

Independent Auditor's Certificate pursuant to clause (d) of sub-regulation (1) of Regulation 56 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(t)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993 (as amended)

To
The Board of Directors
Mac Charles (India) Limited
72/4, 1st floor
Cunningham Road
Bangalore Karnataka – 560052, India

1. This certificate is issued in accordance with the terms of our engagement letter dated 29 October 2021 with Mac Charles (India) Limited ('the Company').
2. The accompanying Statement containing details of listed/unlisted non-convertible debt securities ('NCDs') of the Company outstanding as at 31 March 2022 (Section I), security cover maintained against such securities (Section II) along with the Company's compliance with financial and other covenants (Section III) as per the terms of debenture trust deed ('collectively referred to as 'the Statement') has been prepared by the Company's management pursuant to the requirements of clause (d) of sub-regulation (1) of Regulation 56 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and pursuant to the requirements of Regulation 15(1)(t)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations'), for the purpose of submission of the Statement along with this certificate to the Debenture Trustee of the Company. The Statement is attached to this certificate.

Management's Responsibility for the Statement

3. The preparation of the Statement, including the preparation and maintenance of all accounting and other relevant supporting records and documents, is solely the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of 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.
4. The Management is also responsible for ensuring the compliance with the requirements of the Regulations and the debenture trust deed for the purpose of furnishing this Statement and for providing all relevant information to the Debenture Trustee.

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Auditor's Responsibility

5.
 - a. Pursuant to requirement as referred in paragraph 2 above, it is our responsibility to express reasonable assurance in the form of opinion that the details included in Section II of the accompanying Statement regarding maintenance of hundred percent security cover, and the details included in Section III of the accompanying Statement regarding compliance with the financial covenant as stated in debenture trust deed in respect of listed/unlisted NCDs of the Company outstanding as at 31 March 2022 are in agreement with the audited annual financial statements of the Company, underlying books of account and other relevant records and documents maintained by the Company for the year ended 31 March 2022, and that the calculation thereof is arithmetically accurate.
 - b. Further, it is our responsibility to provide reasonable assurance in the form of a opinion as to whether anything has come to our attention that cause us to believe that the declaration given by the management as included in Section III of the accompanying Statement regarding compliance with the covenants other than financial covenant covered in Section III of the accompanying Statement, as stated in the debenture trust deed in respect of listed/ unlisted NCDs of the Company outstanding as at 31 March 2022, is, in all material respects, not fairly stated.
6. The audited financial statements, referred to in paragraph 5(a) above, have been audited by us, on which we have expressed an unmodified audit opinion vide our report dated 30 May 2022. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Such audit was planned and performed in connection with any transactions to identify matters that maybe of potential interest to third parties
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. 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, issued by the ICAI.
9. We have performed the following procedures in relation to the Statement:
 - a. Traced the principal amount of the NCDs outstanding as at 31 March 2022 (Section I) to the standalone audited financial statements, underlying books of account and other relevant records and documents maintained by the Company for the year ended 31 March 2022.
 - b. Verified the details of ISIN, series, credit rating, issue size, security cover details and covenants criteria for each series of the listed/ unlisted NCDs from the respective Information memorandum.
 - c. Traced the value of secured assets forming part of the security cover details for each series from the audited financial statements, underlying books of account, valuation report issued by independent valuer engaged by the management and other relevant records and documents maintained by the Company for the year ended 31 March 2022.
 - d. Recomputed the security coverage ratio based on the information as obtained in the point 9(a), 9(b) and 9(c) above.

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- e. Verified that the computation of financial covenants as on 31 March 2022 is in accordance with the basis of computation given in the Statement, and the amounts used in such computation have been accurately extracted from the information obtained in the point 9(c) above.
- f. Based on the procedure performed in 9(e) above, ensured that the remarks given by the management with respect to the Company's compliance with each of the covenants (on whether the covenants are met or breached) are appropriate.
- g. Verified the arithmetical accuracy of the Statement.
- h. Obtained the audited standalone financial statements of Embassy Property Developments Private Limited ("Guarantor") from the management of the Company and traced the value of assets and liabilities from such audited standalone financial statements for the purpose of declaration given by the management as included in Section III of the accompanying Statement.
- i. Obtained necessary representations from the management.

Other Matter

- 10. The standalone financial statements of the Guarantor as referred to in paragraph 9(h) above for the year ended 31 March 2022 has been audited by H R A & Co., who have expressed an unmodified opinion vide its audit report dated 30 May 2022 and whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our examination of the Statement. Our conclusion is not modified in respect of this matter.

