financial statements of EODPL have been included in these Condensed Combined Financial Statements. The carved out financial statements of EODPL has been prepared as per the Guidance Note on Combined and Carve-Out Financial Statements.

In preparation of the carved out financial statements of EODPL the assets, liabilities, income and expenses specific to the business proposed to be acquired has been included as per the allocation methodology specified below:

Investment property (for commercial and retail business), property, plant and equipment and capital work in progress (for hotel business), capital advances, balances with government authorities, retention dues payable, payable for purchase of fixed assets and impairment loss on property, plant and equipment are directly attributable to the carved out business and have been specifically identified and carved out.

The following items of assets, liabilities, income and expenses have been allocated on the basis specified below:

Financial statement caption	Basis of allocation
Borrowings—Loan from banks	In the ratio of allocation specifically agreed with the banks
Inter corporate deposits	In the ratio of allocation specifically agreed with the banks
Interest accrued on inter corporate deposits	In the ratio of allocation specifically agreed with the banks
Payable for expenses	In the ratio of costs incurred towards hotel, commercial and retail compared with total costs (including residential business)
Finance cost	On the basis of borrowings
Depreciation	In the ratio of costs incurred towards hotel, commercial and retail compared with total costs (including residential business)
Other expenses	In the ratio of costs incurred towards hotel, commercial and retail compared with total costs (including residential business)

All other items of assets, liabilities, income and expenses which were pertaining to the residential business have been excluded in entirety from the carved-out financial statements of EODPL.

The difference between the assets and liabilities of the carved out financial statements has been disclosed as 'Capital' in accordance with the requirements of the Guidance notes. The resulting financial position may not be which might have existed if the carved out business had been a standalone business. The information presented in the Condensed Combined Financial Statements in relation to the carved out financial statements of EODPL may not be representative of the position which may prevail after the transaction.

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l) The tax expense involves aggregation of the tax expenses actually incurred by the combining businesses in accordance with para 33 of the Guidance Note on Combined and Carve-Out Financial Statements.

m) EOPPL has 50% investment in the equity shares of GLSP which is a company that has completed rent generating properties and derives more than seventy five per cent of its operating income from real estate activity as per the audited financial statements for the year ended 31 March 2018, 31 March 2017 and 31 March 2016. Hence the Manager believes that as per regulation 18(5) of the REIT regulation, the REIT can continue to hold investment in equity shares of GLSP. As GLSP does not meet the definition of an SPV as per the REIT Regulations, the same has not been consolidated in the Condensed Combined Financial Statements and has been initially recognised as investment at cost which includes transaction costs. Subsequent to initial recognition, the investment in GLSP has been measured in the Condensed Combined Financial Statements using equity method, and accordingly has included GLSP's share of profit or loss including OCI and other equity. However, the fair value of such investment is disclosed in the Statement of net assets at fair value.

n) The figures in the notes to accounts and disclosures have been combined line by line and only transactions and balances between the SPVs have been eliminated.

o) VCPPL was acquired by the current shareholders on 10 July 2015. The SEBI Circular requires the combination to be done assuming that the REIT owns the SPVs for the past three years even if they were acquired post the first day of the first period presented in these Condensed Combined Financial Statements. Hence, the Condensed Combined Financial Statements have been prepared and presented as if the SPV was part of the Embassy Office Parks Group since the first day of reporting period.

2.2 Summary of significant accounting policies

a) Functional and presentation currency

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

b) Basis of measurement

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

- Certain financial assets and liabilities (refer accounting policy regarding financial instrument): measured at fair values;
- Net defined benefit (asset)/ liability less present value of defined obligations: Fair value of plan assets less present value of defined benefit plan

c) Use of judgments and estimates

The preparation of Condensed Combined 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.

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

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

i) Classification of lease arrangements as finance lease or operating lease—Note 2.2 (t)

ii) Non consolidation / combination of investment in MPPL held under dispute—refer note 9

iii) Straight lining of rent escalation on lease contracts not structured to increase in line with expected general inflation- note 2.2 (u)

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

v) Non consolidation / combination of investment in GLSP by EOPPL—refer note 2.1 (m)

vi) Judgements in preparing Condensed Combined Financial Statements—refer note 2.1

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes—

i) Determining fair value of investment properties- The fair value of these investment properties is reviewed regularly by management with reference to independent property valuations and market conditions existing at the reporting date. The independent valuers are leading independent appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Judgment is also applied in determining the extent and frequency of independent appraisals. Refer to Statement of net assets at fair value for more information regarding the frequency of independent appraisals and the assumptions used.

ii) Useful lives of Investment Property and property, plant and equipment—Refer Note 2.2(f) and (g)

iii) Valuation of financial instruments—Refer Note 2.2 (n)

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

d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

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e) Measurement of fair values

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

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

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

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

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

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

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

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

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

f) Investment properties

On transition to Ind AS, the Embassy Office Parks Group has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Embassy Office Parks

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Group and the cost of the item can be measured reliably. The cost of the assets not ready for their intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated on straight-line method over their estimated useful lives for ETPL, MPPL, EOPPL, EEPL, Umbel, IENPL, OBPPL, GSPL, QBPL, and EODPL and on written down value method for QBPPL and VCPPL. However, where the management's estimate of the remaining useful life of the assets on a review subsequent to the time of acquisition is different, then depreciation is provided over the remaining useful life based on the revised useful life. The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

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

Asset category	Estimated useful life (in years)
Buildings	5 - 60 years
Plant and Machinery	15 - 20 years
Furniture and Fixtures	5 - 15 years
Electrical Equipments	10 years
Leasehold land*	30 - 99 years based on the primary lease period

Management's estimates of useful life of the following major assets under written down value method are as follows:

Asset category	Estimated useful life (in years)
Buildings	40 - 60 years
Plant and Machinery	7 - 15 years
Furniture and Fixtures	7 - 10 years
Electrical Equipments	10 years
Leasehold land*	90 - 95 years based on the primary lease period

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

*Upfront premium paid under lease-cum-sale agreements to acquire land where the Embassy Office Parks Group has an option to purchase the land at the end of/ during the lease term are not amortised over the lease period. Refer note 5 (ii)

The fair value of investment property is disclosed in the statement of net assets at fair value. Fair values are determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

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

g) Property, plant and equipment and intangible assets

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets. The cost of such assets not ready for their intended use are disclosed as capital work-in-progress. Intangible assets are recorded at their acquisition cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

Asset category	Estimated useful life (in years)
Buildings	3 - 60 years
Plant and Machinery	15 - 25 years
Furniture and Fixtures	5 -15 years
Electrical Equipments	10 years
Office Equipment	3 -10 years
Computers	3 - 6 years
Computer software	3 years
Operating supplies	2 - 5 years
Vehicles	8 years

Upfront premium paid under lease-cum-sale agreements to acquire land where the Embassy Office Parks Group has an option to purchase the land at the end of/ during the lease term are not amortised over the lease period. Refer note 3 (i)

Brand license and trademark are amortised on a straight line basis over the estimated useful life of 5 years.

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

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

Pro-rata depreciation is provided on all fixed assets purchased or sold during the year.

On transition to Ind AS, the Embassy Office Parks Group has elected to continue with the carrying value of all of its plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such plant and equipment.

h) Non-current assets held for sale

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

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

i) Inventory

Stores and operating supplies

Inventories (pertaining to UPPL) which comprises food and beverages and operating supplies are valued at lower of cost or net realisable value. Cost of inventories comprises purchase price, costs of conversion and other incidental costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to sell.

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j) Impairment of non-financial assets

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

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

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

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

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

k) Foreign currency transactions

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

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

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

l) Goodwill on consolidation

Goodwill is recognised in the Condensed Combined Financial Statements at excess of cost of investment over share of net assets acquired on the date of acquisition.

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m) Equity accounted investees

Interests in associates and joint ventures are accounted for using the equity method, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Embassy Office Parks Group's share of the post-acquisition profits or losses of the investee in profit and loss, and Embassy Office Parks Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

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

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

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

n) Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

i. Derecognition

Financial assets

The Embassy Office Parks Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in

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which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Embassy Office Parks Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

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

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

ii. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Combined Balance Sheet when, and only when, the Embassy Office Parks Group 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.

o) 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.

p) Impairment of financial assets

a) Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

q) Embedded derivatives

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

r) 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.

s) Rental support payments

Rental support payments received from the shareholders are treated as non-reciprocal capital contribution and therefore, considered in equity.

t) Leases

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.

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ii. Assets held under leases

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

iii. Initial direct costs

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

u) 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

Rental income from investment properties

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

Revenue from maintenance services is recognised as and when the services are rendered based on the terms of the contracts with the leases.

Income from finance lease

The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

Revenue from Room Rentals

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

Revenue from Food, beverages and banquets

Revenue from food and beverages are recorded as and when food is served. Revenue generated from the banquet services offered are charged on the basis of cover charges per person which is billed (exclusive of applicable taxes) based on guaranteed covers if actual cover is less than contracted.

Other operating income

Other operating income, including service charges on rooms and Food & Beverage (F&B) revenues and other hospitality-related operating income is recognised when the services are rendered and the same become chargeable. Revenue from other services is recognised on accrual basis as per the terms of the agreement.

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Recognition of dividend income, interest income or expense

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

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. 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.

Ind AS 115 Revenue from contracts with customers has been notified by Ministry of Corporate Affairs (MCA) on 28 March 2018 and is effective from the accounting periods beginning on or after 1 April 2018, replacing the existing revenue recognition standard. The Embassy Office Parks Group has adopted IndAS 115 Revenue from Contracts with Customers for the period beginning 1 April 2018. Management has computed the impact of IndAS 115 and the same is immaterial.

v) Employee benefits

Defined contribution plan

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

Gratuity

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

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

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

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

Compensated absences

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

w) 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.

x) Taxation

Income tax comprises current and deferred tax. Income tax expense is recognised in the Combined 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.

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

(ii) *Deferred tax:*

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

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

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- Taxable temporary differences arising on initial recognition of goodwill.

Deferred income tax asset are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Embassy Office Parks Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets—unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

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

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

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

y) Provisions and contingencies

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

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

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

z) Operating segments

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

Segment result represents Net Operating Income which has been defined by the CODM as follows:

- **Commercial offices segment:**

NOI for commercial offices is defined as Revenue from operations (which includes (i) facility rentals, (ii) maintenance services income, (iii) income from finance lease and (iv) other operating income) less direct operating expenses (which includes (i) operating and maintenance expenses excluding repairs to buildings and property management fees (ii) property taxes, (iii) rent and (iv) insurance).

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- **Other segments:**

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

aa) Errors and estimates

The Embassy Office Parks Group revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the 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.

bb) Subsequent events

The Condensed Combined Financial Statements are adjusted to reflect events that occur after the reporting date but before the Condensed Combined Financial Statements are issued. The Condensed Combined Financial Statements have their own date of authorisation, which differs from that of the financial statements of the combining entities. Therefore, when preparing the Condensed Combined Financial Statements, management considers events up to the date of authorisation of those financial statements (i.e. including those that occurred after the authorisation date of the financial statements of combining entities).

cc) Cash and cash equivalents

Cash and cash equivalents in the Combined 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.

dd) Combined Statement of Cash flows

Combined 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 Group are segregated.

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

ee) Earnings per unit

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

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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.

ff) Combined Statement of net assets at fair value

The disclosure of Statement Of Net Assets at Fair Value comprises of the fair values of the total assets and for values of the total liabilities of individual SPV's. The fair value of the assets are reviewed regularly by Management with reference to independent assets and market conditions existing at the reporting date, using generally accepted market practices. The independent valuers are leading independent appraisers with a recognised and relevant professional qualification and with recent experience in the location. Judgment is also applied in determining the extent and frequency of independent appraisals. Such independent appraisals and the assumptions used are reviewed at each balance sheet date.

gg) Statement Of Total Returns At Fair Value

The disclosure of total returns at fair value comprises of the total Comprehensive Income as per the Combined Statement of Profit and loss and Other Changes in Fair Value of investment property, property, plant and equipment where the cost model is followed which were not recognised in total Comprehensive Income.

hh) Waiver of shareholders balances

Waiver of any loan given, interest receivable and any other receivable from shareholders are treated in the nature of dividend to shareholder(s) and therefore, considered directly into retained earnings.

ii) Earnings before finance costs, depreciation, amortisation and tax excluding share of profit of equity accounted investees

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

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3 Property, plant and equipment

Reconciliation of carrying amounts for the nine months ended 31 December 2018 and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016

Rs in millions

Particulars	Land-freehold	Land-leasehold (Refer note i)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Gross block (cost or deemed cost)											
At 1 April 2015 (Deemed cost—refer note 2.1)	**888.48**	**1.79**	**1,613.71**	**823.19**	**759.33**	**332.84**	**109.98**	**18.77**	**66.04**	**3.44**	**4,617.57**
Additions	—	—	21.62	6.29	19.39	2.91	0.34	0.67	1.02	0.41	52.65
At 31 March 2016	**888.48**	**1.79**	**1,635.33**	**829.48**	**778.72**	**335.75**	**110.32**	**19.44**	**67.06**	**3.85**	**4,670.22**
At 1 April 2016	**888.48**	**1.79**	**1,635.33**	**829.48**	**778.72**	**335.75**	**110.32**	**19.44**	**67.06**	**3.85**	**4,670.22**
Additions	—	—	33.30	34.33	47.35	2.04	1.99	1.26	3.06	—	123.33
Disposals	—	—	—	(3.26)	(0.08)	—	—	(0.16)	—	—	(3.50)
At 31 March 2017	**888.48**	**1.79**	**1,668.63**	**860.55**	**825.99**	**337.79**	**112.31**	**20.54**	**70.12**	**3.85**	**4,790.05**
At 1 April 2017	**888.48**	**1.79**	**1,668.63**	**860.55**	**825.99**	**337.79**	**112.31**	**20.54**	**70.12**	**3.85**	**4,790.05**
Additions (Refer note iv)	—	—	185.95	6,530.36	7.62	12.02	0.11	1.05	—	2.94	6,740.05
Adjustments (Refer note ii))	—	—	(25.49)	(4.07)	(10.71)	(5.45)	(2.15)	(1.51)	(0.87)	—	(50.25)
Impairment (refer note iii))	(127.74)	—	—	—	—	—	—	—	—	—	(127.74)
Deletions	—	—	—	(2.42)	(0.02)	—	—	—	—	—	(2.44)
At 31 March 2018	**760.74**	**1.79**	**1,829.09**	**7,384.42**	**822.88**	**344.36**	**110.27**	**20.08**	**69.25**	**6.79**	**11,349.67**
At 1 April 2018	**760.74**	**1.79**	**1,829.09**	**7,384.42**	**822.88**	**344.36**	**110.27**	**20.08**	**69.25**	**6.79**	**11,349.67**
Additions (Refer note iv)	195.72	—	—	7.30	0.68	—	0.67	0.07	—	—	204.44
Adjustments (Refer note i)	1.79	(1.79)	—	—	—	—	—	—	—	—	—
Impairment (refer note iii))	(30.06)	—	—	—	—	—	—	—	—	—	(30.06)
At 31 December 2018	**928.19**	**—**	**1,829.09**	**7,391.72**	**823.56**	**344.36**	**110.94**	**20.15**	**69.25**	**6.79**	**11,524.05**

Embassy Office Parks Group (As defined in note 1)
Condensed Combined Financial Statements
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Rs in millions

Particulars	Land-freehold	Land-leasehold (Refer note i)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Accumulated depreciation											
At 1 April 2015 (refer note 2.1)	—	—	—	—	—	—	—	—	—	—	—
Charge for the year	—	—	50.39	56.36	107.01	35.81	20.99	8.15	46.46	0.40	325.57
At 31 March 2016	**—**	**—**	**50.39**	**56.36**	**107.01**	**35.81**	**20.99**	**8.15**	**46.46**	**0.40**	**325.57**
At 1 April 2016	**—**	**—**	**50.39**	**56.36**	**107.01**	**35.81**	**20.99**	**8.15**	**46.46**	**0.40**	**325.57**
Charge for the year	—	—	51.58	58.47	115.56	36.22	21.42	7.58	18.07	0.55	309.45
Disposals	—	—	—	(1.32)	(0.03)	—	—	(0.16)	—	—	(1.51)
At 31 March 2017	**—**	**—**	**101.97**	**113.51**	**222.54**	**72.03**	**42.41**	**15.57**	**64.53**	**0.95**	**633.51**
At 1 April 2017	**—**	**—**	**101.97**	**113.51**	**222.54**	**72.03**	**42.41**	**15.57**	**64.53**	**0.95**	**633.51**
Charge for the year	—	—	46.16	89.59	117.59	36.76	21.56	3.38	2.78	0.58	318.40
Disposals	—	—	—	(0.55)	—	—	—	—	—	—	(0.55)
At 31 March 2018	**—**	**—**	**148.13**	**202.55**	**340.13**	**108.79**	**63.97**	**18.95**	**67.31**	**1.53**	**951.36**
At 1 April 2018	**—**	**—**	**148.13**	**202.55**	**340.13**	**108.79**	**63.97**	**18.95**	**67.31**	**1.53**	**951.36**
Charge for the nine months	—	—	39.08	293.03	86.88	27.13	15.09	0.29	1.41	0.46	463.37
At 31 December 2018	**—**	**—**	**187.21**	**495.58**	**427.01**	**135.92**	**79.06**	**19.24**	**68.72**	**1.99**	**1,414.73**
Carrying amount (net)											
As at 31 March 2016	**888.48**	**1.79**	**1,584.94**	**773.12**	**671.71**	**299.94**	**89.33**	**11.29**	**20.60**	**3.45**	**4,344.65**
As at 31 March 2017	**888.48**	**1.79**	**1,566.66**	**747.04**	**603.45**	**265.76**	**69.90**	**4.97**	**5.59**	**2.90**	**4,156.54**
As at 31 March 2018	**760.74**	**1.79**	**1,680.96**	**7,181.87**	**482.75**	**235.57**	**46.30**	**1.13**	**1.94**	**5.26**	**10,398.30**
As at 31 December 2018	**928.19**	**—**	**1,641.88**	**6,896.14**	**396.55**	**208.44**	**31.88**	**0.91**	**0.53**	**4.80**	**10,109.32**

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Notes:

i) MPPL—The SPV has entered into land lease agreement with Karnataka Industrial Area Development Board (KIADB) for a period of 10 years from the lease date. As per the lease agreement KIADB shall sell the land to MPPL at any time during the tenure of the lease or on expiry of the lease period for an additional consideration, if any to be decided at the time of entering into sale agreement. Considering that the title to the said land shall be transferred to MPPL under the agreement, it had classified the land as a finance lease and no depreciation was charged on the same. During the nine months ended 31 December 2018, the said land amounting to Rs. 1.79 million has been converted into freehold land by executing a sale agreement.

ii) Change in accounting estimate
During the year ended 31 March 2018, the cost of certain assets were adjusted to reflect changes in the original estimated cost.

iii) The land of EODPL is net of an impairment loss of Rs 157.80 million as at 31 December 2018 (31 March 2018: Rs. 127.74 million; 31 March 2017: Nil and 31 March 2016: Nil). The impairment loss has been computed based on the assets' recoverable amount as at reporting date which is its value in use as prescribed under Ind-AS 36. (Refer note 4 for additional disclosure on impairment)

iv) During the year ended 31 March 2018 EEPL had capitalised the solar plant on 28 February 2018 which had been constructed on turnkey project basis by a vendor. EEPL had received approval for commercial operation on 28 February 2018 and hence the project had been capitalised. The solar plant was constructed on a piece of land, the title of which was not in the name of EEPL. The agreement for transfer of the complete land will be entered in due course for a consideration of Rs. 296.60 million and will be capitalised as freehold land. During the nine months ended 31 December 2018, a portion of the land has been transferred in the name of EEPL and has been capitalised amounting to Rs. 195.72 million.

4 Capital work-in-progress

	Rs in millions			
SPV—Project	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
Embassy One—Hotel (Refer note below)	6,515.96	4,853.25	3,432.22	2,138.22
Umbel—Hotel	—	—	81.95	1.28
Manyata—Hotel	1,062.07	116.94	69.81	—
Express	—	—	1.56	—
	7,578.03	**4,970.19**	**3,585.54**	**2,139.50**

Notes

The capital work in progress of EODPL is net of an impairment loss of Rs 1,423.54 million as at 31 December 2018 (31 March 2018: Rs. 1,067.55 million; 31 March 2017: Nil and 31 March 2016: Nil). The impairment loss has been computed based on the assets' recoverable amount as at balance sheet date which is its value in use as prescribed under Ind-AS 36.

The property, plant and equipment of EODPL comprises land and the entire capital work in progress of EODPL as on 31 December 2018 comprises of cost of building, electrical equipments, plant and machinery, office equipments and furniture and fixtures which pertain to the Hotel operations of EODPL. The entire business of hotel operations has been identified as a cash generating unit (CGU). During the year/ nine months, the management has estimated the recoverable amount of the CGU based on a valuation obtained from a third party valuer. The fair value measurement is a level 3 measurement on the fair value hierarchy. The valuation was done in accordance with discounted cash flow method. As a result of the valuation, an impairment loss of Rs. 386.05 million for the nine months ended 31 December 2018 (31 March 2018: Rs. 1,195.29 million; 31 March 2017: Nil and 31 March 2016: Nil) is recognised in the Combined Statement of Profit and Loss for the CGU. The recoverable amount of Rs. 7,066.64 million as at 31 December 2018 (31 March 2018: Rs. 5,434.00 million; 31 March 2017: Rs. 4,140.71 million ; 31 March 2016: Rs. 2,846.71 million) was based on value in use and was determined at the level of the CGU. In determining value in use for the CGU, the assumptions used are as follows:

Assumption	**Approach used to determining values**	
	31 December 2018	**31 March 2018**
Discount rate	12.36%	12.63%

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5 Investment property

Reconciliation of carrying amounts for the nine months ended 31 December 2018 and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016

Rs in millions

Particulars	Land-freehold	Land-leasehold [Note: (i) to (vii)]	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computer	Total
Gross block (cost or deemed cost)									
At 1 April 2015 (Deemed cost—refer note 2.1)	**1,546.51**	**11,009.38**	**36,716.81**	**5,949.30**	**1,219.54**	**2,482.92**	**62.42**	**2.05**	**58,988.93**
Additions	180.15	—	6,403.46	788.95	206.52	77.57	2.27	0.60	7,659.52
Disposals	—	—	(1.87)	(8.04)	(4.96)	(10.11)	—	—	(24.98)
At 31 March 2016	**1,726.66**	**11,009.38**	**43,118.40**	**6,730.21**	**1,421.10**	**2,550.38**	**64.69**	**2.65**	**66,623.47**
At 1 April 2016	**1,726.66**	**11,009.38**	**43,118.40**	**6,730.21**	**1,421.10**	**2,550.38**	**64.69**	**2.65**	**66,623.47**
Additions	11.03	—	1,245.28	250.59	146.50	53.32	4.92	0.13	1,711.77
Adjustments (Refer note viii)	—	—	(62.57)	(1.26)	(21.91)	(1.21)	—	—	(86.95)
Disposals	—	—	—	—	—	—	—	(0.03)	(0.03)
At 31 March 2017	**1,737.69**	**11,009.38**	**44,301.11**	**6,979.54**	**1,545.69**	**2,602.49**	**69.61**	**2.75**	**68,248.26**
At 1 April 2017	**1,737.69**	**11,009.38**	**44,301.11**	**6,979.54**	**1,545.69**	**2,602.49**	**69.61**	**2.75**	**68,248.26**
Additions	560.77	—	4,965.98	926.58	110.90	354.00	8.68	0.97	6,927.88
Disposals	—	—	(109.61)	(59.95)	(207.49)	(48.91)	(0.02)	(0.06)	(426.04)
At 31 March 2018	**2,298.46**	**11,009.38**	**49,157.48**	**7,846.17**	**1,449.10**	**2,907.58**	**78.27**	**3.66**	**74,750.10**
At 1 April 2018	**2,298.46**	**11,009.38**	**49,157.48**	**7,846.17**	**1,449.10**	**2,907.58**	**78.27**	**3.66**	**74,750.12**
Additions	183.94	20.00	2,505.64	353.49	71.59	188.10	6.93	—	3,329.69
Adjustments (Refer note ii)	404.29	(404.29)	—	—	—	—	—	—	—
Adjustments (Refer note xi)	—	—	(77.45)	(26.35)	(0.24)	(22.73)	(4.64)	—	(131.41)
At 31 December 2018	**2,886.69**	**10,625.09**	**51,585.67**	**8,173.31**	**1,520.45**	**3,072.95**	**80.56**	**3.66**	**77,948.40**
Accumulated depreciation									
At 1 April 2015	—	—	—	—	—	—	—	—	—
Charge for the year	—	143.65	1,443.46	630.80	219.18	219.28	19.28	—	2,675.65
Disposals	—	—	(1.07)	(0.82)	(0.96)	(0.72)	—	—	(3.57)
At 31 March 2016	**—**	**143.65**	**1,442.39**	**629.98**	**218.22**	**218.56**	**19.28**	**—**	**2,672.08**
At 1 April 2016	**—**	**143.65**	**1,442.39**	**629.98**	**218.22**	**218.56**	**19.28**	**—**	**2,672.08**
Charge for the year	—	142.34	1,621.47	632.75	209.11	219.95	18.45	0.99	2,845.06
Disposals	—	—	—	—	—	—	—	(0.03)	(0.03)
At 31 March 2017	**—**	**285.99**	**3,063.86**	**1,262.73**	**427.33**	**438.51**	**37.73**	**0.96**	**5,517.11**
At 1 April 2017	**—**	**285.99**	**3,063.86**	**1,262.73**	**427.33**	**438.51**	**37.73**	**0.96**	**5,517.11**
Charge for the year	—	142.42	1,684.85	603.84	163.90	210.61	16.29	0.75	2,822.66
Disposals	—	—	(0.45)	(9.71)	(167.99)	(21.93)	(0.02)	(0.07)	(200.17)
At 31 March 2018	**—**	**428.41**	**4,748.26**	**1,856.86**	**423.24**	**627.19**	**54.00**	**1.64**	**8,139.60**

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Rs in millions

Particulars	Land-freehold	Land-leasehold [Note: (i) to (vii)]	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computer	Total
At 1 April 2018	**—**	**428.41**	**4,748.26**	**1,856.86**	**423.24**	**627.19**	**54.00**	**1.64**	**8,139.60**
Charge for the nine months	—	106.97	1,313.36	442.29	115.37	166.64	12.50	—	2,157.13
Disposals	—	—	—	—	—	—	(1.70)	—	(1.70)
At 31 December 2018	**—**	**535.38**	**6,061.62**	**2,299.15**	**538.61**	**793.83**	**64.80**	**1.64**	**10,295.03**
Carrying amount (net)									
As at 31 March 2016	**1,726.66**	**10,865.73**	**41,676.01**	**6,100.23**	**1,202.88**	**2,331.82**	**45.41**	**2.65**	**63,951.39**
As at 31 March 2017	**1,737.69**	**10,723.39**	**41,237.25**	**5,716.81**	**1,118.36**	**2,163.98**	**31.88**	**1.79**	**62,731.15**
As at 31 March 2018	**2,298.46**	**10,580.97**	**44,409.22**	**5,989.31**	**1,025.86**	**2,280.39**	**24.27**	**2.02**	**66,610.50**
As at 31 December 2018	**2,886.69**	**10,089.71**	**45,524.05**	**5,874.16**	**981.84**	**2,279.12**	**15.76**	**2.02**	**67,653.37**

Note:-

i) EOPPL—The leasehold land is taken from Maharashtra Industrial Development Corporation ('MIDC') on a lease for a period of 95 years effective from 1 August 2005.

ii) MPPL—The SPV had entered into land lease agreement with Karnataka Industrial Area Development Board (KIADB) for a period of 10 years from the lease date. As per the lease agreement KIADB could sell the land to MPPL at any time during the tenure of the lease or on expiry of the lease period for an additional consideration, if any which had to be decided at the time of entering into sale agreement. Considering that the title to the said land was to be transferred to MPPL under the agreement, it had classified the land as a finance lease and no depreciation was charged on the same. During the period ended 31 December 2018, the said land amounting to Rs. 404.29 million has been converted into freehold land by executing a sale agreement.

iii) GSPL—The leasehold land of GSPL is taken from New Ohkla Industrial Development Authority (NOIDA) on a lease for a period of 90 years effective from 27 March 2006.

iv) QBPPL—The SPV obtained leasehold land from Maharashtra Industrial Development Corporation ('MIDC') for a lease term of 95 years from 1 October 2005. As per the lease agreement QBPPL can renew the lease for a further period of 95 years.

v) ETPL—The leasehold land is taken from Mumbai Mahanagar Regional development Authority (MMRDA) on a lease for a period of 80 years from 23 June 2008.

vi) OBPL—The SPV obtained leasehold land from New Ohkla Industrial Development Authority (NOIDA) for a lease term of 90 years from 21 September 2007.

vii) IENMPL—The SPV obtained leasehold land from the Government of Maharashtra on lease of 99 years from 10 August 1963.

viii) The adjustments mainly relate to adjustments made to costs on account of revision in estimates for capital expenditure made by Management.

ix) Plant and machinery, furniture and fixtures and electrical equipments which are physically attached to the commercial buildings are considered as part of investment property.

x) All of the above assets have been leased out to lessees / held for lease on operating lease basis.

xi) Change in accounting estimate

During the nine months ended 31 December 2018, the cost of certain assets were adjusted to reflect changes in the original estimated cost.

