

MAC CHARLES (INDIA) LTD.  
CIN No. L55101KA1979PLC003620

Regd. Office:  
1<sup>st</sup> Floor, Embassy Point  
150 Infantry Road,  
Bangalore – 560 001

Phone:080-4903 0000

Extn: 3490

Email: [investor.relations@maccharlesindia.com](mailto:investor.relations@maccharlesindia.com)

web site: [www.maccharlesindia.com](http://www.maccharlesindia.com)

To  
The General Manager- Listing  
BSE Limited  
24<sup>th</sup> Floor, P J Towers, Dalal Street, Fort  
**Mumbai – 400001**

November 09, 2023

Dear Sir/Madam,

**Sub: Submission of Security Cover for the Quarter Ended 30<sup>th</sup> September,2023**

This is to inform you, pursuant to the provisions of Regulation 54 of SEBI LODR, we are hereby submitting Security Cover for quarter ended September 30, 2023.

We request you to take on record of the same.

Thanking you,

For Mac Charles (India) Limited

CHANDANA | Digitally signed by  
CHANDANA  
SARWESWAR | SARWESWARARAO NAIDU  
Date: 2023.11.09 22:19:55  
ARAO NAIDU | +05'30'

**Chandana Naidu Khare**  
**Company Secretary and Compliance Officer**  
**ACS:25570**

**Independent Auditor's Certificate pursuant to Regulation 56(1)(d) 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**  
1st Floor Embassy Point  
150 Infantry Road  
Bangalore-560001

1. This certificate is issued in accordance with the terms of our engagement letter dated 28 July 2023 with **Mac Charles (India) Limited** ("the Company")
2. The accompanying Statement containing details of listed secured non-convertible debt securities ('NCDs') of the Company outstanding as at 30 September 2023 (Section I), along with security cover maintained against such NCDs (Section II), and the Company's compliance with the financial and other covenants as per the terms of debenture trust deed (Section III) (collectively referred to as 'the Statement') has been prepared by the Company's management for the purpose of submission of the Statement along with this certificate to the Debenture Trustee of the Company, pursuant to the requirements of Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('SEBI LODR') and pursuant to the requirements of Regulation 15(1)(t)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993 (as amended) ('SEBI Debenture Trustees Regulations') (collectively referred to as 'the Regulations'). We have initialed the Statement for identification purposes only.
3. The Company has entered into following agreements with the Debenture Trustees:
  - i. Debenture Trust Deed dated 19 July 2021 as amended and restated on 11 May 2023, entered between the Company and Catalyst Trusteeship Limited in relation to senior, secured, redeemable, listed, rated Non Convertible Debentures ("NCDs") of 1,499 NCDs of a nominal value of ₹ 1 million each and 15,010 NCDs of a nominal value of ₹ 0.1 million, in aggregate amounting to ₹ 3,000 million out of which the Company has issued 6,499 senior, secured, redeemable, listed, rated NCDs, in aggregate amounting to ₹ 1,999 million until 30 September 2023.
  - ii. Debenture Trust Deed dated 23 August 2022 as amended and restated on 24 March 2023, entered between the Company and Catalyst Trusteeship Limited in relation to 3,200 senior, secured, redeemable, listed, rated NCDs of a nominal value of ₹ 1 million each amounting to ₹ 3,200 million out of which the Company has issued 3,200 senior, secured, redeemable, listed, rated NCD until 30 September 2023.

## **Management's Responsibility for the Statement**

4. 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.

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5. The Management is also responsible for ensuring the compliance with the requirements of the Regulations and the debenture trust deed as mentioned in paragraph 3(i) and 3(ii) above for the purpose of furnishing this Statement and for providing all relevant information to the Debenture Trustee.