Opinion on Section I, Section II and Section III of the Statement

- 11. Based on our examination as above, evidences obtained, and the information and explanations given to us, along with the representations provided by the management, in our opinion, the Statement containing the details regarding maintenance of security cover as per the terms of debenture trust deed and compliance with all the covenants stated in such debenture trust deed in respect of listed/ unlisted NCDs of the Company outstanding as at 31 March 2022, as mentioned in the Section II and III of the Statement, is, in all material respects, in agreement with the audited financial statements of the Company, underlying books of account and other relevant records and documents maintained by the Company for the year ended 31 March 2022, and that the calculation thereof is arithmetically accurate.
- 12. Based on the procedures performed as per paragraph 10 above, and the information/explanations given to us, along with the representations provided by the management, nothing has come to our attention that cause us to believe that the declaration given by the management as included in Section III of the accompanying Statement regarding compliance with the covenants other than financial covenant covered in Section III of the accompanying Statement, as stated in the debenture trust deed in respect of listed/unlisted NCDs of the Company outstanding as at 31 March 2022, is, in all material respects, not fairly stated.

Restriction on distribution or use

- 13. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as the statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.

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14. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the requirements of the Regulations, which inter alia, require it to submit this certificate along with the Statement to the Debenture Trustee(s) of the Company, and therefore, this certificate should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Ashish Kedia

Partner

Membership No.: 215834

UDIN: 22215834ALGEYE3725

Place: Bengaluru

Date: 20 June 2022.

MAC CHARLES (INDIA) LTD.
CIN No. L55101KA1979PLC003620

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20-Jun-22

Statement containing details of listed and unlisted non-convertible debt securities ('NCDs') of the Company outstanding as at 31 March 2022, security cover maintained against such securities, the covenants criteria as per the terms of Information memorandum and/or debenture trust deed , and the Company's compliance with such covenants

I. Details of listed and unlisted non-convertible debt securities ('NCDs') (face value of Rs. 1,000,000 each) of the Company outstanding as at 31 March 2022

S.No	ISIN	Series	Outstanding as on 31 March 2022 including interest (Amount in millions)
1	INE435D07011	Tranche A Zero Coupon, Senior, secured, rated, redeemable and listed non-convertible debentures	999.00
2	NA	Tranche B Zero Coupon, Senior, secured, unrated, redeemable and unlisted non-convertible debentures	250.00
3	NA	Accrued redemption premium on above	112.07

II. Security cover maintained against such securities as per the terms of Information memorandum and/or debenture trust deed as on 31 March 2022

Particulars	Fair value of Secured Assets (Refer note 3 below)	Value of Secured, Non-Convertible, listed/ unlisted Debentures (Including Interest)	Amount in millions except ratio	
			Security cover ratio (in times) (Refer note 1 & 2 below)	Valuation date of Secured Assets
Tranche A and B Zero Coupon, Senior, secured, rated/ unrated, redeemable and listed/ unlisted non-convertible debentures	9,068	1,361	6.66	31 March 2022

Notes:

1 The following definition has been considered for the purpose of computation of Security Cover Ratio:

- Security cover ratio - Value of Secured assets / Value of Secured Non- convertible debentures;
- Secured Assets: Market value of assets.
- Secured Non- convertible debentures: Outstanding value of the secured Non- convertible debentures including interest.

2 Security cover ratio shall be atleast 1.00 times of secured assets as per the terms of information memorandum and/or Debenture Trust Deed.

3 Security Details from Debenture trust deed date 15 July 2021.

1 SECURITY, GUARANTEE AND OTHER CREDIT COMFORT

1.1 Secured Assets

(A) The Debt shall be secured

- (i). a first ranking exclusive charge (by way of hypothecation) by the Company over all the Account Assets, its rights under the Turnkey Contract and the Legacy Cirocco (ATS), the Receivables and all movable assets in relation to the Project (including without limitation, the movable fixed assets in relation to the Project) in accordance with the terms of the Deed of Hypothecation
- (ii). a first ranking exclusive pledge by the Company over the Pledged Shares in accordance with the terms of the Pledge Agreement;
- (iii). a first ranking equitable mortgage by the Company over the Immovable Assets (Project) and the Identified Assets (Karnataka), in accordance with the terms of the Mortgage Documents (Karnataka); and
- (iv). a first ranking equitable mortgage by the Company over the Identified Assets (Kerala), in accordance with the terms of the Mortgage Documents (Kerala); (such assets collectively referred to as the "Primary Secured Assets"), in each case, created in favour of the Common Security Trustee acting for the benefit of, inter alia, the Debenture Holders.