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6 Investment property under development (IPUD):

IPUD mainly comprises upcoming buildings in various parks. The park-wise SPV wise details are as follows:

	Rs in millions			
Particulars	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
EOPPL—Embassy TechZone	161.13	115.20	68.13	103.41
MPPL—Manyata Embassy Business Park	4,347.67	2,641.63	2,511.05	698.78
QBPL—Quadron Business Park	—	—	—	1.49
QBPPL—Qubix Business Park	—	—	11.28	23.42
OBPL—The Oxygen Park	436.46	1,701.23	312.49	26.37
VCPPL—247 Park	—	—	16.62	—
ETPL—First International Financial Centre	—	142.03	—	—
	4,945.26	**4,600.09**	**2,919.57**	**853.47**

7 Goodwill on consolidation

Goodwill arising on elimination of EOPPL's stake in other combining entities (i.e. MPPL and EEPL) as referred below by applying the principles of consolidation as per "Ind AS 110 Consolidated Financial Statements" i.e. excess of cost of investment over share of net assets on the date of acquisition. Also refer note 2.1 to the Condensed Combined Financial Statements:

	Rs in millions			
SPVs	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
MPPL	8,104.62	8,104.62	8,104.62	8,104.62
EEPL	14.75	14.75	14.75	—
Total	**8,119.37**	**8,119.37**	**8,119.37**	**8,104.62**

7A Other intangible assets

Reconciliation of carrying amounts for the nine months ended 31 December 2018 and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016

	Rs in millions				
Particulars	**Goodwill on amalgamation***	**Brand**	**Trademark**	**Computer software**	**Total**
Gross block (cost or deemed cost)					
At 1 April 2015	**2,639.62**	**227.25**	**6.31**	**31.11**	**2,904.29**
Additions	—	111.71	—	0.60	112.31
At 31 March 2016	**2,639.62**	**338.96**	**6.31**	**31.71**	**3,016.60**
At 1 April 2016	**2,639.62**	**338.96**	**6.31**	**31.71**	**3,016.60**
Additions	—	53.46	—	13.80	67.26
At 31 March 2017	**2,639.62**	**392.42**	**6.31**	**45.51**	**3,083.86**
At 1 April 2017	**2,639.62**	**392.42**	**6.31**	**45.51**	**3,083.86**
Additions	—	133.79	—	27.11	160.90
At 31 March 2018	**2,639.62**	**526.21**	**6.31**	**72.62**	**3,244.76**

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Particulars	Goodwill on amalgamation*	Brand	Trademark	Computer software	Total
	Rs in millions				
At 1 April 2018	**2,639.62**	**526.21**	**6.31**	**72.62**	**3,244.76**
Additions	—	—	—	—	—
At 31 December 2018	**2,639.62**	**526.21**	**6.31**	**72.62**	**3,244.76**
Accumulated amortisation					
At 1 April 2015	—	—	—	—	—
Charge for the year	—	143.22	—	13.47	156.69
At 31 March 2016	**—**	**143.22**	**—**	**13.47**	**156.69**
At 1 April 2016	**—**	**143.22**	**—**	**13.47**	**156.69**
Charge for the year	—	72.45	0.66	16.11	89.22
At 31 March 2017	**—**	**215.67**	**0.66**	**29.58**	**245.91**
At 1 April 2017	**—**	**215.67**	**0.66**	**29.58**	245.91
Charge for the year	—	80.18	0.66	6.26	87.10
At 31 March 2018	**—**	**295.85**	**1.32**	**35.84**	**333.01**
At 1 April 2018	**—**	**295.85**	**1.32**	**35.84**	333.01
Charge for the nine months	—	58.24	0.87	7.08	66.19
At 31 December 2018	**—**	**354.09**	**2.19**	**42.92**	**399.20**
Carrying amount (net)					
As at 31 March 2016	**2,639.62**	**195.74**	**6.31**	**18.24**	**2,859.91**
As at 31 March 2017	**2,639.62**	**176.75**	**5.65**	**15.93**	**2,837.95**
As at 31 March 2018	**2,639.62**	**230.36**	**4.99**	**36.78**	**2,911.75**
As at 31 December 2018	**2,639.62**	**172.12**	**4.12**	**29.70**	**2,845.56**

* Goodwill had arisen due to amalgamation of Pune Infoport Private Limited (PIPL), holding company of IENPL, with IENPL as per the scheme of amalgamation approved by the Honorable High Court of Mumbai.

8 Equity accounted investee

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Interest in associate				
Golflinks Software Park Private Limited— 31 December 2018: 100,000 (31 March 2018: 100,000; 31 March 2017: 100,000; 31 March 2016: 100,000) equity share of Rs 10 each, fully paid up)	6,433.56	5,558.67	4,598.72	4,013.89
	6,433.56	**5,558.67**	**4,598.72**	**4,013.89**
Goodwill on acquisition included as a part of carrying cost	366.53	366.53	366.53	366.53

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	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Percentage ownership interest	50%	50%	50%	50%
Net assets	12,177.73	10,427.94	8,508.75	7,339.11
Embassy Office Parks Group's share of net assets (50%)	6,088.86	5,213.97	4,254.38	3,669.56
Carrying amount of interest	6,433.56	5,558.67	4,598.72	4,013.89

Note: The statutory auditors of GLSP have modified their audit report for the year ended 31 March 2018 for non-compliance with Section 185 of the Companies Act, 2013 in respect of a loan aggregating Rs. 190.00 million provided to a private company which has common directors. While the non-compliance continues, management does not consider the possible implications of this matter to be significant in relation to the Condensed Combined Financial Statements.

9 Non-current investments

	Rs in millions			
Particulars	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
Trade investments in equity instruments (refer note 2.1)				
Unquoted				
Investment in subsidiary measured at cost***				
Embassy Office Parks Management Services Private Limited (31 December 2018: Nil; 31 March 2018: Nil ; 31 March 2017: Nil ; 31 March 2016 :10,000) equity shares of Rs 10 each , fully paid up)	—	—	—	0.10
Joint venture, at cost				
*Investments held under dispute at cost: (refer note A)*****				
Manyata Promoters Private Limited (31 December 2018: Nil; 31 March 2018: Nil; 31 March 2017: Nil; 31 March 2016: 305,815 equity shares of Rs 10 each , fully paid up)	—	—	—	6,185.81
Investment in preference shares at cost*				
Manyata Projects Private Limited (31 December 2018: 15,698,440; 31 March 2018: 15,698,440; 31 March 2017: 15,698,440; and 31 March 2016: 15,698,440) 0.01 % optionally convertible redeemable preference shares of Manyata Projects Private Limited of Rs 10 each, fully paid up	156.98	156.98	156.98	156.98
Less: Impairment	(156.98)	(156.98)	(156.98)	(156.98)
Non trade investments measured at fair value through profit and loss				
Investment in mutual funds**				
SBI Magnum Instacash Fund-Growth Option	302.71	248.12	224.79	—
IDFC Ultra Short Term Fund	—	—	—	43.06
IDFC Cash Fund—Growth Direct Plan	168.29	141.46	130.49	85.30
	471.00	**389.58**	**355.28**	**6,314.27**

* The optionally convertible redeemable preference shares are convertible/redeemable at the option of MPPL on 31 December 2020.
** These mutual fund balances are held as lien towards Debt Service Reserve requirement for loan taken.
*** Refer note 2.1.i
**** Refer note 2.1.h

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Investments measured at cost (gross)	156.98	156.98	156.98	6,342.89
Investments measured at fair value through profit or loss	471.00	389.58	355.28	128.36
Investments measured at fair value through other comprehensive income	—	—	—	—
Investments measured at amortised cost	—	—	—	—
Aggregate amount of impairment recognised	156.98	156.98	156.98	156.98

A. EOPPL had advanced an amount of Rs 3,000 million to a party ("the shareholder") as per the conditional share purchase agreement ('CSPA') ("the agreement") dated 8 April 2013. As per the agreement, EOPPL had agreed to purchase 305,815 shares of Manyata Promoters Private Limited from the shareholder for a total consideration of Rs 3,687.39 million of which Rs 3,000 million was paid upfront and the balance consideration was to be paid on the date of transfer of shares. The shareholder had a period of 25 months from the date of initial advance to effect the sale of shares failing which he was obligated to return the advance paid with a termination fee as defined in the agreement.

The aforementioned shares were pledged as a security for the advance paid. Subsequently, based on amended agreements, EOPPL received an amount aggregating Rs 3,432.80 million in December 2015; however the shareholder defaulted in repayment of the balance dues thus constituting an event of default. Pursuant to the event of default, EOPPL exercised its rights as per the agreement and invoked the pledge of 305,815 shares on 31 March 2016 and consequently such shares had been transferred in the name of EOPPL. Since EOPPL had invoked the pledge and transferred the shares to its name, it had recorded the 305,815 shares of Manyata Promoters Private Limited as an investment (at its fair value as on that date) and a liability of Rs 4,120.19 million towards acquisition of these shares which is towards repayment of Rs 3,432.80 million received from the shareholder in December 2015 and the additional consideration payable of Rs 687.39 million as per the original share purchase agreement.

During the year ended 31 March 2017, EOPPL, the shareholder and certain other parties have entered into a composite settlement and securities purchase agreement ('Settlement Agreement') dated 28 February 2017 which was amended by an amendment agreement dated 04 July 2017 and further amended and restated by way of an amended and restated composite settlement and securities purchase agreement dated 16 April 2018 ("CSSPA") pursuant to which the investment and the payable have been de-recognized and a receivable from the shareholder has been recognised. The financial statements for the year ended 31 March 2017 has also been restated to record this settlement as the settlement agreement was in place as at 31 March 2017 and the settlement should have been given effect to in the financial statements for the year ended 31 March 2017.

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10 Current investments

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions.			
Non trade investments measured at fair value through profit and loss				
Unquoted				
Investment in mutual funds				
HDFC Liquid Fund-Direct Plan-Growth Option	1,027.00	973.07	578.40	258.18
ICICI Prudential Liquid Fund-Direct Plan-Growth Option	1,028.00	973.30	577.71	142.14
ICICI Prudential Liquid Daily Dividend—Direct Plan	—	—	—	27.63
ICICI Prudential Flexible Income-Direct Plan-Growth Option	—	—	—	121.02
IDFC Cash Fund-Growth—Direct Plan	4.45	—	44.03	—
SBI Liquid Fund Regular Daily Dividend	10.23	—	—	—
SBI Magnum Instacash Fund-Dividend Option	—	168.24	—	—
SBI Magnum Instacash Fund-Growth Option	50.00	121.28	31.68	—
HDFC Liquid Fund-Direct plan—Daily Dividend Reinvestment	—	—	—	319.64
ICICI Liquid Plan—Direct—Daily Dividend Reinvestment	—	—	—	319.28
IDFC Cash Fund—Direct plan—Daily Dividend Reinvestment	—	—	—	104.01
SBI Magnum Insta Cash Fund—Regular Plan—Growth	134.50	126.79	118.82	—
IDFC Cash Fund-growth -Direct Plan	—	155.49	—	—
ING domestic opportunities fund	—	—	—	0.15
	2,254.18	**2,518.17**	**1,350.64**	**1,292.05**
Investment measured at cost	**—**	**—**	**—**	**—**
Investment measured at fair value through profit or loss	**2,254.18**	**2,518.17**	**1,350.64**	**1,292.05**
Investments measured at fair value through other comprehensive income	**—**	**—**	**—**	**—**
Investment measured at amortised cost	**—**	**—**	**—**	**—**
Aggregate amount of impairment recognised	**—**	**—**	**—**	**—**

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Non-current financial assets

11 Loans

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Unsecured				
Loans to related parties (refer note 53)				
Considered good	—	—	1,123.05	1,095.63
Which have significant increase in Credit Risk	—	—	—	—
Credit impaired	—	—	—	—
Less: allowances for impairment losses	—	—	—	—
Security deposits				
– related party (refer note 53)	109.78	352.50	10.50	10.50
– others	538.81	476.22	439.64	395.30
	648.59	**828.72**	**1,573.19**	**1,501.43**

12 Other financial assets

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Unsecured				
Fixed deposits with banks*	1,956.19	1,326.53	1,055.47	1,074.97
Unbilled revenue	716.35	474.95	443.51	533.88
Interest accrued but not due				
– from fixed deposits	0.19	15.23	10.93	7.72
– from related parties (refer note 53)	—	—	103.59	—
Receivable under finance lease	80.97	130.01	166.13	63.12
Other receivables	0.35	101.62	124.54	124.70
	2,754.05	**2,048.34**	**1,904.17**	**1,804.39**

* Held as lien against loan availed. (Refer note 25)

13 Deferred tax assets (net)

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Deferred tax assets (net)	565.82	541.82	342.90	200.56
	565.82	**541.82**	**342.90**	**200.56**

14 Non-current tax assets (net)

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Advance tax, net of provision for tax	1,245.54	922.80	893.74	872.16
	1,245.54	**922.80**	**893.74**	**872.16**

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15 Other non-current assets

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Unsecured, considered good				
Capital advances				
Advance paid for co-development of a property, including development rights on land (refer note A below and note 53)	5,542.50	5,542.00	1,950.00	—
Advance paid for purchase of land				
– related party (refer note 53)	97.50	97.50	1.00	0.50
Other capital advances				
– related party (refer note 53)	381.36	410.03	170.00	187.85
– others	1,474.02	1,060.99	993.33	519.68
Balances with government authorities	170.42	211.16	215.08	217.79
Paid under protest to government authorities	674.65	673.55	575.70	14.42
Prepayments	94.22	107.35	3.29	18.85
Financial guarantee contracts	20.72	—	—	—
	8,455.39	**8,102.58**	**3,908.40**	**959.09**

Note A:
The amount represents advance paid to Embassy Property Developments Private Limited ('EPDPL') under various composite agreements. As per the said composite agreements, MPPL shall pay an amount of Rs 6,550 million to EPDPL as consideration for co-development of a bare shell building for MPPL. Aforesaid Rs 6,550 million is towards development consideration, one time lease premium, development fee and construction of bare shell building.

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

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Stock of consumables	5.06	8.90	8.14	7.36
Property under development (refer note below)	—	—	2,917.44	2,376.20
	5.06	**8.90**	**2,925.58**	**2,383.56**

During the financial year ended 31 March 2018, EODPL had reclassified property under development which were held for sale to investment property due to change in intention of the Management.

17 Trade receivables

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Unsecured				
Considered good	370.52	378.35	362.60	399.60
Which have significant increase in Credit Risk	—	—	—	—
Credit impaired	25.40	14.21	9.30	7.40
Less: allowances for impairment losses	(25.40)	(14.21)	(9.30)	(7.40)
	370.52	**378.35**	**362.60**	**399.60**

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18 Loans

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Unsecured				
Loans to related parties (refer note 53)				
Considered good*	7,250.00	8,610.00	1,269.85	564.85
Which have significant increase in Credit Risk	—	—	—	—
Credit impaired	—	—	—	—
Less: allowances for impairment losses	—	—	—	—
Security deposits				
– related party (refer note 53)	826.79	661.00	—	—
– others	7.50	7.31	6.52	30.21
	8,084.29	**9,278.31**	**1,276.37**	**595.06**

* As at 31 December 2018, Manyata Promoters Private Limited (MPPL) has advanced loans aggregating Rs. 7,250.00 million (31 March 2018: Rs. 8,610.00 million, 31 March 2017: Rs. 1,260.00 million and 31 March 2016: Rs. 555.00 million) to a company in which a Director of MPPL is interested. As per the requirements of Section 185 of the Act, no company shall, directly or indirectly, provide/receive any loan or give/obtain any guarantee or provide/obtain any security to a person in whom a Director is interested. Accordingly, the aforementioned loans given by MPPL are not in compliance with the requirements of the Companies Act, 2013. The impact of this non-compliance has not been quantified by the Embassy Office Parks Group.

19 Cash and cash equivalents

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Cash on hand	0.64	0.47	0.69	0.46
Balances with banks				
– in current accounts	1,163.11	933.09	1,573.40	705.67
– in escrow accounts	1,048.27	486.02	527.95	335.16
– in deposit accounts with original maturity of less than three months	141.33	63.78	562.07	392.80
	2,353.35	**1,483.36**	**2,664.11**	**1,434.09**
Other bank balances				
Balances with banks				
– in fixed deposit accounts with original maturity greater than three months and less than twelve months	260.38	696.11	1,062.24	280.40
	260.38	**696.11**	**1,062.24**	**280.40**
	2,613.73	**2,179.47**	**3,726.35**	**1,714.49**

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20 Other financial assets

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Secured, considered good				
Inter-corporate deposit*				
– to others	—	—	380.00	—
Unsecured, considered good				
Interest accrued but not due				
– from related parties (refer note 53)	596.57	362.04	49.17	30.53
– on fixed deposits	1.27	8.88	11.37	9.92
– on statutory deposits	56.27	40.08	21.79	19.96
– on others	—	—	28.20	—
Interest accrued and due				
– from related parties (refer note 53)	—	—	—	17.71
Unbilled revenue	635.96	291.23	235.05	281.10
Unbilled maintenance charges	42.79	37.08	42.85	90.63
Receivable under finance lease	71.93	66.41	49.02	82.49
Other receivables				
– related parties (refer note 53)	226.04	226.04	211.10	275.71
– others (refer note 9A)	223.05	3,464.73	2,995.12	88.38
	1,853.88	**4,496.49**	**4,023.67**	**896.43**

* As per the Loan Agreement dated October 18, 2016 the above inter corporate deposit to Nalanda Shelters Private Limited ('Borrower') was secured by:

a) first ranking exclusive mortgage on the entire acquired land and project land to the extent of 9.81 acres located in Hinjewadi, Pune.

b) first ranking exclusive pledge over 100 % shares of the Borrower held by the shareholders of the borrower.

c) an unconditional and irrevocable personal guarantee from Mr. Shrikant Paranjape (Borrower's Promoter).

21 Other current assets

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Unsecured, considered good				
Advance for supply of goods and rendering of services				
– to related parties (refer note 53)	39.21	30.95	26.81	29.74
– to others	34.84	27.39	193.67	108.13
Balances with government authorities	179.80	143.57	66.30	63.96
Financial guarantee contracts	5.76	—	—	—
Prepayments	194.13	86.55	72.23	55.58
Other advances	4.07	4.36	18.23	32.07
Other current assets*	326.53	—	—	—
	784.34	**292.82**	**377.24**	**289.48**

* The issue cost incurred till 31 December 2018 (i.e. solicitors' fees and fees for the reporting accountants, tax adviser and independent valuers and other professionals) in connection with the Offering has been currently classified under other current assets, as the Embassy Office Parks Group is yet to complete the initial public offering. Post the initial public offering, these expenses will be deducted from unit capital.

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22 Capital

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Issued, subscribed and paid-up:				
727,539 (31 March 2018: 727,539; 31 March 2017: 727,539; 31 March 2016: 727,539) equity shares of Rs 100 each, fully paid up shares of MPPL	72.75	72.75	72.75	72.75
8,703,249 (31 March 2018: 8,703,249; 31 March 2017: 8,703,249; 31 March 2016: 8,703,249) equity shares of Rs 10 each, fully paid-up shares of EOPPL	87.03	87.03	87.03	87.03
2,000 (31 March 2018: 2,000; 31 March 2017: 2,000; 31 March 2016: 10,000) equity shares of Rs 10 each, fully paid up shares of EEPL	0.02	0.02	0.02	0.10
11,551 (31 March 2018: 11,551; 31 March 2017: 11,551; 31 March 2016: 11,551) equity shares of Rs 10 each, fully paid up shares of UPPL	0.12	0.12	0.12	0.12
Capital of EODPL (difference between assets and liabilities of the carved out business of EODPL) (Refer note 2.1(k))	1,451.74	2,325.50	2,118.96	1,729.20
107,959 (31 March 2018: 107,594; 31 March 2017: 129,295; 31 March 2016: 129,295) Class A equity shares, fully paid up shares of GSPL	10.80	10.76	12.93	12.93
2,129,635 (31 March 2018: 2,129,635; 31 March 2017: 2,129,635; 31 March 2016: 2,129,635) equity shares of Rs 10 each, fully paid shares of QBPL	21.30	21.30	21.30	21.30
271,672 (31 March 2018: 271,672; 31 March 2017: 429,536; 31 March 2016: 429,536) equity shares of Rs 10 each, fully paid up shares of QBPPL	2.72	2.72	4.30	4.30
1,884,748 (31 March 2018: 1,884,748; 31 March 2017: 1,884,748; 31 March 2016: 13,187) equity shares of Rs 10 each, fully paid up shares of OBPL	18.85	18.85	18.85	0.13
185,604,589 (31 March 2018: 185,604,589; 31 March 2017: 185,604,589; 31 March 2016: 185,604,589) equity shares of Rs 10 each, fully paid up shares of ETPL	1,856.05	1,856.05	1,856.05	1,856.05
6,134,016 (31 March 2018: 6,134,016; 31 March 2017: 6,134,016; 31 March 2016: 6,134,016) equity shares of Rs. 10 each, fully paid up shares of VCPPL	61.34	61.34	61.34	61.34
254,584 (31 March 2018: 254,584; 31 March 2017: 254,584; 31 March 2016: 254,584) equity shares of Rs.100 each fully paid-up, fully paid up shares of IENPL	25.46	25.46	25.46	25.46
	3,608.18	**4,481.90**	**4,279.11**	**3,870.71**

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23 Instruments entirely equity in nature

	Rs in millions			
Particulars	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
Issued, subscribed and paid-up				
Preference shares of Rs 100 each, fully paid-up				
Nil (31 March 2018: 85,658; 31 March 2017: NIL; 31 March 2016: NIL) Series B Compulsorily Convertible Preference Shares—GSPL	—	8.57	—	—
NIL (31 March 2018: Nil; 31 March 2017: 84,602; 31 March 2016: 84,602) Series C preference shares—GSPL	—	—	8.46	8.46
	—	**8.57**	**8.46**	**8.46**

Rights, entitlement and obligations of different classes of preference shares:

Series B—The holders of Series B Compulsorily Convertible Preference Shares ('CCPS') will be entitled to preferential right over the remaining assets of GSPL with respect to payment of 0.001% dividend per annum and repayment in case of a winding up or a repayment of capital. These shares are non redeemable and are convertible into equity shares at a conversion ratio of 235 CCPS:1 Equity share at any mutually agreed time, but in any case prior to expiry of 20 years from the date of issue. During the nine months ended 31 December 2018, these preference shares were converted into equity shares.

Series C—Series C preference shares carried a non-cumulative nominal dividend of 0.001% per annum. Such preference shares were redeemable at the sole discretion of GSPL as per mutually agreed terms. During the year ended 31 March 2018, these shares were redeemed at a premium of Rs. 372.80 per preference share.

Note:

1). During the nine months, ETPL has filed an application with the NCLT for reduction of capital by reducing the paid up amount of equity shares from Rs 10 to Rs 7 each, by paying off Rs 18.85 for each equity share (Rs. 3 towards the reduction of face value and an additional amount of Rs 15.85 for each share held.). Subsequently, the management of ETPL has decided not to go ahead with this application.

2). During the nine months, IENPL has filed an application with the NCLT for reduction of capital by cancelling the paid up capital to the extent of 130,022 equity shares of Rs 100 each. Currently, the NCLT hearing is awaited for the application.

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24 Other Equity*

	Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
		Rs in millions			
(i)	***Reserves and Surplus***				
	General reserve	6,206.39	6,118.18	6,118.18	6,118.18
	Capital reserve	(594.12)	(594.12)	(594.12)	(594.12)
	Capital redemption reserve	408.01	408.01	660.28	660.28
	Debenture redemption reserve	—	88.21	88.21	88.21
	Securities premium	25,312.28	25,303.75	25,580.85	23,728.01
	Amalgamation /demerger deficit account	(2,189.37)	(2,189.37)	(2,189.37)	(2,189.37)
	Retained earnings	3,554.00	(98.37)	(1,253.94)	(3,101.72)
	Other component of equity	(16.29)	(16.29)	(16.29)	(21.78)
		32,680.90	**29,020.00**	**28,393.80**	**24,687.69**
(ii)	***Equity component of 0.01% Non-convertible redeemable debentures—MPPL***	46.12	46.12	46.12	46.12
(iii)	***Equity component of 0.01% Optionally convertible preference shares—UPPL***	49.36	49.36	49.36	49.36
(iv)	***Equity component of 0.01% Optionally convertible redeemable debentures—UPPL***	546.02	546.02	546.02	546.02
(v)	***Equity component of 0.001% Compulsorily Convertible Debentures (CCDs)—OBPL***	—	—	—	1,871.56
(vi)	***Other equity***				
	Contribution from equity participants	674.47	608.47	608.47	608.47
	Equity portion of corporate guarantee	40.52	—	—	—
	Equity portion of Interest free loans	28.82	28.82	28.82	28.82
		34,066.21	**30,298.79**	**29,672.59**	**27,838.04**

* Refer Combined Statement of changes in equity for detailed movement in other equity balances.

General reserve:

It represents balance on account of demergers/amalgamations in earlier years.

Capital reserve

It represents balance on account of demergers/amalgamations in earlier years.

Capital redemption reserve

It represents reserve created in accordance with the provisions of the Companies Act, 1956 for buy back of equity shares.

Debenture redemption reserve

Debenture redemption reserve is created out of the profits which are available for distribution as dividend.

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Securities premium

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilized in accordance with the provision of section 52(2) of Companies Act, 2013.

Amalgamation /demerger deficit account

It represents balance on account of demergers/amalgamations in earlier years.

