

MAC CHARLES (INDIA) LTD.
CIN No. L55101KA1979PLC003620

Regd. Office:
No.72/4, 1st Floor,
Cunningham Road,
Bangalore – 560 052

Phone:080-4903 0000

Extn: 3490

Email: investor.relations@maccharlesindia.com

website: www.maccharlesindia.com

14-Feb-22

Statement containing details of listed non-convertible debt securities ('NCDs') of the Company outstanding as at 31 December 2021, asset 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 non-convertible debt securities ('NCDs') (face value of Rs. 1,000,000 each) of the Company outstanding as at 31 December 2021

| S.No | ISIN | Series | Outstanding as on 31 December 2021 including interest (Amount in millions) |
|------|--------------|---|---|
| 1 | INE435D07011 | Tranche A Zero Coupon, Senior, secured, rated, redeemable and listed non-convertible debentures | 1,061 |

II. Asset cover maintained against such securities as per the terms of Information memorandum and/or debenture trust deed as on 31 December 2021

| 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 | |
|---|---|--|--|----------------------------------|
| | | | Asset cover ratio (in times) (Refer note 1 & 2 below) | Valuation date of Secured Assets |
| Tranche A Zero Coupon, Senior, secured, rated, redeemable and listed non-convertible debentures | 9,367 | 1,061 | 8.83 | 31 December 2021 |

Notes:

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

- Asset 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 Asset 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 (other than the Pledged Shares (Airport Golfview)) 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 pledge by the Company over the Pledged Shares (Airport Golfview) in accordance with the terms of the Pledge Agreement;
- (ii). 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
- (iii). 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 Zero Coupon, Senior, secured, rated, redeemable and listed non-convertible debentures

| Particulars | As at/for the period year ended 31st December 2021 |
|--|---|
| Guarantor Net Worth shall, at all times, be not less than INR 10,000 millions | Net worth as on 31 March 2021 for the guarantor is 25,617 millions. |
| The Company shall ensure that the Loan to Value Ratio ('LTV') on any LTV Testing Date shall not be more than 66.66%. | 18.04% |

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 Financial statements of EPDPL as on 31 March 2021(Lastest audited financials) 1,57,914.74 million

All liability Value as per the Audited Financial statements of EPDPL as on 31 March 2021.(Lastest audited financials) 1,32,296.86 million

Guarantors net worth as on 31 March 2021. 25,617.88 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 allotted;

Therefore CSO = Common Secured obligation for INR 1025 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 December 2021 being INR 5882 million.

LTV as on LTV Testing date (26 July 2021) 18.04

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.

Name : Sartaj Seva Singh.

Designation : Director

Place: Bengaluru