

No. CTL/DEB/21-22/Noting Certificate/1458

June 30, 2021

To Whomsoever It May Concern,

CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **Embassy Property Developments Private Limited (“the Company”)** for the Half Year ended March 31, 2021.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited



Authorised Signatory

Encl: Results submitted by Company



30.06.2021

To
Catalyst Trusteeship Limited
Windsor, 6th floor, Office No.604, C.S.T Road,
Kalina, Santacruz (East), Mumbai - 400098

Dear Sir,

Sub: Request to issue certificate of noting of regulation 52(4) SEBI (LODR) Regulations, 2015 for the half year and year ended 31.03.2021 .

With reference to the above mentioned subject, please issue certificate of noting required under 52(5) SEBI (LODR) Regulations, 2015, and please find below details required section 52(4):

- a) credit rating and change in credit rating (if any); **(ICRA)BBB-(CE)**
- b) Asset cover available, in case of non-convertible debt securities;
INE003L07069, INE003L07077: 2.03
INE003L07168 and INE003L07150: 1.58
- c) debt-equity ratio; **3.34**
- d) previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non convertible debt securities and whether the same has been paid or not; and, - **May 25, 2021**
- e) next due date for the payment of interest/ dividend of non-convertible preference shares /principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount; **September 2, 2021**
- f) debt service coverage ratio; **0.62**
- g) interest service coverage ratio; **2.60**
- h) outstanding redeemable preference shares (quantity and value); **Not applicable as there are no redeemable preference shares.**
- i) capital redemption reserve/debenture redemption reserve; **Complied**
- j) net worth; **Rs.256179 lacs**
- k) net profit after tax; **Rs.218118 lacs**
- l) earnings per share: **Rs.22.37**

Embassy Property Developments Pvt. Ltd.

Embassy GolfLinks Business Park, Royal Oaks, Off Intermediate Ring Road, Bangalore - 560 071, India.
www.embassyindia.com | CIN: U85110KA1996PTCO20897

Registered Office: Embassy Point, 1st Floor, 150, Infantry Road, Bangalore - 560 001, India.
T: +91 80 4179 9999 F: +91 80 2228 6912

Secretarialteam@embassyindia.com

EMBASSY CORPORATE

Please consider above and issue certificate



For EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED

G. Bhargavi

**G.BHARGAVI REDDY
COMPANY SECRETARY
ACS: 17036**

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HRA & CO.,
Chartered Accountants

522/C, 2nd Floor, 1st D Cross,
15th Main Road, 3rd Stage,
4th Block, Basaveshwaranagar,
Bangalore-560079
T : +91 080 4169 6888
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Independent Auditor's Report on the Half yearly and year to date audited standalone financial results of the Company pursuant to regulations 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended to the Board of Directors of Embassy Property Developments Private Limited

Qualified Opinion

We have audited the accompanying standalone annual financial results ('the Statement') of Embassy Property Developments Private Limited ('the Company') for the half year and year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India except for the effects described in basis of qualified opinion paragraph, of the net profit and other comprehensive income and other financial information of the Company for the half year ended March 31, 2021 and for the year ended March 31, 2021.

Basis of Qualified Opinion

As stated in note 10 of the statement, during the year, the Company has invested INR 95,255.03 lakhs in an entity which is listed in the recognised stock exchange in India. As at March 31, 2021, the management of the Company has not measured the said financial instrument as per the fair value hierarchy defined in Ind AS 113, i.e. Level 1 – "Quoted (unadjusted) market prices in active markets for identical assets or liabilities" but has measured them at Level 3 – "Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable", which constitutes a departure from the Accounting Standards prescribed under section 133 of the Companies Act, 2013. The Company's records indicate that, had the Company stated the financial instrument at Level 1, as described above, an amount of INR 10,473.76 lakhs would have been further required to write down the financial instrument. Accordingly, the fair value of investment in equity instrument under other comprehensive income would have been decreased by INR 10,473.76 lakhs, and shareholders' funds would have been reduced by INR 10,473.76 lakhs, respectively.



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Responsibilities of Management and Those Charged with Governance for the Statement

This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible



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for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

For **HRA & Co**
Chartered Accountants
Firm Reg No.: 010005S

Ravindranath N
Partner
M No.: 209961



UDIN : 21209961AAAANY5095

Place: Bengaluru
Date: June 30, 2021

Embassy Property Developments Private Limited
Registered office: No 150, Embassy Point, 1st floor, Infantry road, Bangalore 560001
Statement of results for the half year and year ended March 31, 2021

(Rs in lakhs, except as otherwise stated)