Retained earnings

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

Other component of equity

It represents equity component of financial guarantee given.

Equity component of 0.01% Non-convertible redeemable debentures—MPPL

It represents the equity component arising on fair valuation of the said debentures as required under Ind AS 32.

Equity component of 0.01% Optionally convertible preference shares—UPPL

It represents the equity component arising on fair valuation of the said preference shares as required under Ind AS 32.

Equity component of 0.01% Optionally convertible redeemable debentures—UPPL

It represents the equity component arising on fair valuation of the said debentures as required under Ind AS 32.

Equity component of 0.001% Compulsorily Convertible Debentures (CCDs)—OBPL

It represents financial instruments classified as equity under Ind AS 32.

Other equity

This represents the unsecured, interest free and low interest, loans that has been recognized by the SPV as equity contribution and also includes waiver of interest by related parties.

Equity portion of corporate guarantee

This represents equity portion of corporate guarantee.

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Financial liabilities

25 Borrowings

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Secured				
Debentures				
– Listed, non-convertible, redeemable debentures (NCDs) (refer note 53)	—	3,350.89	2,764.21	1,906.62
Terms loans				
– from banks and financial institutions	63,512.18	58,268.77	47,829.84	44,898.31
Deferred payment liability	6,690.55	6,393.18	—	—
Overdraft facility (Asset backed loan (Secured))	2,715.52	3,105.68	3,705.67	—
Vehicle loans	1.93	2.43	—	—
Obligation under finance lease	1.48	1.48	1.49	1.49
Unsecured				
Inter-corporate deposits from related parties (refer note 53)**	—	1,295.44	855.78	40.88
Loans from related parties*/** (refer note 53)	3,114.42	3,054.68	2,677.99	2,041.59
Liability component of Optionally Convertible Redeemable Debentures (ORCDs) (refer note 53)—UPPL**	421.17	385.98	344.32	307.15
Liability component of 0.01% optionally convertible redeemable preference shares (refer note 53)—UPPL**	55.03	50.12	44.35	39.26
	76,512.28	**75,908.65**	**58,223.64**	**49,235.32**

* As at 31 December 2018, Umbel Properties Private Limited (UPPL) has received a loan aggregating Rs. 2,036.41 million (31 March 2018: Rs. 2,061.68 million, 31 March 2017: Rs. 1,928.38 million and 31 March 2016: Rs. 1,500.14 million) from a company in which a Director of UPPL is interested of which Rs. 1,027.21 million (31 March 2018: Rs. 1,052.48 million, 31 March 2017: Rs. 937.45 million and 31 March 2016: Rs. 491.22 million) (net of repayments) has been received after 12 September 2013. As per the requirements of Section 185 of the Act, no company shall, directly or indirectly, provide/receive any loan or give/obtain any guarantee or provide/obtain any security to a person in whom a Director is interested. Accordingly, the aforementioned loans obtained by UPPL are not in compliance with the requirements of the Act. The impact of this non-compliance has not been quantified by the Embassy Office Parks Group.

** Subsequent to the reporting date, the above financial instruments have been converted into equity shares.

26 Other financial liabilities

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Lease deposits	2,654.83	2,673.48	3,031.62	2,731.24
Payable for purchase of fixed assets	139.53	139.36	49.15	46.35
	2,794.36	**2,812.83**	**3,080.77**	**2,777.58**

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27 Deferred tax liabilities (net)

Rs in millions

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Deferred tax liabilities (net)	2,830.44	2,519.54	2,359.77	2,108.29
	2,830.44	**2,519.54**	**2,359.77**	**2,108.29**

28 Provisions

Rs in millions

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Provision for employee benefits				
– gratuity	2.52	2.97	3.15	2.24
– compensated absences	5.02	2.23	1.98	1.71
	7.54	**5.20**	**5.13**	**3.95**

29 Other non-current liabilities

Rs in millions

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Deferred lease rental	665.65	608.17	690.33	632.15
Advances from customers	30.46	25.10	12.96	15.70
Unearned revenue	—	14.46	8.01	2.22
	696.11	**647.73**	**711.30**	**650.07**

Current financial liabilities

30 Borrowings

Rs in millions

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Secured:				
Loans repayable on demand				
– construction finance loan from financial institution	2,355.48	2,376.92	—	500.10
Other short-term borrowings				
– Lease rental discounting loan from bank	840.01	869.50	—	890.11
Unsecured:				
Loans repayable on demand				
– loan from a director (refer note 53)	—	0.10	0.10	0.10
– loans from related parties** (refer note 53)	53.88	4.05	4.05	—
– Nil (31 March 2018: Nil; 31 March 2017: 250,000; 31 March 2016: 600,000) Zero Coupon Non-Convertible Bonus Debentures of Rs 100 each	—	—	25.00	60.00
Others				
– from financial institutions	—	300.00	—	—
	3,249.37	**3,550.57**	**29.15**	**1,450.31**

** Subsequent to the reporting date, the above financial instruments have been converted into equity shares.

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31 Trade payables

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Trade payable to related parties (refer note 53)				
– total outstanding dues of micro enterprises and small enterprises;	—	—	—	—
– total outstanding dues of creditors other than micro enterprises and small enterprises.	39.91	60.15	13.74	106.94
Other trade payables				
– total outstanding dues of micro enterprises and small enterprises;	—	—	—	—
– total outstanding dues of creditors other than micro enterprises and small enterprises.	133.08	356.76	275.09	361.57
	172.99	**416.91**	**288.83**	**468.51**

32 Other financial liabilities

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Current maturities of long-term debt				
– from banks and financial institutions	5,284.31	5,668.08	5,286.66	5,001.77
– from related parties (refer note 53)	—	416.67	510.98	510.98
Interest accrued and due				
– to related party (refer note 53)	19.55	19.55	19.55	19.55
Security deposits (refer note 53)	185.00	185.00	—	—
Lease deposits	5,931.71	5,746.42	5,033.78	4,802.66
Book overdraft	—	46.42	—	43.43
Capital creditors				
– for purchase of fixed assets				
– to related party (refer note 53)	54.17	34.50	50.72	132.98
– to others	731.89	1,159.74	1,109.60	1,054.01
Advance received from related parties (refer note 53)	—	—	42.37	42.37
Payable for purchase of shares (Refer note 9 A)	—	—	—	4,120.19
Deposits from customers	83.10	83.10	83.10	83.10
Other liabilities				
– to related party (refer note 53)	2.25	18.61	18.01	71.84
– to others	774.78	333.69	326.60	326.77
	13,066.76	**13,711.78**	**12,481.36**	**16,209.65**

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33 Provisions

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Provision for employee benefits				
– gratuity	1.73	0.03	0.04	0.02
– compensated absences	0.50	0.30	0.21	0.19
	2.23	**0.33**	**0.25**	**0.21**

34 Other current liabilities

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Unearned income	40.76	36.87	15.51	1.39
Advances received from customers	247.63	152.49	189.41	158.62
Statutory dues	175.23	292.70	293.02	324.48
Deferred lease rentals	188.69	283.17	289.35	307.30
Other advances	—	—	27.06	—
	652.31	**765.23**	**814.35**	**791.79**

35 Current tax liabilities (net)

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Provision for income-tax, net of advance tax	132.08	27.19	14.26	77.11
	132.08	**27.19**	**14.26**	**77.11**

36 Revenue from operations

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs in millions				
Facility rentals	11,015.48	10,117.73	13,525.14	12,517.15	11,816.36
Maintenance services	1,136.68	1,100.81	1,648.82	1,620.29	1,601.18
Income from finance lease	15.90	20.57	26.68	32.06	19.32
Room rentals	382.05	349.69	489.74	413.11	317.67
Sale of food and beverages	158.99	151.63	208.22	174.59	138.85
Income from generation of renewable energy	953.27	—	105.29	—	—
Other operating income					
– hospitality	64.25	54.01	72.62	57.50	49.50
– others	33.21	35.07	41.49	34.50	27.28
	13,759.83	**11,829.51**	**16,118.00**	**14,849.20**	**13,970.16**

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37 Other income

Rs in millions

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest income					
– on inter- corporate deposits (Refer note 53)	604.78	366.81	516.33	213.68	394.18
– on fixed deposits with bank	92.29	92.08	136.37	150.22	141.96
– on security deposits	88.94	65.22	102.00	—	—
– on loan to others	74.82	334.92	475.23	870.04	833.87
– on other statutory deposits	14.57	16.31	21.80	22.21	16.09
– on Income-tax refund	58.66	14.34	26.81	18.93	9.33
– others	8.21	9.66	16.68	13.75	17.78
Dividend income	—	0.50	0.50	28.56	65.87
Profit on sale of investments	47.04	20.71	31.52	57.75	20.12
Liquidated damages	—	—	—	139.74	—
Liabilities no longer required written back	39.17	1.93	2.53	18.11	83.00
Net changes in fair value of financial assets	129.15	98.71	137.89	32.25	87.51
Property tax refund	—	—	—	—	47.51
Miscellaneous	14.84	32.36	76.99	41.93	66.29
	1,172.47	**1,053.55**	**1,544.65**	**1,607.17**	**1,783.51**

38 Cost of materials consumed

Rs in millions

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Purchases	38.50	38.88	55.31	49.86	41.65
Add: Increase/(decrease) in inventory	3.84	0.70	(0.76)	(0.78)	0.71
	42.34	**39.58**	**54.55**	**49.08**	**42.36**

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39 Operating and maintenance expenses

Rs in millions

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Power and fuel (net)	467.56	439.79	647.62	724.22	650.38
Property management fees	325.83	211.20	282.20	259.25	234.43
Operating consumables	5.44	5.33	12.77	10.98	8.54
Housekeeping and security services	182.27	158.96	221.23	192.97	171.49
Repairs and maintenance					
– repairs to buildings including common area maintenance	499.54	409.30	583.62	755.69	604.02
– machinery	176.30	137.59	172.68	185.08	152.38
– others	73.44	118.55	149.23	204.69	250.58
	1,730.38	**1,480.72**	**2,069.35**	**2,332.87**	**2,071.82**

40 Other expenses

Rs in millions

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Property tax (net)	442.55	454.02	589.14	600.70	319.26
Rates and taxes	96.67	56.99	158.97	80.56	179.28
Legal and professional charges (net)*	278.13	348.97	460.78	392.58	304.88
Advertisement, business promotion and business consultancy expenses	68.38	44.38	94.12	61.26	3.74
Assets and other balances written off	18.65	21.82	14.42	32.77	57.50
Allowances for credit loss	11.19	4.03	4.91	1.90	—
Subcontractors’ fee	21.47	19.95	25.88	20.39	21.30
Bank charges	11.25	14.61	19.56	13.80	13.28
Vehicle hiring charges	7.55	8.10	11.16	11.10	9.00
Fair value loss on financial instruments at fair value through profit or loss	—	—	—	—	6.31
Brokerage and commission**	14.20	12.26	18.58	18.09	13.96
Rent	31.31	45.07	56.23	26.84	43.28
Travel and conveyance	22.07	15.18	24.74	21.42	17.23
Loss on retirement of assets	—	0.20	64.08	1.99	34.79
Insurance	31.23	32.66	43.36	34.58	31.75
Corporate Social Responsibility (CSR) contribution	21.00	9.95	22.95	19.29	—
Foreign exchange loss, net	—	1.04	4.92	6.96	—
Miscellaneous expenses	92.19	72.97	106.34	122.59	115.75
	1,167.84	**1,162.20**	**1,720.14**	**1,466.82**	**1,171.31**

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* Includes remuneration paid to the auditors of the individual SPVs for the nine months ended 31 December 2018 aggregating Rs. 16.80 million (31 March 2018: Rs. 52.67 million; 31 March 2017: Rs. 26.05 million and 31 March 2016: Rs. 21.33 million) and excludes goods and service tax/service tax as applicable.

** Brokerage above does not include initial direct costs incurred specifically to earn revenues from an operating lease.

41 Finance costs (net of capitalisation)

Rs in millions

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest expense					
– on banks and financial institutions	4,597.04	3,793.05	4,976.92	5,253.97	5,224.38
– on lease deposits	239.13	263.45	419.17	315.47	241.81
– to related parties	204.62	204.28	270.11	230.74	239.75
– on debentures to related parties (refer note 53)	109.82	471.40	628.33	894.76	1,197.69
– optionally convertible redeemable preference shares to related parties (refer note 53)	4.91	4.34	5.77	5.09	4.53
– on debentures	—	—	—	—	40.49
Premium on redemption of debentures	—	—	—	—	42.74
Other borrowing costs	18.73	9.73	11.96	237.72	91.96
	5,174.25	**4,746.25**	**6,312.26**	**6,937.75**	**7,083.35**

42 Employee benefits expense

Rs in millions

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries and wages	140.75	104.25	148.48	147.85	127.88
Contribution to provident and other funds	15.02	7.84	12.02	10.41	9.21
Staff welfare	64.06	40.72	54.43	49.63	43.42
	219.83	**152.81**	**214.93**	**207.89**	**180.51**

43 Depreciation and amortisation

Rs in millions

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Depreciation of property, plant and equipment	463.37	200.07	318.40	309.45	325.57
Depreciation of investment property	2,157.13	2,124.34	2,822.66	2,845.06	2,675.65
Amortisation of intangible assets	66.19	60.35	87.10	89.22	156.69
	2,686.69	**2,384.76**	**3,228.16**	**3,243.73**	**3,157.91**

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44 Tax expense

	Rs in millions				
	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Current tax	1,326.66	930.71	1,297.88	917.42	716.24
MAT credit entitlement	(98.15)	(693.66)	(784.49)	(606.02)	(522.94)
Deferred tax charge	320.16	903.28	745.45	715.58	1,162.56
	1,548.67	**1,140.33**	**1,258.84**	**1,026.98**	**1,355.86**

45 Commitments and contingencies

	Rs in millions			
Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Contingent liabilities				
Claims against the SPVs not acknowledged as debt in respect of Income-Tax matters (Refer note 1 below)	222.50	79.75	259.47	3,759.97
Claims against the SPVs not acknowledged as debt in respect of Value Added Tax matters (Refer note 2 below)	—	—	—	24.04
Claims against the SPV not acknowledged as debt in respect of Service Tax matters (Refer note 3 below)	624.29	625.31	778.28	1,249.40
Claims not acknowledged as debt in respect of Property Tax matters (Refer Note 4 below)	3,499.57	3,499.57	2,739.50	2,741.96
Forfeiture of security deposit matter (Refer note 5 below)	40.32	40.32	40.32	40.32
Claim from civil contractors (Refer note 6 below)	—	—	—	950.00
Claim for Wheeling and banking charges, cross Subsidy charges etc.—EEPL (Refer note 10 below)	335.44	33.90	—	—
Capital commitments				
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (Refer Note 7 below)	6,511.01	8,593.24	8,569.96	2,043.31
Cumulative preference dividend (Refer note 8 below)	0.04	0.04	0.04	0.04
Other Commitments				
Estimated amount of contracts to be executed on other commitments and not provided for (Refer note 9 below)	946.00	1,365.53	1,803.80	731.31

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Notes:

		Rs in millions			
1	**SPV**	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
	MPPL	0.28	0.28	0.28	0.28
	UPPL	—	—	—	8.77
	ETPL (Refer note a and b below)	—	—	—	3,486.31
	EOPPL (Refer note c below)	172.28	—	—	—
	QBPPL	3.00	3.76	—	—
	QBPL	—	5.89	181.64	181.64
	OBPPL	—	69.83	77.55	82.97
	IENPL	46.95	—	—	—
		222.50	**79.75**	**259.47**	**3,759.97**

(a) During 2010-11, ETPL had received demand of Rs. 3,256.60 million for the financial year 2007-08 from Assessing Officer of Income Taxes for non-deduction of taxes at source on payment of lease premium to Mumbai Metropolitan Region Development Authority (MMRDA) during 2007-08. The matter was under appeal with the High Court of Calcutta for which the Court has dismissed the appeal in favour of the SPV in the financial year 2016-17. Accordingly the SPV has disclosed Nil (31 March 2018 : Nil, 31 March 2017: Nil, 31 March 2016: Rs 3,256.60 million) as contingent liability.

(b) ETPL has received a demand of Rs 229.72 million on similar grounds for the financial years 2009-10 to 2012-13 as above for financial year 2007-08. For this demand, ETPL had received a favourable order. During the current year, the Assessing Officer has appealed against all such orders of the CIT (A) at the Income Tax Appellate Tribunal. The Management believes that the outcome will be in favour of the SPV based on favourable High Court order received during the previous year in a similar case of the SPV relating to financial year 2007-08. Accordingly the SPV has disclosed Nil (31 March 2018 : Nil, 31 March 2017: Nil 31 March 2016: Rs 229.72 million) as contingent liability.

(c) During the nine months ended 31 December 2018, EOPPL has received a demand of Rs 172. 28 million for the financial year 2015-16 for disallowance u/s 14 A and addition to income. The Company has filed an appeal against the order with the Commissioner of Income Tax Appeals. The Management believes that the outcome will be in favour of the SPV based on consultation with their tax consultants and outcome of similar case of the SPV relating to previous years. Accordingly the SPV has disclosed Rs. 172.28 million (31 March 2018 : Nil, 31 March 2017: Nil 31 March 2016: Nil) as contingent liability.

		Rs in millions			
2	**SPV**	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
	MPPL	—	—	—	24.04
		—	**—**	**—**	**24.04**

		Rs in millions			
3	**SPV**	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
	MPPL	522.04	522.04	522.04	522.04
	EODPL	57.32	57.32	57.32	57.32
	ETPL	10.02	10.02	12.20	—
	QBPL	—	—	6.02	6.02
	GSPL (Refer note a and b below)	—	1.02	145.79	169.78
	VCPPL (Refer note c below)	34.91	34.91	34.91	494.24
		624.29	**625.31**	**778.28**	**1,249.40**

(a) GSPL had received an Order-in-Original passed by the Ld. Commissioner, Customs, Central Excise & Service Tax Commissionerate, New Delhi demanding Rs 145.79 million in respect of denial of CENVAT credit utilised for paying service tax on 'Renting of Immovable Property Service' for the period 2007-08 to 2010-11. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise & Service Tax Appellate Tribunal which directed the SPV to deposit Rs 6.30 million and staying the recovery

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of the balance amount. The same was paid by the SPV under protest. In the FY 2017-18, the SPV has received an order whereby the case proceedings have been dismissed in the favour of the SPV and accordingly nothing has been disclosed as contingent liability as at 31 December 2018 (31 March 2018 : Nil, 31 March 2017: Rs 145.79 million and 31 March 2016: Rs 145.79 million). As on date, the case stands dismissed.

(b) GSPL had received an Order-in-Original passed by the Ld. Commissioner, Customs, Central Excise and Service Tax Commissionerate, Noida demanding Rs 24 million in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the Company had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal and paid an amount of Rs 0.90 million as deposit as per Section 35F of the Central Excise Act, 1944. In the previous year 2016-17, the Company has received a partial order whereby the case proceedings have been dismissed in the favour of the Company and accordingly nothing has been disclosed as contingent liability 31 December 2018 (31 March 2018:Nil, 31 March 2017:Nil, 31 March 2016: Rs 23.99 million).

(c) VCPPL has received an Order-in-Original passed by the Ld. Commissioner, Customs, Central Excise & Service Tax Commissionerate, Mumbai, demanding Rs. 241 million in respect of denial of CENVAT credit utilised for paying service tax on 'Renting of Immovable Property Service' for the period October 2007 to March 2012, along-with penalty thereon of Rs. 241 million thus aggregate demand of Rs. 482 million. Against the aforesaid Order, the SPV has filed an appeal before the Hon'ble Customs, Excise & Service Tax Appellate Tribunal which directed the erstwhile partners of the firm to pre-deposit Rs 18 million and staying the recovery of the balance amount. The same has been paid by the SPV under protest. During the previous year 2016-17, the said appeal has been disposed in favour of the SPV and accordingly nothing has been disclosed as contingent liability as at 31 December 2018 (31 March 2018:Nil, 31 March 2017:Nil, 31 March 2016:Rs. 464 million).

		Rs in millions			
4	**SPV**	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
	MPPL (refer note a below)	3,499.57	3,499.57	2,739.50	2,739.50
	QBPL	—	—	—	2.45
		3,499.57	**3,499.57**	**2,739.50**	**2,741.96**

(a) MPPL had received a demand order dated 5 October 2015 to pay a sum of Rs Rs 2,739.50 million (including interest and penalty) towards the difference in property tax payable, which was on account of classification of the property under different schedules for the purpose of computing property taxes, for the period 2008-09 to 2015-16. The SPV is contesting that schedule property is an industrial estate and it has been developed as special economic zone which is classified under category XIV as per the notification issued under Karnataka Municipal Corporation Act, 1976 ('the Act') and Bruhat Bengaluru Mahanagar Palike Property Tax Rules, 2009 ('Rules'). Whereas, the Assistant Revenue Officer has been considering the schedule property under category VIII as per the notification issued under the Act and Rules. The SPV filed a writ petition against the demand order which has been dismissed by the High Court of Karnataka. The said court has upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of Writ Petition, the SPV filed an appeal before the aforementioned court and the same has been admitted by the court on 27 June 2016. The Hon'ble High Court restrained BBMP from taking any coercive action against the SPV and also directed BBMP to allow the SPV to make payment of property tax for the assessment year 2016-17. The matter had been posted to 29 August 2016 and is currently pending. However, as of the date of these financial statements, no further developments have taken place. The management believes that the SPV had reasonable grounds to succeed in the said writ appeal based on an independent legal opinion obtained and accordingly the SPV had not made any provision in relation to the demand. The SPV had paid Rs 646.69 million (31 March 2018- Rs 569.40 million, 31 March 2017—Rs. 542.62 million, and 31 March 2016: Rs. 542.62 million) under protest against the above demand.

MPPL had received a demand order dated 09 Oct 2017 to pay a sum of Rs. 760.07 million (including interest and penalty) towards the difference property tax based on the total survey report blocks (G1,G2, G3, G4, L3, L6, F3, H1 & H2). Appeal dated 07 Dec 2017 has been filed before The Joint Commissioner, BBMP, Bytarayanapura, Bangalore objecting towards the total survey report and property tax assessment notice. The same is still pending for disposal. The SPV has obtained an independent legal opinion that the SPV has a good case and accordingly the SPV has not made any provisions in relation to the demand. Hence, a contingent liability of Rs 760.07 million (31 March 2018: 760.07 million 31 March 2017: Nil, 31 March 2016: Nil) has been disclosed during the current year. MPPL has paid Nil against the above demand in the current year (31 March 2018:Rs. 77.29 million, 31 March 2017: Nil, 31 March 2016: Nil)

		Rs in millions			
5	**SPV**	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
	VCPPL	40.32	40.32	40.32	40.32
		40.32	**40.32**	**40.32**	**40.32**

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6	SPV	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
		Rs in millions			
	EODPL (Refer note a below)	—	—	—	950.00
		—	**—**	**—**	**950.00**

(a) Pursuant to certain disputes between the Company and the erstwhile civil contractor ('contractor'), the contractor had invoked the arbitration clause in the contract and had claimed damages of Rs 950 million from the Company. Consequently, the Company had also counter claimed against the contractor for Rs 9,800 million before the Arbitral Tribunal. The Company had also provided a bank guarantee from Yes Bank and Standard Chartered Bank to the extent of Rs 950 million. In the previous year 2016-17, the Company had entered into settlement agreement through which the Company has paid an amount of Rs 187.12 million, as full and final settlement. Hence, the contingent liability of Nil (31 March 2018: Nil, 31 March 2017: Nil, 31 March 2016: Rs 950 million) has been disclosed in the current year.

7	SPV	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
		Rs in millions			
	EOPPL	401.34	489.53	65.58	132.78
	MPPL	3,667.91	5,130.08	541.90	998.89
	UPPL	8.50	—	56.60	64.47
	EEPL	181.48	296.60	6,700.00	—
	EODPL	1,156.22	1,668.98	1,002.52	778.22
	OBPPL	1,033.00	850.90	114.99	68.95
	VCPPL	55.62	—	24.06	—
	ETPL	—	157.15	64.31	—
	IENPL	6.94	—	—	—
		6,511.01	**8,593.24**	**8,569.96**	**2,043.31**

8	SPV	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
		Rs in millions			
	UPPL	0.04	0.04	0.04	0.04
		0.04	**0.04**	**0.04**	**0.04**

9	SPV	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	EODPL	946.00	1,365.53	1,749.39	636.73
	QBPPL	—	—	3.71	86.34
	QBPL	—	—	7.94	3.80
	GSPL	—	—	42.76	4.45
		946.00	**1,365.53**	**1,803.80**	**731.31**

10 EEPL—Karnataka Electricity Regulatory Commission (KERC) Bengaluru has issued an order dated 14 May 2018 withdrawing the exemption from payment of Wheeling and banking charges, cross Subsidy charges etc. which were available for a period of ten years from the date of commissioning of the solar power plant.

As per the earlier orders issued by KERC exemption was granted to all solar power generators in the State achieving commercial operation date between 1 April 2013 to 31 March 2018 and selling power to customers within the state on open access or wheeling, from payment of Wheeling and Bank charges, cross subsidy charges etc. for a period of 10 years from the date of commissioning of the solar power plant. The impact of the above has been estimated by the management of EEPL to be approximately Rs 335.44 million as at 31 December 2018 (31 March 2018: Rs 33.90 million; 31 March 2017: Nil; 31 March 2016: Nil).

EEPL has commissioned the solar plant during the current financial year 2017-2018 and as such as per the old Regulation, the charges did not apply to EEPL for a period of 10 years.

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EEPL has filed a writ petition with the Honorable High Court of Karnataka challenging the KERC Order and has obtained an interim Stay Order dated 24 May 2018. KERC has filed an appeal with the Honorable High Court of Karnataka for transferring the case to the Electricity Tribunal. The management of EEPL believes that EEPL has reasonable grounds to succeed in the said case based on an independent legal opinion obtained. Accordingly, the management of EEPL believes the outcome of this litigation will not have an impact on the EEPL.

