

MAC CHARLES (INDIA) LTD.
CIN No. L55101KA1979PLC003620

Regd. Office:
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Bangalore – 560 001

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

May 23, 2024

Dear Sir/Madam,

Sub: Submission of Security Cover for the period ended 31st March,2024

This is to inform you, pursuant to the provisions of Regulation 54 of SEBI LODR, we are hereby submitting Security Cover for period ended March 31, 2024.

We request you to take on record of the same.

Thanking you,
For Mac Charles (India) Limited

Chandana Naidu Khare
Company Secretary and Compliance Officer

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)

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 31 March 2024 (Section I), along with security cover maintained against such NCDs (Section II), (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') (referred to as 'the Regulation'). 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 16,509 senior, secured, redeemable, listed, rated NCDs, in aggregate amounting to ₹ 3,000 million until 31 March 2024.
 - 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 31 March 2024.

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 reasonable assurance in the form of an opinion as to whether the 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 31 March 2024 as mentioned in clause 6.6 of debenture trust deed mentioned in paragraph 3(i) and 3(ii) above, are, in all material respects, in agreement with the audited standalone financial statement of the Company and Mac Charles Hub Projects Private Limited ("its Subsidiary"), underlying books of account and other relevant records and documents maintained by the Company and its Subsidiary for the year ended 31 March 2024 which have been subjected to audit, or that the calculation thereof is arithmetically accurate; and
7. The audited standalone financial statement of the Company and its Subsidiary, referred to in paragraph 6 above, have been audited by us, on which we have expressed an unmodified opinion vide our report dated 23 May 2024 and 22 May 2024 respectively. Our audit of standalone financial statement was conducted in accordance with the Standard on Auditing specified under Section 143(10) of the Companies Act, 2013 ('the Act') and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Such audits were not planned and performed in connection with any transactions to identify matters that maybe of potential interest to third parties
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. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the subject matter. 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 and Section II 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:
 - i. 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.
 - ii. We noted that in relation to NCDs as described in paragraph 3(ii), the requirement to maintain security cover is specified in clause 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.
 - ii. Traced the principal amount of the NCDs including interest outstanding as at 31 March 2024 (Section I) to the audited standalone financial statement, underlying books of account and other relevant records and documents maintained by the Company for the year ended 31 March 2024
 - iii. Verified the details of ISIN, series, credit rating, issue size and security cover details for each series of the listed NCDs from the respective Information memorandum;

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- iv. Traced the fair value of secured assets forming part of the security cover details for each series of the listed NCDs' from the audited standalone financial statement, 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 and its Subsidiary for the year ended 31 March 2024;
- 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 10 April 2024 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. Verified the arithmetical accuracy of the Statement
- viii. 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.
- ix. Obtained necessary representations from the management.

Other matter

- 11. 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 10 April 2024, 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.

Opinion

- 12. 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, in our opinion 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 31 March 2024 as mentioned in clause 6.6 of debenture trust deed mentioned in paragraph 3(i) and 3(ii) above, are, in all material respects, in agreement with the audited standalone financial statement of the Company and its Subsidiary, underlying books of account and other relevant records and documents maintained by the Company and its Subsidiary for year ended 31 March 2024 which have been subjected to audit and the certificate of other auditor on book value of SDPL, or that the calculation thereof is arithmetically accurate; and

Restriction on distribution or use

- 13. 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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14. 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 Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Hemant
Maheshwari

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Hemant Maheshwari
Date: 2024.05.23
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Hemant Maheshwari

Partner

Membership No.: 096537

UDIN: 24096537BKFSAP5284

Place: Bengaluru

Date: 23 May 2024

Statement containing details of secured, listed, rated, redeemable non-convertible debentures ('NCDs') of the Company outstanding as at 31 March 2024, security cover maintained against such securities.

I. Details of secured, listed, rated, redeemable NCDs' of the Company outstanding as at 31 March 2024

S.No	ISIN	Series	Outstanding as on 31 March 2024 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	INE435D07094	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 11 May 2023)	1,001.00
6	NA	Accrued redemption premium on points 1 to 5 above (DTD as amended on 11 May 2023)	718.02
7	INE435D07045	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	1,350.00
8	INE435D07052	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	1,350.00
9	INE435D07078	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	500.00
10	NA	Accrued redemption premium on points 7 to 9 above (DTD as amended on 24 March 2023)	1,008.98

II. Security cover maintained against such securities as per the terms of DTD as on 31 March 2024.

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)	13,752	3,718	3.70	31 March 2024
Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	6,132	4,209	1.46	31 March 2024

Notes:

- 1 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.
- 2 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 31 March 2024

The Company has issued 500 Zero Coupon, Senior, secured, unrated, redeemable and unlisted NCDs (DTD dated 24 November 2021 as amended and restated on 11 May 2023) aggregating to ₹ 500 million. The debt is secured by first ranking exclusive charge/pledge/mortgaged as given in note 3(a) of section II above.

