



HRA & CO.,
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Independent Auditor's certificate on the Statement of computation of asset coverage ratio as at September 30, 2022 for Unsecured rated non-convertible debentures issued by the Company

To the Board of Directors
Embassy Property Developments Private Limited

Dear Sirs/Madam,

1. This certificate is issued in accordance with the terms of our engagement letter.
2. We HRA & Co, Chartered Accountants (Firm Registration Number 010005S), are the statutory auditors of Embassy Property Developments Private Limited (hereinafter referred to as "the Company") and have been requested by the Company to examine the accompanying Statements showing 'Asset Cover as per the terms of information memorandum and/or debenture trust deed and compliance with covenants' for its non-convertible debt securities as at September 30, 2022 (hereinafter the "Statement") which has been prepared by the Company from the unaudited standalone Ind AS financial results and other relevant records and documents maintained by the Company as at and for the period ended September 30, 2022 pursuant to the requirements of the Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter the "SEBI Regulations") and annexed to this report.

The Statement is stamped and initialled by us for identification purpose only.

Management's Responsibility

3. The preparation of the Statement from the unaudited books of account and other relevant records and documents, and compliance with covenants as per the respective debenture trust deeds and with relevant regulations issued by Securities Exchange Board of India, in respect of the debentures, are the responsibilities of the Management of the Company. This responsibility includes preparation and maintenance of the books of account and the records of the Company, and 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 of the Company is also responsible for the adherence with the Regulation, including, amongst others, ensuring compliance with all the covenants as per respective Debenture Trust Deeds, in respect of non-convertible debt securities.



Auditor's Responsibility

5. Pursuant to the requirements of the Regulation, our responsibility is to provide a limited assurance as to whether the particulars contained in the Statement are in agreement with the unaudited books of account and other relevant records and documents maintained by the Company and whether Asset Cover is correctly computed as per the terms of the debenture deeds. This did not include the evaluation of adherence by the Company with all the applicable terms of the Offer Document / Information Memorandum, Debenture Trust Deed and guidelines of the Regulations.
6. The unaudited standalone financial results, referred to in paragraph 5 above, have been reviewed by us, on which we have issued an unmodified conclusion vide our review report dated 14th November 2022 pursuant to the Regulations 52 of SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015. Our review of these unaudited standalone financial results was conducted in accordance with the Standards on Auditing (SAs), 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.
7. The procedures performed with respect to the Statement is a limited assurance engagement which 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 the accompanying Statement:
 - a. Traced the principal and interest outstanding amount of the secured non-convertible debenture to the unaudited standalone financial results underlying books of account and other relevant records and documents maintained by the Company for the period ended September 30, 2022.
 - b. Verified the details of ISIN, series and asset cover details from the respective Information memorandum and/or debenture trust deed.
 - c. Traced the value of secured assets forming part of the asset cover details of the secured non-convertible debenture from the valuation report issued by independent valuer engaged by the management for the period ended September 30, 2022.
 - d. Obtained confirmation from Management that there is no significant event or transaction to impact the market value as stated in (c) above.
 - e. Verified that the computation of asset cover 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 above and the calculation thereof is arithmetically accurate.
 - f. Verified whether the Company has maintained hundred and fifty percent asset cover or asset cover as per the terms of debenture trust deed.



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8. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. 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.

Conclusion

11. On the basis of aforementioned procedures and according to the information and explanations furnished to us by the Management of the Company, we certify that the financial and other information contained in the Statement read with the notes thereon are in agreement with the unaudited books of account and relevant records and documents of the Company and the Asset Cover is correctly computed.

Restriction in Use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustees and is not to be used or referred to for any other person. 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 report is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

for **H R A & Co.**

Chartered Accountants

Firm Registration Number: 010005S

Ravindranath N

Partner

Membership Number: 209961

UDIN : 22209961BFUVGA2746



December 20 , 2022
Bangalore

Annexure-I

Statement of Security cover as per terms of offer document/ Information memorandum / Debenture trust deed

(Rs in lakhs)

Column A	Column B	Column C ⁱ	Column D ⁱⁱ	Column E ⁱⁱⁱ	Column F ^{iv}	Column G ^v	Column H ^{vi}	Column I ^{vii}	Column J	Column K	Column L	Column M	Column N	Column O	
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Third Party Assets offered as Security	Related to only those items covered by this certificate				Total Value (=K+L+M+ N)
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)	debt amount considered more than once (due to exclusive plus pari passu charge)	Third Party assets on which there is charge (excluding items covered in column F)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets ^{viii}	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
ASSETS															
Property, Plant and Equipment			287.46				2,645.14		2,932.60					-	
Investment property			73,022.63				3,352.67		76,375.30						
Investment property under development			47,916.60				1,043.50		48,960.10						
Capital Work-in- Progress									-					-	
Right of Use Assets							514.30		514.30					-	
Goodwill									-					-	
Intangible Assets							25.90		25.90					-	
Intangible Assets under Development							32.70		32.70					-	
Investments	13,550 Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non- Convertible Debentures	265,027.32					182,164.76		447,192.08		265,027.32			265,027.32	
	7500 Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non - Convertible Debentures	-							-	49,056.55	49,056.55			49,056.55	

