

MAC CHARLES (INDIA) LTD.
CIN No. L55101KA1979PLC003620

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Statement containing details of secured, listed/unlisted, rated/unrated, redeemable non-convertible debentures ('NCDs') of the Company outstanding as at 30 September 2022, security cover maintained against such securities, the covenants criteria as per the terms of Information memorandum and/or debenture trust deed ('DTD') , and the Company's compliance with such covenants.

I. Details of secured, listed/unlisted, rated/unrated, redeemable NCDs' (face value of Rs. 1 million each) of the Company outstanding as at 30 September 2022

S.No	ISIN	Series	Outstanding as on 30 September 2022 including interest (Amount in millions)
1	INE435D07011	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD dated 19 July 2021)	999.00
2	NA	Zero Coupon, Senior, secured, unrated, redeemable and unlisted NCDs (DTD dated 19 July 2021)	250.00
3	INE435D07037	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD dated 19 July 2021)	250.00
4	NA	Accrued redemption premium on points 1 to 3 above (DTD dated 19 July 2021)	222.24
5	INE435D07045	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD dated 23 August 2022)	1,350.00
6	INE435D07052	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD dated 23 August 2022)	1,350.00
7	NA	Accrued redemption premium on points 5 to 6 above	31.55

II. Security cover maintained against such securities as per the terms of Information memorandum and/or DTD as on 30 September 2022.

Particulars	Fair value of Value of Secured Assets (Refer note 3 below)	Value of Secured, Non-Convertible, listed Debentures (Including Interest)	Amount in millions except ratio	
			Security cover ratio (in times) (Refer note 1 & 2 below)	Valuation date of Secured Assets
Zero Coupon, Senior, secured, rated/ unrated, redeemable and listed/ unlisted NCDs (DTD dated 19 July 2021)	10,106	1,721	5.87	30 September 2022
Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD dated 23 August 2022)	4,111	2,732	1.51	30 September 2022

Notes:

- 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.
- 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 are as follows:

Debenture Trust Deed dated 19 July 2021

SECURITY, GUARANTEE AND OTHER CREDIT COMFORT

Secured Assets

- (A) The Debt shall be secured by:
- (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.

Debenture Trust Deed dated 23 August 2022

SECURITY, GUARANTEE AND OTHER CREDIT COMFORT

Secured Assets

- (A) The Debt shall be secured by ("Primary Secured Assets"):
- (i) a first ranking exclusive charge (by way of hypothecation) by the Company over all the Account Assets (Company) and the Inter-Company Receivables, in accordance with the terms of the Deed of Hypothecation (Company);
 - (ii) a first ranking exclusive charge (by way of hypothecation) by ECPL over the Secured Properties (ECPL) in accordance with the terms of the Deed of Hypothecation (ECPL);
 - (iii) a first ranking exclusive charge (by way of hypothecation) by the Hub SPV over all the Account Assets (Hub SPV), the Receivables and Immovable Assets (Project) in relation to the Project, in accordance with the terms of the Deed of Hypothecation (Hub SPV);
 - (iv) a first ranking exclusive pledge by the Company and the Promoter over the Pledged Shares in accordance with the terms of the Pledge Agreement;
 - (v) a first ranking exclusive equitable mortgage by ECPL over the rights, title and interest of ECPL in JDA Property-II, in accordance with the terms of the Mortgage Documents (JDA Property - II); and
 - (vi) a second ranking equitable mortgage by the Company (subservient only to the Existing Financial Indebtedness) over the Immovable Assets (Zenith Project), in accordance with the terms of the Mortgage Documents (Zenith - Karnataka);
- (B) The Debt shall also be secured by:
- (i) a first ranking exclusive equitable mortgage by the Hub SPV over the Project Land (Hub SPV), in accordance with the terms of the Mortgage Documents (Hub SPV), in accordance with Paragraphs 19 and 29 of Schedule 6 (Conditions Subsequent);
 - (ii) a first ranking exclusive equitable mortgage by the Hub SPV over the rights, title and interest of Hub SPV in JDA Property-I, in accordance with the terms of the Mortgage Documents (JDA Property - I), in accordance with Paragraph 19 of Schedule 6 (Conditions Subsequent);
 - (iii) a first ranking exclusive charge (by way of hypothecation) by the Hub SPV over all Development Rights-JDA Property-I, in accordance with the terms of the Deed of Hypothecation (Hub SPV – JDA Property-I), in accordance with Paragraph 12 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 Debenture 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 zero coupon, senior, secured, rated/ unrated, redeemable and listed/ unlisted non-convertible debentures (DTD dated 19 July 2021)

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%.	25.43% as on 30 September 2022

Financial Covenants for zero coupon, senior, secured, rated, redeemable and listed non-convertible debentures (DTD dated 23 August 2022)

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%.	1.97% as on 30 September 2022

Notes:

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

1.1 Guarantor Net Worth as mentioned in the DTD dated 19 July 2021 and DTD dated 23 August 2022

(A) The Company shall ensure that until the Final Settlement Date the Guarantor Net Worth shall, at all times, in relation to Embassy Property Developments Private Limited ("EPDPL"), be not less than INR 10,000 million.

(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.

(i) 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

(ii) 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" here 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

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

(A) As mentioned in DTD dated 19 July 2021

"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"

LTV formula as per the debentres trust deed LTV = [CSO/EV] x100

"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 allotted;

Therefore CSO = Common Secured obligation for INR 1,721.24 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 6,768 million.

LTV as on LTV Testing date (30 September 2022) 25.43%

(B) As mentioned in DTD dated 23 August 2022

"LTV Testing Date" means the following dates:

"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 Placement Memorandum, and which is identified in the relevant Placement Memorandum as the "Pay In Date".

LTV formula as per the debentres trust deed LTV = [D/EV] x100

"D" is on any day the aggregate amount of the Debt (net of funds held in the MCIL Designated Account and the Hub SPV Designated Account) as at that date provided that where the Loan to Value Ratio is being calculated as at 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 allotted; and

Therefore D = Debt obligation net of funds held of INR 27.68 million debentures allotted (Including interest net of funds held)

“EV” is, on any date, the aggregate value of the Project Land mortgaged in favour of the Debenture Trustee, set out in the then most recent Valuation Report provided by the Company, pursuant to this Deed. Provided that once the Company completes construction up to ground floor of Project (Zenith) to the satisfaction of the Debenture Trustee and obtains all Authorisations in relation to the same, “EV” shall mean on any date, the aggregate value of (i) the Project Land mortgaged in favour of the Debenture Trustee, set out in the then most recent Valuation Report provided by the Company, pursuant to this Deed, and (ii) Zenith Surplus.

Therefore EV = Fair value of the Project Land mortgaged as on 30 September 2022 being INR 1,407.35 million.

LTV as on LTV Testing date (30 September 2022) 1.97%

2 Management Declaration

We confirm that the Company has complied with all the following covenants as included in the DTD dated 19 July 2021 and 23 August 2022:

- A. Part (a) negative covenants mentioned in para 10.2 of debenture trust deed
- B. Part (b) negative covenants mentioned in para 10.2 of debenture trust deed
- C. Part (c) informative covenants mentioned in para 10.2 of debenture trust deed

For Mac Charles (India) Limited.

Authorised Signatory
Name : Sartaj Sewa Singh
Designation : Director

Place: Bangalore