46 Financial instruments

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

	Rs in millions							
	Carrying value				Fair value			
Financial assets	**December 31, 2018**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**	**December 31, 2018**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Amortised cost								
Investments	—	—	—	6,185.81	—	—	—	—
Loans	8,732.88	10,107.04	2,849.56	2,096.49	—	—	—	—
Trade receivables	370.52	378.35	362.60	399.60	—	—	—	—
Cash and cash equivalents	2,353.35	1,483.36	2,664.11	1,434.09	—	—	—	—
Other bank balances	260.38	696.11	1,062.24	280.40	—	—	—	—
Other financial assets	4,607.93	6,544.83	5,927.84	2,700.82	—	—	—	—
Fair value through profit and loss (‘FVTPL’)								
Investment in mutual funds	2,725.18	2,907.75	1,705.92	1,420.51	2,725.18	2,907.75	1,705.92	1,420.51
Total assets	**19,050.24**	**22,117.44**	**14,572.27**	**14,517.72**	**2,725.18**	**2,907.75**	**1,705.92**	**1,420.51**
Financial liabilities								
Amortised cost								
Borrowings (including current maturities of long-term debt)	85,045.96	85,543.97	64,050.43	56,198.37	—	—	—	—
Lease deposits	8,586.54	8,419.90	8,065.40	7,533.90	—	—	—	—
Trade payables	172.99	416.91	288.83	468.51				
Other financial liabilities	1,990.27	2,019.96	1,699.10	5,940.58	—	—	—	—
Total liabilities	**95,795.76**	**96,400.74**	**74,103.75**	**70,141.37**	**—**	**—**	**—**	**—**

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

Fair value hierarchy

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

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

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

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The following table presents the fair value measurement hierarchy of assets and liabilities measured at fair value on recurring basis as at 31 December 2018, 31 March 2018, 31 March 2017 and 31 March 2016.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2018:

		Rs in millions			
Particulars	**Date of valuation**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 December 2018	2,725.18	2,725.18	—	—

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

		Rs in millions			
Particulars	**Date of valuation**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2018	2,907.75	2,907.75	—	—

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

		Rs in millions			
Particulars	**Date of valuation**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2017	1,705.92	1,705.92	—	—

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

		Rs in millions			
Particulars	**Date of valuation**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2016	1,420.51	1,420.51	—	—

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

There were no transfers between Level 1, Level 2 or Level 3 during the nine months and all three years.

d) Determination of fair values

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

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

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

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47 Operating segments

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

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

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

a) Commercial offices segment:

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

b) Other segments:

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

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

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Rs in millions

Particulars	Commercial Offices					Other segments					Total				
	For the nine months ended		For the year ended			For the nine months ended		For the year ended			For the nine months ended		For the year ended		
	31 December 2018	31 December 2017	31 March 2018	31 March 2017	31 March 2016	31 December 2018	31 December 2017	31 March 2018	31 March 2017	31 March 2016	31 December 2018	31 December 2017	31 March 2018	31 March 2017	31 March 2016
Revenue from operations	12,201.27	11,274.18	15,242.13	14,204.00	13,464.14	1,558.56	555.33	875.87	645.20	506.02	13,759.83	11,829.51	16,118.00	14,849.20	13,970.16
Identifiable operating expenses	(1,489.59)	(1,473.04)	(1,941.27)	(2,046.32)	(1,621.04)	(685.77)	(475.34)	(637.74)	(543.61)	(435.80)	(2,175.36)	(1,948.38)	(2,579.01)	(2,589.93)	(2,056.84)
Net Operating Income (segment results)	**10,711.68**	**9,801.14**	**13,300.86**	**12,157.68**	**11,843.10**	**872.79**	**79.99**	**238.13**	**101.59**	**70.22**	**11,584.47**	**9,881.13**	**13,538.99**	**12,259.27**	**11,913.32**
Other operating expenses			—	—	—			—	—	—	(1,371.08)	(1,238.68)	(2,675.25)	(1,466.74)	(1,409.17)
Interest, dividend and other income			—	—	—			—	—	—	1,172.47	1,053.55	1,544.65	1,607.17	1,783.51
Earnings before finance costs, depreciation, amortisation and income tax excluding share of profit of equity accounted investees			**—**	**—**	**—**			**—**	**—**	**—**	**11,385.86**	**9,696.00**	**12,408.39**	**12,399.70**	**12,287.66**
Share of profit of equity accounted investees (net of income tax)			—	—	—			—	—	—	874.89	696.89	959.95	579.33	241.29
Depreciation and amortisation expenses			—	—	—			—	—	—	(2,686.69)	(2,384.76)	(3,228.16)	(3,243.73)	(3,157.91)
Finance costs			—	—	—			—	—	—	(5,174.25)	(4,746.25)	(6,312.26)	(6,937.75)	(7,083.35)
Profit before income tax			**—**	**—**	**—**			**—**	**—**	**—**	**4,399.81**	**3,261.88**	**3,827.92**	**2,797.56**	**2,287.69**
Tax expense			—	—	—			—	—	—	(1,548.67)	(1,140.33)	(1,258.84)	(1,026.98)	(1,355.86)
Profit after tax			**—**	**—**	**—**			**—**	**—**	**—**	**2,851.14**	**2,121.55**	**2,569.08**	**1,770.58**	**931.83**

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

For the nine months ended 31 December 2018

Rs in millions

Particulars	MPPL	EOPPL	UPPL	EEPL	EODPL (Carve out)	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENPL	Total
Segment Revenue:													
Leasing of office spaces	6,066.51	764.26	—	—	—	636.50	308.07	856.42	649.80	1,064.54	746.77	1,108.40	12,201.27
Other segments	—	—	605.29	953.27	—	—	—	—	—	—	—	—	1,558.56
Total	**6,066.51**	**764.26**	**605.29**	**953.27**	**—**	**636.50**	**308.07**	**856.42**	**649.80**	**1,064.54**	**746.77**	**1,108.40**	**13,759.83**
Net Operating Income (segment results)													
Leasing of office spaces	5,551.76	752.76	—	—	—	466.84	242.87	639.02	535.82	892.42	588.26	1,041.93	10,711.68
Other segments	—	—	208.63	834.54	(170.38)	—	—	—	—	—	—	—	872.79
Total	**5,551.76**	**752.76**	**208.63**	**834.54**	**(170.38)**	**466.84**	**242.87**	**639.02**	**535.82**	**892.42**	**588.26**	**1,041.93**	**11,584.47**

For the nine months ended 31 December 2017

Rs in millions

Particulars	MPPL	EOPPL	UPPL	EEPL	EODPL (Carve out)	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENPL	Total
Segment Revenue:													
Leasing of office spaces	5,421.16	753.50	—	—	—	623.35	189.51	799.18	618.28	1,114.14	765.94	989.12	11,274.18
Other segments	—	—	555.33	—	—	—	—	—	—	—	—	—	555.33
Total	**5,421.16**	**753.50**	**555.33**	**—**	**—**	**623.35**	**189.51**	**799.18**	**618.28**	**1,114.14**	**765.94**	**989.12**	**11,829.51**
Net Operating Income (segment results)													
Leasing of office spaces	4,892.27	689.31	—	—	—	460.94	122.19	598.35	528.01	947.31	649.16	913.60	9,801.14
Other segments	—	—	145.15	(10.86)	(54.30)	—	—	—	—	—	—	—	79.99
Total	**4,892.27**	**689.31**	**145.15**	**(10.86)**	**(54.30)**	**460.94**	**122.19**	**598.35**	**528.01**	**947.31**	**649.16**	**913.60**	**9,881.13**

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Rs in millions

Particulars	MPPL	EOPPL	UPPL	EEPL	EODPL (Carve out)	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENPL	Total
Segment Revenue:													
Leasing of office spaces	7,393.18	1,003.67	—	—	—	823.79	254.90	1,081.82	825.40	1,484.07	1,027.40	1,347.90	15,242.13
Other segments	—	—	770.58	105.29	—	—	—	—	—	—	—	—	875.87
Total	**7,393.18**	**1,003.67**	**770.58**	**105.29**	**—**	**823.79**	**254.90**	**1,081.82**	**825.40**	**1,484.07**	**1,027.40**	**1,347.90**	**16,118.00**
Net Operating Income (segment results)													
Leasing of office spaces	6,744.38	919.06	—	—	(20.70)	608.57	152.21	824.48	702.32	1,247.97	875.28	1,247.29	13,300.86
Other segments	—	—	213.13	25.00	—	—	—	—	—	—	—	—	238.13
Total	**6,744.38**	**919.06**	**213.13**	**25.00**	**(20.70)**	**608.57**	**152.21**	**824.48**	**702.32**	**1,247.97**	**875.28**	**1,247.29**	**13,538.99**

For the year ended 31 March 2017

Rs in millions

Particulars	MPPL	EOPPL	UPPL	EEPL	EODPL (Carve out)	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENPL	Total
Segment Revenue:													
Leasing of office spaces	6,642.54	1,087.74	—	—	—	768.92	249.83	949.98	759.98	1,445.03	1,097.02	1,202.96	14,204.00
Other segments	—	—	645.20	—	—	—	—	—	—	—	—	—	645.20
Total	**6,642.54**	**1,087.74**	**645.20**	**—**	**—**	**768.92**	**249.83**	**949.98**	**759.98**	**1,445.03**	**1,097.02**	**1,202.96**	**14,849.20**
Net Operating Income (segment results)													
Leasing of office spaces	5,785.50	1,009.61	—	—	(0.54)	583.51	157.81	750.96	616.50	1,211.37	936.13	1,106.85	12,157.70
Other segments	—	—	119.05	(17.46)	—	—	—	—	—	—	—	—	101.59
Total	**5,785.50**	**1,009.61**	**119.05**	**(17.46)**	**(0.54)**	**583.51**	**157.81**	**750.96**	**616.50**	**1,211.37**	**936.13**	**1,106.85**	**12,259.29**

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Rs in millions

Particulars	MPPL	EOPPL	UPPL	EEPL	EODPL (Carve out)	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENPL	Total
Segment Revenue:													
Leasing of office spaces	5,935.53	1,140.26	—	—	—	720.85	209.73	832.73	781.78	1,440.25	1,112.37	1,290.64	13,464.14
Other segments	—	—	506.02	—	—	—	—	—	—	—	—	—	506.02
Total	**5,935.53**	**1,140.26**	**506.02**	**—**	**—**	**720.85**	**209.73**	**832.73**	**781.78**	**1,440.25**	**1,112.37**	**1,290.64**	**13,970.16**
Net Operating Income (segment results)													
Leasing of office spaces	5,435.32	1,090.83	—	—	(0.83)	535.79	115.67	644.93	694.54	1,157.52	973.21	1,196.12	11,843.10
Other segments	—	—	74.45	(4.23)	—	—	—	—	—	—	—	—	70.22
Total	**5,435.32**	**1,090.83**	**74.45**	**(4.23)**	**(0.83)**	**535.79**	**115.67**	**644.93**	**694.54**	**1,157.52**	**973.21**	**1,196.12**	**11,913.32**

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Additional financial disclosures as required under para 4 of SEBI circular CIR/IMD/DF/141/2016 dated 26 December 2016

48 Statement of Property Wise rental/Operating income

Rs in millions

S. No.	Entity Name	Property Name	Location	Rental income and Other Operating income	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
1	MPPL	Manyata Embassy Business Park	Bangalore	Rental income and Other Operating income	6,066.51	5,421.15	7,393.18	6,642.54	5,935.53
2	EOPPL	Embassy TechZone	Pune	Rental income and Other Operating income	764.26	753.50	1,003.67	1,087.74	1,140.26
3	GSPL	Galaxy Business Park	Noida	Rental income and Other Operating income	636.50	623.35	823.79	768.92	720.85
4	QBPPL	Quadron Business Park	Pune	Rental income and Other Operating income	1,064.54	1,114.14	1,484.07	1,445.03	1,440.25
5	Qubix	Qubix Business Park	Pune	Rental income and Other Operating income	649.80	618.28	825.40	759.98	781.78
6	OBPPL	The Oxygen Park	Noida	Rental income and Other Operating income	856.42	799.18	1,081.82	949.98	832.73
7	ETPL	First International Financial Centre	Mumbai	Rental income and Other Operating income	308.07	189.51	254.90	249.83	209.73
8	VCPPL	247 Park	Mumbai	Rental income and Other Operating income	746.77	765.94	1,027.40	1,097.02	1,112.37
9	IENPL	Express Towers Building	Mumbai	Rental income and Other Operating income	1,108.40	989.13	1,347.90	1,202.96	1,290.64
10	EODPL	Embassy One	Bangalore	Other operating income	—	—	—	—	—
11	EEPL	Solar Power Plant	Bangalore	Income from generation of renewable energy	953.27	—	105.29	—	—
12	UPPL	Hilton Embassy Bangalore GolfLinks	Bangalore	Income from room rentals and other operating income	605.29	555.33	770.58	645.20	506.02
					13,759.83	**11,829.51**	**16,118.00**	**14,849.20**	**13,970.16**

49 Earnings Per Unit (EPU)

The number of units that the Embassy Office Parks Group will issue to investors in the proposed Initial Public Offer is not presently ascertainable. Hence, the disclosures in respect of Earnings per unit have not been presented.

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50 Statement of REIT's contingent liabilities and commitments

Refer note 45.

51 Capitalisation Statement

Particulars	Rs in millions — Amount — Pre-issue as at 31 December 2018	As adjusted for Issue*
Total Debt**	85,065.52	—
Shareholders' Funds		
Capital	3,608.18	—
Instruments entirely equity in nature	—	—
Other equity	34,066.21	—
	37,674.39	—
Debt/Equity Ratio	2.26	—

* corresponding details post IPO are not available, hence the required disclosures in respect of the same have not been provided in the above table.
** Total debt comprises non-current and current borrowings and current maturities of long-term debt including interest accrued.

52 History of Interest and Principal payments

Particulars	For the nine months ended 31 December 2018	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Monthly payment (EMI) (refer note 1 below)				
– April	1,561.10	962.14	2,119.89	1,348.74
– May	868.79	867.83	843.01	6,028.36
– June	3,029.53	2,215.68	633.58	7,890.66
– July	1,261.53	1,404.24	830.90	5,635.19
– August	1,076.37	823.84	972.81	4,371.09
– September	1,201.88	3,134.89	829.88	6,046.83
– October	2,235.13	1,010.11	1,155.67	2,994.53
– November	1,071.19	742.26	1,165.86	967.35
– December	2,376.05	3,589.89	3,667.54	1,282.74
– January	—	1,124.56	6,260.55	764.29
– February	—	879.07	6,702.93	1,006.84
– March	—	5,452.44	8,182.10	1,607.06
	14,681.57	**22,206.95**	**33,364.72**	**39,943.68**

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Debt payment history

Particulars	31 December 2018	31 March 2018	31 March 2017	31 March 2016
	Rs in millions			
Carrying amount of debt at the beginning of the year/ nine months	76,728.80	56,408.09	50,807.99	45,938.43
Additional borrowings during the year/ nine months	13,418.62	37,550.74	33,710.85	39,588.86
Finance cost (Refer note below)	5,543.72	4,976.92	5,253.97	5,224.38
Repayments during the year/ nine months	(14,681.57)	(22,206.95)	(33,364.72)	(39,943.68)
Other adjustments/ settlements during the year/ nine months	—	—	—	—
Carrying amount of debt at the end of the year/ nine months	81,009.57	76,728.80	56,408.09	50,807.99
Reconciliation to balance sheet:				
Related party borrowings not considered above	4,055.94	8,834.71	7,661.90	5,409.94
Carrying amount of debt at the end of the year/ nine months (net)	**85,065.51**	**85,563.52**	**64,069.99**	**56,217.93**
As represented by:				
Long term borrowings	76,512.28	75,908.65	58,223.64	49,235.32
Short term borrowings	3,249.37	3,550.57	29.15	1,450.31
Current maturities of long-term debt	5,284.31	6,084.75	5,797.64	5,512.75
Interest accrued	19.55	19.55	19.55	19.55
Total	**85,065.51**	**85,563.52**	**64,069.99**	**56,217.93**

There are no defaults in respect of principal or interest subsisting as at the Balance sheet dates—refer Note 1

Notes:

1 The disclosure of the history of interest and principal payments represents a line-by-line addition of monthly EMI payments made by the SPVs to banks and financial institutions and does not include borrowings from related parties.

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53 Related party disclosures

I. List of related parties as per the requirements of REIT regulations as of 31 March 2018 (refer notes below)

A. Parties to REIT

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

The co-sponsor groups consist of the below entities

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

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

KMPs of the Investment Manager (Embassy Office Parks Management Services Private Limited)
Jitendra Virwani—Director (w.e.f 30 March 2017)
Tuhin Parikh—Director (w.e.f 16 June 2015)
P. R. Ramakrishnan—Director (up to 30 March 2017) Vivek Mehra (w.e.f 9 June 2017)
Rajan Ramdas Pai (w.e.f 9 June 2017)
Anuj Puri (w.e.f 6 August 2018)
Punita Kumar Sinha (w.e.f 6 August 2018)
Robert Christopher Heady (w.e.f 6 August 2018)
Aditya Virwani (w.e.f 6 August 2018)

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B. Sponsors, directors and partners of the persons in clause A.

II. List of related parties as per the requirements of Ind AS 24- Related Party Disclosures

The list of related parties and their transactions given in these Condensed Combined Financial Statements are a line-by-line combination of all the SPVs in the Embassy Office Parks Group subject to elimination for transactions and balances between the SPVs.

(i) Names of related parties and description of relationship

Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place	KMP with whom transactions have taken place
MPPL		Pune-Dynasty Projects Private Limited (Demerged to Embassy Office Parks Private Limited) BRE/Mauritius Investments	—	—	—	NA	Embassy Services Private Limited Embassy Property Developments Private Limited Reddy Veeranna Construction Private Limited Embassy Shelters Private Limited Manyata Builders Private Limited Manyata Projects Private Limited Manyata Infrastructure Developments Private Limited Snap Offices Private Limited (Previously named as Stylus Commercial Services Private Limited) Global Facade Solutions Synergy Property Development Services Private Limited Udhyaman Investments Private Limited	—

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Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place	KMP with whom transactions have taken place
EOPPL		Embassy Property Developments Private Limited, ultimately held by JV Holding Private Limited—Joint control SG Indian Holding (NQ) Co I Pte. Ltd—Joint Control SG Indian Holding (NQ) Co II Pte. Ltd—Joint Control SG Indian Holding (NQ) Co III Pte. Ltd—Joint Control	—	Embassy Office Park Management Services Private Limited (up to 30 March 2017) Embassy-Energy Private Limited—w.e.f. 6 January 2017	Golflinks Software Park Private Limited Manyata Promoters Private Limited	NA	Embassy Services Private Limited Manyata Developers Private Limited SG Indian Holding (NQ) Co IV Pte. Ltd SG Indian Holding (NQ) Co V Pte. Ltd SG Indian Holding (NQ) Co VI Pte. Ltd Synergy Property Development Services Private Limited	—
UPPL	Embassy Property Developments Private Limited (Holding Company) JV Holding Private Limited (Ultimate holding company)	—	D M Estates Private Limited	—	—	—	Synergy Property Development Services Private Limited Pune-Embassy Projects Private Limited Golflinks Embassy Business Park Management Services Private Limited Embassy Industrial Parks Private Limited Embassy Office Ventures Private Limited Embassy Services Private Limited Embassy Clubs LLP Embassy One Developers Private Limited Embassy Office Park Management Services Private Limited Golflinks Software Parks Private Limited K.J. George	Jitendra Virwani

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Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place	KMP with whom transactions have taken place
EEPL	Embassy Office Parks Private Limited—Holding Company w.e.f. 6 January 2017 Embassy Services Private Limited—Holding Company up to 5 January 2017	—	—	—	—	—	Embassy Property Developments Private Limited Embassy Services Private Limited Golflinks Software Parks Private Limited Embassy Office Parks Private Limited J V Holdings Private Limited	—
EODPL		Embassy Inn Private Limited, India, WWD Pearl Limited, Mauritius BREP Asia SG City View Holding (NQ) Pte. Limited , Singapore BREP Asia SBS City View Holding (NQ) Limited BREP VII SBS City View Holding (NQ) Limited BREP VII SG City View Holding (NQ) Pte Ltd	—	—	—	—	Green Banatelis Limited Embassy Services Private Limited Embassy Property Developments Private Limited	—
ETPL	India Alternate Property Limited	—	—	—	—	—	—	—
Qubix	BREP NTPL Holding (NQ) Pte. Ltd	—	—	—	—	—	—	—
Quadron	BRE/ Mauritius Investments II	—	—	—	—	—	—	—
Galaxy	BREP GML Holding (NQ) Pte. Ltd.	—	—	—	—	—	—	—

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Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place	KMP with whom transactions have taken place
Oxygen	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.	—	—	—	—	—	—	—
VCPPL	BREP Asia HCC Holding (NQ) Pte. Ltd Hindustan Construction Company Limited (up to 10 July 2015) Milestone Capital Advisors Private Limited (up to 10 July 2015)	—	—	—	—	—	—	—
Indian Express	Panchshil Techpark Private Limited	—	—	—	—	—	Target Infradevelopers LLP Spazio—Panchshil Reality & Developers Private Limited Embassy Office Parks Management Services Private Limited	Vaidehi Thakar—Director (up to June 09, 2015) Dillon Pereira-Chief financial officer Vikaash Khdloya-Non-executive director (up to September 11, 2018) Reshma Atul Chordia-Non-executive director Sidhartha Gupta-Non-executive director Sagar Chordia—Non-executive director Siddharth Nawal—Non-executive director

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53 (ii) Related party transactions:

	Rs in millions				
Particulars	**For the nine months ended 31 December 2018**	**For the nine months ended 31 December 2017**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Advance paid for purchase of development rights on a land					
Embassy Property Developments Private Limited	—	—	3,140.00	1,950.00	—
Loans and advances- security deposits (current and non-current)					
Embassy Property Developments Private Limited	(75.91)	—	—	—	—
Advance paid for purchase of land					
Embassy Property Developments Private Limited	—	—	96.50	1.00	—
Purchase of property					
Manyata Projects Private Limited	—	—	—	—	680.32
Manyata Builders Private Limited	—	—	—	—	570.80
Embassy Property Developments Private Limited	—	—	—	—	1,388.41
Reddy Veeranna Constructions Private Limited	—	—	—	—	185.11
Intercorporate deposit given/(repaid) to/(by) related party					
Udhyaman Investments Private Limited	—	—	—	(355.00)	355.00
Embassy Property Development Private Limited	550.00	90.33	5,576.96	27.41	—
Reddy Veeranna Constructions Private Limited	(1,910.00)	—	650.00	1,060.00	200.00
JV Holding Private Limited	—	—	—	—	718.40
JV Holding Private Limited	—	—	—	—	(718.40)
Target Infradevelopers LLP	—	—	(9.85)	—	—
Repayment of 0.01% Non-Convertible Debentures					
Embassy Property Developments Private Limited	—	—	—	—	600.00
JV Holding Private Limited	—	—	—	—	1,500.00
Premium on redemption of NCDs					
Embassy Property Developments Private Limited	—	—	—	—	398.00
JV Holding Private Limited	—	—	—	—	1,194.00
Expenses incurred on behalf of related party					
Umbel Properties Private Limited	—	—	—	—	2.55
Pune-Embassy Projects Private Limited	—	—	—	—	2.55
Interest expense (debited to statement of profit and loss)					
Embassy Property Development Private Limited	—	—	—	—	3.53
Other borrowing costs					
Golflinks Software Park Private Limited	—	—	—	—	1.37
Purchase of Compulsorily Convertible Debentures (CCDs) of the Holding Company					
SG Indian Holding (NQ) Co IV Pte. Ltd, SG Indian Holding (NQ) Co V Pte. Ltd and SG Indian Holding (NQ) Co VI Pte. Ltd	—	—	—	—	2,694.00

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Particulars	Rs in millions				
	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of Compulsorily Convertible Debentures (CCDs) of the Holding Company					
JV Holding Private Limited	—	—	—	—	2,694.00
Contribution from Equity participants					
Embassy Property Developments Private Limited	66.00	—	—	—	201.22
Other current liabilities—Debenture application money pending allotment received / (repaid)					
Century Real Estate Holdings Private Limited	—	—	—	—	(60.01)
Interest income					
Udhyaman Investments Private Limited	—	—	—	32.61	—
Embassy Property Development Private Limited	554.88	110.27	245.14	142.51	394.18
Reddy Veeranna Constructions Private Limited	49.90	226.80	271.19	38.56	—
Rental income					
Snap Offices Private Limited (formerly known as Stylus Commercial Services Private Limited)	27.62	24.52	35.28	32.19	34.62
Short term—Advance paid to related party for supply of goods and rendering of services					
Embassy Services Private Limited	44.84	—	—	5.00	45.00
Reddy Veeranna Constructions Private Limited	—	—	—	2.92	—
Other current liability—Advance received from related party					
Manyata Projects Private Limited	—	—	—	42.37	42.37
Capital advance given/ (repaid)					
Reddy Veeranna Constructions Private Limited	(69.71)	10.76	—	8.51	23.51
Embassy Shelters Private Limited	—	319.88	—	—	—
Business consultancy charges (inclusive of amount capitalized)					
Embassy Property Developments Private Limited	223.22	154.49	273.87	204.29	187.63
Asset management fees					
Embassy Office Parks Management Services Private Limited	294.51	172.52	240.76	224.58	205.24
Management Consultancy Services					
Embassy Property Developments Private Limited	—	—	—	—	284.30
Right to use brand (capitalised)					
Embassy Shelters Private Limited	—	133.79	133.79	53.46	111.71
Housekeeping and utility maintenance charge					
Panchshil Techpark Private Limited	—	—	—	—	0.02
Legal and professional expenses					
Global Façade Solutions	—	2.50	6.00	8.69	6.00
Embassy Services Private Limited	—	5.10	—	14.41	10.09

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	Rs in millions				
Particulars	**For the nine months ended 31 December 2018**	**For the nine months ended 31 December 2017**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Legal and professional expenses (capitalised)					
J V Holdings Private Limited	21.60	—	—	—	—
Rent paid					
Panchshil Techpark Private Limited	—	—	—	—	0.14
Repairs and Maintenance					
Embassy Services Private Limited	123.32	78.28	124.35	151.11	157.18
Operating expenses—Power and fuel					
Embassy Services Private Limited	128.93	120.64	162.56	291.39	225.27
Purchase of Material / Assets					
Spazio—Panchshil Reality & Developers Private Limited	—	—	2.95	2.88	—
Purchase of Investments					
Embassy Services Private Limited	—	—	—	0.08	—
Sale of Investments					
Embassy Office Parks Management Services Private Limited	—	—	—	—	0.10
Maintenance and service charge (Income)					
Panchshil Techpark Private Limited	—	—	—	—	10.00
Project management consultancy fee (inclusive of amount capitalized)					
Embassy Services Private Limited	20.52	1.76	8.61	10.69	—
Synergy Property Development Services Private Limited	—	—	6.09	92.46	78.40
Reimbursement of expenses					
Pune Dynasty Parks Private Limited	—	—	—	0.82	—
Panchshil Techpark Private Limited	—	—	—	—	0.09
Embassy Office Parks Management Services Private Limited	116.65	—	—	—	—
Interest on debentures					
SG Indian Holding (NQ) Co I Pte. Ltd, SG Indian Holding (NQ) Co II Pte. Ltd, SG Indian Holding (NQ) Co III Pte. Ltd	37.31	—	293.34	428.80	566.79
Embassy Property Developments Private Limited	37.31	—	293.34	428.80	566.79
Golflinks Properties Private Limited	—	—	41.66	37.17	—
Milestone Capital Advisors Private Limited	—	—	—	—	62.15
Hindustan Construction Company Limited	—	—	—	—	1.95
Professional charges					
Synergy Property Development	—	—	—	0.89	0.97
Security deposits given (net)					
Embassy Property Developments Private Limited	(75.91)	—	1,157.50	—	—