Sl No.	Particulars	Six months ended	Six months ended	Year ended	Year ended
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Audited	Unaudited	Audited	Audited
1	a. Net sales / income from operations	28,275.30	28,738.90	37,469.10	70,506.50
	b. Other operating income	1,66,224.10	80,346.80	3,72,271.90	1,19,741.90
	Total income from operations	1,94,499.40	1,09,085.70	4,09,741.00	1,90,248.40
2	Expenditure				
	a. Land, material and contract cost	17,587.30	19,995.40	22,098.60	56,799.10
	b. Employees cost	3,561.60	5,339.20	5,497.20	8,939.60
	c. Finance cost	54,211.50	66,678.70	1,36,095.20	1,24,825.80
	d. Depreciation	1,577.60	1,852.50	3,249.80	2,656.80
	e. Other expenditure	19,507.30	20,734.30	24,682.20	23,762.40
	Total	96,445.30	1,14,600.10	1,91,623.00	2,18,983.70
3	Profit / (loss) from operations before other income, finance cost and exceptional items (1-2)	98,054.10	(5,514.40)	2,18,118.00	(28,735.30)
4	Exceptional items	-	-	-	-
5	Profit / (loss) from ordinary activities before tax (3-4)	98,054.10	(5,514.40)	2,18,118.00	(28,735.30)
6	Tax expense				
	- Current tax	-	-	-	-
	- Deferred tax	-	-	-	-
7	Net profit / (loss) from ordinary activities after tax (5-6)	98,054.10	(5,514.40)	2,18,118.00	(28,735.30)
8	Extraordinary items (net of tax expense)	-	-	-	-
9	Net profit / (loss) for the period / year (7-8)	98,054.10	(5,514.40)	2,18,118.00	(28,735.30)
10	Other comprehensive income				
	Re-measurement gain on defined benefit plans	174.70	(236.40)	174.70	(236.40)
	Fair value of investments in equity instruments	2,884.60	(10,533.40)	(22,217.60)	(11,548.40)
	Other comprehensive income	3,059.30	(10,769.80)	(22,042.90)	(11,784.80)
11	Total comprehensive income for the period / year (9+10)	1,01,113.40	(16,284.20)	1,96,075.10	(40,520.10)
12	Paid-up equity share capital (Face value Rs 10 each)	97,497.90	97,497.90	97,497.90	97,497.90
13	Paid-up debt capital (Refer note 7)	2,65,787.43	62,137.10	2,65,787.43	62,137.10
14	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	(38,997.50)	(40,313.80)	(38,997.50)	(40,313.80)
15	Debenture redemption reserve (Refer note 8)	-	-	-	-
16	Earnings / (loss) per share (EPS)				
	- basic and diluted (Rs)	10.06	(0.57)	22.37	(2.95)
17	Debt equity ratio	3.34	15.00	3.34	15.00
18	Debt service coverage ratio	0.47	0.32	0.62	0.28
19	Interest service coverage ratio	2.81	0.94	2.60	0.76

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Statement of results for the half year and year ended March 31, 2021

Notes to the financial results:

- 1 The above results have been reviewed and approved by the Board of Directors at their meeting held on June 30, 2021. The statutory auditors have audited the financial results for the half year and year ended March 31, 2021 and have issued a qualified audit report.
- 2 The standalone financial results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended as specified in Section 133 of the Companies Act, 2013.
- 3 The Company has adopted Ind AS from April 1, 2016 and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act 2013, read with relevant rules issued thereunder.
- 4 The ratios given have been computed as under:
Debt equity ratio = Total debt / share holders' equity
Debt service coverage ratio = Earnings before interest and tax / (interest + principal repayment)
Interest service coverage ratio = Earnings before interest and tax / interest expense
- 5 During the year ended March 31, 2019, the Company vide Board meeting held on February 19, 2019 had approved a scheme of arrangement subject to sanction by National Company Law Tribunal and subject to further modifications / conditions as imposed by respective regulatory authorities and subject to further approval of shareholders and creditors of the company to amalgamate Embassy Inn Private Limited. As per the scheme document, on the scheme being sanctioned Embassy Inn Private Limited will be amalgamated with the Company.
- 6 The Company has given a loan of Rs. 1,429.81 lakhs as at March 31, 2021 to Embassy Projects Private Limited, a wholly owned subsidiary of the Company. The loan has been provided by the Company to fund the operations of the subsidiary company as it has been incurring losses from its operations. Considering the uncertainty around recovery of the aforementioned loan, the Company has created a provision for the above loan.
- 7 Paid-up debt capital consists of 98,400 12% Listed Non-convertible, redeemable debentures of Rs 288.46 each; 3,000 18% Unlisted, Non-convertible, redeemable debentures of Rs. 100,000 each; 4,020 8.40% Unlisted, Non-convertible, redeemable debentures of Rs. 100,000 each; 10,800 14.25% Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non- Convertible Debentures of Rs. 850,949/- each and 2,750 15.00% Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non - Convertible Debentures issued on private placement basis of Rs.850,949 /- each; 6,000 11.50 % Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non- Convertible Debentures of Rs. 1,000,000 each and 2,000 11.75% Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non- Convertible Debentures of Rs. 1,000,000 each.
- 8 In accordance with section 71 of the Companies Act, 2013 read along with circular issued by Ministry of Corporate Affairs No 4/2013 the Company is required to create a debenture redemption reserve amounting to 10% of the value of redeemable debentures out of profits of the Company available for distribution. During the year ended March 31, 2021, there are no profits available for distribution hence there is requirement to create a debenture redemption reserve.
- 9 **Disclosure under regulation 52 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-**
In compliance with the above SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the following information as on March 31, 2021 in respect of Non Convertible Debentures (NCDs) :-

