



*Le* MERIDIEN  
BANGALORE

*Le* MERIDIEN

**MAC CHARLES (INDIA) LIMITED**

37<sup>th</sup> Annual Report 2016-17





**RESTAURANT**



**DOMINION U SHAPE**

**BOARD OF DIRECTORS**

<b>Mr. C. B. Pardhanani</b>	<b>Chairman</b>
<b>Mr. P. B. Appiah</b>	<b>Director</b>
<b>Mr. M. R. B. Punja</b>	<b>Director</b>
<b>Mr. Suresh Vaswani</b>	<b>Director</b>
<b>Mr. P. R. Ramakrishnan</b>	<b>Director</b>
<b>Mr. Aditya Virwani</b>	<b>Director</b>
<b>Ms. Tanya Girdhar</b>	<b>Director</b>

**EXECUTIVE DIRECTOR & COMPANY SECRETARY**

**Mr. M. S. Reddy**

**MANAGER & VICE PRESIDENT OPERATIONS**

**Mr. Suresh K Badlaney**

**CHIEF FINANCIAL OFFICER (CFO)**

**Mr. Pranasha K Rao**

**REGISTERED OFFICE**

**Le MERIDIEN** - BANGALORE

28, Sankey Road, Bengaluru - 560 052

Tel : 080-2226 2233 / 2228 2828

Fax : 080-2226 7676 / 2226 2050

CIN : L55101KA1979PLC003620

website : maccharlesindia.com

e-mail : secretarial@lemeridienbangalore.com

**PRINCIPAL BANKERS**

State Bank of India

HDFC Bank Ltd.

**REGISTRARS & SHARE TRANSFER AGENTS**

BgSE Financials Limited

Registrar & Transfer Agent (RTA Division)

No. 51, 1st Cross, J.C. Road,

Bengaluru - 560 027.

Tel: 080-4132 9661, 4140 5259

Fax: 080-4157 5232

Email: avp\_rta@bfsi.co.in

**GRIEVANCE REDRESSAL DIVISION:**

Mr. M.S. Reddy *B.Com., L.L.B., MBIM, FCA, FCS*

Executive Director & Company Secretary

- cum - Compliance Officer

Tel : 080-2226 2233 / 2228 2828

Email: investor.relations@maccharles.com

**AUDITORS**

K.B. Nambiar & Associates

Chartered Accountants

101, President Chambers

# 8, Richmond Road

Bengaluru - 560 025

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*Thirtyseventh Annual General Meeting of MAC CHARLES (INDIA) LTD. will be held on MONDAY the 25th SEPTEMBER 2017 at Hotel Le Meridien, No. 28, Sankey Road, Bengaluru - 560 052 at 11:30 a.m.*

*Note:*

*(a) As a measure of economy, copies of Annual Report will not be distributed at the Meeting.*

*Members are requested to kindly bring their copies to the Meeting.*

**(b) Children accompanying a member / proxy will not be allowed inside the meeting hall.**



# MAC CHARLES (INDIA) LIMITED

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## NOTICE OF ANNUAL GENERAL MEETING

**Notice** is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of **Mac Charles (India) Limited** will be held at Hotel Le Meridien, No.28, Sankey Road, Bengaluru – 560052 on Monday the 25<sup>th</sup> September 2017 at 11.30 a.m. to transact following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt Audited Standalone Financial Statements of the Company for the financial year ended 31 March, 2017, the Reports of Board of Directors and Auditors thereon.
2. To receive, consider and adopt Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2017, the Reports of Board of Directors and Auditors thereon.
3. To declare dividend on equity shares for the financial year ended 31 March 2017.
4. To appoint a Director in place of Mr. Suresh Vaswani (DIN 06645434), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and in this regard to consider and if thought fit, to pass with or without modification(s), following resolution as ordinary resolution:

“RESOLVED THAT pursuant to section 139 of the companies Act, 2013 and the Companies (Audit and Auditor) Rules, 2014 and pursuant to the recommendations by the Board, M/s. BSR & Co. LLP, Chartered Accountants, having registration No. 101248 W/W-100022 be and are hereby appointed as the Auditors of the Company in place of retiring auditors M/s. K.B. Nambiar & Associates having registration No. 002313S, M/s. BSR & Co. LLP who shall hold office from the conclusion of this 37<sup>th</sup> Annual General Meeting for a term of Five consecutive years till the conclusion of the 42<sup>nd</sup> Annual General Meeting (subject to ratification of the appointment by the Members at every Annual General Meeting held after this Annual General Meeting) and that the Board be and is hereby authorized to fix remuneration and such other terms and conditions.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

### SPECIAL BUSINESS

6. Regularisation of Additional Director, Mr. P. R. Ramakrishnan:

To consider and if thought fit, to pass the following resolution with or without modification as an ordinary resolution:

“RESOLVED THAT pursuant to Sections 160 & 161 of the Companies act, 2013 and any other applicable provisions (including any statutory modification(s) or reenactment thereof for the time being in force), Mr. P. R. Ramakrishnan, DIN 00055416, a non-executive Director of the Company, who was appointed as an Additional Director of the Company on 01.12.2016 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Mr. P.R. Ramakrishnan Director of the Company, be and are hereby severally authorised to file relevant forms with the Registrar of Companies, Karnataka, and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment.”

7. Regularisation of Additional Director, Mr. Aditya Virwani:

To consider and if thought fit, to pass the following resolution with or without modification as an ordinary resolution:

“RESOLVED THAT pursuant to Sections 160 & 161 of the Companies act, 2013 and any other applicable provisions (including any statutory modification(s) or reenactment thereof for the time being in force), Mr. Aditya Virwani, DIN 06480521, a non-executive Director of the Company, who was appointed as an Additional Director of the Company on 01.12.2016 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Aditya Virwani. Director of the Company, be and are hereby severally authorised to file relevant forms with the Registrar of Companies, Karnataka, and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment.”

8. Increase in the limits for borrowings under section 180(1)(c) of the Companies Act, 2013:

To consider and if thought fit, to pass either with or without modification/s the following resolution, as a special resolution:

“RESOLVED THAT in supersession of all the earlier resolutions passed and pursuant to the provisions of section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules,

2014 including any statutory modifications or re-enactments thereof, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow money, as and when required, from banks and/or financial institution/s and/or foreign lender/s and/or anybody corporate/s entity/entities and/or authority/authorities and/ or through suppliers credit, or any other instruments either in Indian rupees or in such other foreign currencies as may be permitted by law from time to time, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserve not set apart for any specific purpose) provided that the total amount so borrowed by the Board shall not at any time exceed of Rs.1000 Crores (Rupees One Thousand Crores only) or limits so prescribed under section 180(1)(c) (as may be amended from time to time), whichever is higher.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

9. Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company:

To consider and if thought fit, to pass the following resolution with or without modification/s, as a special resolution:

“RESOLVED THAT in supersession of all earlier resolutions passed and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 including any statutory modification or re-enactments thereof, and the Articles of Association of the Company, the consent the shareholders of the company be and is hereby accorded to the Board of Directors, to sell, lease, mortgage or dispose of whole or substantially whole of the undertaking of the company or to create mortgages/charges/hypothecations and other encumbrances created/to be created by the company in favor of Indian or Foreign Financial Institutions, Banks or other Lending Institution(s) or export import banks, multilateral agencies and/or to such other persons (Lenders), if any, from whom the company has proposed or proposes to borrow any sum or sums of monies, which together with the monies already borrowed by the company (apart from temporary loans obtained

or to be obtained from the Company's bankers in the ordinary course of business), and upon the terms and conditions decided / to be decided by the Board, to secure the facilities provided / to be provided by such Lenders together with interest, additional interest, cumulative interest, liquidated damages, remuneration of the agent or trustees, premium, if any on redemption, pre-payment costs, charges, expenses and all other moneys payable by the Company to the Lenders, trustees and agents, subject to maximum limit of Rs.1000 crores (Rupees One Thousand Crores Only) or limits so prescribed under Section 180(1)(a) (as may be amended from time to time), whichever is higher, including charges subsisting as on date.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

