



**Umesh P. Maskeri**  
**Practicing Company Secretary**

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**ANNUAL SECRETARIAL COMPLIANCE REPORT**  
**For the Financial Year ended March 31, 2020**  
**Pursuant to Circular No CIR/CFD/CMD1/27/2019 dated February 8, 2019**  
**Issued by the Securities and Exchange Board of India**

To  
The Board of Directors  
Mac Charles (India) Limited  
28, Sankey Road  
**Bangalore-560052**

Dear Sir/Madam,

I, Mr. Umesh P Maskeri, Practicing Company Secretary, have examined:

- a) All the documents and records made available to me and explanation provided by Mac Charles (India) Limited ("the listed entity"),
- b) the filings/submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity
- d) any other document/filing, as may be required which has been relied upon to make this certification.

for the year ended March 31, 2020 ("Review Period") in respect of compliance with the provisions of :

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
- b) the Securities Contract (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, Circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specified regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;





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- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018  
And circulars/guidelines issued thereunder;

And based on the above information, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

SI No	1
Compliance requirement (Regulations/Circulars/guidelines including specific clause)	Obtaining approval of shareholders in respect of a Material Related Party Transaction under Regulation 2(zc), 23(1) and 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Deviations	At the Board Meeting held on November 12, 2019, Company has decided to borrow, in the form of Inter Corporate Deposit a sum of INR 50 crore from Embassy Property Developments Private Limited (EPDPL), which is related party. Since the transaction value exceeds 10 % of the consolidated turnover of the Company for the previous financial year ended FY 2018-19, this constitutes a material related party transaction.. Company is yet to obtain the approval from the shareholders as required under Regulation 2(zc), 23(1) and 23(4) of SEBI LODR..
Management Comments	<i>Company has passed enabling resolution but not received any amount until March 31, 2020 and till date of this report from EPDPL and hence the transaction has not been materialised. The said matter is being placed before the shareholders of the Company for approval through the postal ballot to be launched in June 2020. However the shareholders of the company at the Annual general meeting held on September 25, 2017 had passed necessary resolution fixing borrowing limit as INR 1000 Crores.</i>
Observations/ Remarks of the Practicing Company Secretary	Company is planning to obtain approval from the shareholders either through postal ballot to be launched shortly..






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SI No	2
Compliance requirement (Regulations/Circulars/guidelines including specific clause)	Company is required to publish the notice of board meeting as well as the quarterly financial statements, among other things, in the newspapers pursuant to Regulation 29 and 47 (1)(a) of SEBI LODR
Deviations	Company has not published the prior intimation of Board Meeting held on in newspapers held on 29-05-2019. Audited Financial Results which were approved by the Board Meeting held on 29-05-2019, should have been published in Kannada newspaper on 31-5-2019 as per Regulation 47(3) (4) of SEBI LODR. The results were published in Kannada newspaper on 1-06-2019 and there was a delay of 1 day. Further, there was a delay of 1 day for English newspaper and 2 days for Kannada newspaper, in publishing the financial results of the unaudited financial results for the quarter ended September 30, 2019 as required under Regulation 47 (3)(4).
Management Comments	Noted. Company has strengthened the compliance mechanism and has ensured that necessary information has been published in the newspapers for the subsequent quarters..
Observations/ Remarks of the Practicing Company Secretary	Company has complied for subsequent quarters.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from my examination of those records, except as mentioned above.
- (c) The following are the details of actions taken against the listed entity / its promoters/ directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Instructions issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder: NIL
- (d) The listed entity has taken the following actions to comply with the observations made in previous Secretarial Audit reports i.e. MR-3:

Sr No	Observations of the Practicing Company Secretary in the previous reports for the financial years ended 2015-16, 2016-17 and 2017-18	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	NIL 	Not applicable since the secretarial compliance report was introduced with effect from the	Not applicable	Not applicable, since there were no adverse observations by the Secretarial Auditors during the past



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		financial year 2018-19		three financial years.
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(e)

Observations of the Practising Company Secretary in the previous report for the financial year ended 2018-19			
Sr No	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practising Company Secretary on the actions taken by the listed entity
1	Company made a payment of advance of Rs 15 Crore towards for purchase of property to LJ-Victoria Properties Private Limited and extended the tenure of the Inter Corporate Deposit of Rs 35 crore given to Embassy Property Developments Private Limited upto March 31, 2020. Company was required to obtain the approval of the shareholders for the aforesaid Material Related Party Transaction ("MRPT") as required under Regulation 23(4) of SEBI LODR. of SEBI LODR .	The shareholders of the Company though postal ballot which concluded on May 18, 2019 have since approved and ratified the said MRPT.	Shareholders of the Company have since ratified the said Material Related Party Transaction. Further the said agreement was cancelled and the related party has refunded the entire amount alongwith the lump payment of Rs 30 crore on August 2, 2019.
2	Company has not published a) the prior intimation of the Board meeting to consider the unaudited financial results in two newspapers in respect of the board meetings held on 23-05-2018, 7-08-2018, 5-11-2018 and 30-01-2019 and b) the financial results in regional language for the quarters ended Jun 30, 2018, September 30, 2018 and December 31, 2018 as required under Regulation 47 of SEBI LODR.	Company has published the prior intimation and financial results in newspapers in respect of all the subsequent board meetings held during FY 2018-19 and FY 2019-20.	Newspaper publication has been undertaken for subsequent board meetings and since complied with.



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3	The Shareholding of the promoter and promoter group for the quarters ended June, September 30 and December, 2018 amounted to 80.44 % as against the permitted maximum level of 75 %, as stipulated in Minimum Public Shareholding Norms ("MPS") " as required under Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with in Rule 19(2) and 19 A of the Securities Contracts (Regulations) Rules, 1957	The promoters of the Company launched Offer for Sale on February 28, 2019 offloaded the excess quantity of 8,72,900 Equity Shares. Thereafter, the shareholding of the promoters has been brought down to 75 %.	Complied with on February 18, 2019
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**I further report that**

owing to complete lockdown, curfew and restrictions imposed by the Government of India and various state Governments owing to the outbreak of COVID 19 pandemic, I have not been able to visit the office of the Company after March 24, 2020 to verify the original records and I have relied on the email communications and scanned copies of some of the documents made available to me, during the course secretarial audit. Company has agreed to make available the original records as soon as the lock down is lifted and normalcy of operations is restored

**UMESH P MASKERI**  
**PRACTICING COMPANY SECRETARY**  
**COP No. 12704 FCS No 4831**



**UDIN F004831B000385035**

**(Note: This document has been digitally signed)**

Place: Mumbai  
Date: June 26, 2020

*Note: This report is to be read with my letter of even date which is annexed as **ANNEXURE I** and forms an integral part of this report.*



**Umesh P. Maskeri**  
**Practicing Company Secretary**

## ANNEXURE I

To  
The Board of Directors  
Mac Charles (India) Limited  
28, Sankey Road  
**Bangalore-560052**

Our report of even date is to be read along with this letter:

1. Compliance with the provisions of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 and the SEBI regulations and Circulars is the responsibility of the management of the Company. My responsibility is to express an opinion on these compliances based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the compliance of SEBI LODR, SEBI regulations and SEBI Circulars. The verification was done on test basis to ensure that correct facts are reflected in the compliance records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of SEBI LODR and other SEBI regulations on test basis.
6. The Annual Secretarial Compliance Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**UMESH P MASKERI**  
**PRACTICING COMPANY SECRETARY**  
**FCS No 4831 COP No. 12704**



Place: Mumbai  
Date : June 26, 2020

**(Note: This document has been digitally signed)**