(B) The Debt shall also be secured by:

- (i). a first ranking exclusive charge (by way of hypothecation) by the Company over all the Embassy Tech Square Lease Receivables in accordance with Paragraph 2.43 of Schedule 4 (Covenants and Undertakings); and
- (ii). a first ranking exclusive pledge by the Guarantor over the shares and securities held by it in the Company in accordance with Paragraph 19 of Schedule 6 (Conditions Subsequent),

(such assets referred to as the “Additional Secured Assets” and together with the Primary Secured Assets, are collectively referred to as the “Secured Assets”), created in favour of the Common Security Trustee acting for the benefit of, inter alia, the Debenture Holders.

III. The covenants criteria as per the terms of Information memorandum and/or debenture trust deed, and the Company’s compliance with such covenants
Financial Covenants for Tranch A and B Zero Coupon, Senior, secured, rated/ unrated, redeemable and listed/ unlisted non-convertible debentures

Particulars	Audited financial statements as at 31 March 2022
Guarantor Net Worth shall, at all times, be not less than INR 10,000 millions	Net worth as on 31 March 2022 for the guarantor is INR 31,025.54 millions.
The Company shall ensure that the Loan to Value Ratio ('LTV') on any LTV Testing Date shall not be more than 66.66%.	22.37%

Notes:

1 Covenants explanation as per the debentures trust deed and their calculations.

1.1 Guarantor Net Worth as mentioned in the Debentures trust deed

(A) The Company shall ensure that until the Final Settlement Date the Guarantor Net Worth shall, at all times, be not less than INR 10,000,000,000

(B) For the purposes of above Paragraph

“**Guarantor Net Worth**” means on any particular date (a) the aggregate of the Asset Value of all assets of the Guarantor on such date; less (b) the Liabilities of the Guarantor on such date.

“**Asset Value**” means in relation to any asset of the Guarantor, on any particular date.

The fair value of such asset, as set out in a valuation report which is (i) prepared by an independent valuer acceptable to Debenture Trustee; and (ii) not more than 3 Months older than such date; or

If the fair value of such asset cannot be determined based on the requirements set out in paragraph above, the book value of such asset as set out in the last audited financial statements of the Guarantor.

“**Liabilities**” means on any particular date and in relation to the Guarantor, aggregate of all the liabilities (including contingent liabilities) of the Guarantor as set out in the last audited financial statements of the Guarantor

“**Guarantor**” means Embassy Property Developments Private Limited (EPDPL), a company incorporated under the laws of India with corporate identification number U85110KA1996PTC020897 and having its registered office at I Floor, Embassy Point #150 Infantry Road Bangalore, Karnataka 560001 India.

All Assets Value as per the audited standalone financial statements of EPDPL as on 31 March 2022 1,14,393.58 million

All liability Value as per the audited standalone financial statements of EPDPL as on 31 March 2022 83,368.04 million

Guarantors net worth as on 31 March 2022 31,025.54 million

1.2 Loan to Value

(A) The Company shall ensure that the Loan to Value Ratio (LTV) on any LTV Testing Date shall not be more than 66.66%.

“**LTV Testing Date**” means the following dates

The first Pay In Date or the last date of each 6 Month period falling thereafter

“**Pay In Date**” means, in relation to each Tranche of Debentures, the date on which each applicant for such Tranche of Debentures makes payment to the Company for the Debentures to be allotted to it in accordance with the relevant Information Memorandum, and which is identified in the relevant Information Memorandum as the “Pay In Date”

Therefore, The LTV testing date shall be 26 July 2021 the date on which the debentures were issued and allotted.

LTV formula as per the debentures trust deed $LTV = [CSO/EV] \times 100$

“CSO” is on any day the aggregate amount of the Common Secured Obligations as at that date provided that where the Loan to Value Ratio is being calculated as at (i) any Pay In Date, such calculation shall be made as if all the Debentures proposed to be allotted on such Pay In Date have already been paid for and

Therefore CSO = Common Secured obligation for INR 1,361.07 million debentures allotted (Including interest)

“EV” is, on any date, the aggregate value of the Immovable Assets (Project) mortgaged in favour of the Common Security Trustee, set out in the then most recent Valuation Report provided by the Company, pursuant to this Deed.

Therefore EV = Fair value of immovable Assets project (Zenith) as on 31st March 2022 being INR 6083 million.

LTV as on LTV Testing date (31 March 2022) 22.37%

2 Management Declaration

We confirm that the Company has complied with all the following covenants as included in the debenture trust deed dated 15 July 2021:

A. Part (a) negative covenants mentioned in para 10.2 of debentures trust deed

B. Part (b) negative covenants mentioned in para 10.2 of debentures trust deed

C. Part (c) informative covenants mentioned in para 10.2 of debentures trust deed

For Mac Charles (India) Limited.

Authorised Signatory

Name : P R Ramakrishnan

Designation : Director

Place: Bangalore