10. Increase in the limits for providing Loans, Guarantee, Security and making Investments under Section 186 of the Companies Act, 2013:

To consider and if thought fit, to pass the following resolution, with or without modification/s, as a special resolution:

“RESOLVED THAT in supersession of all earlier resolutions passed and pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meeting of Board and its Powers) Rules, 2014 including any statutory modification/s or re-enactment/s thereof, consent of the shareholders of the Company, be and is hereby accorded to the Board of Directors, to give loan/s or any other form of debt to any person or other body corporate/s and / or give guarantee/s and/ or provide security /ies and/ or acquire by way of subscription, investment, purchase or otherwise, the securities of any other body corporate/s, its own subsidiary, associate company as may be required from time to time, exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more, as the Board of Directors may think fit, provided that the total loans or investments made, guarantee given, security provided, shall not at any time exceed Rs. 1000 Crores (Rupees One Thousand Crores) or limits so prescribed under section 186 (as may be amended from time to time), whichever is higher.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

By the order of the Board

Bengaluru  
8 August 2017

M.S. REDDY  
Company Secretary

# MAC CHARLES (INDIA) LIMITED

## NOTES

- a) The Register of Members and Share Transfer Book will remain closed from 15th September 2017 to 25th September 2017.
- b) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
- c) Members holding shares in multiple folios in Physical category are requested to apply for consolidation to the Registrar and Transfer Agent (R&T Agent)/Company along with relevant Share Certificates.
- d) Members desirous of changing their shareholding from physical category to electronic category (dematerialization) may apply with their respective Depository Participants (DP's). The Company's shares are already admitted with CDSL and NSDL for dematerialization purpose and the ISIN allotted to your Company's equity shares is INE435D01014.
- e) The dividend, if any, in respect of Equity Shares held in electronic category will be paid on basis of beneficial ownership, details of which are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for the said purpose.
- f) For effecting change of Address/Bank details/Electronic Clearing Services (ECS) Mandate, if any, Members are requested to notify the same to the following :
- If shares are held in Physical category, to the Company/R&T Agent of the Company, i.e., BgSE Financials Limited, RTA Division, Stock Exchange Tower, No.51, 1st Cross, J.C. Road, Bengaluru – 560 027.
  - If shares are held in electronic electronic, to their respective Depository Participant (DP). The Company/R&T Agent will not entertain request for noting change of Address/Bank details/ECS Mandate, if any.
- g) **Voting through electronic means**

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote in respect of resolutions to be passed at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). Mr. B. Chandu Narayan, practicing Company Secretary (C.P.No.9517) has been appointed as scrutinizer in this regard.

Procedure / Instructions for e-Voting are as under :

- The Voting period begins on 21.09.2017 (from 9:00 a.m.) and ends on 24.09.2017 (up to 6:00 p.m.). During this

period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The results will be announced and published on 26.09.2017.

- The Shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- Click on "Shareholders" tab
- Now Enter your User ID
  - For CDSL : 16 digits beneficiary ID,
  - For NSDL : 8 Character DP ID followed by 8 digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>PAN* Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.</li> </ul>
DOB#	Enter the Date of Birth as recorder in your demat account or in the company's records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company's records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter DOB or Dividend Bank Details in order to Login. If the details are not recorded with the depository or Company please enter the number of share held by you as on the cutoff date in the Dividend Bank details field.</li> </ul>
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- (viii) After existing these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holdings shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Mac Charles (India) Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the Use ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.,) are required to log on to [https:// www.evotingindia.com](https://www.evotingindia.com) and register themselves as Corporates.
  - A Scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help selection or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- h) The results of the e-voting along with the scrutinizer’s report shall be placed in the Company’s website [www.maccharlesindia.com](http://www.maccharlesindia.com) and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
- i) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote (if casted at the AGM) on their behalf at the meeting.
- j) In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote (if casted at the AGM).
- k) Members are requested to :
- (i) bring their copy of Annual Report and Attendance Slip at the venue of the meeting.
  - (ii) Quote their folio/DP & Client Id No. in all correspondence with the R&T Agent/Company.
  - (iii) Note that briefcase, mobile phone, bag, eatables and other belongings will not be allowed to be taken inside the venue of the meeting for security purpose and shareholders will be required to take care of their belongings.
  - (iv) To support the “Green Initiative”, the Members who have not registered their email address are requested to register the same with the Company in case of shares held in physical form or with the Depositories in case of shares held in dematerialized form.
  - (v) Members having specific queries regarding accounts are requested to deposit their queries in writing at the Registered Office of the Company not less than fortyeight (48) hours before the commencement of the meeting, so as to make the management to furnish the clarification.



# MAC CHARLES (INDIA) LIMITED

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## I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 6 & 7:

#### Regularisation of Mr. P. R. Ramakrishnan and Mr. Aditya Virwani as Directors of the Company:

The Board at its meeting held on 01.12.2016 appointed Mr. P. R. Ramakrishnan and Mr. Aditya Virwani as additional directors respectively with effect from such Board meeting dates pursuant to Section 161 of the Companies Act, 2013. Hence, they will hold office up to the date of the ensuing Annual General Meeting.

Under section 160 of Companies Act, 2013, a notice in writing has been received from a Member proposing them for directorships of the Company along with a deposit of Rs.1 Lac/-each as required under the aforesaid section.

The Company has received (i) consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) intimation in Form DIR8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that they are not disqualified under subsection (2) of section 164 of the Companies Act, 2013.

The Board considers that their association would be of immense benefit to the Company and it is Desirable to avail their services as Directors.

Accordingly, the Board recommends the Resolution Nos.6&7, in relation to appointment of Mr. P. R. Ramakrishnan and Mr. Aditya Virwani as Directors, respectively, for the approval by the Shareholders of the Company.

All documents concerning these items are available for inspection at the Registered Office of the Company from 11 A.M. to 1 P.M. on all working days till the date of the forthcoming Annual General Meeting of shareholders.

Except Mr. P. R. Ramakrishnan and Mr. Aditya Virwani, None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the proposed resolution. This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Item No. 8:

#### Increase in the limits for borrowings under section 180 (1) (c) of the Companies Act, 2013:

Under Section 180 (1) (c) of the Companies Act, 2013 ("Act"), the Board of Directors of a Company except with the consent of the shareholders in general meeting by a special resolution, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the Company.

The shareholders vide resolution passed at their Annual General Meeting held on 13.09.2004, had accorded their consent to the Board of Directors to borrow up to Rs.50 Crores.

Taking into consideration, the requirements of additional funds to meet the cost of the Company's projects and other capital expenditure

programmes and additional long term working capital requirements of the Company and its subsidiary(ies), it is expected that the limit may exceed aggregate of the paid up capital and free reserves of the Company. Therefore, the consent and approval of the Shareholders is sought in accordance with the provisions of section 180(1) (c) of the Act, to enable the Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs.1000 Crores or limits so prescribed under section 180(1) (c) (as may be amended from time to time) whichever is higher.