## Auditor's Responsibility

6. Pursuant to requirements as referred to in paragraph 2 above, it is our responsibility to provide limited assurance in the form of a conclusion as to whether anything has come to our attention that causes us to believe that the:
  - i. details as included in Section II of the accompanying Statement regarding maintenance of hundred percent security cover of listed NCDs of the Company outstanding as at 30 September 2023 as mentioned in paragraph 3(i) and 3(ii) above, are, in all material respects, not in agreement with the unaudited standalone financial information of the Company, underlying books of account and other relevant records and documents maintained by the Company for the six months ended 30 September 2023 which have been subjected to limited review pursuant to the Regulation 52 of the SEBI LODR, or that the calculation thereof is arithmetically inaccurate; and
  - ii. details as included in Section III(1) of the accompanying Statement regarding compliance with financial covenants as stated in clause 2.42 of schedule 4 of debenture trust deed mentioned in paragraph 3(i) above and clause 2.40 of Schedule 4 of debenture trust deed mentioned in paragraph 3(ii) above, has not been accurately extracted from the audited financial statements of Embassy Property Developments Private Limited ("Guarantor") for the year ended 31 March 2023 for the computation of net worth; and
  - iii. details as included in Section III(2) of the accompanying Statement regarding the compliance with other financial covenants related to 'loan-to-value' ratio as stated in clause 6.5 of debenture trust deeds mentioned in paragraph 3(i) and 3(ii) above, is not in agreement with the underlying books of accounts and records of the Company for the six months period ended 30 September 2023 and that the calculation thereof is arithmetically inaccurate; and
  - iv. declaration given by the management as included in Section III(3) of the accompanying Statement regarding compliance with the other operational covenants as stated in clause 10.2 of debenture trust deeds mentioned in paragraph 3(i) and 3(ii) above, the listed NCDs of the Company outstanding as at 30 September 2023, is in all material respect, not fairly stated.
7. The unaudited standalone financial results of the Company, referred to in paragraph 6(a) above, have been reviewed by us, on which we have expressed an unmodified conclusion vide our report dated 09 November 2023. Our review of standalone financial results was conducted in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India ('the ICAI'). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to the financial data and thus, provides less assurance than an audit. We have not performed an audit and accordingly, we did not express an audit opinion.
8. 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.
9. 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.
10. 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; and 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 the assessment of the areas where a material misstatement of the subject matter information is likely to arise. We have performed the following procedures in relation to Section I, Section II and Section III of the accompanying Statement:
  - i. Obtained and read the Debenture Trust Deed dated 19 July 2021 and Debenture Trust Deed dated 23 August 2022 as amended and restated pursuant to which the NCDs have been issued:

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- a. We noted that in relation to NCDs as described in paragraph 3(i), the requirement to maintain security cover is specified in clause 6.6 of Debenture Trust Deed dated 19 July 2021 as amended and restated which requires maintenance of 100% security cover sufficient to discharge the principal and interest amount at all times, the requirement to maintain Loan to Value ratio is specified in clause 6.5 of Debenture Trust Deed dated 19 July 2021 as amended and restated which requires maintenance of Loan to Value ratio not more than 66.66% and the requirement to maintain the Guarantor net worth in relation to EPDPL is specified in clause 2.42 of Schedule 4 of Debenture Trust Deed dated 19 July 2021 as amended and restated which requires maintenance of the Guarantor Net Worth, at all times, not less than ₹ 10,000 million.
  - b. We noted that in relation to NCDs as described in paragraph 3(ii), the requirement to maintain security cover is specified in paragraph 6.6 of Debenture Trust Deed dated 23 August 2022 as amended and restated which requires maintenance of 100% security cover sufficient to discharge the principal and interest amount at all times, the requirement to maintain Loan to Value ratio is specified in clause 6.5 of Debenture Trust Deed dated 23 August 2022 as amended and restated which requires maintenance of Loan to Value ratio not more than 66.66% and the requirement to maintain the Guarantor net worth in relation to EPDPL is specified in clause 2.40 of Schedule 4 of Debenture Trust Deed dated 23 August 2022 as amended and restated which requires maintenance of the Guarantor Net Worth, at all times, not less than ₹ 10,000 million.
- ii. Traced the principal amount of the NCDs including interest outstanding as at 30 September 2023 (Section I) to the unaudited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company for the six months period ended 30 September 2023 which have been subjected to limited review pursuant to the Regulation 52 of the SEBI LODR;
  - iii. Verified the details of ISIN, series, credit rating, issue size, security cover details and covenants criteria for each series of the listed NCDs from the respective Information memorandum;
  - iv. Traced the fair value of secured assets forming part of the security cover details for each series of the listed NCDs' from the unaudited standalone financial results, underlying books of account and other relevant records and documents (including valuation reports issued by independent valuer engaged by the management) maintained by the Company for the six months period ended 30 September 2023;
  - v. Traced the value of secured assets of Squadron Developers Private Limited (SDPL) forming part of security cover details for listed NCDs as mentioned in Paragraph 3(ii) from the fixed deposit statement and certificate dated 16 October 2023 issued by H R A & Co, the Statutory Auditors of SDPL, which has been provided to us by the management and relied upon by us for the purpose of our examination of the Statement;
  - vi. Recomputed the security cover ratio based on the information as obtained above
  - vii. Obtained the audited standalone financial statements of Embassy Property Developments Private Limited ('EPDPL') ("Guarantor") for the year ended 31 March 2023 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(1) of the accompanying Statement.
  - viii. Verified that the computation of financial covenants mentioned in Section III(1) and Section III(2) 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 unaudited financial results standalone, underlying books of account and other relevant records and documents maintained by the Company for the six months period ended 30 September 2023.
  - ix. Verified the arithmetical accuracy of the Statement;
  - x. With respect to covenants other than financial covenants as mentioned Section III(3) of the accompanying statement, the management has represented and confirmed that the Company has complied with all the other covenants, as prescribed in the Debenture Trust Deeds as mentioned in paragraph 3(i) and 3(ii) above. We have relied on the same and not performed any independent procedure in this regard; and

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- xi. The management has represented to us that secured assets as mentioned in note 3(a) of Section II of the Statement have also been secured by exclusive charge/pledge/mortgaged for the purpose of issuing NCDs' as given in note 4 of Section II of the statement. We have relied on the same and not performed any independent procedure in this regard.
- xii. Obtained necessary representations from the management.

## Other matter

- 11. The standalone financial statements of the Guarantor as referred to in paragraph 10(vii) above for the year ended 31 March 2023 has been audited by HRA & Co., who have expressed an unmodified opinion vide its audit report dated 30 May 2023 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 opinion is not modified in respect of this matter.
- 12. The book value of secured assets of SDPL which are given as security as per the amended and restated Debenture trust deed dated 24 March 2023 as mentioned in paragraph 10(v) above has been certified by HRA & Co vide their certificate dated 16 October 2023, the Statutory Auditors of SDPL, which has been provided to us by the management and relied upon by us for the purpose of our examination of the Statement. Our opinion is not modified in respect of this matter.

## Conclusion

- 13. Based on our examination and the procedures performed as per paragraph 10 above, evidence obtained, and the information and 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:
  - a) details as included in Section II of the accompanying Statement regarding maintenance of hundred percent security cover of listed NCDs of the Company outstanding as at 30 September 2023 as mentioned in paragraph 3(i) and 3(ii) above, are, in all material respects, not in agreement with the unaudited standalone financial information of the Company, underlying books of account and other relevant records and documents maintained by the Company for the six months period ended 30 September 2023 which have been subjected to limited review pursuant to the Regulation 52 of the SEBI LODR, or that the calculation thereof is arithmetically inaccurate; and
  - b) details as included in Section III(1) of the accompanying Statement regarding compliance with financial covenants as stated in clause 2.42 of schedule 4 of debenture trust deed mentioned in paragraph 3(i) above and clause 2.40 of Schedule 4 of debenture trust deed mentioned in paragraph 3(ii) above, has not been accurately extracted from the audited financial statements of Embassy Property Developments Private Limited ("Guarantor") for the year ended 31 March 2023 for the computation of net worth; and
  - c) details as included in Section III(2) of the accompanying Statement regarding compliance with other financial covenants related to 'loan-to-value' ratio as stated in clause 6.5 of debenture trust deeds as mentioned in paragraph 3(i) and 3(ii) above, is not in agreement with the underlying books of accounts and records of the Company for the six months period ended 30 September 2023 and that the calculation thereof is arithmetically inaccurate; and
  - d) declaration given by the management as included in Section III(3) of the accompanying Statement regarding compliance with the other operational covenants as stated in clause 10.2 of debenture trust deeds mentioned in paragraph 3(i) and 3(ii) above, the listed NCDs of the Company outstanding as at 30 September 2023, is in all material respect, not fairly stated.