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Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs in millions				
Security deposits received					
Vikas Telecom Private Limited	—	—	105.00	—	—
Golflinks Software Parks Private Limited	—	—	80.00	—	—
Interest expense on loan from related party (inclusive of amount capitalized)					
– Embassy Property Developments Private Limited	199.81	200.53	264.46	225.74	239.75
– D M Estates Private Limited	4.81	3.75	5.65	5.00	—
– Golflinks Properties Private Limited	40.10	35.73	5.77	5.09	4.53
Room rentals					
– K J George	(3.10)	(1.76)	(1.88)	(1.92)	(0.23)
– Embassy Property Developments Private Limited	(0.12)	—	—	(0.12)	(0.25)
– Embassy Industrial Parks Private Limited	(1.66)	(0.29)	(0.09)	(0.15)	(0.15)
– Golflinks Software Park Private Limited	—	(0.15)	—	—	(0.06)
– Embassy Office Parks Management Services Private Limited	—	—	—	(0.03)	—
– Embassy Services Private Limited	—	—	—	—	(0.02)
– Embassy Clubs LLP	—	—	—	(0.04)	—
– Embassy Property Developments Private Limited	—	—	(0.18)	—	—
– Golflinks Software Parks Private Limited	—	—	(0.03)	—	—
– Embassy One Developers Private Limited	(0.38)	—	—	(0.14)	—
Sale of food and beverages					
– Jitendra Virwani	(0.10)	(0.32)	(0.37)	(0.16)	(0.21)
– K J George	(5.06)	(2.34)	(2.52)	—	(0.61)
– Embassy Property Developments Private Limited	(1.32)	(2.76)	(1.37)	(3.52)	(6.78)
– Golflinks Software Park Private Limited	—	—	—	—	(1.07)
– Embassy Office Park Management Services Private Limited	(0.72)	—	—	(1.06)	—
– Embassy Services Private Limited	(0.05)	(0.00)	—	(0.40)	(0.19)
– Embassy Industrial Parks Private Limited	—	(0.12)	(0.21)	—	(0.32)
– Embassy One Developers Private Limited	(1.67)	—	—	(0.60)	—
Discounts provided on room and food & beverage revenues					
– Jitendra Virwani	0.09	0.13	0.15	0.01	0.09
– K J George	—	0.94	1.01	0.54	0.26
– Embassy Property Developments Private Limited	0.39	1.10	0.55	0.03	2.91
– Embassy Industrial Parks Private Limited	0.00	0.05	0.08	0.03	0.14
– Golflinks Software Park Private Limited	0.05	—	0.00	—	0.46
– Embassy Services Private Limited	0.02	0.00	—	0.08	0.08
Common area maintenance charges					
– Golflinks Embassy Business Park Management Services Private Limited	6.72	5.37	20.13	13.12	15.70

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Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs in millions				
Issue of Series F CCDs against Interest dues					
BREP Asia SG City View Holding (NQ) Pte Ltd	—	—	—	6.99	—
BREP VII SG City View Holding (NQ) Pte Ltd	—	—	—	1.75	—
BREP Asia SBS City View Holding (NQ) Ltd	—	—	—	0.02	—
BREP VII SBS City View Holding (NQ) Ltd	—	—	—	0.01	—
Green Banatelis Limited	—	—	—	353.46	—
Embassy Inn Private Limited	—	—	—	2.62	—
Loan given by / (repaid to) related parties					
Embassy Inn Private Limited	—	—	342.84	660.86	60.00
Embassy Office Parks Private Limited	—	—	(6.00)	6.00	—
Embassy Services Private Limited	—	—	—	4.05	—
Embassy Property Developments Private Limited	—	—	133.03	446.23	(2,120.76)
Compensation paid to key management personnel	3.89	3.11	4.66	4.33	4.39
Other current financial liabilities					
Embassy Services Private Limited	—	—	—	6.21	2.03
Embassy Property Developments Private Limited	—	—	—	0.10	—
Corporate guarantee received / (closed) for loan taken					
– Golflinks Software Park Private Limited, Embassy Property Developments Private Limited and D M Estates Private Limited	—	—	—	(578.30)	578.30
– Golflinks Software Park Private Limited, Embassy Property Developments Private Limited and D M Estates Private Limited	—	—	—	(1,000.00)	1,000.00
– Embassy Property Developments Private Limited	—	—	—	150.00	—
Business promotion expense					
Umbel Properties Private Limited	—	—	—	0.60	0.33
Payment for capital reduction:					
BREP NTPL Holding (NQ) Pte. Ltd	—	—	1,321.68	—	—
Other advances (short term):					
Target Infradevelopers LLP	—	—	(9.85)	—	—

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53 (iii) Amounts outstanding as at the balance sheet date:

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Current liabilities—other financial liabilities—advance received				
Manyata Projects Private Limited	—	—	42.37	42.37
Current liabilities—payable for purchase of fixed assets				
Synergy Property Development Services Private limited	—	0.60	3.50	7.07
Embassy Property Developments Private Limited	54.17	33.90	—	65.85
Embassy Shelters Private Limited	—	—	47.22	60.04
Trade payables				
Embassy Office Parks Management Services Private Limited	39.07	60.15	—	60.47
Embassy Property Developments Private Limited	0.84	—	6.92	20.87
Embassy Services Private Limited	—	—	3.62	14.91
Golflinks Embassy Business Park Management Services Private Limited	—	—	3.19	10.57
Panchshil Techpark Private Limited	—	—	—	0.12
Other non-current assets—capital advance				
Reddy Veeranna Constructions Private Limited	—	69.71	10.00	11.26
Synergy Property Development Services Private limited	—	—	—	16.58
Embassy Shelters Private Limited	340.32	340.32	—	—
Manyata Projects Private Limited	—	—	160.00	160.00
Embassy Services Private Limited	41.04	—	—	—
Other non-current assets—advance paid for purchase of development rights on a land				
Embassy Property Developments Private Limited	5,542.50	5,090.00	1,950.00	—
Other non-current assets—advance paid for purchase of land				
Embassy Property Developments Private Limited	97.50	97.50	1.00	0.50
Short-term loans and advances—security deposits				
Embassy Property Developments Private Limited	826.79	661.00	—	—
Other current assets— Advance for supply of goods and rendering of services				
Manyata Infrastructure Developments Private Limited	—	—	0.07	0.07
Embassy Services Private Limited	39.21	30.95	23.82	29.32
Reddy Veeranna Constructions Private Limited	—	—	2.92	—
Udhyaman Investments Private Limited	—	—	—	0.35

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Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Loans to related parties (current and non-current) (Refer note below)				
Udhyaman Investments Private Limited	—	—	—	355.00
Embassy Property Developments Pvt Ltd	7,250.00	6,700.00	1,123.05	1,095.63
Reddy Veeranna Constructions Private Limited	—	1,910.00	1,260.00	200.00
Target Infradevelopers LLP	—	—	9.85	9.85
Other current financial assets- interest accrued but not due				
Embassy Property Developments Pvt Ltd	596.57	41.69	—	—
Reddy Veeranna Constructions Private Limited	—	320.35	49.17	10.62
Udhyaman Investments Private Limited	—	—	—	19.91
Other current financial liabilities—Security deposit				
Vikas Telecom Private Limited	105.00	105.00	—	—
Golflinks Software Parks Private Limited	80.00	80.00	—	—
Payable for expenses				
Embassy Services Private Limited	—	6.21	6.21	2.03
Embassy Property Developments Private Limited	—	12.36	11.80	69.81
Umbel Properties Private Limited	—	0.05	—	—
Embassy Office Parks Management Services Private Limited	116.65	—	—	—
Trade receivables				
– Vikas Telecom Private Limited	13.89	—	—	—
– K J George	8.12	4.41	2.68	0.76
– Embassy Property Developments Private Limited	1.90	1.55	3.97	1.75
– Others	1.67	1.08	1.24	0.56
Long-term borrowings—0.01% optionally convertible redeemable debentures				
Liability component of 0.01% Optionally convertible redeemable debentures issued to Golflinks Properties Private Limited	421.17	385.98	344.32	307.15
Equity component of 0.01% Optionally convertible redeemable debentures issued to Golflinks Properties Private Limited	546.02	546.02	546.02	546.02
Inter corporate deposits from related parties (including current maturities and interest accrued)				
Embassy Inn Private Limited	—	1,712.11	1,366.76	604.46
Loan from related party (including current maturities and interest accrued)				
Embassy Property Developments Private Limited	3,180.42	3,005.61	2,634.56	2,003.16
D M Estates Private Limited	—	49.07	43.42	38.43

Embassy Office Parks Group (As defined in note 1)
Condensed Combined Financial Statements
Notes to Accounts

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Loans repayable on demand—from related party				
Embassy Services Private Limited	—	4.05	4.05	—
D M Estates Private Limited	53.88	—	—	—
Loan from director				
– Jitendra Virwani	—	0.10	0.10	0.10
Interest accrued but not due on loan to related party (non-current financial asset)				
Embassy Property Developments Private Limited	—	—	103.59	—
Other current financial liabilities- Interest accrued and due from related parties				
Golflinks Software Park Private Limited	19.55	19.55	19.55	19.55
Other current financial assets- Interest accrued and due from related parties				
Manyata Developers Private limited	—	—	—	17.71
Long-term borrowings—non-convertible debentures				
SG Indian Holding (NQ) Co I Pte. Ltd, SG Indian Holding (NQ) Co II Pte. Ltd, SG Indian Holding (NQ) Co III Pte. Ltd	—	1,675.45	1,382.11	953.31
Embassy Property Developments Private Limited	—	1,675.44	1,382.10	953.31
Other current financial assets—other receivables from related party				
Embassy Property Developments Private Limited	225.22	225.22	210.28	275.71
Pune Dynasty Parks Private Limited	0.82	0.82	0.82	—
Long term loans and advances- security deposits				
Embassy Services Private Limited	10.50	10.50	10.50	10.50
Embassy Property Developments Private Limited	99.28	342.00	—	—
Equity portion of 0.01% optionally convertible preference shares				
Golflinks Properties Private Limited	49.36	49.36	49.36	49.36
Liability component of 0.01% optionally convertible redeemable preference shares				
Issued to Golflinks Properties Private Limited	55.03	50.12	44.35	39.26
Corporate guarantee/ letter of undertaking received for loan taken				
– Golflinks Software Park Private Limited, Embassy Property Developments Private Limited and D M Estates Private Limited	—	—	—	1,578.30
– Embassy Property Developments Private Limited	2,340.52	2,300.00	2,300.00	2,150.00

Embassy Office Parks Group (As defined in note 1)
Condensed Combined Financial Statements
Notes to Accounts

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rs in millions			
Equity portion of Interest free loans				
D M Estates Private Limited	28.82	28.82	28.82	28.82
Equity component of 0.01% Non-convertible redeemable debentures				
Embassy Property Developments Private Limited	46.12	46.12	46.12	46.12
Contribution from equity participants				
Embassy Property Developments Private Limited	674.47	608.47	608.47	608.47
Equity component of 0.001% Compulsorily Convertible Debentures (CCDs)				
BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.	—	—	—	1,489.91
BREP VII SG Oxygen Holding (NQ) Pte. Ltd.	—	—	—	372.28
BREP Asia SBS Oxygen Holding (NQ) Ltd.	—	—	—	7.34
BREP VII SBS Oxygen Holding (NQ) Ltd	—	—	—	2.03

Note:

Terms and conditions on which inter-corporate loans have been given:

Party name	As at 31 December 2018	Interest rate	Repayment terms
Embassy Properties Developments Private Limited	6,700.00	10.80%	Repayable after 6 months from the date of disbursement

Transactions with related parties have been shown after giving effect to the impact of reclassifications into liability and equity and adjustments arising on account of effective interest rate method under Ind AS.

(iv) Information as required under paragraph 4.5(b)(iv) of Annexure A to the SEBI circular CIR/IMD/DF/141/2016 dated 26 December 2016 in relation to any related party transactions involving acquisition or disposal of a real estate asset/ property has not been provided as, based on the opinion of its legal counsel, Management believes that such requirements are applicable only for transactions which take place subsequent to the Initial Public Offer.

for **B S R & Associates LLP**
Chartered Accountants
Firm's registration number: 116231W /W-100024

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

Rushank Muthreja
Partner
Membership number: 211386

Place: Bengaluru
Date: 1 March 2019

Jitendra Virwani
Director
DIN: 00027674

Place: Bengaluru
Date: 1 March 2019

Tuhin Parikh
Director
DIN: 00544890

Place: Mumbai
Date: 1 March 2019

FINANCIAL INFORMATION OF THE SPONSORS

THE BLACKSTONE SPONSOR

Statement of Financial Position

Prepared in accordance with IFRS

(in USD million)

Particulars	As at December 31, 2017	As at December 31, 2016	As at December 31, 2015
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	382.31	288.45	251.32
Current assets			
Receivables	0.04	0.01	0.03
Cash and cash equivalents	0.30	0.52	0.72
	0.34	**0.53**	**0.75**
TOTAL ASSETS	**382.65**	**288.98**	**252.07**
EQUITY AND LIABILITIES			
Equity			
Stated capital	190.63	190.63	190.63
Retained earnings/accumulated losses	191.98	98.24	61.36
	382.61	**288.87**	**251.99**
Current liabilities			
Accounts payable	0.04	0.11	0.08
TOTAL EQUITY AND LIABILITIES	**382.65**	**288.98**	**252.07**

Statement of Comprehensive Income
Prepared in accordance with IFRS

(in USD million)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
INCOME			
Fair value gain on FVTPL	93.86	37.13	21.98
EXPENSES			
Administrative expenses	(0.11)	(0.26)	(0.16)
Fair valuation loss on financial assets at fair value through profit or loss	-	-	-
	(0.11)	**(0.26)**	**(0.16)**
Profit/(loss) before taxation	93.75	36.87	21.82
Taxation	-	-	-
Profit/(loss) for the period	93.75	36.87	21.82

THE EMBASSY SPONSOR

Consolidated Balance Sheet
Prepared in accordance with Ind AS

(in ₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	8,517.23	8,851.18	4,707.85
Capital work-in-progress	-	170.53	1.28
Investment properties	7,380.23	3,879.04	7,269.44
Investment properties under development	2,986.79	1,028.01	2,383.61
Intangible assets	134.93	164.21	50.95
Biological assets other than Bearer Plants	44.79	13.09	11.71
Intangible assets under development	-	-	26.01
Investments in joint venture and associates	43,706.73	43,595.16	15,030.96
Goodwill on consolidation	5,307.45	5,310.07	14,117.10
Financial assets			
Investments	3,326.44	2,318.73	2,305.92
Loans	2,552.66	3,120.02	1,860.34
Other financial assets	2,885.57	3,690.37	2,835.53
Other non-financial assets	10,305.34	7,596.28	6,778.18
Total non-current assets	**87,148.16**	**79,736.69**	**57,378.88**
Current assets			
Inventories	24,368.07	23,502.01	15,112.87
Financial assets			
Investments	698.21	840.23	436.29
Trade receivables	2,078.27	2,093.89	1,163.14
Cash and bank balance	5,268.28	4,439.79	4,208.18
Loans	4,246.31	2,275.12	1,920.86
Other financial assets	3,738.50	2,867.81	2,750.47
Other non-financial assets	3,373.33	2,309.00	2,246.06
Total current assets	**43,770.96**	**38,327.85**	**27,837.87**
Asset held for sale	366.78	99.52	99.52
Total assets	**1,31,285.90**	**118,164.06**	**85,316.27**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9,749.79	9,749.79	9,749.79
Other equity	7,720.73	14,643.14	(5,108.53)
Equity attributable to equity holders of the Company	**17,470.52**	**24,392.93**	**4,641.26**
Non-controlling interest	(409.52)	39.20	40.06
Total equity	**17,061.00**	**24,432.13**	**4,681.32**
Non-current liabilities			
Financial liabilities			
Borrowings	24,472.30	30,740.06	32,017.04
Other financial liabilities	755.44	223.89	1,320.96
Provisions	82.72	46.78	17.08
Deferred tax liabilities (net)	66.35	91.80	0.07
Other non-financial liabilities	1.66	620.28	1,248.86
Total non-current liabilities	**25,378.48**	**31,722.81**	**34,604.01**
Current liabilities			
Financial liabilities			
Borrowings	45,058.65	29,649.13	20,488.23
Trade payables	6,970.92	7,153.88	4,206.30
Other financial liabilities	20,997.61	12,011.87	11,880.76
Provisions	22.73	2.79	2.20
Current tax liabilities (net)	151.24	128.50	95.56
Other non-financial liabilities	15,645.26	13,062.95	9,357.89
Total current liabilities	**88,841.38**	**62,009.12**	**46,030.94**
Total equity and liabilities	**1,31,285.90**	**118,164.0**	**85,316.27**

Consolidated Statement of Profit and Loss

Prepared in accordance with Ind AS

(in ₹ million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	8,366.52	7,465.60	7,215.09
Other income	3,757.42	25,169.73	1,682.03
Total Income	**12,123.94**	**32,635.33**	**8,897.12**
Expenses			
Cost of materials consumed	4,737.01	3,736.64	2,957.19
Employee benefits expense	1,685.98	1,255.38	859.13
Other expenses	4,817.82	5,142.22	3,952.26
Total expenses	**11,240.81**	**10,134.23**	**7,768.59**
Profit/(loss) before interest, taxes, depreciation and amortization	**883.13**	**22,501.10**	**1,128.53**
Depreciation and amortization expense	497.06	798.31	649.60
Finance costs	7,278.78	5,961.70	3,904.61
	7,775.84	**6,760.01**	**4,554.21**
Profit /(loss) before tax	**(6,892.71)**	**15,741.10**	**(3,425.68)**
Tax expense:			
Current tax (net of reversal of excess provision and income tax related to earlier year)	283.88	264.47	259.86
Deferred tax	(26.22)	(13.80)	1.85
Total tax expense	257.67	250.67	261.71
Profit /(loss) after tax before share of associate/ joint venture net profit	**(7,150.38)**	**15,490.42**	**(3,687.39)**
Share of net profit/(loss) in associates and joint ventures	0.87	394.01	(46.68)
Profit/(loss) for the year	**(7,149.51)**	**15,884.43**	**(3,734.07)**
Profit before tax from discontinued operations	(0.49)	-	-
Tax expense of discontinued operations	-	-	-
Other comprehensive income (OCI)			
Profit/ (loss) for the year	(7,150.00)	15,884.43	(3,734.07)
Items that will not be reclassified subsequently to profit or loss	10.74		
Re-measurement loss on defined benefit plans	96.20	(5.97)	(0.96)
Items that will be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations	(141.15)	(64.06)	327.80
Total comprehensive income for the year	**(7,184.21)**	**15,814.40**	**(3,407.23)**
Profit/(loss) for the year, net of tax attributable to :			
Equity holders of the Company	(6,770.08)	16,413.49	(3,452.34)
Non-controlling interest	(379.92)	(529.06)	(281.74)
Total comprehensive income for the year, net of tax attributable to:			
Equity holders of the Company	(6,804.86)	16,343.73	(3,125.83)
Non-controlling interest	(379.35)	(529.33)	(281.40)
Earnings per equity share (nominal value of ₹10)			
Basic and diluted (₹)	(7.33)	16.29	(3.83)

FINANCIAL INFORMATION OF THE MANAGER

Summary Balance Sheet Information

Prepared in accordance with Ind AS

(in ₹ million)

	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	3.13	1.20	1.11
Financial assets			
Loans	1.26	0.56	0.30
Deferred tax assets	11.87	14.95	-
Other tax assets	31.57	26.31	24.50
Other non-current assets	-	-	0.81
Total non-current assets	**47.83**	**43.02**	**26.72**
Current assets			
Financial assets			
Trade receivables	154.82	62.48	142.29
Cash and cash equivalents	93.26	133.17	15.63
Other financial assets	19.81	-	-
Other current assets	19.13	13.36	13.97
Total current assets	**287.02**	**209.01**	**171.89**
Total assets	**334.85**	**252.03**	**198.61**
EQUITY and LIABILITIES			
Equity			
Equity share capital	120.00	120.00	0.10
Other equity	101.94	65.19	12.34
Total equity	**221.94**	**185.19**	**12.44**
Non-current liabilities			
Financial liabilities			
Borrowings	1.12	-	-
Provisions	3.95	3.24	1.80
Total non-current liabilities	**5.07**	**3.24**	**1.80**
Current liabilities			
Financial liabilities			
Bank overdraft	-	-	0.83
Other financial liabilities	100.25	56.80	168.00
Other current liabilities	7.15	4.67	15.25
Provisions	0.44	0.45	0.29
Current tax liabilities	-	1.68	-
Total current liabilities	**107.84**	**63.60**	**184.37**
Total equity and liabilities	**334.85**	**252.03**	**198.61**

Summary Statement of Profit and Loss Information
Prepared in accordance with Ind AS

(in ₹ million)

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	305.25	288.83	274.03
Other income	2.09	0.21	0.07
Total Income	**307.34**	**289.04**	**274.10**
Expenses			
Employee benefits expenses	152.92	164.90	134.36
Other expenses	100.27	56.70	115.13
Finance costs	0.01	-	-
Depreciation and amortization	0.99	0.70	0.34
Total expenses	**254.19**	**222.30**	**249.83**
Profit before tax	**53.15**	**66.74**	**24.27**
Tax expense:			
Current tax	14.78	28.76	9.19
Deferred tax charge/ (credit)	3.08	(14.95)	-
Profit for the year	**35.29**	**52.93**	**15.08**
Other comprehensive income	**-**	**-**	**-**
Items that will not be reclassified subsequently to profit or loss	**-**	**-**	**-**
Remeasurements of defined benefit plan actuarial gains/ (losses), net of tax	1.46	(0.08)	(0.96)
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-
Total other comprehensive income for the year (net of tax)	**1.46**	**(0.08)**	**(0.96)**
Total comprehensive income for the year	**36.75**	**52.85**	**14.11**
Earnings per share (equity shares, par value Rs 1000 each)			
Basic (INR)	3.06	178.77	1,411.46
Diluted (INR)	3.06	178.77	1,411.46

SUMMARY VALUATION REPORT

Embassy Office Parks Management Services Private Limited in its capacity as manager of The Embassy Office Parks REIT

EMBASSY MANYATA, BENGALURU

EXPRESS TOWERS, MUMBAI

EMBASSY 247, MUMBAI

FIRST INTERNATIONAL FINANCE CENTRE(FIFC), MUMBAI

EMBASSY TECHZONE, PUNE

EMBASSY QUADRON, PUNE

EMBASSY QUBIX, PUNE

EMBASSY OXYGEN, NOIDA

EMBASSY GALAXY, NOIDA

EMBASSY GOLFLINKS, BENGALURU

EMBASSY ONE, BENGALURU

HILTON AT EMBASSY GOLFLNKS, BENGALURU

EMBASSY ENERGY, BELLARY DISTRICT, KARNATAKA

DATE OF VALUATION: DECEMBER 31, 2018

DATE OF REPORT: FEBRUARY 28, 2019

1 Instruction

CBRE South Asia Pvt. Ltd. (CBRE) has been instructed by **Embassy Office Parks Management Services Private Limited** (the '**Client**', the **'Instructing Party')** in its capacity as **manager of The Embassy Office Parks REIT** to advice upon the Market Value (MV) of properties comprising of commercial office real estate assets located across Bengaluru, Pune, Mumbai and Noida as well as affiliated facilities including a solar park, retail spaces and hotels (together herein referred as subject properties across the report). The details of the subject properties under the purview of this valuation exercise are tabulated below:

Development Name	Location
Embassy Manyata	Bengaluru
Express Towers	Mumbai
Embassy 247	Mumbai
First International Finance Centre	Mumbai
Embassy Techzone	Pune
Embassy Quadron	Pune
Embassy Qubix	Pune
Embassy Oxygen	Noida
Embassy Galaxy	Noida
Embassy Golflinks	Bengaluru
Embassy One	Bengaluru
Hilton at Embassy Golflinks	Bengaluru
Embassy Energy	Bellary District, Karnataka

1.1 Purpose

We understand that the valuation is required by the Client for an initial public offering by the proposed Embassy Office Parks REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purposes. In relation to the initial public offering, the valuation report, a summary thereof and/or extracts of the report are intended to be included in the offer documents filed by the Embassy Office Parks REIT with the Securities and Exchange Board of India (SEBI) and the stock exchanges where the units of the REIT are proposed to be listed. In addition, other documents in relation to the initial public offer such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies or extracts of the valuation report are intended to be included.

1.2 Reliant Party

Reliant parties to this report shall mean Embassy Office Parks Management Services Private Limited (EOPMSPL), the Embassy Office Parks REIT ("Embassy REIT") and their Unit Holders and Axis Trustee Services Limited (the Trustee for the Embassy REIT) for the purpose (of the valuation) as highlighted in this report. The auditors, lawyers and book running lead managers would be extended reliance by CBRE but would extend no liability to such parties.

The valuation will be prepared strictly and only for the use of the Reliant Party and for the Purpose specifically stated. The instructing party would make all reliant parties aware of the terms and conditions of this agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

1.3 Limitation of Liability

- CBRE provides the Services exercising due care and skill, but CBRE does not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the properties. Further, CBRE shall not accept liability for any errors, misstatements, omissions in the Report caused due to false, misleading or incomplete information or documentation provided to CBRE by the Instructing Party.

- CBRE's maximum aggregate liability for claims arising out of or in connection with the Valuation/ Market Report, under this contract shall not exceed the professional indemnity insurance obtained by it. As on the date of LOE the professional indemnity insurance maintained by CBRE is for Indian Rupees INR 56 mn.

- Notwithstanding anything to the contrary in the LOE or clause (A) and (B) above, CBRE acknowledges that it shall consent to be named as an 'expert' in the offer documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law.

- In the event that any of the Sponsors, Manager, Trustee, Embassy REIT or the book running lead managers, or other intermediaries appointed in connection with the initial public offering be subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Valuation/ Market Report, the Claim Parties will be entitled to require CBRE to be a necessary party/ respondent to such claim and CBRE shall not object to their inclusion as a necessary party/ respondent. If CBRE does not co-operate to be named as a necessary party/ respondent to such claims or co-operate in providing adequate/ successful defence in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against CBRE in this regard and CBRE's liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.

- CBRE will neither be responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls etc.

1.4 Valuation Capability

CBRE VAS India is an integral part of CBRE Global Valuation & Advisory Services team. The Global VAS team comprises of over 1,500 professionals across approximately 280 offices globally and India VAS team comprises of more than 250 professionals.

CBRE VAS India have completed over 80,000 valuation and advisory assignments across varied asset classes spread across 20 states and 300+ cities. We provide quality valuation, risk advisory and consulting services across a range of property types including residential, hospitality, retail, commercial, institutional, Special Economic Zone (SEZ), industrial, etc. We derive global best practices while maintaining the complexities of Indian real estate markets and are ideally positioned to help solve any valuation related real estate challenge, ranging from single asset valuations to valuation of multi-market and multi-property portfolios.

Our dedicated and experienced professionals provide quality services from 9 offices across India (Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Gurgaon, Hyderabad, Pune and Ahmedabad). Our professionals have a varied qualification base such as Royal Institute of Chartered Surveyors (RICS) or IOV, IIV certified valuation professional, master planner, architect, MBA, CA, CFA, etc. and this entire multi-faceted experience helps us in achieving our commitment to provide the highest level of professional expertise to our clients.

CBRE VAS India team has substantial experience with several institutional clients including financial institutions, real estate funds, private equity funds, developers, corporates, banks, NBFCs, etc.