	As at March 31, 2021	As at March 31, 2020
Debt- equity ratio	3.34	15.00
Debt service coverage ratio	0.62	0.28
Interest service coverage ratio	2.60	0.76
Outstanding redeemable preference shares	NA	NA
Debenture redemption reserve	-	NA
Net worth (Rs. in lakhs)	2,56,179.00	58,500.40
Net profit after tax (Rs. in lakhs)	2,18,118.00	(28,735.30)
Earnings per share (Basic and diluted) (Rs.)	22.37	(2.95)

The credit rating of the Listed NCDs is [ICRA] BBB- (CE) and the credit rating for the listed PP-MLD both 10,800 14.25% Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non- Convertible Debentures of Rs. 850,949 each and 2,750 15.00% Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non - Convertible Debentures issued on private placement basis of Rs.850,949 each; 6,000 11.50 % Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non- Convertible Debentures of Rs. 1,000,000 each and 2,000 11.75% Redeemable, Rated, Listed, Secured, Tradable, Principal Protected, Market Linked Non- Convertible Debentures of Rs. 1,000,000 each is [Acuite] BBB PP-MLD. The listed NCDs are secured and asset cover is more than hundred percent of principal outstanding. The listed PP-MLDs are secured against investment in units of Embassy Office Parks REIT held by the Company.

Embassy Property Developments Private Limited
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Statement of results for the half year and year ended March 31, 2021

- 10 During the year ended March 31, 2020, the Company has invested Rs. 95,255.00 lakhs in an entity which is listed in the recognised stock exchange in India. As at March 31, 2021, the investment has been classified as Fair value of investments in equity instruments through Other Comprehensive Income. The Company has fair valued the investment using a Level 3 – “Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. However, in case the investment had been fair valued as per the principles of level 1 of fair valuation standard the mark to market loss charged to other comprehensive income would have been higher by Rs. 10,473.76 lakhs (March 31, 2020 - Rs. 59,467.3 lakhs) and the shareholder's funds would have been lower to this extent.
- 11 During the year ended March 31, 2021, the Board of Directors of the Company in its meeting held on July 06, 2020 have approved the Scheme of Arrangement ('Demerger Scheme') between the Company and its wholly owned subsidiary i.e., NAM Estates Private Limited under section 233 and other applicable provisions of the Companies Act, 2013 for demerger of certain assets and liabilities forming part of the Demerged Undertaking from the Company to NAM Estates Private Limited. The Demerger Scheme is subject to approval by the Regional Director (South Eastern Region), Registrar of Companies (Karnataka), shareholders and creditors of the Company. As part of the regulatory process, the Company has already issued notices to applicable regulatory authorities on September 14, 2020. Further, the shareholders of the Company have approved the Demerger Scheme in the extraordinary general meeting held on June 12, 2021 and the Company has filed the application with the Regional Director and Registrar of Companies for approval of the Demerger Scheme on June 14, 2021.
- 12 During the year ended March 31, 2021, the Board of Directors of the Company in its meeting held on March 24, 2021 have approved the Composite Scheme of Arrangement ('Composite Scheme') amongst the Company, Embassy Services Private Limited, Embassy Property Services Private Limited and VTV Infrastructure Management Private Limited under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Composite Scheme provides for demerger of the Demerged Undertaking (as defined in the Composite Scheme) from Embassy Services Private Limited to Embassy Property Services Private Limited followed by merger of Embassy Services Private Limited into the Company and subsequent merger of VTV Infrastructure Management Private Limited with and into Embassy Property Services Private Limited. The shareholders of the Company have also consented to the Composite Scheme in writing and is now subject to approval by the National Company Law Tribunal (Bengaluru Bench), other applicable regulatory authorities and creditors of the Company. The Company has filed an application with the National Company Law Tribunal (Bengaluru Bench) for approval of the Composite Scheme on March 29, 2021.
- 13 The figures for the corresponding previous periods have been regrouped/reclassified, wherever considered necessary.

for and on behalf of the Committee of the Board of Directors of
Embassy Property Developments Private Limited

NARPAT SINGH Digitally signed by
CHORARIA NARPAT SINGH CHORARIA
Date: 2021.06.30 15:49:32
+05'30'

Narpat Singh Choraria
Director
DIN - 00027580

Place: Bengaluru
Date: **30.06.2021**