The Board accordingly recommends the passing of the said resolution as contained in the notice for approval by the Members as a special resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the proposed resolution. This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

### Item No. 9:

#### Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company:

In terms of the resolution passed by the Shareholders of the Company at their Annual General Meeting held on 13.09.2004, the shareholders had accorded their consent to the Board of Directors of the Company to borrow an amount upto Rs.50 Crores, at any point of time. In view of expected growth in business of the Company, it may be necessary for the Company to borrow monies from various sources consequent to which the amount outstanding could exceed the present limit.

The borrowings of the Company in general are required to be secured from time to time by creation of mortgage or charge on all or any of the movable or immovable property/assets of the Company in such form and manner as may be required by the lenders and acceptable to the Board of Directors of the Company. Mortgaging or creating charge by the Company on its assets to secure the funds borrowed from time to time within the overall limits of borrowing powers delegated to the Board of Directors, may be construed as disposal of the Company's undertaking within the meaning of Section 180(1) (a) of the Companies Act, 2013. It is therefore considered necessary for the Members to authorize the Board to create mortgage/charge on Company's assets in the manner proposed in the resolution to secure the funds borrowed by the Company from time to time.

The Board of Directors had, in its meeting held on 08.08.2017 considered and approved this proposal, subject to the approval of Shareholders through Postal Ballot process (including E-voting).

The Board recommends passing this resolution as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in this Special Resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Material documents in respect of the above resolution is available for inspection at Registered Office of the Company on all working days during business hours.



**Item No. 10:****Increase in the limits for providing Loans, Guarantee, Security and making Investments under Section 186 of the Companies Act, 2013:**

Pursuant to Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Power) Rules, 2014 and in supersession to the all earlier resolutions, the Board of Directors is authorized to give loans, guarantees or provide securities, acquire by way of subscription, investment, purchase or otherwise, the securities of any other body(ies) corporate, its own subsidiary, associate company as may be required from time to time, exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more.

In case the above limits are exceeded then, prior approval of shareholders by way of special resolution will be required. Members may note that in order to support its business activities, the Company may be required to give loans and/or any other form of debt to any person or other body corporate/s and / or give guarantee/s and / or provide security/ies in any other body corporate/s and/or acquire by way of subscription, investment, purchase or otherwise, the securities of any other body (ies) in connection with the limits prescribed under the Companies Act, 2013 and rules made thereunder and as the Board of Directors may think fit, provided that the total loans or investments made, guarantee given, security provided, shall not at any time exceed Rs.1000 Crores (Rupees One Thousand Crores) or limits so prescribed under section 186 (as may be amended from time to time), whichever is higher.

It is therefore necessary to obtain prior approval of the shareholders by means of a Special Resolution, authorizing the Board to exercise aforesaid powers, up to the maximum amount not exceeding Rs.1000

Crores (Rupees One Thousand Crores) outstanding at any point of time notwithstanding that the aggregate amount of all the loans / guarantees / securities / investments so far made together with the proposed loans / guarantees/ securities / investments exceeds the prescribed limits under the Companies Act, 2013 .

In view of the same it is proposed to pass enabling resolutions authorizing Board of Directors of the company to give guarantees, securities, loans and/or make investments up to the limits as mentioned above limits or limits prescribed under section 186 of the Companies Act, 2013 (as may be amended from time to time), whichever is higher.

The Board of Directors had, in its meeting held on 08.08.2017 considered and approved this proposal, subject to the approval of Shareholders through Postal Ballot process (including E-voting).

The Board recommends passing this resolution as a Special Resolution.

None of the Directors or Key Managerial Personnels of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in passing of the said Special Resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Material documents in respect of the above resolution is available for inspection at Registered Office of the Company on all working days during business hours.

By the order of the Board

Bengaluru  
8 August 2017

M.S. REDDY  
*Company Secretary*

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## II. DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS

**Re-appointment of Mr. Suresh Vaswani:**

In terms of Section 152 (6) of the Companies Act, 2013, Mr. Suresh Vaswani shall retire by rotation at the forthcoming AGM and being eligible offers himself for reappointment.

Brief profile of the Director: Mr. Suresh Vaswani is an International consultant in property & real estate matters. He is a diplomat of our African Country.

Upon his re-appointment as a Director, Mr. Suresh Vaswani shall continue to hold office as Non-Executive Director. Accordingly Board recommends his re-appointment.

Except for Mr. Suresh Vaswani being an appointee, none of the Directors, Key Managerial Personnels and their relatives are in any way concerned or interested, financially or otherwise in the proposed resolution. This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By the order of the Board

Bengaluru  
8 August 2017

M.S. REDDY  
*Company Secretary*

# MAC CHARLES (INDIA) LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 37th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2017.

### FINANCIAL RESULTS

(Rs. in millions)

Particulars	2016-17	2015-16
<b>Segmentwise Turnover/Revenue</b>		
(a) Hotel Sales turnover	<b>479.80</b>	497.81
(b) Sale of Electricity	<b>83.38</b>	60.07
(c) Interest on Corporate loan/ deposits Received	<b>91.31</b>	160.09
(d) Rent Received on Commercial Spaces at Cessna Business Park	<b>128.59</b>	125.82
(e) Others	<b>16.89</b>	92.71
<b>Total</b>	<b>799.97</b>	936.50
<b>Profit before Depreciation, Finance Cost &amp; Tax</b>	<b>436.37</b>	585.02
From Hotel Operations	<b>133.09</b>	239.04
From Segments other than the Hotel	<b>303.28</b>	345.98
	<b>436.37</b>	585.02
Less : Depreciation	<b>50.32</b>	50.33
Less : Finance Cost	<b>6.71</b>	7.93
<b>Profit before Tax</b>	<b>379.34</b>	526.76
Provision for tax for the year	<b>95.36</b>	182.63
<b>Profit for the year</b>	<b>283.98</b>	344.13

### TRANSFER TO RESERVES

During the financial year 2016-17 an amount of Rs.50/- millions (Rs.100 millions last year) has been transferred to General Reserve out of amount available for appropriations.

### HOTEL OPERATIONS

The Board is not happy to inform that during the financial year 2016-17 the overall revenue of the hotel was low and with effective cost control & effective working capital management, the Company tried its best to maintain its operating performance which has been highlighted above and in the Management Discussion & Analysis Report.

During the financial year 2016-17 the total revenue of the company has decreased to Rs.800 millions as compared to Rs.936 millions in the previous year. The profit after tax for the year is Rs.284 millions during the financial year 2016-17 as compared to Rs.344 millions during financial year 2015-16. This decrease has been mainly on account of lower Hotel revenue & 'other income' during the financial year. On the whole, the overall performance for the year has been lower. The Company has been able to retain market share through conference on business summits, out-door catering and also continuing in its leading position in wedding related business in the city. This performance has been achieved despite new entrants into the hospitality business, and/or expansion in the existing ones. As a result, during the year, new supply as especially in our neighborhood

has hit the market with increasing inventory of rooms thereby reflecting an increase of 50% of inventory in the 5 star and 5 star deluxe segments in the city and is situated right in the middle of the Company's key corporate catchment areas. To make the matter worse, there has been acute competition due to variable discount factors offered by many of the members of the hotel industry.

### FUTURE PROSPECTS

The future of the hotel industry is facing tough times ahead in view of cost cutting measure initiated by the corporate companies in the competitive economy prevailing worldwide. Further availability of video conferencing and convenient airline facility are enabling the business traveler to skip room bookings. In addition there is substantial increase in supply side of the five star hotels in Bengaluru especially in the neighborhood resulting in low occupancy and undercutting of rates. The liquor sale has been banned as the Hotel is situated on the National Highway. However, the Company is striving hard to get more business through various marketing initiatives.