## Restriction on distribution or use

- 14. 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 (or have had) 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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15. 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 accompanying Statement to the Debenture Trustee 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's Registration No.: 001076N/N500013

Hemant

Maheshwari

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Hemant Maheshwari  
Date: 2023.11.09  
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**Hemant Maheshwari**

Partner

Membership No.: 096537

**UDIN:** 23096537BGVEWC2799

**Place:** Bengaluru

**Date:** 09 November 2023

Statement containing details of secured, listed, rated, redeemable non-convertible debentures ('NCDs') of the Company outstanding as at 30 September 2023, security cover maintained against such securities, the covenants criteria as per the terms of debenture trust deed ('DTD') , and the Company's compliance with such covenants.

I. Details of secured, listed, rated, redeemable NCDs' of the Company outstanding as at 30 September 2023

S.No	ISIN	Series	Outstanding as on 30 September 2023 including interest (Amount in millions)
1	INE435D07011	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 11 May 2023)	999.00
2	INE435D07037	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 11 May 2023)	250.00
3	INE435D07060	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 11 May 2023)	250.00
4	INE435D07086	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 11 May 2023)	500.00
5	NA	Accrued redemption premium on points 1 to 4 above (DTD as amended on 11 May 2023)	486.19
6	INE435D07045	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	1,350.00
7	INE435D07052	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	1,350.00
8	INE435D07078	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	500.00
9	NA	Accrued redemption premium on points 6 to 8 above (DTD as amended on 24 March 2023)	645.56

II. Security cover maintained against such securities as per the terms of DTD as on 30 September 2023.

Amount in millions except ratio

Particulars	Fair value of Secured Assets (Refer note 3 below)	Value of Secured, Non-Convertible, listed Debentures (Including Interest)	Security cover ratio (in times) (Refer note 1 & 2 below)	Valuation date of Secured Assets
Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 11 May 2023)	11,332	2,485	4.56	30 September 2023
Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	5,724	3,846	1.49	30 September 2023

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 Debenture Trust Deed.

3 Security Details from Debenture trust deed are as follows:

**a Debenture Trust Deed dated 19 July 2021 as amended and restated on 11 May 2023**

**SECURITY, GUARANTEE AND OTHER CREDIT COMFORT**

**Secured Assets as per clause 6.1 of Debenture Trust Deed**

(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);
- (v) a first ranking exclusive charge (by way of hypothecation) by the Company over all the Operating Account Assets in accordance with the terms of the Deed of Hypothecation (Operating Account).  
(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.

**b Debenture Trust Deed dated 23 August 2022 as amended and restated on 24 March 2023**

**SECURITY, GUARANTEE AND OTHER CREDIT COMFORT**

**Secured Assets as per clause 6.1 of Debenture Trust Deed**

(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 SDPL over the SDPL Account Assets in accordance with the terms of the Deed of Hypothecation (SDPL);
- (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 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.

**4 Details of secured, unlisted, unrated, redeemable NCDs' of the Company outstanding as at 30 September 2023**

The Company has also issued 250 Zero Coupon, Senior, secured, unrated, redeemable and unlisted NCDs (DTD dated 24 November 2021 as amended and restated on 11 May 2023) aggregating to ₹ 250 million. The debt is secured by first ranking exclusive charge/pledge/mortgaged as given in note 3(a) of section II above.