For **Mac Charles (India) Limited**

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HARISH ANAND
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Harish Anand
Whole Time Director
Place: Bengaluru
Date: 23 May 2024

Statement containing details of secured, listed, rated, redeemable non-convertible debentures ('NCDs') of the Company outstanding as at 31 March 2024 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 31 March 2024

S.No	ISIN	Series	Outstanding as on 31 March 2024 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	INE435D07094	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 11 May 2023)	1,001.00
6	NA	Accrued redemption premium on points 1 to 5 above (DTD as amended on 11 May 2023)	718.02
7	INE435D07045	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	1,350.00
8	INE435D07052	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	1,350.00
9	INE435D07078	Zero Coupon, Senior, secured, rated, redeemable and listed NCDs (DTD as amended on 24 March 2023)	500.00
10	NA	Accrued redemption premium on points 7 to 9 above (DTD as amended on 24 March 2023)	1,008.98

II. Computation of Security Cover Ratio as on 31 March 2024 pursuant to SEBI circular dated 31 March 2023

Column A	Column B	Column C ⁱ	Column D ⁱⁱ	Column E ⁱⁱⁱ	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 items
		Debt for which this certificate being issued	Other Secured Debt			Market Value for Assets charged on Exclusive basis
		Book Value	Book Value			
ASSETS						
Property, Plant and Equipment	Land, Plant and machinery, Computers and Vehicle	202.29	4.92	0.94	208.15	373.84
Investment Property *	Land	1,923.39			1,923.39	2,907.01
Capital Work-in-Progress & Advance	IPUD (Project Zenith) & Advance- Zenith	3,191.87			3,191.87	9,426.00
Investments	Investment in subsidiaries, equity shares and mutual funds	2,035.10		1,608.37	3,643.47	2,479.08
Loans	Loans given to subsidiaries and other loans			1,843.33	1,843.33	-

Advances	Advance paid for purchase of investment property	39.89			39.89	120.52
Advances *	Advance paid for purchase of investment property	250.61			250.61	250.61
Trade Receivables	Trade receivables			16.39	16.39	
Cash and Cash Equivalents	Cash and Cash Equivalents (Project Zenith)	8.30		0.93	9.23	8.30
Cash and Cash Equivalents	Cash and Cash Equivalents (Project Embassy Business Hub)	0.68			0.68	0.68
Bank Balances other than Cash and Cash Equivalents *	Bank Balances other than Cash and Cash Equivalents (Project Zenith)	1,241.39		10.71	1,252.10	1,241.39
	Bank Balances other than Cash and Cash Equivalents (Project Embassy Business Hub)	2,961.63			2,961.63	2,961.63
Asset Held for sale	Assets classified as held for sale	25.57			25.57	98.53
Others *	Accrued interest and Non refundable security deposit and other asset	79.21		445.68	524.89	79.21
Total		11,959.91	4.92	3,926.35	15,891.18	19,946.79
LIABILITIES						
Debt securities to which this certificate pertains	Debentures issued	7,627.86	610.08			3,718.02
					8,237.94	4,208.98
Debt securities to which this certificate pertains	Debentures issued					
Others	Deferred tax liabilities	not to be filled		-	-	
Trade payables	Trade payables			15.27	15.27	
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			148.54	148.54	
Total		7,627.86	610.08	163.81	8,401.75	7,927.00
Cover on Book Value		1.57				
	Cover on Market Value (ISIN 1,2,3 ,4 &5)					3.70
	Cover on Market Value (ISIN 7,8 &9)					1.46

* 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 ₹845.63 million included in 'Bank Balances other than Cash and Cash Equivalents'. Assets of Mac Charles Hub Projects Private Limited include land amounting to ₹1,923.39 million included in 'Investment Property', advance paid for acquisition of land amounting to ₹250.61 million included in 'Advances', deposit in escrow account amounting to ₹0.10 million included in 'Cash and Cash Equivalents', deposit in term deposit account amounting to ₹96 million included in 'Bank Balances other than Cash and Cash Equivalents'. Interest accrued but not due on designated FDs amounting to ₹1.53 million and refundable security deposit and its Ind AS adjustment amounting to ₹34.78 million included in 'Others'.

For Mac Charles (India) Limited.

HARISH ANAND
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Date: 2024.05.23
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Name : Harish Anand
Designation : Whole-time Director

Place : Bengaluru