1.5 Disclosures

We hereby certify that:

- CBRE is eligible to be appointed as a valuer in terms of Regulation 2(1) (zz) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016 and subsequent amendments, clarifications, circulars and guidelines (the "REIT Regulations") and the valuation has been undertaken and the valuation report has been prepared in accordance with the REIT Regulations
- CBRE is not an associate of Embassy Property Developments Private Limited (EPDPL), BRE Mauritius Investments (along with EPDPL referred to as the "Sponsors"), the Instructing Party or Axis Trustee Services Limited (the Trustee for the Embassy REIT)
- CBRE has a minimum of five years of experience in the valuation of real estate
- CBRE has not been involved with the acquisition or disposal within the last twelve months of any of the properties valued under this summary valuation report in the last twelve months
- CBRE has adequate and robust internal controls to ensure the integrity of the valuation reports
- CBRE has sufficient key personnel with adequate experience and qualification to perform property valuation at all times
- CBRE has sufficient financial resources to enable it to conduct its business effectively and meet its liabilities
- CBRE has acquainted itself with all laws or regulations relevant to such valuation
- The valuation of assets undertaken is impartial, true and fair and in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016 and subsequent amendments
- CBRE and any of its employees/ consultants involved in valuation of the REIT assets are not invested in units of the REIT or in the assets being valued till the time such person is designated as valuer of such REIT and not less than 6 months after ceasing to be valuer of the REIT
- CBRE has conducted the valuation of the REIT assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise professional judgement
- CBRE has acted with independence, objectivity and impartiality in performing the valuation
- CBRE has discharged its duties towards the Embassy REIT in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete the said assignment
- CBRE shall not accept remuneration, in any form, for performing a valuation of the REIT assets from any person other than the Embassy REIT or its authorised representatives.
- CBRE have no present or planned future interest in the Client, Trustee, Investment Manager, Embassy REIT, the two Sponsors to the Embassy REIT and their representative sponsor groups or the Special Purpose Vehicles (SPVs) and the fee for this Report is not contingent upon the values reported herein. Our valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Client or the SPVs.
- CBRE shall before accepting any assignment from any related party to the Embassy REIT, shall disclose to the Embassy REIT, any direct or indirect consideration which the valuer may have in respect of such assignment
- CBRE shall disclose to the trustee of the Embassy REIT, any pending business transactions, contracts under negotiation and other arrangements with the Instructing Party or any other party whom the Embassy REIT is contracting with and any other factors which may interfere with CBRE's ability to give an independent and professional valuation of the property; as on date of valuation, there are no impediments for CBRE to give an independent professional value opinion of the property.

- CBRE shall not make false, misleading or exaggerated claims in order to secure assignments;
- CBRE shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;
- Not accept an assignment that includes reporting of the outcome based on predetermined opinions and conclusions required by the Embassy REIT;
- The valuation undertaken by us abides by international valuation standards for valuation of real estate assets as stipulated by the REIT Regulations
- CBRE understands that most of these assets are wholly/partly owned by related parties, hence, the acquisition of these assets from the related parties being valued would be related party transactions
- CBRE notes that there are encumbrances, however, no options or pre-emptions rights in relation to the assets based on the title report prepared by King & Partridge, Shardul Amarchand Mangaldas & Co, Cyril Amarchand Mangaldas, Little & Company, Jayashree Sridhar and Law Shield (hereinafter collectively referred to as ‘Legal Counsels’)
- CBRE was appointed for this valuation prior to January 31, 2019, and the valuation has not been completed prior to January 31, 2019. Accordingly, CBRE is eligible to provide valuation services until April 30, 2019 or completion of valuation exercise, whichever is earlier.

1.6 Assumptions, Disclaimers, Limitations & Qualifications to Valuation

Valuation Subject to Change:	• The subject valuation exercise is based on prevailing market dynamics as on the date of valuation and does not take into account any unforeseeable developments which could impact the same in the future
Our Investigations:	• We are not engaged to carry out all possible investigations in relation to the subject properties. Where in our report we identify certain limitations to our investigations, this is to enable the reliant party to instruct further investigations where considered appropriate or where we recommend as necessary prior to reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations
Assumptions:	• Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The reliant parties accept that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation
Information Supplied by Others:	• The valuations are based on the information provided by the Instructing Party (Embassy Office Parks Management Services Private Limited). The same has been assumed to be correct and has been used for valuation exercise. Where it is stated in the report that another party has supplied information to CBRE, this information is believed to be reliable but CBRE can accept no responsibility if this should prove not to be so
Future Matters:	• To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct
Map and Plans:	• Any sketch, plan or map in this report is included to assist reader while visualizing the properties and assume no responsibility in connection with such matters
Site Details:	• Based on title due-diligence information provided by the Client, we understand that the subject properties are free from any encroachments and is available as on the date of the valuation

Property Title:	• For the purpose of this valuation exercise, CBRE has relied on the Title Reports prepared by the Legal Counsels for each of the properties and has made no further enquiries with the relevant local authorities in this regard. We understand that the subject properties have encumbrances, disputes and claims. CBRE does not have the expertise or the preview to verify the veracity or quantify these encumbrances, disputes or claims. For the purpose of this valuation, CBRE has assumed that the respective assets have title deeds that are clear and marketable.
Environmental Conditions:	• We have assumed that the subject properties are not contaminated and are not adversely affected by any existing or proposed environmental law and any processes which are carried out on the properties are regulated by environmental legislation and are properly licensed by the appropriate authorities
Town Planning:	• The current zoning of the subject properties has been adopted on the basis of review of various documents (title deeds) provided by the Instructing Party and the current land use maps for the subject region. The same has been considered for the purpose of this valuation exercise. Further, it has been assumed that the development on the subject properties adheres/ would adhere to the development regulations as prescribed by the relevant authorities. CBRE has not made any enquiries with the relevant development authorities to validate the legality of the same.
Area:	• The total leasable area considered for the purpose of this valuation exercise is based on the Architect certificate provided by the Instructing Party. It must be noted that the above information has been provided by the Client and has been verified based on the approvals/ layout plans/building plans provided by the Client. However, CBRE has not undertaken additional verification and physical measurement for the purpose of this valuation exercise
Condition & Repair:	• In the absence of any information to the contrary, we have assumed that there are no abnormal ground conditions, nor archaeological remains present which might adversely affect the current or future occupation, development or value of the property; the property is free from rot, infestation, structural or latent defect; no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts
Not a Structural Survey:	• We state that this is a valuation report and not a structural survey
Legal:	• Unless specifically disclosed in the report, we have not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the subject property.
Others:	• Considering the unorganized nature of real estate markets in India, all comparable evidence (if any) provided in the valuation report has been limited to the basic details such as the area of asset, rate at which transacted, broad location, etc. other specific details would be provided only if the information is available in public domain

Other Assumptions:	• Please note that all the factual information such as tenants' leasable area, lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the subject properties is based on the appropriate relevant documents provided by the Client and the same has been adopted for the purpose of this valuation exercise. While we have reviewed a few lease deeds on a sample basis, CBRE does not take any responsibility towards authenticity of the rent rolls provided by the Client. Any change in the above information will have an impact on the assessed value and in that case CBRE will have to relook at the assessed value. The relevant information sources are represented in section 2.5 • All measurements, areas and ages quoted in our report are approximate • We are not advisors with respect to legal tax and regulatory matters for the proposed transaction. No investigation of the respective Special Purpose Vehicles (SPVs) holding the assets' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility is assumed for matters of a legal nature • Kindly note, CBRE is a multi-services real estate firm and is involved in various services to developers, investors, lenders, fund managers, etc. including (but not limited to) transaction services, project management services, asset management services and fund raising etc. CBRE may have or would be assisting the Client, developer, investors, and prospective investors in the subject property with any of the service offerings. CBRE Valuation Advisory team operates independently and requisite internal segregations are maintained duly for all such mandates • Kindly note that we have undertaken a quarterly assessment of cash flows for the purpose of the valuations

2 Valuation Approach & Methodology

2.1 Scope of Valuation

The valuation exercise is aimed at the assessment of the Market Value (MV) of the subject property. In considering the value of the property, we have considered the guidelines laid out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS).

2.2 Basis of Valuation

The valuations have been conducted in accordance with the RICS Valuation – Global Standards 2017 (Red Book Incorporating the IVSC International Valuation Standards issued in June 2017, effective from 1 July 2017). The valuation exercise has been undertaken by appropriately qualified Valuers and would be aimed at assessing the Market Value of subject properties.

As per the Valuation and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS) the market value is defined as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

2.3 Approach and Methodology

The purpose of this valuation exercise is to estimate the Market Value (MV) of the subject properties. Market Value is derived through the following Methodologies:

TYPICAL VALUATION METHODOLOGY ADOPTED		
DIRECT COMPARISON APPROACH	INCOME APPROACH	
Depreciated Replacement Cost	Direct Capitalization Methodology	Discounted Cash Flow Methodology

2.3.1 Direct Comparison Approach

In **'Direct Comparison Approach'**, the subject property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). The comparable evidence gathered during research is adjusted for premiums and discounts based on property specific attributes to reflect the underlying value of the property.

2.3.2 Income Approach

The income approach is based on the premise that value of an income - producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of the income approach in real estate valuation namely, direct capitalization and discounted cash flow (DCF).

A. Direct Capitalization Method

Direct capitalization involves capitalizing a 'normalized' single - year net income estimated by an appropriate yield. This approach is best utilized with stable revenue producing assets, whereby there is little volatility in the net annual income.

B. Discounted Cash Flow Method

Using this valuation method, future cash flows from the property are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income associated with the property. These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate. A variation of the Discounted Cash Flow Method is illustrated below:

B.1. Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants – typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/ above market leases on the valuation of the subject property.

2.4 Approach and Methodology Adopted

A large number of leases at the subject properties were executed at rentals prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, tenants looking at spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rentals may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or sub markets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved, the value of the office component in the subject properties has been assessed through the Discounted Cash Flow Method using Rental Reversion and the value of the Solar Park and hotel component at the respective properties have been valued using Discounted Cash Flow Method. Further, the following steps have been adopted as part of CBRE's valuation for the respective subject properties (assets) which have been further elaborated as part of our detailed full valuation report.

Asset-specific Review:

1. As the first step to the valuation of the asset, the rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, top 10 tenants have been reviewed from their lease terms perspective. For anchor tenants, discounts on marginal rent or additional lease-up timeframe have been adopted upon lease reversion.

2. Title documents and architect certificates were reviewed for validation of area details, ownership of the asset

3. Physical site inspections were undertaken to assess the development status of the asset

Micro-market Review:

1. A detailed assessment of the site and surroundings has been undertaken with respect to the prevalent activities, change in dynamics impacting the values and the optimal use of the respective properties vis-à-vis their surrounding sub-market, etc. Further, a primary and secondary research exercise has been carried out in the catchment areas for the respective assets to ascertain the transaction activity of commercial, retail and hospitality developments. This has been achieved through interactions with various market players such as developers, real estate brokers, key office tenants, hospitality occupiers, etc. Peers to the assets were identified in terms of potential competition (both completed and under-construction/planned assets), comparable recent lease transactions witnessed in the micro-market were analysed along with the historical leasing and

re-leasing history within the asset over the last 2 – 3 years. This was undertaken to assess the applicable market rent (applicable rental for the micro-market where the asset is located) and applicable marginal rental (CBRE's view on rental for the asset – used for leasing vacant spaces as well as upon releasing).

2. CBRE also analysed the historical leasing within the asset for anchor tenants to identify the discount that is extended to such tenants at the time of fresh leasing or lease renewals. Every lease deed of large anchor tenants were analysed and applicable discount to marginal rental was estimated for individual leases. For other tenants occupying relatively large space within the properties, CBRE assumed the leases to revert to marginal rentals (duly escalated from the date of valuation) post expiry of the lease, factoring appropriate re-leasing time.

Cash Flow Projections:

1. The cash flows for the operational and under-construction/proposed area were projected separately to arrive at their respective value conclusion.

2. We have utilized the EBITDA (viz. net operating income (NOI) for completed office assets) to arrive at the value of the subject properties. The following steps were undertaken to arrive at the value for operational and under-construction/proposed area respectively.

   We have projected future cash flows from the property based on existing lease terms for the operational area till the expiry of the leases or re-negotiation (using the variance analysis), whichever is earlier. Post which, the lease terms have been aligned with marginal rentals. For vacant area and under-construction/proposed area, we have projected the marginal rent led cash flows factoring appropriate lease-up time frame for vacant/under-construction/proposed area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for assessment of terminal value). These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate.

   For each lease, the following steps have been undertaken to assess the rental over a 10-year time horizon:

   a. **Step 1:** Project the rentals for identified tenancies up to the period of lease expiry, lock-in expiry, first escalation, second escalation, etc. whichever is applicable. In the event of unleased spaces, market-led rentals to be adopted with suitable lease-up time

   b. **Step 2:** Generating a marginal rental stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step

   c. **Step 3:** In the event the escalated contracted rental is above the marginal rent (viz. by 10% for Bengaluru/ Mumbai assets & 15% for Pune/ Noida assets), the contracted terms are discarded, and the terms are reverted to market. In the event the escalated contracted rent is below the marginal rent by the threshold highlighted above, the contracted terms are adopted going forward until the next lease review/ renewal. Intent of this step is to project the rental for respective leases until lease expiry as well as post expiry

   d. **Step 4:** Computing the monthly income based on rentals projected as part of Step 3 and translating the same to a quarterly income (for the next 10 years and 11th year – considered for calculation of terminal value)

3. Adjustments for other revenues and recurring operational expenses, fit-out income (if any – projected till first term expiry and discounted to present day – the same has been considered below the NOI and does not get capitalized) and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to factor potential rent free terms as well as outflows towards brokerage. For all

assets, we have looked at the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset. For Bengaluru assets and Embassy Techzone, common area maintenance is managed by an external agency and accordingly, no inflow/ outflow has been considered during the course of operations. However, for assessing the exit cash flows, CBRE has assumed that on a notional exit, market-led CAM charges and hence CAM margin would be accruable to a potential buyer and the same has been adopted during capitalization.

4. The net income on quarterly basis have been projected over the next 10 years and the 1 year forward income (for 11^{th} year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net income over the next 10 years along with the terminal value during the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the asset through this approach.

5. For the hospitality component, future cash flows from the property, were projected based on CBREs assessment of ARRs and Occupancy. Adjustments for other revenues and recurring operational expenses, have been adopted in-line with prevalent market dynamics. The net income on quarterly basis have been projected over the next 10 years and the 1 year forward income (for 11^{th} year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net income over the next 10 years along with the terminal value during the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the asset.

2.5 Information Sources for Valuation

Property related information referred to for the valuation exercise have been provided to CBRE by the Client unless otherwise mentioned. CBRE has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, CBRE has independently revalidated the information by reviewing the originals as provided by the Client.

3 Value Summary

The following table highlights the summary of the market value of each property which is a part of the said Embassy REIT portfolio as on December 31, 2018:

Property	Asset Type	Leasable Area	Market Value (INR mn)		
			Completed	Under construction (UC) / Proposed	Total
Embassy Manyata, Bengaluru	Mixed-use (Office (IT/ ITeS SEZ/ Non-SEZ^), Hotel, Retail, Convention Centre)	Completed office – 11.0 msf Proposed/ UC* office - 3.3 msf UC Hotel (5 star) - 266 keys UC Hotel (3 star) - 353 keys	110,899	23,988	**134,887**
Express Towers, Mumbai	Office (Non-SEZ)	Completed office - 0.5 msf	18,812	-	**18,812**
Embassy 247, Mumbai	Office (Non-SEZ)	Completed office - 1.2 msf	17,155	-	**17,155**
First International Financial Centre, Mumbai	Office (Non-SEZ)	Completed office - 0.4 msf	14,920	-	**14,920**
Embassy Techzone, Pune[1]	Mixed-use (IT SEZ, Non-SEZ office)	Completed office - 2.2 msf Proposed/ UC office - 3.3 msf	14,518	6,202	**20,720**
Embassy Quadron, Pune	Office (IT/ ITeS SEZ)	Completed office - 1.9 msf	14,524	-	**14,524**
Embassy Qubix, Pune	Office (IT/ ITeS SEZ)	Completed office - 1.5 msf	10,185	-	**10,185**
Embassy Oxygen, Noida	Office (IT/ ITeS SEZ)	Completed office - 1.9 msf Proposed/ UC office - 1.3 msf	14,908	4,672	**19,580**
Embassy Galaxy, Noida	Office (Non-SEZ)	Completed office - 1.4 msf	8,367	-	**8,367**
Embassy One, Bengaluru[2]	Mixed-use (Office (Non-SEZ), Hotel, Retail)	Office & Retail - 0.3 msf UC Hotel (5 star) - 230 Keys	13,889	-	**13,889**
Hilton at Embassy Golflinks, Bengaluru	Hotel	Hotel (5 star) - 247 Keys	4,884	-	**4,884**
Embassy Energy, Bellary District, Karnataka	Solar park	465.64 acres (Installed capacity of 130 MW DC)	10,820	-	**10,820**
Total – 100% owned assets			**253,881**	**34,862**	**288,743**
Embassy Golflinks, Bengaluru	Office (Non-SEZ)	Completed office - 2.7 msf	52,134	-	**52,134[3]**
Total			**306,015**	**34,862**	**340,877**

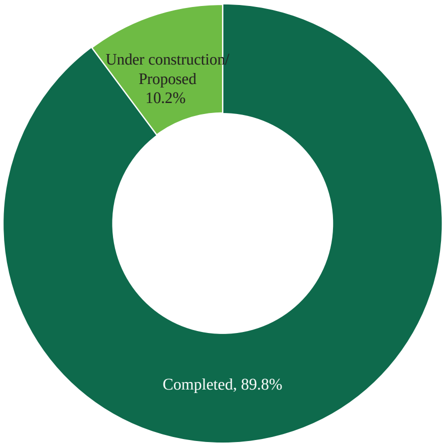
[1] CBRE understands that EOPPL has made an application on 13th September 2017 to convert its Non SEZ portion to SEZ. Although the approval for the application is pending as of date of valuation, the market value assumes that it is a SEZ unit. The market value would be lower by INR 213 million if the Non SEZ portion was not considered as a SEZ unit.

[2] Note: Embassy One would be acquired by the Embassy REIT on an as-if completed basis and all development costs would be borne by the seller and accordingly, no cost to complete has been adopted for the value assessment.

[3] Note: value is representative of 100% ownership and based on the inputs provided by the Client, we understand that the proposed ownership by the REIT in this asset would be 50% (viz. INR 26,067 Mn)

**UC -under construction, ^SEZ – Special Economic Zone*

Market value break-up of assets valued for the proposed Embassy REIT



Note: the value break-up is for a representation purpose and is purely based on the individual asset's valuation and is not reflective of the proposed holding of the REIT (viz. at 100% of Embassy Golflinks).

Assumptions, Disclaimers, Limitations & Qualifications

This summary valuation report is provided subject to a summary of assumptions, disclaimers, limitations and qualifications detailed throughout this report which are made in conjunction with those included within the Assumptions, Disclaimers, Limitations & Qualifications section located within the detailed full valuation report prepared by CBRE. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use of the parties as mentioned in Section 1.2 of this summary report.

Prepared by: CBRE South Asia Pvt. Ltd.

Official Signatories:

Name: Vamshi Krishna Kanth Nakirekanti, MRICS, FIE, FIV, CEng (India)

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Name: Jaideep Pandit, MRICS

MRICS Membership Number: 1284655

Designation: Executive Director & Head (West India),

Valuation & Advisory Services, CBRE South Asia Pvt. Ltd.

4 Assets

4.1 Embassy Manyata

Property Name: Embassy Manyata is a commercial office development located along Outer Ring Road, Nagavara, Bengaluru, Karnataka

Property Address: Nagavara Village, Kasaba Hobli, Bengaluru North Taluk, Bengaluru District and Rachenahalli and Thanisandra Villages, Krishnarajapuram Hobli, Bengaluru East Taluk, Bengaluru District, Karnataka

Land Area: Based on review of the title report (for Manyata Promoters Pvt Ltd and M3 Block respectively), we understand that the total land area of the subject property under the ownership of the Client is approximately 121.76 acres

Brief Description: The subject property is the second largest commercial office asset in India (in terms of scale), largest in Bengaluru and is a landmark in North Bengaluru. The property is accessible through the Nagavara Outer Ring Road emanating from Hebbal. Further, the subject development is strategically located in proximity to micro-markets of Thanisandra & Hennur Road which are amongst the fastest developing vectors in North Bengaluru.

The subject property is located in close proximity to the Nagavara Outer Ring Road, which connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer Ring Road, Old Madras Road, etc. Further, it is located at a distance of 1-2 km from Nagavara Junction, 3-4 km from Hebbal Junction, 7-8 km from Yelahanka Junction, 11-14 km from MG Road (CBD) and 29-31 km from Kempegowda International Airport

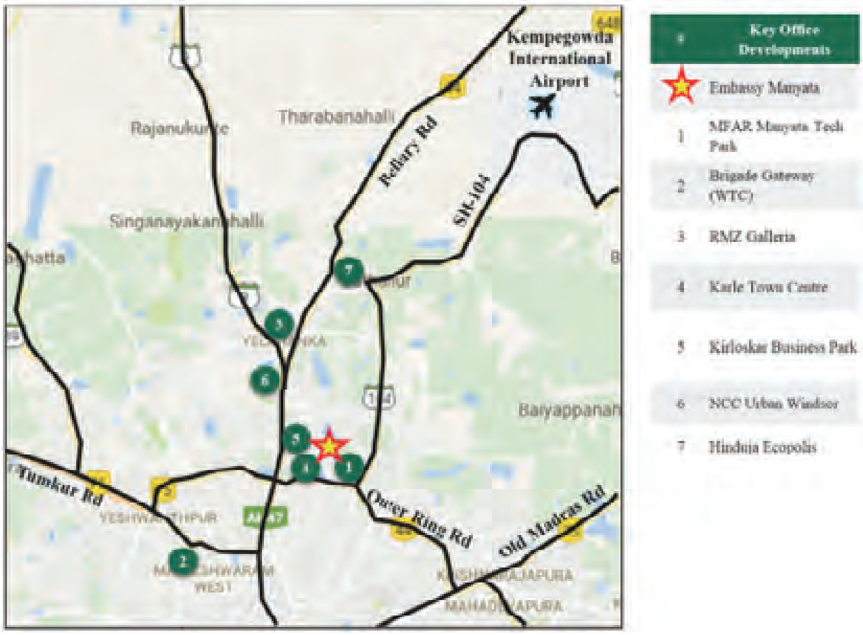
Statement of Assets (sf): Based on review of various documents (such as rent roll, lease deeds, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 11.0 msf of completed leasable area out of which committed occupancy is approximately 99.7% as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Block	Total Area (sf)	Operational area (in sf)	Under Construction area (in sf)	Proposed Development area (in sf)
SEZ Area	10,052,568	8,347,511	997,057	708,000
Non – SEZ Area	4,098,982	2,610,165	781,267	707,550
Retail	58,083	-	58,083	
Total – Office/Retail	**14,209,633**	**10,957,676**	**1,836,407**	**1,415,550**
Hotel (including convention centre)	619 keys (Hotel - 722,678 Convention – 58,000)	-	619 keys (Hotel - 722,678 Convention – 58,000)	

Source: Architect certificates, rent roll, lease deeds; Note – office & retail refers to leasable area while hotel & convention refers to developable area

The current total permissible FSI on the subject land parcel is 15.51 mn sf. Based on the FSI that will presently be consumed for the operational, under construction and proposed development plans, over 1.00 mn sf of additional FSI is available for development, subject to physical viability of construction which has not been considered for the purposes of this valuation (Source: Architect certificate)

Location Map



Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR mn	16,408
Proposed project completion timelines	Quarter, Year	Q2, 2021
Revenue assumptions (as on Dec 31, 2018)		
Lease completion	Year	2023
In-place rent	INR psf/mth	55
Marginal rent – IT office component	INR psf/mth	80 (11.1% premium to the sub-market rent)
Marginal rent – Non IT office component	INR psf/mth	92
Marginal rent – Retail component	INR psf/mth	104
Parking rent	INR / bay/mth	3,750
ARR – 5 star hotel	INR / room / day	7,500
Occupancy – 5 star hotel	%	70%
ARR – 3 star hotel	INR / room / day	5,000
Occupancy – 3 star hotel	%	70%
Other financial assumptions		
Cap rate – commercial components	%	8.00%
Cap rate – hotel components	%	7.69% (viz. an EV-EBITDA multiple of 13)
WACC rate (operational)	%	12.30%
WACC rate (under-construction/proposed)	%	13.60%
WACC rate (hotel)	%	13.93%

Market Value: **INR 134,887 Mn**

4.2 Express Towers

Property Name: 'Express Towers' is an operational office asset located along Barrister Rajni Patel Marg, Nariman Point, Mumbai

Property Address: Barrister Rajni Patel Marg, Nariman Point, Mumbai

Land Area: Based on review of the title report, we understand that the total land area of the subject property under the ownership of the Client is approximately 1.46 acres

Brief Description: The subject property 'Express Towers' is an office asset situated in Nariman Point. The subject property is located opposite to the Oberoi Trident hotel. The G+25 floor storey structure was constructed in the late 1960s and has been refurbished in the past few years. Nariman Point is located at the southernmost tip of the Mumbai City, at a distance of approximately 1 - 2 km from the Churchgate Railway Station; approximately 25 - 28 km from the Domestic / International City Airport.

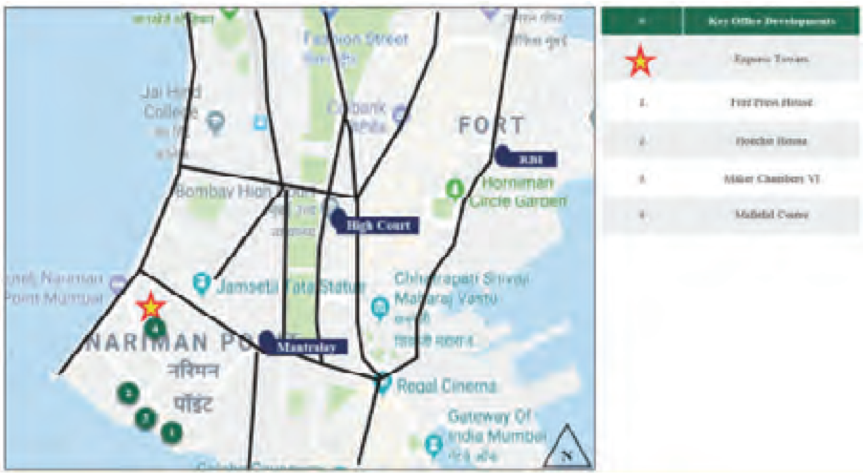
Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 468,194 sf of completed leasable area out of which committed occupancy is approximately 456,304 sf as on the date of valuation. Also, the top 2 floors viz the 24th and 25th floor are not owned by Indian Express Newspapers (Mumbai) Pvt. Ltd (IENPL). Table below highlights the leasable area details for the subject development under the ownership of IENPL.

Particular	Leasable Area (sf)	Committed Occupancy (%)
Completed Blocks	468,194	97.5%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	468,194	

Source: Architect certificate, Rent roll, lease deeds;

As per information provided in the Architect Certificate, it is understood that there is no additional FSI available for the subject property

Location Map



Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost towards refurbishments	INR mn	106
Revenue assumptions (as on Dec 31, 2018)		
Lease completion	Year	FY 2020
In-place rent – Office Spaces	INR psf/mth	246 ^
Marginal Rent – Commercial office component	INR psf/mth	275 (30.9% premium to the sub-market rent)
Parking rent (Effective)	INR / bay/mth	5,000
Other financial assumptions		
Cap rate – commercial components	%	7.50%
WACC rate (operational)	%	12.30%

^denotes the weighted average rentals for leased office/restaurant spaces

Market Value: **INR 18,812 Mn**

4.3 Embassy 247

Property Name: 'Embassy 247' is an operational office asset located along LBS Road, Gandhinagar, Vikhroli West, Mumbai

Property Address: LBS Marg, Vikhroli (W), Mumbai, Maharashtra.