**III. The covenants criteria as per the terms of 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 as amended and restated on 11 May 2023)**

	<b>Particulars</b>	<b>Audited financial statements</b>	<b>Remarks</b>
III(1)	Guarantor Net Worth shall, at all times, be not less than ₹ 10,000 millions	Net worth as on 31 March 2023 for the guarantor is ₹ 20,727.23 millions.	Refer note a below
III(2)	The Company shall ensure that the Loan to Value Ratio ('LTV') on any LTV Testing Date shall not be more than 66.66%.	31.32% as on 30 September 2023	Refer note b below



**Financial Covenants for zero coupon, senior, secured, rated, redeemable and listed non-convertible debentures (DTD dated 23 August 2022 as amended and restated on 24 March 2023)**

	<b>Particulars</b>	<b>Audited financial statements</b>	<b>Remarks</b>
III(1)	Guarantor Net Worth shall, at all times, be not less than ₹ 10,000 millions	Net worth as on 31 March 2023 for the guarantor is ₹ 20,727.23 millions.	Refer note a below
III(2)	The Company shall ensure that the Loan to Value Ratio ('LTV') on any LTV Testing Date shall not be more than 66.66%.	33.32% as on 30 September 2023	Refer note b below

**Notes:**

- a Guarantor Net Worth as mentioned in the DTD dated 19 July 2021 and DTD dated 23 August 2022 as amended and restated
- (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 ₹ 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 2023

93,222.25 million

All liability Value (including contingent liabilities) as per the audited standalone financial statements of EPDPL as on 31 March 2023

72,495.02 million

**Guarantors net worth as on 31 March 2023** **20,727.23 million**

b 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 as amended and restated on 11 May 2023

**"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 ₹ 2,485.19 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 30 September 2023 being ₹ 7,934 million.

**LTV as on LTV Testing date (30 September 2023)** **31.32%**

- (B) As mentioned in DTD dated 23 August 2022 as amended and restated on 24 March 2023

**"LTV Testing Date"** means the following dates:

(a) the first Pay In Date;

(b) the date falling at the end of 90 days from the First Deemed Date of Allotment;

(c) the date falling at the end of 180 days from the First Deemed Date of Allotment; and

(d) thereafter, on every 31 March and 30 September respectively.

**"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 ₹ 1,542.68 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 2023 being ₹ 4,630.45 million.

**LTV as on LTV Testing date (30 September 2023) 33.32%**

### III(3) 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 as amended and restated:

- 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

**HARISH** Digitally signed by  
HARISH ANAND  
**ANAND** Date: 2023.11.09  
20:29:25 +05'30'

Name : Harish Anand  
Designation : Director

Place: Bengaluru

Statement containing details of secured, listed, rated, redeemable non-convertible debentures ('NCDs') of the Company outstanding as at 30 September 2023 and security cover maintained against such securities pursuant to Operational circular SEBI/HO/DDHS/P/CIR/2023/50 dated 31 March 2023.

**I. Details of secured, listed, rated, redeemable NCDs' of the Company outstanding as at 30 September 2023**

S.No	ISIN	Series	Outstanding as on 30 September 2023 including interest (Amount in millions)
1	INE435D07011	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 02 August 2022)	999.00
2	INE435D07037	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 02 August 2022)	250.00
3	INE435D07060	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 02 August 2022)	250.00
4	INE435D07086	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 02 August 2022)	500.00
5	NA	Accrued redemption premium on points 1 to 4 above (DTD as amended on 02 August 2022)	486.19
6	INE435D07045	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	1,350.00
7	INE435D07052	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	1,350.00
8	INE435D07078	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	500.00
9	NA	Accrued redemption premium on points 6 to 8 above (DTD as amended on 24 March 2023)	645.56