### FINANCE

During the year under report, the financial position of the Company has been strengthened despite the moderate decrease in Hotel business. The Company's diversification into electricity generation through Wind Turbine Generators and other sources of income from investments have helped pushing up the bottomline and the Company is able to show higher net profit after income tax. The segment performance is furnished elsewhere in the Annual Report.

### DIVIDEND

Your Directors have recommended, the dividend of Rs.10/- per Equity Share for the financial year ended March 31, 2017.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings during the year were Rs.138 millions which is 29% of the Hotel Sales Turnover. The Foreign Exchange utilization during the year was Rs.18.98 millions.

### SUBSIDIARY COMPANIES

The Company has one subsidiary, namely, Airport Golfview Hotels & Suites Pvt. Ltd., Kochi, a wholly owned and a non-material non-listed Indian Subsidiary. In terms of proviso to sub section (3) of Section 129 of the Companies.

### DEBT

During the year under report, the Company has entered into facility arrangement with HDFC Bank Ltd for its borrowing facilities. The Company was sanctioned borrowing facilities aggregating to Rs.92 crores from the HDFC Bank Ltd. The outstanding debt as on March 31, 2017 was Rs.40 Crore. The above borrowing are within the powers of the Board of Directors of the Company.

### DUES TO SMALL SCALE UNDERTAKINGS

There are no dues payable to small scale undertakings.

### CORPORATE GOVERNANCE

Members are aware that the Corporate Governance code has become a statutory requirement as per listing guidelines framed by the Stock Exchanges. Members will be happy to know that their Company is complying with the stipulations of the new code as on date. In line with this requirement of the code, a Corporate Governance Reports



and a Management Discussion and Analysis Report of the Company is furnished elsewhere in this Annual Report.

## ENERGY CONSERVATION

Conservation of energy continues to be on top priority of the management. The information on energy conservation is detailed herein below.

- a) During the year under report, the Company has generated 190 Lakh units green power which is being utilized partially for captive consumption of the Hotel & group company and the balance units generated is being sold to Govt. of Karnataka / third party consumers.
- b) An effective key-tag system is in vogue in all guest rooms to switch off lights & power connections automatically.
- c) Substantially switched over to LED lamps from conventional lamps with a view to saving energy upto 60% on lighting.
- d) Installed solar panels which are feeding hot water required for the guest rooms.
- e) Imported and installed three highly fuel efficient screw chillers for our AC plant.
- f) Replaced window with double glazed reflective glass with a view to save power an AC consumption.
- g) Installed two on load tap charger transformers for stabilizing voltage fluctuations and thereby to save power and prevent damage to electric motors and other installations.
- h) Thermostatic Controls, Timers and Photo Cell Switches have been installed wherever necessary to control power consumption.
- i) Imported and installed two temperature control systems to reduce power consumption.
- j) Constituted an energy conservation committee to monitor power consumption regularly.

## TECHNOLOGY ABSORPTION

In the opinion of the Board, the required particular, pertaining to technology absorption are not applicable as hotel forms part of the service industry and the Company does not have any significant manufacturing operations. However, the management has been adopting the latest technology like LCD TV systems, high speed internet installed in all the guest rooms, latest high speed computers, modern guest amenities, best audio-video equipment, newest model transport vehicles for complimentary transport of hotel guests, video conferencing facility, latest models of sound free fridges in guest rooms and various latest hotel operational equipments. Further the Hotel has been conforming to the stringent Le Meridien's International Standards.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. P.R. Ramakrishnan and Mr. Aditya Virwani have been appointed as Additional Directors with effect from 01.12.2016 till the ensuing Annual General Meeting of the Company from the Embassy Group consequent to their acquisition of 73.4% equity shares of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of

independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

## BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and corporate governance requirements as prescribed by SEBI under clause 49 of the listing Agreements. The performance of the Board was evaluated by the Board on the basis of the criteria such as the Board composition and structure, effectiveness of Board process, information and functioning etc. The performance of the committees was evaluated by the Board on the basis of the criteria such as the composition of the committees effectiveness of committee meetings, etc. The Board and Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of individual director to the Board and committee meetings like preparedness on the issue to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In a separate meeting of independent directors, performance of non-independent director, performance of the Board as a whole and performance of Chairman was evaluated.

## BOARD DIVERSITY

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. Your Board recognizes the importance of a diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity. The Board diversity policy is available on our website [maccharlesindia.com](http://maccharlesindia.com)

## NOMINATION & REMUNERATION POLICY

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration as required under Section 178 of the Companies Act, 2013 and Clause 49(IV) of the Listing Agreement with the Stock Exchanges. The Nomination & Remuneration Policy of the Company is annexed to this Report.

## NOMINATION & REMUNERATION COMMITTEE

Nomination and Remuneration Committee consists of the following directors namely Mr. C.B. Pardhanani, Chairman, and Mr. P.B. Appiah, Director.

Brief description of terms of reference:

- Identifying persons who are qualified to become directors and
- Identifying persons who may be appointed as Key Managerial Personnel, senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
- Carry on the evaluation of every director's performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

# MAC CHARLES (INDIA) LIMITED

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- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity; and
- Any other matter as the Board may decide from time to time.

## NOMINATION AND REMUNERATION POLICY

The objectives of the Policy

- 1) To lay down criteria and terms and conditions with regard to identifying person who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- 2) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies.
- 3) To carry our evaluation of the performance of Directors.
- 4) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 5) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

## CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' Corporate Governance as well as the Auditors' certificate on the compliance of Corporate Governance are annexed and form part of the Annual Report.

## RISK MANAGEMENT

Pursuant to section 134 (3)(n) of the Companies Act, 2013 & regulation 17 of the Listing Regulations, the Company has constituted a Risk Management Committee.

As part of the risk assessment and minimization procedures, the Company had identified certain risk areas with regard to the operations of the Company and initiated steps, wherever possible, for risk minimization. The Company's Board is conscious of the need to review the risk assessment and minimization procedures on regular intervals. During the year under review the Company has not received any order passed by the regulators/ courts/ tribunals which impacted the going concern status and Company's operation in future.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended March 31st, 2017 and states that:

- a) In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to materials departures, if any;

- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit or loss of the Company for that period:
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detection fraud and other irregularities;
- d) The directors have prepared the annual accounts on a going concern basis;
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the **Annexure** forming part of the Annual Report.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no contracts or arrangements entered into by the Company in accordance with the Section 188 of the Companies Act, 2013. However, there were material related party transactions in terms of Clause 49 of the Listing Agreements. All material related party transactions that were entered by the Company during the financial year were in the ordinary course of business and on an arm's length basis. All related party transactions are presented to the Audit Committee and the Board for approval. The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board can be accessed on the Company's website. The details of the transactions with related party are provided in the accompanying financial statements.

## AUDITORS' REPORT ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the Auditor's Certificate is given as an annexure to Directors Report.

## AUDITORS & AUDITORS' REPORT

M/s. K.B. Nambiar & Associates, Chartered Accountants, Bengaluru Firm (Firm Registration No. 002313S) was appointed as Statutory Auditors of the Company at the last Annual General Meeting held on 29<sup>th</sup> September 2016 to hold office upto the conclusion of the ensuing Annual General Meeting of the company and are liable to retire by rotation on the ensuing AGM date. The notes on accounts referred to in the Auditors' Report are self- explanatory and therefore, do not call for any further comments. There are no frauds reported by the Auditors during the Financial Year under report.



