



May 30, 2023

National Stock Exchange of India Limited

Exchange Plaza

C-1, Block G, Bandra Kurla Complex,
Bandra (E), Mumbai-400051

Dear Sirs,

Sub: Compliance with Regulation 54 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

**Ref: ISIN – INE811K07075
ISIN – INE811K07083**

In accordance with the provisions of regulation 54 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, please find enclosed herewith Security Cover Certificate as at March 31, 2023 certified by the Statutory Auditors of the Company.

Thanking you,

Yours faithfully,

For Prestige Estates Projects Limited

**Manoj Krishna J V
Company Secretary and Compliance Officer**

Independent Auditor's Report on Security Cover, Compliance with all Covenants and book value of assets as at March 31, 2023 pursuant to Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular dated May 19, 2022 for submission to Catalyst Trusteeship Limited (the 'Debenture Trustee')

To
The Board of Directors
Prestige Estates Projects Limited
Prestige Falcon Towers, No.19 Brunton Road,
Bengaluru - 560025

1. This Report is issued in accordance with the terms of the Service Scope Letter dated October 31, 2022 and Master Engagement Agreement dated October 31, 2022, as amended with Prestige Estates Projects Limited (hereinafter the "Company").
2. We S.R. Batliboi & Associates LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement showing 'Security Cover as per the terms of Debenture Trust Deed, Compliance with Covenants and book value of assets' for secured listed non-convertible debt securities of the Company as at March 31, 2023 (hereinafter the "Statement") which has been prepared by the Company from the Board approved audited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the period ended March 31, 2023, pursuant to the requirements of the Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and SEBI Circular dated May 19, 2022 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Regulations and SEBI Circular"), and has been initialed by us for identification purpose only.

This Report is required by the Company for the purpose of submission with Catalyst Trusteeship Limited (hereinafter the "Debenture Trustee") of the Company to ensure compliance with the SEBI Regulations and SEBI Circular in respect of its secured listed non-convertible debt security having face value of Rs. 5,000 million ('Debentures') The Company has entered into an agreement with the Debenture Trustee vide agreement dated November 24, 2021, in respect of such Debentures.

Management's Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. 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.
4. The Management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and SEBI Circular. including maintenance of hundred per cent security cover or higher security cover as per the terms of Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon at all times for the non-convertible debt securities issued. The management is

also responsible for providing all relevant information to the Debenture Trustee and for complying with all the covenants as prescribed in the Debenture Trust Deed dated November 24, 2021 entered into between the Company and the Debenture Trustee.

Auditor's Responsibility

5. It is our responsibility to provide a limited assurance and conclude as to whether the:
 - (a) Company has maintained hundred percent Security cover or higher Security cover as per the terms of the Debenture Trust deed;
 - (b) Company is in compliance with all the covenants including financial covenants as mentioned in the Debenture Trust Deed as on March 31, 2023; and
 - (c) Book values of the assets as mentioned in Column 'C' of Annexure I to the Statement are in agreement with the books of accounts underlying the audited standalone financial results of the company as at March 31, 2023 and Book values of assets as mentioned in Column 'C' of Annexure II to the Statement are in agreement with the books of accounts underlying the audited consolidated financial results of the company as at March 31, 2023.
6. We have performed an audit of the standalone and consolidated financial results of the Company for the year ended March 31, 2023, prepared by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated May 30, 2023. Our audit of these financial results was conducted in accordance with the "Standards on Auditing", issued by the Institute of Chartered Accountants of India ("ICAI").
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. 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.
9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is

substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, our procedures included the following in relation to the Statement:

- a) Obtained and read the Debenture Trust Deed. and noted that as per such debenture trust deed the Company is required to maintain 150 percent security cover.
- b) Obtained the Board approved audited standalone and consolidated financial results of the Company for the year ended March 31, 2023.
- c) Traced and agreed the principal and interest amounts of the secured listed non-convertible debentures outstanding as at March 31, 2023 appearing in the Statement to the books of account maintained by the Company as at March 31, 2023.
- d) Inquired with the Management and noted that the Company has filed Form No. CHG-9 with Ministry of Corporate Affairs ('MCA').
- e) Examined and verified the arithmetical accuracy of the computation of Security Cover in Annexure II to the Statement.
- f) Compared the Security Cover as per the Statement with the Security Cover required to be maintained as per the Debenture Trust Deed.
- g) In relation to "Aggregate sale proceeds that are yet to be received by the Company in connection with the sold units/apartments in the project + value of (i) the unsold units/apartments in the project and (ii) the Land parcels in each case calculated in the basis of last valuation report provided by the valuation agent", used in the calculation of security cover as prescribed by Security Monitoring Mechanism, we obtained the below mentioned valuation reports obtained by the Company and certain subsidiaries -
 - (i) As at February 07, 2023 dated February 08, 2023 issued by CBRE South Asia Private Limited pertaining to property owned by Prestige Estates Projects Limited; (ii) As at February 07, 2023 dated February 08, 2023 issued by CBRE South Asia Private Limited pertaining to property owned by Eden Investments and Estates (Subsidiary of Prestige Estates Projects Limited); and (iii) As at February 07, 2023 dated February 08, 2023 issued by CBRE South Asia Private Limited pertaining to property owned by Prestige Bidadi Holdings Private Limited (Subsidiary of Prestige Estates Projects Limited). We have not performed any further procedures in this regard.
- h) With respect to compliance with covenants (including financial, affirmative and negative covenants) included in the Statement, we have performed following procedures:
 - i. Obtained the list of financial covenants applicable to the listed debt securities, which have been given in Annexure III.
 - ii. Traced the amounts forming part of "Net Debt" in Annexure III as at the testing date as per the Debenture Trust deed i.e., March 31, 2023 with the books of accounts of the Company.
 - iii. Traced the amounts forming part of "Tangible Net Worth" in Annexure III to the most recent consolidated financial statements as at March 31, 2023.
- i) With respect to covenants other than those mentioned in paragraph 10(h) above, the management has represented and confirmed that the Company has complied with all the other covenants [including affirmative, informative, and negative covenants], as prescribed in the Debenture Trust Deed, as at March 31, 2023. We have relied on the said representation not performed any further procedures in this regard.

- j) Traced the book value of assets mentioned in 'Column C' of Annexure I to the statement from the books of accounts of the company underlying the Board approved audited standalone financial results as at March 31, 2023.
- k) Management has represented to us that the amount required to be mentioned in Column 'C' of the Annexure II in line item "Others" is the carrying amount of Inventory (provided as security) as per the books of account maintained by the subsidiaries of the Company as at March 31, 2023 and we understand from management that the said amount is accordingly mentioned by the management in the said line item. Independent Auditor's Report on book value of assets and financial covenants of such entities issued by respective auditors of the subsidiaries have been furnished to us by the management, who have issued an unmodified opinion. We have not performed any procedures in relation to the disclosure in Column 'C' of the Annexure II in line item "Others".
- l) Performed necessary inquiries with the Management and obtained necessary representations.
- m) Annexure I, Annexure II and Annexure III has been prepared by the management and we have not performed any procedures in relation to the said Annexure I, Annexure II and Annexure III other than as mentioned in above.

Conclusion

- 11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that the:
 - a) Company has not maintained hundred percent security cover or higher security cover as per the terms of the Debenture Trust deed; and
 - b) Company is not in compliance with all the covenants (including financial covenants as mentioned in the Debenture Trust Deed as on March 31, 2023.
 - c) Book values of the assets as mentioned in Column 'C' of Annexure I to the Statement are not in agreement with the books of accounts underlying the audited standalone financial results of the company as at March 31, 2023 and Book values of assets as mentioned in Column 'C' of Annexure II to the Statement are not in agreement with the books of accounts underlying the audited consolidated financial results of the company as at March 31, 2023.

Restriction on 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 Trustee 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 S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**ADARSH
RANKA**

Digitally signed by
ADARSH RANKA
Date: 2023.05.30 20:14:47
+05'30'

per Adarsh Ranka

Partner

Membership Number: 209567

UDIN: 23209567BGXVZK2189

Place of Signature: Bengaluru, India

Date: May 30, 2023

**Statement of security cover, book value of assets and compliance with all covenants
as at and for the year ended March 31, 2023 in respect of listed non-convertible debentures**

This statement contains details of security cover, book value of assets and compliance with all covenants as at March 31, 2023 in respect of the listed non-convertible debt security (“the Statement”) which has been prepared by the Company from the financial results and other relevant records and documents maintained by the Company as at and for the year ended March 31, 2023 pursuant to the requirements of the Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and SEBI Circular dated May 19, 2022 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the “SEBI Regulations and SEBI Circular”).

This statement is prepared by the Company for the purpose of submission with Catalyst Trusteeship Limited (“the Debenture Trustee”) of the Company to ensure compliance with the SEBI Regulations and SEBI Circular in respect of its listed non-convertible debt securities (“the Debentures”) pursuant to agreement entered by the Company with the Debenture Trustee vide Debenture Trust Deeds dated November 24, 2021 (“the Debenture Trust Deeds”).

a) Listed debt securities

The Company vide the Debenture Trust Deeds, has issued the following listed debt securities:

ISIN	Private Placement/ Public Issue	Secured/ Unsecured	Facility	Type of charge	Sanctioned/issued Amount	Outstanding Amount as on 31-03-2023		
						Principal	Interest	Total
INE811K07083	Private Placement (Allotted on 29-11-2021)	Secured	Non-convertible Debt Securities	Exclusive	Rs. 2,400	Rs. 2,400	Rs. 19	Rs. 2,419
INE811K07075	Private Placement (Allotted on 29-11-2021)	Secured	Non-convertible Debt Securities	Exclusive	Rs. 2,600	Rs. 2,600	Rs. 20	Rs. 2,620
Grand Total					Rs. 5,000	Rs. 5,000	Rs. 39	Rs. 5,039

b) Security cover

Security cover on market value has been determined as defined in Security Monitoring Mechanism of Debenture Trust Deed entered with Catalyst Trusteeship Limited on November 24, 2021. Refer Note 2 of **Annexure II**.

c) Book value of assets

The financial information as on March 31, 2023 has been extracted from the books of accounts for the year ended March 31, 2023 and other relevant records of the Company. Please refer **Annexure I** and **Annexure II** to the Statement for details on book value of assets pledged on standalone basis and book value of assets pledged including assets of subsidiary respectively.

d) Compliance with all covenants

We confirm that we have complied with all the covenants including financial covenants as prescribed by the aforesaid Debenture Trust Deed as at March 31, 2023 as detailed in **Annexure-III** to the Statement.

For Prestige Estates Projects Limited

IRFAN
RAZACK  Digitally signed
by IRFAN RAZACK

Irfan Razack
Chairman and Managing Director

Place: Bengaluru, India
Date: May 30, 2023

Annexure I - Statement of Book Value - Standalone

A	B	C	D	E	F	G	H	I	J	K	L	M	N	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 A to I)	Related to only those items covered by this certificate				
		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)		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	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA	Total Value(=K+L+M+N)
														Relating to Column F
		Book Value	Book Value	Yes/No	Book Value	Book Value								
ASSETS														
Property, plant and equipment	Prestige Mulberry Shades		3,403				1,527		4,930					
Capital work-in-progress (including Investment property under construction)		1,562						174		1,736	1,862 [*]			1,862
Investment property			6,420					9,164		15,584				
Other intangible assets								18		18				
Investments								16,252		16,252				
Loans								65,945		65,945				
Other financial assets								6,663		6,663				
Deferred tax assets (net)								879		879				
Income tax assets (net)								2,627		2,627				
Trade receivables				1,005				2,976		3,981				
Inventories				14,916				38,513		53,429				
Cash and cash equivalents				41				2,631		2,672				
Other bank balances				303				1,058		1,361				
Others assets								3,239		3,239				
Total			1,562	26,088	-	-	-	1,51,665	-	1,79,316	1,862	-	-	-
LIABILITIES														
Debt securities to which this certificate pertains		5,039 [*]							5,039					
Other debt sharing pari-passu charge with above debt														
Other Debt														
Subordinated debt														
Borrowings														
Bank		not to be filled	6,279						6,279					
Debt Securities			2,500						2,500					
Others			21,109						21,109					
Trade payables														
Lease liabilities														
Provisions														
Others														
Total		5,039	29,888	-	-	-	-	-	34,927					
Cover on book value		0.31												
Cover on market value		0.37												

* Includes Interest accrued/payable on secured Debt Securities Rs. 39 million

^{*} Market value as at February 07, 2023 as per valuation report dated February 08, 2023 issued by CBRE SOUTH ASIA PRIVATE LIMITED pertaining to property owned by Prestige Estates Projects Limited.

Annexure II - Statement of Book Value including subsidiaries whose assets have been pledged

A	B	C	D	E	F	G	H	I	J	K	L	M	N	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 A to I)	Related to only those items covered by this certificate				
		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)	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	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balances, DSRA market value is not applicable)	Total Value(=K+L+M+N) N	
		Book Value	Book Value	Yes/No	Book Value	Book Value								
Relating to Column F														
ASSETS														
Property, plant and equipment			3,403				1,527		4,930					
Capital work-in-progress (including investment property under construction)		1,562	-				174		1,736	1,862*				1,862
Investment property			6,420				9,164		15,584					
Other intangible assets			-				18		18					
Investments			-				16,252		16,252					
Loans			-				65,945		65,945					
Other financial assets			-				6,663		6,663					
Deferred tax assets (net)			-				879		879					
Income tax assets (net)			-				2,627		2,627					
Trade receivables			1,005				2,976		3,981					
Inventories			14,916				38,513		53,429					
Cash and cash equivalents			41				2,631		2,672					
Other bank balances			303				1,058		1,361					
Others assets			-				3,239		3,239					
Others	Inventory of subsidiary - Refer Note 1 below	2,006	-				-		2,006	7,708 #				7,708
Total		3,569	26,088	-	-	-	1,51,665	-	1,81,322	9,570	-	-	-	9,570
LIABILITIES														
Debt securities to which this certificate pertains		5,039*							5,039					
Other debt sharing pari-passu charge with above debt									-					
Other Debt									-					
Subordinated debt									-					
Borrowings									-					
Bank		not to be filled	6,279						6,279					
Debt Securities			2,500						2,500					
Others			21,109						21,109					
Trade payables			-						-					
Lease liabilities			-						-					
Provisions			-						-					
Others			-						-					
Total		5,039	29,888	-	-	-	-	-	34,927					
Cover on book value		0.71												
Cover on market value	Note 2	1.90												