**II. Computation of Security Cover Ratio as on 30 September 2023 pursuant to SEBI circular dated 31 March 2023**

Column A	Column B	Column C <sup>i</sup>	Column D <sup>ii</sup>	Column E <sup>iii</sup>	Column F	Column G
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Assets not offered as Security	(Total C to E)	Related to only those Market Value for Assets charged on Exclusive basis
		Debt for which this certificate being issued	Other Secured Debt			
		Book Value	Book Value			
<b>ASSETS</b>						
Property, Plant and Equipment	Land, Plant and machinery and Computers	211.98		0.32	212.30	417.81
Investment Property *	Land	1,594.30			1,594.30	2,306.80
Capital Work-in-Progress & Advance	IPUD (Project Zenith) & Advance- Zenith	2,652.08			2,652.08	7,934.00
Investments	Investment in subsidiaries, equity shares and mutual funds	2,035.10		1,502.14	3,537.24	2,432.53
Loans	Loans given to subsidiaries and other inter-corporate loans			1,566.44	1,566.44	
Advances	Advance paid for purchase of investment property	53.20			53.20	118.76
Advances *	Advance paid for purchase of investment property	279.01			279.01	279.01
Trade Receivables	Trade receivables			38.36	38.36	
Cash and Cash Equivalents	Cash and Cash Equivalents	14.20		0.93	15.13	14.20
Cash and Cash Equivalents	Cash and Cash Equivalents	5.56			5.56	5.56
Bank Balances other than Cash and Cash Equivalents *	Bank Balances other than Cash and Cash Equivalents	3,097.31		16.61	3,113.92	3,097.31
Bank Balances other than Cash and Cash Equivalents	Bank Balances other than Cash and Cash Equivalents	303.69			303.69	303.69
Asset Held for sale	Assets classified as held for sale	25.57			25.57	112.24
Others *	Accrued interest and Non refundable security deposit	76.46		394.08	470.54	76.46
<b>Total</b>		<b>10,348.45</b>	<b>-</b>	<b>3,518.89</b>	<b>13,867.34</b>	<b>17,098.37</b>

<b>LIABILITIES</b>						
Debt securities to which this certificate pertains	Debentures issued	6,003.01	321.09		6,324.10	2,485.19
Debt securities to which this certificate pertains	Debentures issued					3,845.56
Others	Deferred tax liabilities	not to be filled		-	-	
Trade payables	Trade payables			19.94	19.94	
Others	Other current financial liabilities, Current provisions, Other current liabilities, Current tax liabilities, net, Disposal group - liabilities directly associated with assets held for sale, Liabilities classified as held for sale			119.32	119.32	
<b>Total</b>		<b>6,003.01</b>	<b>321.09</b>	<b>139.26</b>	<b>6,463.36</b>	<b>6,330.75</b>
<b>Cover on Book Value</b>		1.72				
	<b>Cover on Market Value (ISIN 1,2,3 &amp;4)</b>					<b>4.56</b>
	<b>Cover on Market Value (ISIN 6,7&amp;8)</b>					<b>1.49</b>

\* The assets given as security also include the assets of Squadron Developers Private Limited and Mac Charles Hub Projects Private Limited. Assets of Squadron Developers Private limited include a deposit in term deposit amounting to ₹ 800 million included in 'Bank Balances other than Cash and Cash Equivalents'. Assets of Mac Charles Hub Projects Private Limited include land amounting to ₹ 1594.30 million included in 'Investment Property', advance paid for acquisition of land amounting to ₹ 279.01 million included in 'Advances', deposit in escrow account amounting to ₹ 0.43 million included in 'Cash and Cash Equivalents', deposit in term deposit account amounting to ₹ 69.10 million included in 'Bank Balances other than Cash and Cash Equivalents', Interest accrued but not due on designated FDs amounting to ₹ 0.51 million and refundable security deposit and its Ind AS adjustment amounting to ₹ 34.59 million included in 'Others'.

**For Mac Charles (India) Limited.**

HARISH  
ANAND

Digitally signed by  
HARISH ANAND  
Date: 2023.11.09  
20:42:24 +05'30'

Name : Harish Anand  
Designation : Director

Place : | Bangaluru