Land Area: Based on review of the title report, we understand that the total land area of the subject property under the ownership of the Client is approximately 7.27 acres

Brief Description: The subject property, "Embassy 247", is an operational office asset located along LBS Road in Gandhinagar, Vikhroli West, Mumbai. The development is divided in three towers viz. A, B & C. The towers A & C are identical of each other and have an elevation of 2 Basement + Ground + 11 upper floors. Tower B situated in between Tower A & C has an elevation of 2 Basement + Ground + 14 upper floors. Based on the site visit, it is understood that all the three towers are internally connected from basement to the 3rd floor and floors 10 and 11. The entire development has a total completed leasable area of approximately 1,186,149 sf. Of the total leasable area mentioned above, approximately 141,661 sf is currently vacant. The subject property is located in proximity to established residential and commercial locations within the city such as Bhandup, Kanjurmarg, Ghatkopar etc.

The subject property is located at a distance of approximately 28-30 km from the Central Business District of Mumbai (viz. Nariman Point), approximately 11-12 km from Domestic Airport, approximately 10-12 km from the Chhatrapati Shivaji International Airport Terminal, Mumbai etc.

Statement of Assets (sf): Based on information provided by the Client, the total completed leasable area considered for the purpose of this valuation is 1,186,149 sf. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Committed Occupancy (%)
Completed Blocks	1,186,149	88.1%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	1,186,149	

Source: Architect certificate, Rent roll, lease deeds;

The current total permissible FSI on the subject land parcel is 0.96 mn sf, out of which 0.90 mn sf has been consumed based on development plans as highlighted in the table above. Accordingly, 0.06 mn sf of additional FSI is available for development, subject to physical viability of construction which has not been considered for the purposes of this valuation (Source: Architect certificate)

Location Map

Key
Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR mn	221
Revenue assumptions (as on Dec 31, 2018)		
Lease completion	Year	FY 2020
In-place rent	INR psf/mth	93^
Marginal rent – Commercial office component	INR psf/mth	103
Marginal rent – Retail component	INR psf/mth	78
Parking rent (Effective)	INR / bay/mth	2,500
Other financial assumptions		
Cap rate – commercial components	%	8.00%
WACC rate (operational)	%	12.30%

^denotes the weighted average rentals for leased office/retail and food-court spaces

Market Value: **INR 17,155 Mn**

4.4 First International Finance Centre (FIFC)

Property Name: First International Finance Centre is a commercial office development located on Bandra Kurla Complex Road, Bandra Kurla Complex, Mumbai, Maharashtra

Property Address: G-Block, Bandra Kurla Linking road, Bandra Kurla Complex, Mumbai, Maharashtra

Land Area: Based on review of the title report, we understand that the total land area of the subject property under the ownership of the Client is approximately 1.99 Acres

Brief Description: The subject property, "First International Finance Centre", is an operational office asset located along BKC Road in G Block, Bandra Kurla Complex, Mumbai. This office asset has a total leasable area of approximately 658,390 sf. The development is operated as a condominium and is co-owned by two entities i.e, a leading bank and the Client. Based on review of the title report for the subject property, the Client has an ownership of approximately 360,947 sf of the total area and the same has been considered for the purpose for this valuation exercise (this area will be considered as the subject property hereinafter). The subject property is located in proximity to locations such as Kurla, Bandra, Santacruz etc., which are considered as established residential and commercial locations within the city.

The subject property is located at a distance of approximately 20-22 km from the Central Business District of Mumbai (viz. Nariman Point), approximately 6-8 km from Domestic Airport, approximately 8-9 km from the Chhatrapati Shivaji International Airport Terminal, Mumbai etc.

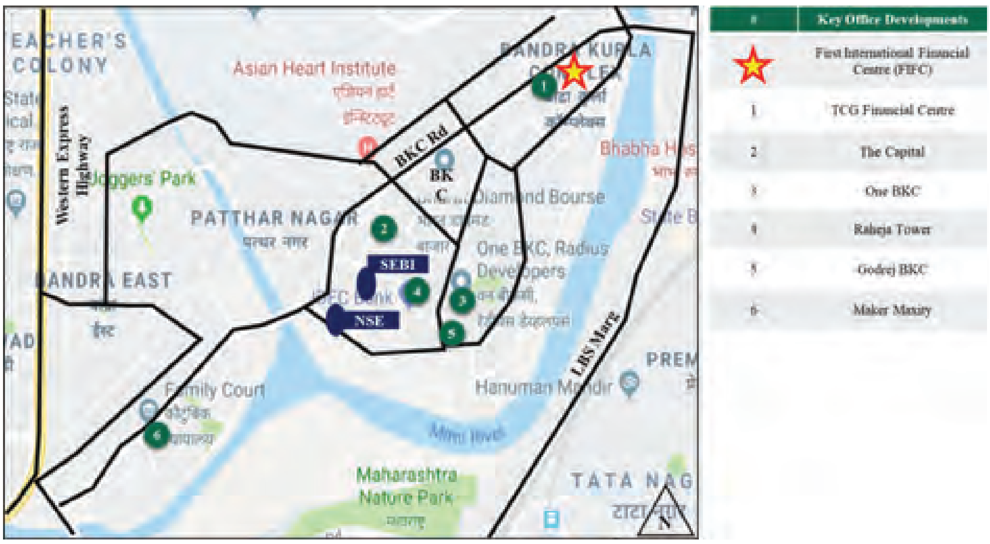
Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, lease deeds, etc.), the subject property is an operational office asset with approximately 360,947 sf of completed leasable area out of which approximately 55.4% is leased as on the date of valuation (94.6% including hard options). Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Committed Occupancy (%)
Completed Blocks	360,947	55.4%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	360,947	

Source: Architect certificate, Rent roll, lease deeds;

As per information provided in the Architect Certificate, it is understood that there is no additional FSI available for the subject property

Location Map



Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete/ Refurbishment Cost	INR mn	68
Revenue assumptions (as on Dec 31, 2018)		
Lease completion	Year	FY 2020
In-place rent	INR psf/mth	277.2^
Marginal rent – Office Component	INR psf/mth	285 (14.0% premium to the sub-market rent)
Marginal rent – Retail	INR psf/mth	314
Parking rent (Effective)	INR / bay/mth	6,250
Other financial assumptions		
Cap rate – commercial components	%	7.75%
WACC rate (operational)	%	12.30%

^denotes the weighted average rentals for leased office/retail spaces

Market Value: **INR 14,920 Mn**

4.5 Embassy Techzone

Property Name: 'Embassy Techzone' is an operational office asset located in Phase 2, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No. 3/A and Plot No. 3/B, Rajiv Gandhi Infotech Park, Hinjewadi, Phase-II, Village Marunji, Taluka Mulshi, District Pune, Maharashtra

Land Area: Based on review of the title report, we understand that the total land area of the subject property under the ownership of the Client is approximately 67.45 acres

Brief Description: 'Embassy Techzone', has been conceptualized as an office asset spread across a total land area of approximately 67.45 acres. The property is an office asset leased to various tenants and is also well equipped with number of facilities and amenities like food court, amphitheatre, intra park shuttles, gymnasium, multilevel car parking, sports ground, etc. The area details of the property are as follows:

Particulars	*Leasable area (in sf)*
Completed Leasable Area	2,160,055
Under-Construction Leasable Area	39,689
Proposed Development Leasable Area	3,273,202
Total	**5,472,946**

Source: Client Inputs

'Embassy Techzone' is strategically located in Hinjewadi which is a prominent technology hub of Pune city. 'Embassy Techzone' is located at a distance of approximately 5 – 6 km from National Highway 48 (Connecting Mumbai – Pune – Bengaluru), 20 – 21 km from Pune CBD (Peth areas), 20 – 21 km from Pune Railway Station and approximately 26 – 27 km from Pune International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, lease deeds, Architect's Certificate, etc.), we understand that 'Embassy Techzone' is an operational office asset with approximately 2.2 msf of completed leasable area out of which committed occupancy is approximately 84.8% as on the date of valuation. Further, approximately 3.3 msf is currently under planning stage and approximately 0.04 msf is currently under construction. Table below highlights the leasable area for individual blocks that form part of the subject development:

Component	Completed Leasable area (in sf)	Under Construction area (in sf)	Proposed Development area (in sf)
SEZ	1,852,663	-	2,226,401
Non – SEZ*	298,967	-	1,046,801
Other ~ Food court, training centre, etc.	8,425	39,689	-
Total	**2,160,055**	**39,689**	**3,273,202**

Source: Rent roll, lease deeds, architect certificate provided by the Client;

Based on the provisions of circular number TPB 4314/1144/CR-63/2015/UD-11 dated 19/05/2015 issued by Maharashtra Industrial Development Corporation, we understand that the subject development will be able to achieve a total of 3 FSI. This is subject to prevalent development norms and requisite premium charges/fees being paid to the relevant authority. Considering the above, the current total permissible FSI on the subject land parcel is 7.93 mn sf. Based on the FSI that will presently be consumed for the operational, under construction and proposed development plans, over 2.0 mn sf of additional FSI is available for development, subject to physical viability of construction which has not been considered for the purposes of this valuation (Source: Architect certificate)

Location Map

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR mn	12,555
Proposed project completion timelines	Year	FY 2026
Revenue assumptions (as on Dec 31, 2018)		
Lease completion	Year	FY 2026
In-place rent	INR psf/mth	44
Marginal rent – IT SEZ office component	INR psf/mth	48
Marginal rent – Non SEZ office component	INR psf/mth	48
Parking rent	INR / bay/mth	1,500
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	12.70%
WACC rate (under-construction/proposed)	%	14.20%

Market Value: **INR 20,720 Mn**

4.6 Embassy Quadron

Property Name: 'Embassy Quadron' is a Commercial Office Business Park located in Phase 2, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No. 28, Hinjewadi Phase II, Rajiv Gandhi Infotech Park, Pune, Maharashtra, 411057

Land Area: Based on review of the title report, we understand that the total land area of the subject property under the ownership of the Client is approximately 25.52 acres

Brief Description: 'Embassy Quadron', has been conceptualized as an IT SEZ office development leased to various domestic and multi-national IT/ ITeS tenants. The property is well equipped with number of facilities and amenities like enhanced landscapes, Q café food court, grocery stores, ATMs, indoor sports zone, gymnasium, crèche, two-wheeler and four-wheeler car parking spaces, etc. The property has been constructed in phased manner between 2008 to 2011. Some of the prominent tenants present in the development include Barclays Technologies, E-Clerx Services Pvt. Ltd., Cognizant, etc.

The development currently includes four operational buildings (Q1 to Q4).

Further, 'Embassy Quadron' is strategically located in Hinjewadi which is a prominent technology hub of Pune city. 'Embassy Quadron' is located at a distance of approximately 7 – 8 km from National Highway 48 (connecting Mumbai – Pune – Bengaluru), 22 – 23 km from Pune CBD (Peth areas), 22 – 23 km from Pune Railway Station and approximately 26 - 27 km from Pune International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), we understand that 'Embassy Quadron' is an operational SEZ office asset with approximately 1.9 msf of completed leasable area out of which committed occupancy is approximately 91.4% as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Components	*Completed leasable area (in sf)*
Office	1,843,236
Retail	22,887
Food Court	28,551
Total	**1,894,674**

Source: Rent roll, lease deeds, architect certificate provided by the Client;

The current total permissible FSI on the subject land parcel is 3.00 mn sf, out of which 1.56 mn sf has been consumed based on development plans as highlighted in the table above. Accordingly, 1.44 mn sf of additional FSI is available for development, subject to physical viability of construction which has not been considered for the purposes of this valuation (Source: Architect certificate)

Location Map

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR mn	NA
Proposed project completion timelines	Quarter, Year	NA
Revenue assumptions (as on Dec 31, 2018)		
Lease completion	Year	FY 2019
In-place rent	INR psf/mth	40
Marginal rent – IT SEZ office component	INR psf/mth	50
Parking rent	INR / bay/mth	1,500
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	12.30%

Market Value: **INR 14,524 Mn**

4.7 Embassy Qubix

Property Name: 'Embassy Qubix' is a Commercial Office Business Park located in Phase 1, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No.2, Blue Ridge Township, Near Rajiv Gandhi Infotech Park – Phase I, Hinjewadi, Pune, Maharashtra 411057

Land Area: Based on review of the title report, we understand that the total land area of the subject property under the ownership of the Client is approximately 25.16 acres

Brief Description: "Embassy Qubix", has been conceptualized as an IT SEZ office development leased to various domestic and multi-national technology tenants. The property is well equipped with number of facilities and amenities like enhanced landscapes, Q Court Courtyard, grocery stores, ATMs, two-wheeler and four-wheeler car parking spaces, etc. The property has been constructed in phased manner between 2010 to 2012. Some of the prominent tenants present in the development include Accenture, L&T, etc.

The development currently includes six operational buildings (IT 1 to IT 6).

Further, Embassy Qubix is strategically located in Hinjewadi which is a prominent technology hub of Pune city. Embassy Qubix is located at a distance of approximately 3 – 4 km from National Highway 48 (connecting Mumbai – Pune – Bengaluru), 18 – 19 km from Pune CBD (Peth areas), 19 – 20 km from Pune Railway Station and approximately 23 - 24 km from Pune International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), we understand that "Embassy Qubix" is an operational SEZ office asset with approximately 1.5 msf of completed leasable area, out of which committed occupancy is 100.0% as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Particular	Leasable Area (sf)	Committed Occupancy (%)
Completed Blocks	1,450,494	100.0%
Under Construction Blocks	-	NA
Proposed Development	-	NA
Total	**1,450,494**	

Source: Rent roll, lease deeds, architect certificate;

The current total permissible FSI on the subject land parcel is 3.29 mn sf, out of which 1.08 mn sf has been consumed based on development plans as highlighted in the table above. Accordingly, 2.20 mn sf of additional FSI is available for development, subject to physical viability of construction which has not been considered for the purposes of this valuation (Source: Architect certificate)

Location Map

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR mn	NA
Proposed project completion timelines	Quarter, Year	NA
Revenue assumptions (as on Dec 31, 2018)		
Lease completion	Year	FY 2019
In-place rent	INR psf/mth	37^
Marginal rent – IT SEZ office component	INR psf/mth	48
Effective Parking rent	INR / bay/mth	1,500.0
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	12.30%

^denotes the weighted average rentals for leased office/retail spaces

Market Value: **INR 10,185 Mn**

4.8 Embassy Oxygen

Property Name: 'Embassy Oxygen' is an operational IT/ ITeS SEZ office development located at Sector 144, Noida, Uttar Pradesh

Property Address: Plot No. – 07, Sector 144, Noida, Uttar Pradesh, India

Land Area: Based on review of the title report, we understand that the total land area of the subject property under the ownership of the Client is approximately 24.83 Acres

Brief Description: The subject property "Embassy Oxygen" is a partly operational office asset, leased to technology occupiers. The subject property is located at Sector 144, Noida in proximity to Noida – Greater Noida Expressway, which is an emerging commercial / residential vector of Noida. The property is a two side open plot with accessibility via approximately 45 m and 24 m wide roads. The subject property lies in proximity to various office assets such as Candor TechSpace, Assotech Business Cresterra, Advant Navis Business Park, Stellar 135, Express Trade Towers 2, etc.

The subject property is located in close proximity to Noida – Greater Noida Expressway, which makes it easily accessible from other regions of NCR (National Capital Region) such as Delhi, Greater Noida, etc. Further, it is located at a distance of approximately 16 – 17 km from the established commercial hub of Noida viz. Sector-18, approximately 16 – 17 km from DND Flyway and approximately 38 – 39 km from Indira Gandhi International Airport, Delhi

Statement of Assets (sf): Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational SEZ office asset with approximately 1.9 msf of completed leasable area, out of which committed occupancy is approximately 91.9% (excluding hard options) as on the date of valuation. Table below highlights the leasable area for operational and under construction/ proposed blocks that form part of the subject development:

Particular	Leasable Area (sf)	Committed Occupancy (%)
Completed Blocks	1,945,622	91.9%*
Under Construction Blocks	579,000	NA
Proposed Development	737,000	NA
Total	**3,261,622**	

Source: Architect Certificate, Rent roll, lease deeds provided by the Client
* Does not include the area under hard option

The current total permissible FSI on the subject land parcel is 2.81 mn sf, out of which 2.60 mn sf will be consumed based on presently under construction and proposed development plans as highlighted in the table above. Accordingly, 0.22 mn sf of additional FSI is available for development, subject to physical viability of construction which has not been considered for the purposes of this valuation (Source: Architect certificate)

Location Map:

Key Assumptions:

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete (overall)	INR mn	4,480
Proposed project completion timelines (overall)	Quarter, Year	Q3, FY 2022
Revenue assumptions (as on Dec 31, 2018)		
Lease completion	Year	FY 2023
In-place rent	INR psf/mth	43
Marginal rent – IT SEZ office component	INR psf/mth	54
Other financial assumptions		
Cap rate	%	8.25%
WACC rate (operational)	%	12.30%
WACC rate (under-construction/proposed)	%	13.60%

Market Value: **INR 19,580 Mn**

4.9 Embassy Galaxy

Property Name: 'Embassy Galaxy' is an operational IT/ ITeS office development located at Sector 62, Noida, Uttar Pradesh

Property Address: A-44 & 45, Sector 62, Noida, Uttar Pradesh, India – 201309

Land Area: Based on review of the title report, we understand that the total land area of the subject property under the ownership of the Client is approximately 9.88 Acres

Brief Description: The subject property "Embassy Galaxy" is an operational office asset, leased to technology occupiers. The subject property is located at Sector 62, Noida, which is an established commercial vector of Noida. The property is accessible by an internal road of Sector 62 (approximately 45 m wide). The subject property lies in proximity to various office assets such as 3C Green Boulevard, Stellar IT Park, Logix Cyber Park, Candor Techspace, etc.

The subject property is located in close proximity to National Highway (NH) – 24, which makes it easily accessible from other regions of NCR (National Capital Region) such as Delhi, Ghaziabad, etc. Further, it is located at a distance of approximately 9 – 10 km from the established commercial hub of Noida viz. Sector-18, approximately 10 – 11 km from DND Flyway and approximately 31 – 32 km from Indira Gandhi International Airport, Delhi

Statement of Assets (sf): Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational office asset with approximately 1.4 msf of completed leasable area, which is fully leased as on the date of valuation. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Occupancy (%)
Completed Blocks	1,357,029	100.0%
Total	**1,357,029**	**100.0%**

Source: Architect certificate, Rent roll, lease deeds provided by the Client;

The current total permissible FSI on the subject land parcel is 1.12 mn sf, out of which 1.02 mn sf will be consumed based on presently under construction and proposed development plans as highlighted in the table above. Accordingly, 0.10 mn sf of additional FSI is available for development, subject to physical viability of construction which has not been considered for the purposes of this valuation (Source: Architect certificate)

Location Map:

CBRE

Key Assumptions:

Particulars	Unit	Details
Revenue assumptions (as on Dec 31, 2018)		
Lease completion	Year	NA (subject development if fully leased)
In-place rent	INR psf/mth	31
Marginal rent – IT office component	INR psf/mth	44
Other financial assumptions		
Cap rate	%	8.25%
WACC rate (operational)	%	12.30%

Market Value: **INR 8,367 Mn**

4.10 Embassy Golflinks

Property Name: Embassy Golflinks is an office asset located along Intermediate Ring Road, Bengaluru, Karnataka

Property Address: Challaghatta Village, Varthur Hobli, Mahadevapura, Bengaluru East Taluk, Bengaluru, Karnataka

Land Area: Based on review of the title report, we understand that the total land area of the subject property under the ownership of the Client is approximately 37.11 acres.

Brief Description: The subject property, "Embassy Golflinks", is an operational office asset located along Intermediate Ring Road, Bengaluru. This office asset has a total leasable area of approximately 4.5 msf. The interest being valued corresponds to approximately 2.7 msf of office area which forms part of the economic interest of the Client. The larger development also includes an operational hotel (Hilton at Embassy Golflinks). The immediate surroundings of the subject property comprises of large aggregates of land owned by the Defence Services of the Country Karnataka Golf Association's operational golf course, Diamond District, DivyaSree Greens, Maruthi Infotech Park, etc. In addition, the subject property is located in proximity to locations such as Indiranagar, Koramangala etc., which are considered as established residential and commercial locations within the city.

The subject property is located at a distance of approximately <1 km from the Domlur flyover, 1 – 2 km from Indiranagar, 2-3 km from Koramangala, 7-8 km from MG Road and approximately 43 - 45 km from Bengaluru International Airport.

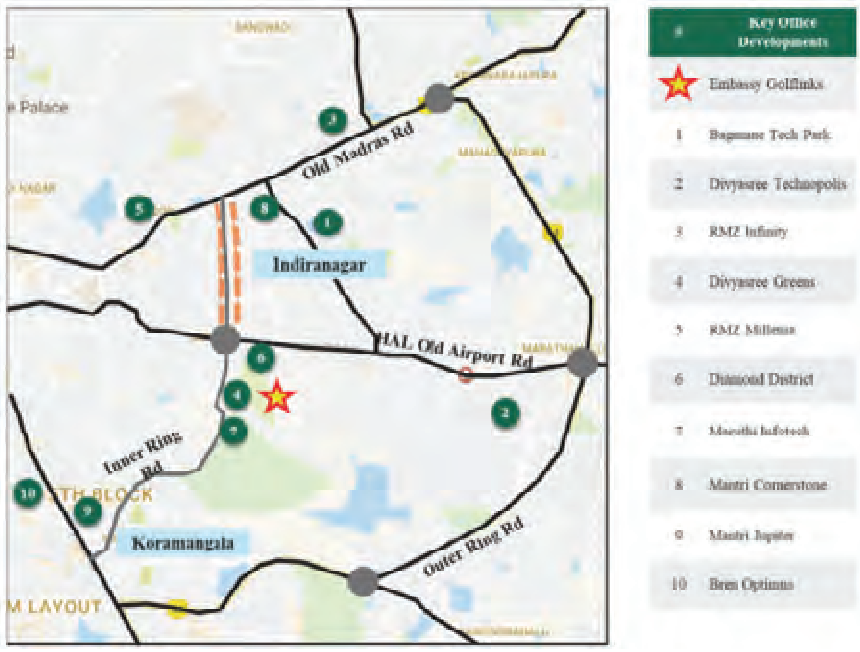
Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 2.7 msf of completed leasable area and is 100% committed as on the date of valuation. Table below highlights the leasable area for subject property that form part of the subject development:

Block	Leasable Area (sf)
Office Area (Operational)	2,742,442 (Committed Occupancy – 100%)

Source: Source: Rent roll, lease deeds, architect certificate provided by the Client

The current total permissible FSI on the subject land parcel is 4.73 mn sf. Based on the FSI that is presently being consumed for the operational area, over 1.00 mn sf of additional FSI is available for development, subject to physical viability of construction which has not been considered for the purposes of this valuation (Source: Architect certificate)

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on Dec 31, 2018)		
In-place rent	INR psf pm	104
Marginal rent – office component	INR psf/mth	143 (27.7% premium to the sub-market rent)
Parking rent	INR / bay/mth	4,500
Other financial assumptions		
Cap rate – commercial components	%	8.00%
WACC rate	%	12.30%

Market Value: **INR 52,134 Mn**

Note:

1. The valuation presented is for 100% interest in the asset. However, based on inputs provided by the Client, the REIT proposes to hold 50% of the interests in the asset (viz. 26,067 Mn)

2. The above valuation excludes valuation of Hilton at Embassy Golflinks. The valuation of Hilton at Embassy Golflinks is presented in section 4.12

4.11 Embassy One

Property Name:	'Embassy One' is a premium mixed-used development (High-end office, retail and hospitality components) located along, Bellary Road, Ganga Nagar, Bengaluru, Karnataka
Property Address:	Bellary Road, Ganga Nagar, Bengaluru, Karnataka
Land Area:	Based on review of the title report, we understand that the total land area of the subject property under the ownership of the Client is approximately 5.62 acres (which incrementally includes residential component). The interest being valued as part of this assessment is an undivided share of 3.19 acres (for the office, retail and hospitality components).

Brief Description:

The subject property is a premium mixed-used development comprising of commercial, retail and hospitality components. Subject property is located in a premium location in close proximity to the CBD, approximately 6-7 km from MG Road. The stretch between the CBD and Mekhri Circle is recognized as a premium residential and hospitality hub of Bengaluru. Subject location lies in close proximity to premium residential colonies of Sheshadripuram, Sadashiva Nagar, Dollars colony, Fraser Town, Jayamahal, etc., which house affluent population of businessmen community, ministers, etc. Further, the location is considered an established hub for premium hotels, housing prominent 5 star hotels such as Windsor Manor, Le Méridien, Lalit Ashok, & Taj Westend. Based on review of various documents (such as Architect's Certificate, approval documents, etc.), it is understood that as on date of valuation, the office, retail and hotel within the subject development are completed and the occupancy certificate for the same has been received. Further, the F&B at hotel is currently operational with the rest of the hotel being in its final stages of pre-opening work. The final finishing work for the rest of the hotel area is expected to be completed by Q1, 2019 and expected to be commence operations by H1 2019.

The subject property's location along the initial stretch of Bellary Road further adds to the attractiveness of the development. Bellary Road connects the city centre to the airport and also provides connectivity to all major hubs within Bengaluru City. Further, the subject property's proximity to the Hebbal Outer Ring Road, connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer ring road, Old Madras road, etc. Further, it is located at a distance of 1-2 km from Mekhri Circle, 3-4 km from Hebbal ORR Junction, 6-7 km from MG Road, 27-28 K from Bengaluru International Airport.

Statement of Assets (sf):

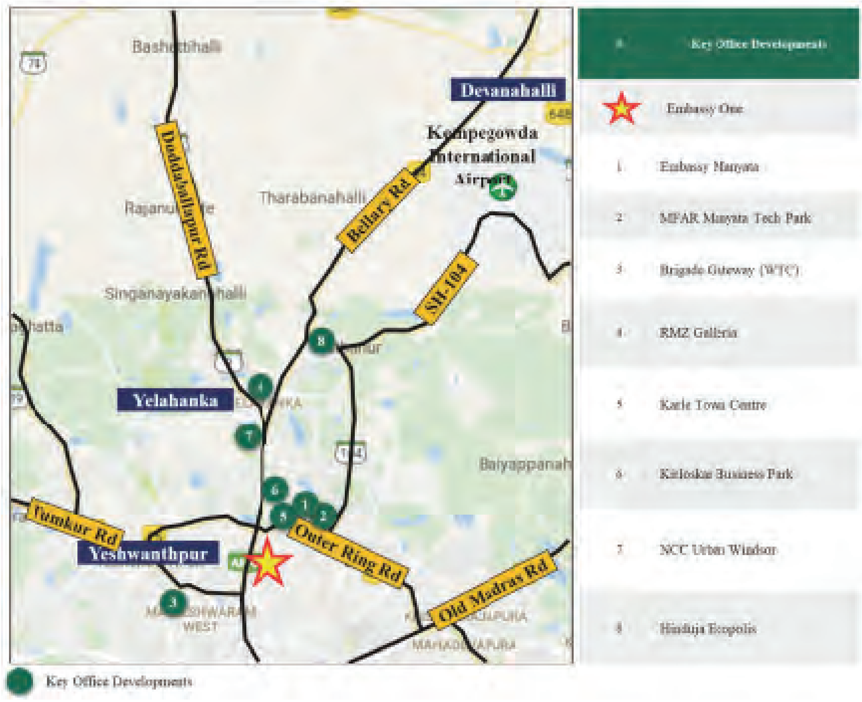
Table below highlights the leasable area for individual blocks that form part of the subject development:

Block	No of Keys/ Leasable Area (sf)
Office	194,948
Retail	55,148
Hotel (Four Seasons at Embassy One)	230 keys
Total	**230 keys / 250,096**

Source: Architect certificate provided by the Client

As per information provided in the Architect Certificate, it is understood that there is no additional FSI available for the subject property

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on Dec 31, 2018)		
Lease completion	Year	2020
In-place rent	INR psf/mth	NA
Marginal rent – Non IT office component	INR psf/mth	153
Marginal rent – Retail component	INR psf/mth	170
Parking rent	INR / bay/mth	5,000
ARR – Four Seasons at Embassy One	INR / room / day	11,000
Occupancy – Four Seasons at Embassy One	%	70%
Other financial assumptions		
Cap rate – commercial components	%	7.50%
Cap rate – hotel components	%	7.69% (viz. an EV-EBITDA multiple of 13)
WACC rate (operational)	%	12.30%
WACC rate (hotel)	%	12.63%

Note: The ARR of INR 11,000 per room night is opined as of date of valuation. Considering the escalation, the achievable ARR as on operation commencement is opined to be INR 11,200 per room night

Market Value: **INR 13,889 Mn**

As on date of valuation, the office, retail and hotel components have received their occupancy certificate and the hotel component is expected to launch in H1, 2019. As per representations made by the Client, it is understood that the entire subject property will be sold into the REIT on an as-if completed basis (viz. applicable cost to complete, if any being borne by the seller). The value of the subject property under the as-is scenario is INR 13,032 Mn (factoring cost to go).