## INTERNAL AUDITORS

M/s. B.P. Rao & Company, Internal Auditors have been conducting quarterly audits of all operations of the Company and their findings have been reviewed regularly by the Audit Committee. Your Directors note with satisfaction that no material deviations from the prescribed policy and procedures have been observed.

## SECRETARIAL AUDITOR

The Board has appointed B. Chandu Narayan, Practicing Company Secretaries, Bengaluru to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2017-18. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed elsewhere in this Annual Report.

## MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on Management Discussion and Analysis and Corporate Governance and Compliance Certificate on Corporate Governance is annexed to this Report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In line with the requirement of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee has been constituted by the Board of Directors of the Company at its meeting held on 05.02.2016. The said Committee comprises of Mr. C.B. Pardhanani Chairman of the Company and Mr. P.B. Appiah the Chairman of the Audit Committee.

As required under Section 135 of the Companies Act, 2013, the Board of Directors at its meeting held on 05.02.2016, has devised a Corporate Social Responsibility Policy which interalia includes the constitution of the said committee and corporate social responsibility activities to be taken by the Company. The said policy may be referred at the Company's website. The Annual Report on CSR activities is annexed to this Report.

## INTERNAL FINANCIAL CONTROL POLICY AND ITS ADEQUACY

The Board has adopted an Internal Financial Control Policy to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically. The observation and comments of the Audit Committee are placed before the Board.

## DISCLOSURES:

### A) MEETINGS OF THE BOARD

Five (5) meetings of the Board of Directors were held during the year. The details of the Board Meeting and the attendance of the Directors are provided in the Corporate Governance Report.

### B) COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises four (4) Directors amongst which two (2) are Independent Non-Executive Directors, namely

Mr. P.B. Appiah and Mr. M.R.B. Punja, one (1) Non-executive director namely Mr. P.R. Ramakrishnan and one (1) is Mr. C.B. Pardhanani Chairman of the Company. All the recommendations made by the Audit Committee were accepted by the Board.

### C) VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 read with Clause 49(II)(F) of the Listing Agreement with the Stock Exchanges, the Board of Directors at its meeting held on 05.02.2016 has adopted a vigil mechanism/whistle blower policy of the Company. The policy provides a framework for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Protected disclosures can be made by a whistle blower through and email or to the Chairman of the Audit Committee. The vigil mechanism/whistle blower policy can be accessed on the Company's website [maccharlesindia.com](http://maccharlesindia.com)

### D) GREEN INITIATIVES

Electronic copies of the Annual Report and notice of the ensuing AGM are sent to all the members whose email address are registered with the Company /Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report and the notice of ensuing AGM are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary. The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in Notice. The instructions for e-voting are provided in the Notice.

### E) DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at workplace and during the year under review, your Board has constituted an internal Complaints Committee to consider and redress complaints of sexual harassment & also adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the financial year 2016-17, the Company has received no complaints on sexual harassment.

### F) PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITY PROVIDED

Particulars of loans given, investments made, along with the purpose for which the loan is proposed to be utilized by the recipient are provided in the financial statements.

### G) PARTICULARS OF REMUNERATION

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached elsewhere in this report.

### H) DISCLOSURES

1. Declaration by the Chief Executive Officer affirming compliance with the code of conduct is annexed elsewhere in this Annual Report.

## MAC CHARLES (INDIA) LIMITED

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2. There are no material changes and commitments made during the financial year.
3. There are no changes in the nature of business during the financial year.
4. There are no material variation of market capitalization during the financial year.
5. There are no demat suspense accounts / unclaimed suspense account during the financial year.
6. Necessary disclosures of Accounting Treatment have been made in the financial statements. The Financial Statements of the Company have been prepared in accordance with the INDAS to comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
7. The extract of Annual Return is annexed elsewhere in this Annual Report.

### **D) GENERAL**

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.

3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts of Tribunals which impact the going concern status and Company's operations in future.

### **DEMATERIALIZATION**

The equity shares of the Company have been admitted for dematerialization with both the Depositories viz., Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The ISIN allotted to your Company's equity shares is INE435D01014.

### **ACKNOWLEDGEMENTS**

Your Directors are grateful to the Shareholders for their support and co-operation extended to the Company for many years. The Directors also thank the Banks namely State Bank of India, and HDFC Bank for their co-operation and support. The Directors wish to place on record the support and encouragement received from the Department of Tourism, Government of India, Karnataka State Government and Foreign collaborators M/s. Le Meridien / Marriott International. The Directors also acknowledge the dedicated services rendered by the officers and all the staff of the company.

For and on behalf of the Board

Bengaluru  
8 August 2017

**C.B. Pardhanani**  
*Chairman*



**Form AOC – 1  
(Annexure A)**

(Pursuant to first proviso to sub-section (3) of section 129 read with  
Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of  
Subsidiaries, Associate Companies / Joint Ventures**

## Part "A": Subsidiaries

Name	:	Airport Golf view Hotels & Suites Pvt. Ltd., Kochi
Reporting Period	:	2016-17
		(In Rupees)
Share Capital	:	2,99,88,000
Reserve & Surplus	:	(7,6,11,463)
Total Assets	:	3,88,27,111
Total Liabilities	:	1,64,50,574
Turnover	:	3,58,83,020
Profit before taxation	:	52,14,199
Profit after taxation	:	49,92,449
Proposed Dividend	:	Nil
% Share Holding	:	100%
Part "B": Associates and Joint Ventures	:	Not Applicable

# MAC CHARLES (INDIA) LIMITED

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## Annexure B

### EXTRACT FROM NOMINATION AND REMUNERATION POLICY

#### Policy on Appointment and Removal of Directors, Key Managerial Personnel and Senior Management

##### A. Eligibility or Criteria for Appointment Educational Qualification

No person shall be eligible for appointment as a Director, Key Managerial Personnel and / or Senior Management Personnel unless he / she possesses at least a bachelors' degree in a recognized and relevant field. Educational qualification over and above the bachelors' degree, though not mandatory, shall be preferable. However, the requirement of minimum educational qualification can be waived if the candidate showcases exceptional knowledge, talent, creativity and / or aptitude for the position.

##### Experience

A person shall be eligible for appointment as a Director, Key Managerial Personnel and / or Senior Management Personnel if he / she possess adequate experience in the respective field(s). Between two candidates possessing same / similar educational qualification, the person with more experience will ordinarily be preferred. Experience in diverse fields will be given due weightage.

##### Integrity

The person considered for appointment shall be a person of integrity and good standing. No person convicted of any offence involving moral turpitude shall be considered for appointment to post of a Director, Key Managerial Personnel and / or Senior Management.

##### Age

A person shall not be considered for appointment to the post of a Whole-time Director of the Company if he / she has attained the age of seventy years.

##### Independence

No person shall be appointed as an Independent Director of the Company unless he / she meets the criteria of independence as specified in the Companies Act, 2013 and Listing Agreement.

##### Limits on Directorship

No person shall be appointed as a Whole-time Director / Independent Director of the Company unless such directorship is within the limits prescribed by law in this behalf.

##### Limits on Committee Membership

The number of Chairmanship or membership of committees held by a person shall be within the limits prescribed by law in this behalf in order to be considered for appointment as a Whole-time Director / Independent Director of the Company.

##### B. Term of Office

###### Whole-time Director

- i. The Whole-time Director(s) of the Company shall be appointed for a term not exceeding five years at a time.
- ii. The Whole-time Director(s) shall be eligible for re- appointment for further terms not exceeding five years at a time subject to the approval of members of the Company.
- iii. No such re-appointment shall be made earlier than one year before the expiry of the current term.