* Includes Interest accrued/payable on secured Debt Securities Rs. 39 million

^ Market value as at February 07, 2023 as per valuation report dated February 08, 2023 issued by CBRE SOUTH ASIA PRIVATE LIMITED pertaining to property owned by Prestige Estates Projects Limited.

Market value as at February 07, 2023 dated February 08, 2023 issued by CBRE SOUTH ASIA PRIVATE LIMITED pertaining to property owned by Eden Investments and Estates (Subsidiary of Prestige Estates Projects Limited).

Market value as at February 07, 2023 dated February 08, 2023 issued by CBRE SOUTH ASIA PRIVATE LIMITED pertaining to property owned by Prestige Bidadi Holdings Private Limited (Subsidiary of Prestige Estates Projects Limited).

Note 1:

Represents immovable property owned by Prestige Bidadi Holdings Private Limited (Subsidiary of Prestige Estates Projects Limited) having a book value of Rs. 1,148 million being inventory which has been pledged as an exclusive charge for the debentures issued by the company. Represents immovable property owned by Eden Investments and Estates (Subsidiary of Prestige Estates Projects Limited) having a book value of Rs. 858 million being inventory which has been pledged as an exclusive charge for the debentures issued by the company.

Note 2:

For the purpose of determining Cover on market value as defined in Security Monitoring Mechanism ('SMM') under the Debenture Trust Deed dated November 24, 2021, we represent that the below components of the SMM is Nil and accordingly not considered for the purpose of deriving the Cover on market value -

-> Aggregate sale proceeds that are yet to be received by the Company in connection with the sold units/apartments in the project.

-> Value of (i) the unsold units/apartments in the project.

Statement of security cover, book value of assets and compliance with all covenants as at and for the year ended March 31, 2023 in respect of listed non-convertible debentures

Annexure – III- Compliance with the financial covenants

Sl no	<u>Financial Covenants as per Debenture Trust Deed</u>	<u>Computation information</u>	<u>Compliance status</u>
a.	<p>(i). Until the expiry of 3 years from the Deemed date of Allotment in, the Net Debt does not exceed Rs. 10,000 crores or 1.5 times of Tangible Net Worth of the company, whichever is lower: and</p> <p>(ii). From the expiry of 3 years from the deemed date of allotment till the final settlement date, the net debt does not exceed Rs. 12,000 crores or 1.5 times of the Tangible Net worth of the company, whichever is lower.</p> <p>Definitions: Net Debt: All consolidated debt of the company as per applicable accounting standard (including, long term, short term and current maturities of long term debt, accrued interest, amounts of corporate guarantees extended and the outstanding amounts and excluding cash and cash equivalents, double accounting of debt, if any , lease rental / receivable discounting.</p> <p>Relevant Period: each period of 6 months that ends on March 31st and September30th.</p> <p>Tangible Net worth: includes aggregate amount of paid-up capital and reserves and surplus, determined to the most recent consolidated financial statements of the company prepared as per Indian accounting standards and practices, adjusted by deducting amounts set aside for tax , minority interests, the amount by which the net book value of any asset has been written up after revaluation or intra-group transfer , and any dividend or other distribution declared or made by the company to the extent not already provided, and deducting the amount of any intangible assets (including goodwill).</p>	<p>i) The net debt as on March 31, 2023 is Rs. 3,455 crores which does not exceed Rs 10,000 crores (Rs 10,000 crores (or) 1.5 times of Tangible networth of the Company as per the most recent consolidated financial statements as at March 31, 2023 - 14,876 crores, whichever is lower)</p> <p>ii) Not applicable - 3 years from the deemed date of allotment has not expired.</p>	<p>Complied</p> <p>Not applicable</p>
b.	<p>The company shall provide a certificate within i) 45 days from the expiry of each half-year of each financial year and</p> <p>ii) 60 days from the expiry of each half-year of each Financial year in each case, stating the net debt and confirming that the same below the thresholds as set out in (a.) above.</p>		Complied
c.	<p>The financial covenants tested on December 31, 2021 and thereafter every March 31st and September 30th.</p> <p>We confirm that there are no financial covenants other than disclosed above.</p>		Complied

We have complied with all the covenants, as per Debenture Trust deed entered with Catalyst Trusteeship Limited on November 24, 2021.