4.12 Hilton at Embassy Golflinks

Property Name: Hilton at Embassy Golflinks is an operational hospitality development as part of a larger office asset 'Embassy Golflinks' located along Intermediate Ring Road, Bengaluru, Karnataka

Property Address: Challaghatta Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru, Karnataka

Land Area: Based on review of the title report, we understand that the total land area of the subject property under the ownership of the Client is approximately 3.58 acres

Brief Description: The subject property, Hilton at Embassy Golflinks, is an operational hospitality development located along Intermediate Ring Road, Bengaluru. The interest being valued corresponds to a developed area of 448,156 sf of hotel with 247 keys (operational since March 2014). The immediate surroundings of the subject property comprise of large aggregates of land owned by the Defence Services of the Country Karnataka Golf Association's operational golf course, Diamond District, DivyaSree Greens, Maruthi Infotech Park, etc. In addition, the subject property is located in proximity to locations such as Indiranagar, Koramangala etc., which are considered as established residential and commercial locations within the city. In addition to the subject property, the micro-market also comprises of other hotels such as The Leela, Taj Vivanta, Hyatt, The Paul, Ramada Encore, etc.

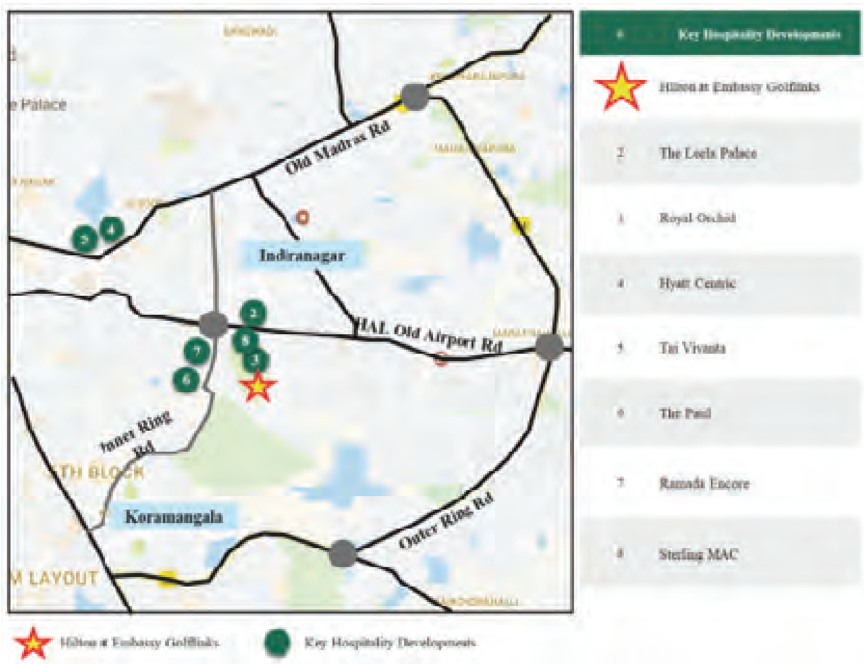
The subject property is located at a distance of approximately <1 km from the Domlur flyover, 1 – 2 km from Indiranagar, 2-3 km from Koramangala, 7-8 km from MG Road and approximately 43 - 45 km from Bengaluru International Airport.

Statement of Assets (sf): Based on the information provided by the client and the subject property is an operational hospitality development. Table below highlights the total operational area of the subject development:

Property	No of Keys
Hotel (Hilton at Embassy Golflinks)	247 keys (developed area - 448,156 sf)

Source: Architect certificate provided by the Client

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on Dec 31, 2018)		
ARR – Hilton at Embassy Golflinks	INR / room / day	8,300
Occupancy – Hilton at Embassy Golflinks	%	75
Other financial assumptions		
Cap rate – hotel components	%	7.69% (viz. an EV-EBITDA multiple of 13)
WACC rate	%	12.63%

Market Value: **INR 4,884 Mn**

4.13 Embassy Energy

Property Name: 'Embassy Energy' is a Solar PV electricity generation facility spread across Villages Ittigi, Mooregeri and Nellukudure, Bellary District, Karnataka

Property Address: Villages Ittigi and Mooregeri in Huvin Hadagali Taluka and Nellukudure in Hagri Bommanhalli Taluka, Bellary District, Karnataka

Land Area: We understand from the Client, title reports, site plans, letter highlighting Commercial Operations Date and site visit, that the park is spread over 465.64 Acres of which the land aggregation is in place by way of sale deed, Agreement to Sell (ATS) or General Power of Attorney (GPA), etc. We understand that currently only about 254.47 Acres is owned by the company by way of Sale Deed whereas the rest is under various stages of sale and conversion – below is a table which highlights the current status of the Land Aggregation. Further, as per the Client, the entire aggregation process is pre-dominantly procedural as the land owners have already handed over physical possession to EEPL and the solar park has been constructed on most of the land. It is assumed that the sale and conversion would be successful and any adverse impact has not been factored in the valuation

Particular	Area (acres)
Total extent of identified Land	465.64
Registered ATS and POA completed	465.64
Applied for approval u/s 109	465.64
Extent of land approved/recommended by DC u/s 109	442.54
Final approval received u/s 109	265.20
Sale Deed executed favouring EEPL	254.47

Brief Description: The subject property is an operational solar park under the ownership of **'Embassy-Energy Private Limited (EEPL)'**. The subject site is spread across three villages namely Ittigi, Mooregeri and Nellukudure in Bellary District. The subject location is situated a distance of more than 300 km from Bengaluru City and is currently a nascent vector in terms of real estate activity. Being a peripheral location, the region is predominantly characterized by the presence of agricultural land parcels (with black cotton soil). However, a few solar parks are currently operational/ proposed at the subject location by prominent players such as Adani, ReNew, etc. The accessibility of the subject region is via State Highway – 45 (SH – 45).

On account of being accessible through the State Highway – 45 (SH – 45), the subject property enjoys good connectivity to neighbouring towns and villages. Further, it is located at a distance of approximately 3 – 4 km from the 220 KV Sub-station (Ittigi), approximately 3 – 4 km from Ittigi Village Centre, approximately 65 – 70 km from Davangere and approximately 300 – 310 km from MG Road (Bengaluru).

Based on review of power purchase agreements between EEPL and the power purchasers, we understand that the solar plant would supply electricity to the existing office parks / hotels of Embassy in Bengaluru. In lieu of the same, it is understood that EEPL has already signed power purchase agreements (PPAs) for 25 years with various entities for commercial and industrial category.

Further, based on the review of various documents provided by the Client, it is understood that EEPL has entered into a project development agreement with IL&FS, as per which IL&FS would set up the entire solar plant facility including land acquisition, development, design, engineering, procurement, construction, erection, testing and commissioning of the solar park. For the same, IL&FS will receive deferred payments from EEPL in equated monthly instalments for 15 years (180 months) from Commercial Operation Date (COD). Additionally, it is also understood that IL&FS would undertake the O&M services for the solar park facility for a period of 15 years from COD. For the same, EEPL would pay a lump sum operations and maintenance service fee (during the term of this agreement) to IL&FS in quarterly instalments.

Statement of Assets: Based on review of various documents (such as deferred payment agreement, project development agreement, commissioning certificates, Government Order, etc.), the solar park has an installed capacity of approximately 130 Mega Watts (MW) DC (output will be 100 MW AC), capable of generating at least 215 Million Units (MU) of electricity by the end of the first 12 months from the date on which it achieves COD and subject to plant stabilization. Table below highlights the details for the subject plant:

Particular	Detail
Capacity (MW) (A)	130 MW DC (100 MW AC)
Plant Load Factor (%) (B)	18.88%
Number of hours in a day (C)	24
Days in a year (D)	365
Total units generated (kWH) (A * B * C * D) * 1000	215 Million Units (MU) in kWH in Year 1

Source: Various documents/ inputs provided by the Client;

As per the PPAs executed with various entities, the purchasers have agreed to purchase at least 85% of the contracted quantity (**'minimum guaranteed offtake'**) each tariff year, commencing from the commercial operation date until the end of the term.

Key Assumptions:

Particulars	Unit	Details
Development Timelines		
COD	Date	28th February 2018*
Revenue assumptions (as on Dec 31, 2018)		
BESCOM Tariff – Commercial	INR per kWH	8.80
BESCOM Tariff – Industrial	INR per kWH	7.20
Blended Tariff	**INR per kWH**	**8.16****
Other financial assumptions		
Useful Life	Years	25 years
Cost of Equity	%	13.50%

** 40% commenced operations on 23rd January 2018 and balance 60% on 28th February 2018*
*** In proportion of the distribution between commercial and industrial category consumers*

Market Value: **INR 10,820 Mn (includes debt of INR 6,614 Mn)** [4]

[4] *Please note that on review of the KERC Tariff Order 2018 and an order dated 14th May 2018 (revising the open access charges for renewable power projects) passed by KERC, we understand that the commission has approved various revisions in the levy of open access charges to renewable power projects. As per provisions of the order, various concessions/ exemptions granted to solar power generators have been withdrawn and these plants are liable to pay open access charges from the first day of operations. The said regulation would impact the cash flows of such projects. However, we understand that the High Court of Karnataka (via its order dated 24th May 2018) has stayed the implementation of above order (revising the open access charges for renewable power projects) dated 14th May 2018 passed by KERC, on the petition filed by EEPL to quash the said order. Hence, please note that the value opined above has been assessed considering the earlier regime for levy of open access charges since the High Court of Karnataka has put a stay on the implementation of the KERC order.*
However, the respondent (viz. State of Karnataka and Others) has requested the Hon'ble Court to recall its Order dated 24th May 2018 and revoke the stay on the implementation of KERC order dated 14th May 2018. In case the said stay were to be revoked, the profitability of the subject plant would be significantly impacted and the assessed market value of EEPL would stand revised to **INR 9,059 Mn**

CALCULATION OF UNITHOLDING PERCENTAGE IN RELATION TO THE FORMATION TRANSACTIONS

Pursuant to the Formation Transactions, the Embassy REIT will acquire the Portfolio in exchange for Units to be Allotted to the existing shareholders of the relevant Asset SPV. For details in relation to the list of Formation Transactions and the Formation Transaction Agreements, see "*Formation Transactions in relation to the Embassy REIT – Formation Transaction Agreements*" on page 267. The percentage of Units to be Allotted in case of each Asset SPV shall be calculated in the manner set out below.

S. No.	Formation Transaction Agreement	Formation Transaction	Portfolio	Calculation of Unitholding percentage
Agreements with Embassy Sponsor				
1.	UPPL SPA – I	Transfer of shareholding of Embassy Sponsor in UPPL to the Embassy REIT, in exchange for Units	Hilton at Embassy Golflinks	Agreed Unitholding Percentage = Shareholding % of seller * (UPPL Adjusted Pre-Money Equity Valuation) *divided by* (REIT Pre-Money Equity Valuation)
2.	UPPL SPA – II	Transfer of shareholding of K.J. Kuruvilla and Suja George to the Embassy REIT, in exchange for Units	Hilton at Embassy Golflinks	Agreed Unitholding Percentage = Shareholding % of seller * (UPPL Adjusted Pre-Money Equity Valuation) *divided by* (REIT Pre-Money Equity Valuation)
3.	EEPL SPA-I	Transfer of shareholding of the Embassy Sponsor in EEPL to the Embassy REIT, in exchange for Units	Embassy Energy	Agreed Unitholding Percentage = Shareholding % of seller * (Pre-Money Equity Valuation of EEPL) *divided by* (REIT Pre-Money Equity Valuation)
4.	Embassy EOPPL SPA	• Transfer of shareholding of the Embassy Sponsor in EOPPL to the Embassy REIT, in exchange of Units • Transfer of shareholding of other third party shareholders in MPPL, in exchange of Units	Embassy Manyata, Embassy Energy, Embassy Techzone, Portfolio Investment	Agreed Unitholding Percentage = Shareholding % of seller * (EOPPL Consolidated Pre-Money Equity Valuation) *divided by* (REIT Pre-Money Equity Valuation)
Agreements with Blackstone Sponsor Group				
5.	Blackstone EOPPL SPA	• Transfer of shareholding of SG Indian Holding (NQ) Co I Pte. Ltd. in EOPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of SG Indian Holding (NQ) Co II Pte. Ltd. in EOPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of SG Indian Holding (NQ) Co III Pte. Ltd. in EOPPL to the Embassy REIT, in exchange for Units	Embassy Manyata, Embassy Energy, Embassy Techzone, Portfolio Investment	Agreed Unitholding Percentage = Shareholding % of seller * (EOPPL Consolidated Pre-Money Equity Valuation) *divided by* (REIT Pre-Money Equity Valuation)
6.	Blackstone MPPL SPA	Transfer of shareholding of the Blackstone Sponsor in MPPL to the Embassy REIT, in exchange for Units	Embassy Manyata	Agreed Unitholding Percentage = Shareholding % of seller * (Pre-Money Equity Valuation of MPPL) *divided by* (REIT Pre-Money Equity Valuation)
7.	Blackstone GSPL SPA	• Transfer of shareholding of BREP GML Holding (NQ) Pte. Ltd. in GSPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII GML Holding (NQ) Pte. Ltd. in GSPL to the Embassy REIT, in exchange for Units	Embassy Galaxy	Agreed Unitholding Percentage = Shareholding % of seller * (Pre-Money Equity Valuation of GSPL) *divided by* (REIT Pre-Money Equity Valuation)

S. No.	Formation Transaction Agreement	Formation Transaction	Portfolio	Calculation of Unitholding percentage
		• Transfer of shareholding of BREP Asia SBS GML Holding (NQ) Ltd. in GSPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SBS GML Holding (NQ) Ltd. in GSPL to the Embassy REIT, in exchange for Units		
8.	Blackstone QBPL SPA	Transfer of shareholding of BRE/ Mauritius Investments II in QBPL to the Embassy REIT, in exchange for Units	Embassy Quadron	Agreed Unitholding Percentage = Shareholding % of seller * (Pre-Money Equity Valuation of QBPL) *divided by* (REIT Pre-Money Equity Valuation)
9.	Blackstone QBPPL SPA	• Transfer of shareholding of BREP NTPL Holding (NQ) Pte. Ltd in QBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII NTPL Holding (NQ) Pte. Ltd. in QBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP Asia NTPL Holding (NQ) Ltd. in QBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SBS NTPL Holding (NQ) Ltd. in QBPPL to the Embassy REIT, in exchange for Units	Embassy Quibix	Agreed Unitholding Percentage = Shareholding % of seller * (Pre-Money Equity Valuation of QBPPL) *divided by* (REIT Pre-Money Equity Valuation)
10.	Blackstone OBPPL SPA	• Transfer of shareholding of BREP Asia SG Oxygen (NQ) Pte. Ltd. in OBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SG Oxygen Holding (NQ) Pte. Ltd. in OBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP Asia SBS Oxygen Holding (NQ) Ltd. in OBPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SBS Oxygen Holding (NQ) Ltd. in OBPPL to the Embassy REIT, in exchange for Units	Embassy Oxygen	Agreed Unitholding Percentage = Shareholding % of seller * (Pre-Money Equity Valuation of OBPPL) *divided by* (REIT Pre-Money Equity Valuation)
11.	Blackstone VCPPL SPA	• Transfer of shareholding of BREP Asia HCC Holding (NQ) Pte. Ltd. in VCPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII HCC Holding (NQ) Pte. Ltd. in VCPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP Asia SBS HCC Holding (NQ) Ltd. in VCPPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SBS HCC Holding (NQ) Pte. Ltd. in VCPPL to the Embassy REIT, in exchange for Units	Embassy 247	Agreed Unitholding Percentage = Shareholding % of seller * (Pre-Money Equity Valuation of VCPPL) *divided by* (REIT Pre-Money Equity Valuation)

S. No.	Formation Transaction Agreement	Formation Transaction	Portfolio	Calculation of Unitholding percentage
12.	Blackstone ETPL SPA	Transfer of shareholding of India Alternate Property Limited in ETPL to the Embassy REIT, in exchange for Units	FIFC	Agreed Unitholding Percentage = Shareholding % of seller * (Pre-Money Equity Valuation of ETPL) *divided by* (REIT Pre-Money Equity Valuation)
13.	Blackstone IENMPL SPA	• Transfer of shareholding of BREP Asia SG Indian Holding (NQ) Co. II Pte. Ltd. in IENMPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SG Indian Holding (NQ) Co. II Pte. Ltd. in IENMPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP Asia SBS Holding-NQ Co. XI Ltd. in IENMPL to the Embassy REIT, in exchange for Units • Transfer of shareholding of BREP VII SBS Holding-NQ Co. XI Ltd. in IENMPL to the Embassy REIT, in exchange for Units	Express Towers	Agreed Unitholding Percentage = (100/49) * Shareholding % of seller * (Pre-Money Equity Valuation of IENMPL less the Purchase Consideration as defined under the IENMPL SAA) *divided by* (REIT Pre-Money Equity Valuation)
Agreements with Other Parties				
14.	Settlement Agreement	Transfer of shareholding of Reddy Veeranna and Suguna Reddy in MPPL to the Embassy REIT, in exchange for Units	Embassy Manyata	At a mutually agreed fixed valuation. For further details, see "*Formation Transactions in relation to the Embassy REIT – Agreements with Other Parties*" on page 273
15.	Business Transfer Agreement	Transfer of Embassy One Assets to QBPL	Embassy One Assets	NA
16.	ETPL SPA	Transfer of shareholding of Premsagar Infra Realty Private Limited in ETPL to the Embassy REIT, in exchange for Units	FIFC	Agreed Unitholding Percentage = Shareholding % of seller * (Pre-Money Equity Valuation of ETPL) *divided by* (REIT Pre-Money Equity Valuation)
17.	EEPL SPA – II	Transfer of shareholding of Rana George in EEPL to the Embassy REIT, in exchange for Units	Embassy Energy	Agreed Unitholding Percentage = Shareholding % of seller * (Pre-Money Equity Valuation of EEPL) *divided by* (REIT Pre-Money Equity Valuation)

Glossary of terms

Term	Description
Agreed Unitholding Percentage	Pre-determined percentage Unitholding in the pre-Issue Unitholding structure of the Embassy REIT
EOPPL Consolidated Pre-Money Equity Valuation	Pre-Money Equity Valuation of EOPPL adjusted for the value of EOPPL's proportionate equity holding share in (i) Pre-Money Equity Valuation of MPPL, (ii) Pre-Money Equity Valuation of EEPL, and (iii) Pre-Money Equity Valuation of GLSP
Pre-Money Equity Valuation	The equity valuation of a company arrived at by using (i) the market value of the assets of the company (enterprise valuation) as of March 31, 2018 reflected in the asset valuation report issued by CBRE; and (ii) adjustments for net debt and security deposit of the company as of March 31, 2018. If the Offer Document is not filed on or prior to March 31, 2019, then "Pre-Money Equity Valuation" would refer to the equity valuation of the company calculated using (i) the market value of the assets of the company (enterprise valuation) reflected in the asset valuation report issued by CBRE and disclosed in the Offer Document filed with SEBI and the Stock Exchanges; and (ii) adjustments for net debt and security deposit of the company as of the same date as the asset valuation disclosed in the Offer Document. The net debt and security deposit of the company would be calculated on the basis of Ind-AS financial statements audited or reviewed by the statutory auditor of the Embassy REIT, as the case may be
REIT Pre-Money Equity Valuation	The aggregate of value of Embassy REIT's direct equity holding in: (i) Pre-Money Equity Valuation of QBPL; (ii) Pre-Money Equity Valuation of QBPPL; (iii) Pre-Money Equity Valuation of OBPPL; (iv) Pre-Money Equity Valuation of VCPPL; (v) Pre-Money Equity Valuation of GSPL; (vi) Pre-Money Equity Valuation of MPPL; (vii) Pre-Money Equity Valuation of EEPL; (viii) Pre-Money Equity Valuation of ETPL; (ix) Pre-Money Equity Valuation of IENMPL less the purchase consideration as defined under the IENMPL SAA; (x) UPPL Adjusted Pre-money Equity Valuation; and (xi) EOPPL Consolidated Pre-Money Equity Valuation
UPPL Adjusted Pre-Money Equity Valuation	The Pre-Money Equity Valuation of UPPL adjusted for net debt based on external debt only (i.e. excluding related party debt) as of March 31, 2018

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE SUPPLEMENT

EMBASSY OFFICE PARKS REIT ("EMBASSY REIT")

In accordance with AIFMD, the Embassy Office Parks Management Services Private Limited (the "**Manager**") must disclose certain prescribed information to prospective investors. The following table indicates where the required information is located within this Offer Document, to the extent applicable.

DESCRIPTION OF INFORMATION TO BE DISCLOSED	RELEVANT AIFMD ARTICLE	REFERENCE TO DISCLOSURE IN OFFER DOCUMENT
General Fund Information		
Investment strategy and objectives of the AIF	Art 23(1)(a)	Background of the Embassy REIT: "Investment Objectives" Business: "Business Strategy"
Information on where the master AIF is established and where the underlying funds are established	Art 23(1)(a)	Background of the Embassy REIT General Information: "The Embassy REIT"
Types of assets in which the AIF may invest	Art 23(1)(a)	Overview of the Embassy REIT: "Structure and description of the Embassy REIT"
The techniques the AIF, or the AIFM on its behalf, may employ and all associated risks	Art 23(1)(a)	Leverage and Capitalisation Risk Factors
Applicable investment restrictions	Art 23(1)(a)	Background of the Embassy REIT: "Investment Objectives" Business: "Business Strategy"
Circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, restrictions on using leverage and any collateral and asset reuse arrangements	Art 23(1)(a)	Leverage and Capitalisation Risk Factors: "29. There can be no assurance that we will be able to successfully complete future acquisitions or efficiently manage the assets we have acquired or may acquire in the future. Further, any of our acquisitions in the future may be subject to acquisition related risks" and "31. We may not be able to successfully meet working capital or capital expenditure requirements of our Portfolio Assets due to the unavailability of funding on acceptable terms"
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	Art 23(1)(a)	The Manager, as the alternative investment fund manager of the Embassy REIT for the purposes of the AIFMD, is a non-EEA AIFM and not authorised under the AIFMD by any competent authority and not therefore required to set a maximum level of leverage in respect of the Embassy REIT
Procedures by which the AIF may change its investment strategy or investment policy, or both	Art 23(1)(b)	Rights of Unitholders: "Meetings of Unitholders"

DESCRIPTION OF INFORMATION TO BE DISCLOSED	RELEVANT AIFMD ARTICLE	REFERENCE TO DISCLOSURE IN OFFER DOCUMENT
Description of the main legal implications of the contractual relationship entered into for the purpose of investment	Art 23(1)(c)	Rights of Unitholders Risk Factors: "58. It may not be possible for Unitholders to enforce foreign judgments"
Identity of the AIFM, the AIF's depositary, auditor and any other service providers and description of their duties and the investors' rights	Art 23(1)(d)	General Information The Manager, as the alternative investment fund manager of the Embassy REIT for the purposes of the AIFMD, is a non-EEA AIFM and not authorised under the AIFMD by any competent authority and not therefore required to appoint a depositary in respect of the Embassy REIT
Description of how the AIFM is protected against potential professional liability risks	Art 23(1)(e)	-
Description of any delegated management functions by the AIFM, identity of the delegate and description of related conflicts of interest	Art 23(1)(f)	Background of the Embassy REIT Other parties involved in the Embassy REIT
Description of AIF's valuation procedure	Art 23(1)(g)	Other parties involved in the Embassy REIT: "The Valuer"
Description of the AIF's, liquidity risk management, including redemption rights of investors	Art 23(1)(h)	Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources Distribution Risk Factors: "4. We do not provide any assurance or guarantee of any distribution to the Unitholders We may not be able to make distributions to Unitholders in the manner described in this Offer Document or at all, and the level of distributions may decrease" and "66. Unitholders are unable to require the redemption of their Units"
Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors	Art 23(1)(i)	Management Framework – Fees and expenses
Description of how the AIFM ensures a fair treatment of investors and a description of any preferential treatment or the right to obtain preferential treatment obtained by any investor	Art 23(1)(j)	The Manager will endeavour to treat all investors fairly although they are, as non-EEA AIFM, not required to do so by the AIFMD
Latest annual report	Art 23(1)(k)	Not applicable
Procedure and conditions for the issue and sale of Interests	Art 23(1)(l)	The Issue Minimum Subscription and Minimum Allotment

DESCRIPTION OF INFORMATION TO BE DISCLOSED	RELEVANT AIFMD ARTICLE	REFERENCE TO DISCLOSURE IN OFFER DOCUMENT
Latest net asset value of the AIF	Art 23(1)(m)	Not applicable
Historical performance of the AIF, where available	Art 23(1)(n)	Not applicable
Identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed	Art 23(1)(o)	Not applicable
Information about any transfer of liability to the prime broker that may exist	Art 23(1)(o)	Not applicable
Description of how any changes to liquidity or leverage provisions of the AIF will be disclosed to investors	Art 23(1)(p)	Not applicable
Conflicts of interest		
Conflicts of interest of the AIFM	Art 12(1)(d), Art 14(2)	Risk Factors: "49. Our Sponsor will be able to exercise significant influence over certain of our activities and the interests of the Sponsor may conflict with the interests of other Unitholders or the interest of the Sponsors may conflict with each other" and "50. Conflicts of interest may arise out of common business objects shared by the Manager, the Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group and us" Corporate Governance: "Policies of the Board of Directors of the Manager in relation to the Embassy REIT" Related Party Transactions: "Potential Conflicts of Interest"
Net asset value		
The net asset value per unit or share of the AIF	Art 19(3)	Not applicable
Depositary		
Any arrangement made by the depositary to contractually discharge itself of liability and any changes with respect to depositary liability	Art 23(2)	Not applicable
Delegation of functions of the depositary	Art 21(11), Art 23(1)(f)	Not applicable
Discharge of liability of the depositary for loss by a third party to whom custody of financial instruments has been delegated	Art 21(14)(b)	Not applicable
Provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets	Art 23(1)(o)	Not applicable

Embassy Manyata

EMBASSY

EMBASSY OFFICE PARKS

WHERE THE WORLD COMES TO WORK

Embassy Quadron

EMBASSY

EMBASSY OFFICE PARKS

WHERE THE WORLD COMES TO WORK