###### Independent Director(s)

- i. An Independent Director shall hold office for a term up to five consecutive years on the Board of Directors of the Company.
- ii. An Independent Director shall be eligible for re-appointment for another term up to five consecutive years on passing of a special resolution in this regard by the members of the Company.
- iii. No Independent Director shall hold office for more than two consecutive terms. An Independent Director shall be eligible for reappointment after the expiry of three years of ceasing to be an Independent Director where he/she has served for two consecutive terms.

###### Key Managerial Personnel and Senior Management

- i. The term of office of Key Managerial Personnel and Senior Management of the Company shall be in accordance with the prevailing Human Resource policy of the Company.



**Annexure C**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**1. Brief Outline of CSR Policy**

The Board of Directors upon the recommendation of the Corporate Social Responsibility Committee have identified the following areas listed in Schedule VII of the Companies Act, 2013 for carrying out its CSR activities:

- i. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. measures for the benefit of armed forces veterans, war widows and their dependents;
- iv. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- v. contribution to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- vi. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- vii. rural development projects
- viii. Slum Area Development

c. Manner in which the amount was spent during the financial year is detailed below :

*(Rs. in millions)*

S1 No.	CSR project or activity identified	Sector in which the activity is covered	Projects or activity (1) Local Area or Other (2) Specify the State and District where Projects/Programme undertaken	Amount Outlay (Budget) project / programs wise	Amount spent on the projects or activity	Cumulative Expenditure upto the reporting period	Amount Spent:Direct or through implementing agency*
1	Promoting Education and Healthcare	including special education and employment enhancing vocation skills especially among children.	Bengaluru Karnataka	59.80	69.30	84.90	—

**6. Responsibility Statement**

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Bengaluru  
8 August 2017

**P.B.Appiah**  
Member, CSR committee

For and on behalf of the Board

**C.B. Pardhanani**  
Chairman

# MAC CHARLES (INDIA) LIMITED

## ANNEXURE D TO THE DIRECTORS' REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl No	Name of the employee	Description of the employee	Remuneration received (In Rupees in Lacs)	Nature of employment, whether contractual or otherwise	qualifications and experience of the employee	date of commencement of employment	the age of such employee	the last employment held by such employee before joining the company	the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above and	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
<b>EMPLOYED THROUGHOUT THE YEAR</b>										
1.	Mr. Suresh K Badlaney	Manager & Vice President Operations	38,33,523	Contractual	B.Com., DHM	01.10.2013	66 years	General Manager, Royal Le Meridien, Chennai	Nil	Nil
2.	Mr. M.S. Reddy	Executive Director & Company Secretary	82,95,674	Contractual	B.Com., L.L.B., MBIM (UK), FCA, FCS	13.08.1983	62 years	Company Secretary & Chief Accounts Officer, Sri Krishna Rajendra Mills Ltd., Mysore	Nil	Nil
<b>EMPLOYED PART OF THE YEAR</b>										
	NA									

**ANNEXURE E TO THE DIRECTORS' REPORT**

**DISCLOSURES PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- I) The ratio of the remuneration of the Manager to the Median remuneration of the employees of the Company for the financial year 2016-17; and
- II) The percentage increase in remuneration of each of the Manager, Chief Financial Officer, Company Secretary during the financial year 2016-17.

S. No.	Name of Director/KMP and Designation	The ratio of the remuneration of each Executive Director to the median remuneration of the employees.	The percentage increase in remuneration.
1	Mr. Suresh K Badlaney Manager & Vice President Operations	NA	40.44%
2.	Mr. M.S. Reddy Executive Director & Company Secretary	NA	176.00%
3.	Mr. Pranesha K Rao Chief Financial Officer (CFO)	NA	12.57%

The Non-Executive Directors of the Company are entitled for sitting fees as per the statutory provisions. The details of remuneration of non- Executive Directors are provided in the Corporate Governance Report and are not considered for the above purposes.

**III) The percentage increase in the median remuneration of employees in the financial year:**

The percentage increase in the median of employees in the financial year 2016-17 was 12% of basic salary.

**IV) The number of permanent employees on the rolls of the Company:**

The Number of permanent employees on the roll of the Company as on March 31, 2017 was 99.

**V) The explanation on the relationship between average increase in remuneration and Company performance:**

Increase in the remuneration of employees is in line with remuneration policy of the Company and was as per the Industry Standards, keeping Company performance in perspective while simultaneously driving a performance within.

**VI) Comparison of the remuneration of the Key Managerial Personnel (KMPs) against the performance of the Company:**

The remuneration of the KMPs are in line with the remuneration policy of the Company where their remuneration is determined based on their performance which is correlated to the performance of the Company. Further, the remuneration of the KMPs is as per industry standards also.

**VII) a) Variations in the market capitalisation of the Company:**

The Market Capitalization as on March 31, 2017 was 7016 millions (Rs. 3970 millions as on March 31, 2016).

**b) Price earning ration as at the closing date of the current financial year and previous financial year:**

Price earnings ratio of the Company is determined as at March 31, 2017 & March 31, 2016.

**VIII) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial and justification thereof and points out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is approx 6% and whereas the percentile increase in the managerial remuneration for the same period was approx 6%.

**IX) Comparison of the each remuneration of the Key Managerial personnel against the performance of the Company:**

The remuneration of the Key Managerial personnel are in line with the remuneration policy of the Company where their remuneration is determined based on their performance which is correlated to the performance of the Company. Further, the remuneration of the KMPs are as per industry standards also.

**X) Affirmation that the remuneration is as per the Remuneration policy of the Company :**

Affirmed that the remuneration paid is as per the Remuneration policy of the Company for the Directors, Key Management Personnel and other Employees.



# MAC CHARLES (INDIA) LIMITED

## Annexure III

### Form No. MEGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[Pursuant to section 92 (3) of the companies Act, 2013 and rule 12(1) of the companies (management and administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i. CIN: L55101KA1979PLC003620
- ii. Registration Date: September 28, 1979
- iii. Name of the company: Mac Charles (India) Limited
- iv. Category / sub – category of the company: Company limited by shares / Indian Non- Government Company
- v. Address of the Registered office and contact details:

Le Meridien- Bangalore  
28, Sankey Road,  
Bengaluru - 560052  
Tel : 080-22262233/22282828  
Fax : 080-22267676/22262050  
Email : [secretarial@lemeridienBengaluru.com](mailto:secretarial@lemeridienBengaluru.com)  
Website: [maccharlesindia.com](http://maccharlesindia.com)

- vi. Whether listed company: Yes
- vii. Name, Address and contact details of registrar and Transfer Agent, if any

BgSE Financials Limited  
Registrar & Transfer Agent ( RTA Division)  
No. 51, 1<sup>st</sup> Cross, J. C. Road,  
Bangalore - 560 027.  
Tel : 080-4132 9661, 4140 5259  
Fax : 080-4157 5232  
Email : [avp\\_rta@bfsi.co.in](mailto:avp_rta@bfsi.co.in)

#### viii. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC code of the product/ service	% to total turnover of the company
1	Five Star Hotel Business	55101	70.40%

#### PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	AIRPORT GOLF VIEW HOTELS AND SUITES PRIVATE LIMITED X1/447 VIP ROADMEKKAD P O NEDUMBASSERY ERNAKULAM Kerala INDIA	U55101KL2003PTC015864	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i.) Category-wise Share Holding:

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	1,04,20,570	30,100	1,04,50,670	79.77	100
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other.....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1) :</b>	-	-	-	-	1,04,20,570	30,100	1,04,50,670	79.77	100
<b>(2) Foreign</b>									
a) NRIs - Individuals	96,16,952	0	96,16,952	73.41	1,60,000	0	1,60,000	1.22	-98.36
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	0	1,60,000	1,60,000	1.22	-	-	-	-	-100
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):</b>	96,16,952	1,60,000	97,76,952	74.63	1,60,000	0	1,60,000	1.22	0
<b>Total Shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	96,16,952	1,60,000	97,76,952	74.63	1,05,80,570	30,100	1,06,10,670	80.99	8.52
<b>B. Public Share –holding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	0	3,200	3,200	0.02	0	3,200	3,200	0.02	0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	0	3,200	3,200	0.02	0	3,200	3,200	0.02	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.	2,46,382	7,000	2,53,382	1.93	2,73,180	7,000	2,80,180	2.14	10.57
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual share-holders holding nominal share capital up to Rs. 1 lakh	9,38,242	12,49,900	21,88,142	16.70	7,05,088	10,97,225	18,02,313	13.76	-17.63
ii) Individual share holders holding nominal share capital in excess of Rs.1 lakh	2,87,133	4,76,850	7,63,983	5.83	2,92,340	-	2,92,340	2.23	-61.73
c) Others (specify)	23,793	91,600	1,15,393	0.88	21,599	90,750	1,12,349	0.86	-2.63
<b>Sub-total (B)(2)</b>	14,95,550	18,25,350	33,20,900	25.34	12,92,207	11,94,975	24,87,182	18.99	-25.10
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	14,95,550	18,28,550	33,24,100	25.36	12,92,207	11,98,175	24,90,382	25.36	-25.08
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	1,11,12,502	1,98,85,500	1,31,01,052	100.00	1,18,72,777	1,22,82,75	1,31,01,052	100.00	0

# MAC CHARLES (INDIA) LIMITED

## ii.) Shareholding of Promoters:

Sl. No.	Share-holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encum-bered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encum-bered to total shares	
1	C B PARDHANANI	96,16,952	73.41	0	1,60,000	1.22	0	-98.33
	EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED	-	-	-	8,03,618	6.13	-	100
	EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED	-	-	-	96,16,952	73.41	96,16,952	100
	EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED	--	-	-	30,100	0.23	-	100
	Total	96,16,952	73.41	0	1,06,10,670	80.99	96,16,952	10.33

## Change in Promoters' Shareholding (please specify, if there is no change):

SL. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	C B PARDHANANI	96,16,952	73.41	1,60,000	1.22
	EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED	-	-	8,03,618	6.13
	EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED	-	-	96,16,952	73.41
	EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED	-	-	30,100	0.23
	Total	96,16,952	73.41	1,06,10,670	80.99

## iii.) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year as on 01.04.2016		Cumulative Shareholding end of the year as on 31.03.2017	
		No of Shares	% of total Shares of the Company	No of shares	% of total Shares of the
1	KACHASA INVESTMENTS PVT. LTD.	207700	1.59	207700	1.59
2	JITENDRA MOHANDAS VIRWANI	88017	0.67	88017	0.67
3	DRISHTI MAKHIJA	-	-	37000	0.28
4	HARISH KUMAR	-	-	37000	0.28
5	PRITI DEVI	-	-	37000	0.28
6	UNIQUE COMMODITIES LIMITED	-	-	25000	0.19
7	DOULAT BULCHAND CHABBRIA	-	-	24902	0.19
8	NAKITA MANISHA MAKHIJA	-	-	23405	0.18
9	MANISHA MAKHIJA	-	-	23000	0.18
10	PRADEEP LALA	-	-	22016	0.17



**iv.) Shareholding of Directors and Key Managerial Personnel:**

SL. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	300	0.002	300	0.002
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
3	At the End of the year	300	0.002	300	0.002

**v.) INDEBTEDNESS:**

**Indebtedness of the Company including interest outstanding / accrued but not due for payment:**

(Rupees in Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i.) Principal Amount	0	0	<b>86.32</b>	<b>86.32</b>
ii.) Interest due but not paid	0	0	0	0
iii.) Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>	0	0	<b>86.32</b>	<b>86.32</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	400	0	6.21	406.21
• Reduction	0	0		
<b>Net Change</b>	400	0	<b>6.21</b>	<b>406.21</b>
<b>Indebtedness at the end of the financial year</b>				
i.) Principal Amount	400	0	92.53	492.53
ii.) Interest due but not paid	0	0	0	0
iii.) Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>	<b>400</b>	0	<b>92.53</b>	<b>492.53</b>

**vi.) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Sl. No.	Particulars of Remuneration	SURESH KUMAR BADLANEY - MANAGER
1.	Gross Salary:	
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38,33,523
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	-
5.	Others, please specify	-
	Total (A)	38,33,523
	Ceiling as per the Act	

# MAC CHARLES (INDIA) LIMITED

## B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	DIRECTORS						Total Amount
		Appiah Palecanda Bopanna	Mulki Bhaskar Ramakrishna Punja	Suresh Vaswani	Tanya Girdhar	P.R. Ramakrishnan	Aditya Virwani	
	1. Independent Directors	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	• Fee for attending board, committee meetings	1,40,000	1,20,000	1,00,000	80,000	20,000	20,000	4,80,000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	1,80,000	-	-	-	-	-	1,80,000
	Total (1)	3,20,000	1,20,000	1,00,000	80,000	20,000	20,000	6,60,000
	2. Other Non-Executive Directors	-	-	-	-	-	-	-
	• Others -Commission	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	3,20,000	1,20,000	1,00,000	80,000	20,000	20,000	6,60,000
	Total Managerial Remuneration	3,20,000	1,20,000	1,00,000	80,000	20,000	20,000	6,60,000
	Overall Ceiling as per the Act	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sl. No.	Particulars of Remuneration	Company Secretary	CFO	Total
1.	Gross salary	82,95,674	7,02,400	89,98,074
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- others, specify			
5.	Others, please specify	Nil	Nil	Nil
	Total	82,95,674	7,02,400	89,98,074

## vii.) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-

**Annexure II**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(For the period 01/04/2016 TO 31/03/2017)**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**To,**  
**The Board of Directors**  
**MAC CHARLES (INDIA) LIMITED**  
**BENGALURU - 560 052**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MAC CHARLES (INDIA) LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31/03/2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **MAC CHARLES (INDIA) LIMITED** for the period ended on 31/03/2017 according to the provisions of:
  - I. The Companies Act, 2013 and the Rules made thereunder and the applicable provisions of the Companies Act 1956;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and

- dealing with client;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- g. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
- h. The Memorandum and Articles of Association.

**I have also examined compliance with the applicable clauses of the following:**

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

2. **I further report that the Company has, in my opinion, complied with the provisions of the Companies Act and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:**
  - a) maintenance of various statutory registers and documents and making necessary entries therein;
  - b) closure of the Register of Members.
  - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - e) notice of Board meetings and Committee meetings of Directors;
  - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - g) the 36th Annual General Meeting held on 29th September 2016;
  - h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;



# MAC CHARLES (INDIA) LIMITED

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- j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
  - l) appointment and remuneration of Auditors;
  - m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
  - n) declaration and payment of dividends;
  - o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
  - p) borrowings and registration, modification and satisfaction of charges wherever applicable;
  - q) investment of the Company's funds including investments and loans to others;
  - r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
  - s) Directors' report;
  - t) contracts, common seal, registered office and publication of name of the Company; and
  - u) Generally, all other applicable provisions of the Act and the Rules made under the Act.
3. **I further report that:**
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
  - The Company has obtained all necessary approvals under the various provisions of the Act; and
  - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.
7. **I further report that:**
- a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.
  - b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
8. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**B. CHANDU NARAYAN**  
Practicing Company Secretary  
Membership No: A23222  
COP: 9517

Bengaluru  
2 August 2017

**CORPORATE GOVERNANCE REPORT**

**COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance is the social, legal and economic process by which companies function and are held accountable. Messrs. Mac Charles (India) Ltd. is committed in implementing corporate governance in true letter and spirit, maximizing shareholder value and paving way for good partnership and alliances. The company believes in having a long term partnership with investors by having transparency and fairness in the dealings and placing an uncompromising emphasis on integrity and regularity of compliance.