	8,000 Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non-Convertible Debentures	134,365.32							134,365.32		134,365.32				134,365.32
Advances									-						-
Inventories							8,523.00		8,523.00						-
Trade Receivables							9,670.80		9,670.80						-
Cash and Cash Equivalents		175.23					4,214.37		4,389.60						-
Bank Balances other than Cash and Cash Equivalents							732.60		732.60						-
Other Financial Assets							302,960.40		302,960.40						-
Other Non Financial Assets							54,127.70		54,127.70						-
Total		399,393	121,402	-	-	-	570,008	-	1,090,802.40	448,449	-	-	-	-	448,449
LIABILITIES															
Debt securities to which this certificate pertains	13,550 Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non-Convertible Debentures	106,279.82		Yes					106,279.82	110,470.10					110,470
Debt securities to which this certificate pertains	7500 Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non-Convertible Debentures	81,382.45		Yes					81,382.45	82,439.40					82,439
Debt securities to which this certificate pertains	8,000 Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non-Convertible Debentures	81,628.23		Yes					81,628.23	83,019.56					83,020
Other debt sharing pari-passu charge with above debt															-
Other Debt									-						-
<i>Subordinated debt</i>									-						-
<i>Borrowings</i>									-						-
<i>Bank</i>			16,614.32						16,614.32						-
<i>Financial Institutions</i>			112,151.92						112,151.92						-

Note:

1. The Security cover ratio is pertains to listed secured debt.
2. IND AS adjustment for effective interest rate on secured Non convertible Debentures (NCD) is excluded from the asset cover computation, which is being an accounting adjustment.
3. Column H includes Land having book value Rs. 53.64 lakhs offered as secured on the loan availed by fellow subsidiary and Investment property having book value of Rs.920.70 offered as security on the loan availed by entitiy under common control
4. 13,550 Non- Convertible Debentures are secured by exclusive pledge over investment in 76632928 Embassy Office Parks REIT units having book value Rs.265027.32 lakhs
5. 7,500 Non- Convertible Debentures are secured by exclusive pledge over investments of group company valued Rs.49,056.54 lakhs and second charge over investment in Embassy Office Parks REIT units mentioned in point 4 above. The second charge on the REIT units means the value derived after setting aside 1.5 times of outstanding existing MLD Debt of 13,550 Non- Convertible Debentures from the market value . The second charge security value is Rs.99,322.17 lakhs



Annexure II

Statement containing details of secured, listed, rated, redeemable non-convertible debentures ('NCDs') of the Company outstanding as at 30 September 2022, 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 2022

S.No	ISIN	Series	Outstanding as on 30 September 2022 including interest (Amount in lakhs)
1	INE003L07077	10,800 14.25% Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked NCD's (DTD dated 4th April 2020)	110,470.09
2	INE003L07069	2,750 15.00% Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked NCDs (DTD dated 4th April 2020)	
3	INE003L07150	6,000 11.00 % Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked NCDs (DTD dated 25th March 2021)	83,019.56
4	INE003L07168	2,000 11.00% Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked NCDs (DTD dated 25th March 2021)	
5	INE003L07184	7500 15.00% Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked NCDs (DTD dated 30 July 2021)	82,439.40

II. The covenants criteria as per the terms of debenture trust deed, and the Company's compliance with such covenants

Financial Covenants for 13,550 Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked NCD's

<u>Particulars</u>	<u>Audited financial statements as at 31 March 2022</u>	<u>Remarks</u>
The Company shall at all times maintain a positive net worth of at least INR 10,000 lakhs	Net worth of the Company as on 31 March 2022 Rs. 31,0255.40 lakhs.	Refer note a below
Security Cover Ratio shall at all times is more than 2 (two):1(one).	2.4 as on 30 September 2022	Refer note b below

Financial Covenants for 7,500 Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked NCD's

<u>Particulars</u>	<u>Audited financial statements as at 31 March 2022</u>	<u>Remarks</u>
The Company shall at all times maintain a positive net worth of at least INR 10,000 lakhs	Net worth of the Company as on 31 March 2022 Rs. 31,0255.40 lakhs.	Refer note a below
Security Cover Ratio shall at all times is more than 1.6 (One Decimal Point Six):1(One).	1.80 as on 30 September 2022	Refer note b below

Financial Covenants for 8,000 Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked NCD's

<u>Particulars</u>	<u>Audited financial statements as at 31 March 2022</u>	<u>Remarks</u>
The Company shall at all times maintain a positive net worth of at least INR 10,000 lakhs	Net worth of the Company as on 31 March 2022 Rs. 31,0255.40 lakhs.	Refer note a below
Security Cover Ratio shall at all times is more than 1.6 (One Decimal Point Six):1(One).	1.62 as on 30 September 2022	Refer note b below

Notes:

- a (A) The Company shall at all times maintain a positive net worth of at least INR 10,000 lakhs or such net worth as may be required under Applicable Law (including, without limitation, the Debenture Regulations).
 (B) For the purposes of above Paragraph

All Assets Value as per the audited standalone financial statements of EPDPL as on 31 March 2022	1,143,935.80 lakhs
All liability Value as per the audited standalone financial statements of EPDPL as on 31 March 2022	833,680.40 lakhs
Net worth as on 31 March 2022	310,255.40 lakhs

- b Security cover ratio

(A) Security cover ratio - means, on any Trading Day, the ratio of the Valuation of the Relevant REIT Units/ listed securities and the outstanding Debt;
 (B) Valuation" means, on a Trading Day, the closing price of the REIT Units on the National Stock Exchange of India Limited on the immediately preceding Trading Day, as determined by the Trustee