The functions of the Board of Directors and the executive management are well defined and are distinct from one another. The Chairman of the company is a non-executive Director. More than one-half strength of the Board of Directors is independent. Various Committees of the Board of Directors, consist of non-executive Directors and have been formed to oversee the functions of the executive management and impart professionalism to the Board.

**BOARD OF DIRECTORS**

The Company has a high-profile Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience.

As on 31<sup>st</sup> March 2017, the total Board strength comprises of Seven (7) Directors which includes one (1) Non-Executive Chairman, three (3) Independent Directors including one (1) Woman Director and three (3) non-executive Directors. The Company is in compliance with the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations pertaining to composition of the Board as on 31<sup>st</sup> March, 2017.

None of the Directors is a member of more than 10 committees or act as chairman of more than 5 committees as specified in Regulation 26 of the Listing Regulations, across all companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2017 have been made by the Directors as per Regulation 26 of the Listing Regulations.

The Non-Executive/Independent Directors are paid sitting fees within the limits prescribed under the Companies Act, 2013. No stock options were granted to Non-Executive Directors during the year under review. The Non-Executive/Independent

Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees & professional fees during the year 2016-17. Independent Directors are not serving as independent directors in more than seven listed companies as prescribed in Regulation 25 of the Listing Regulations. The Company is in conformity with Regulations 25 and 26 (1)(2)(4) of the Listing Regulations.

The Board normally meets four times in a year and as and when required. The time gap between two Board Meetings has not exceeded the limit of one hundred and twenty days as specified under Regulations 17 of the Listing Regulations. During the financial year 2016-17, the Board of Directors had five (5) meetings. These were held on 13 May 2016, 03 August 2016, 25 October 2016, 01 December 2016 and 24 January 2017, respectively. The attendance of the Directors at the Board meeting is given elsewhere in this report.

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary notes setting out the details of the proposal, relevant material facts, supporting information and documents to enable the Board to take informed decisions. Agenda also includes draft resolutions and minutes of the meetings of all the last Board, Committees and Subsidiaries for consideration, approval and information of the Board. Any item not included in the agenda is taken up for consideration as per the provisions of the Secretarial Standard on Meetings of Board of Directors (SS-1). Agenda papers are circulated seven days prior to the Board Meeting.

All statutory and other significant and material information as mentioned in Part A of Schedule II of Regulation 17(7) of the Listing Regulations are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board also reviews periodically the compliance of all applicable laws. The members of the Board have the complete freedom to express their opinion and decisions are taken after detailed discussion.

Pursuant to the Corporate Governance provisions as specified in the Listing Regulations, the composition and categories of directors of the Board, details of Directorships held, Committee Memberships/Chairmanships held and attendance of the Director at the Board Meetings and previous Annual General Meeting (AGM) are as follows as on 31st March, 2017.

Sl. No	Name of Director	Category	No. of Board Meetings Attended	Last AGM Attended	No. of Committee Member	No. of Chairmanship in Board / Committee	No. of Other Directorships (Public Ltd Companies)	No. of Other Directorships (Private Ltd. Companies)	Number of Shares Held
1	Mr. C.B. Pardhanani	Non-Executive	5	YES	3	2	NONE	4	160000
2	Mr. M. R. B. Punja	Independent Non-Executive	4	YES	2	NONE	3	1	----
3	Mr. P.B. Appiah	Independent Non-Executive	5	YES	3	2	NONE	1	----
4	MS. Tanya Girdhar	Independent Non-Executive	4	-					----
5	Mr. Suresh Vaswani	Non-Executive	5	YES	----	NONE	NONE	NONE	----
6	MR. P.R. Ramakrishnan	Non-Executive	1	-	1	-	-	-	----
7	MR. Aditya Virwani	Non-Executive	1	-	-	-	-	-	----

# MAC CHARLES (INDIA) LIMITED

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Board of Directors formulated and adopted the familiarization programme for Independent Directors for understanding of their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company. The Company has also adopted a structured programme for orientation and training of independent directors at the time of their joining and on time to time basis so as to enable them to understand the Company's operations, business, industry and environment. The details of familiarisation programmes imparted to independent directors is disclosed in our website [maccharlesindia.com](http://maccharlesindia.com)

## MEETING OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the meeting of the independent directors was held on 24.01.2017 without the attendance of non-independent directors and members of management. All the independent directors of the Company were present at such meeting they reviewed the performance of non-independent directors and the Board as a whole and evaluated the performance for the Chairperson of the Company.

## COMMITTEES OF THE BOARD

The following committees of the Board of Directors of the Company have been constituted:

### a) AUDIT COMMITTEE

The Company has complied with the requirements of Clause 49 of the Listing Agreement of the Stock Exchange and Section 292A of the Companies Act, 1956 as regards composition of Audit Committee.

During the year four meetings of the committee were held on 13.05.2016, 03.08.2016, 24.10.2016 and 24.01.2017. The Composition of the Audit Committee as on 31<sup>st</sup> March 2017 and the attendance of members at the meeting of the Audit Committee held during the financial year 2016-2017 are as follows:

Name of the Directors	Designation	Category	No. of meeting attended
Mr. P. B. Appiah	Chairman	Independent - Non-Executive	4
Mr. C. B. Pardhanani	Member	Non – Executive	4
Mr. M. R. B. Punja	Member	Independent - Non-Executive	4

Mr. P. B. Appiah, Chairman of the Audit Committee with a wide experience in law matters. The Committee regularly keeps a watch on the adequacy of internal control systems. It reviews the company's financial reporting systems, the monthly and quarterly financial results, half yearly results and ensures that the financial statements prepared by the company give a true and fair view of the affairs of the company.

### b) SHARE TRANSFER & SHAREHOLDERS GRIEVANCE COMMITTEE

This committee comprises of Mr. C. B. Pardhanani – Chairman, and Mr. P. B. Appiah, who is an independent and Non-executive Director. The committee approves and monitors transfers, transmissions of shares, transposition of names, and investigates and directs redressal of shareholders' grievances. Share transfers are processed in not more than fifteen days. The Committee endeavors to attend to the investors' grievances / correspondences within a period of fortnight from the date of receipt of the same, except in cases which are constrained by disputes or legal impediments.

**Compliance Officer** : Mr. M.S. REDDY, *Company Secretary*

**Communication Address** : No.28, Sankey Road, P.B. No. 174, Bengaluru – 560 052.  
Email: [investors.relations@maccharles.com](mailto:investors.relations@maccharles.com)

### c) NOMINATION AND REMUNERATION COMMITTEE

This committee comprises of Mr. P.B.Appiah – Chairman of Remuneration Committee, Mr. M. R. B. Punja and Mr. C.B. Pardhanani as Members of the Committee. No stock option has been offered to the Directors or Executives or Staffs of the Company. The remuneration policy of the Company is based on individual employee's merit and performance in particular and the Company's working results in general.

### d) Stakeholders' relationship committee

- I. The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI listing Regulations read with section 178 of the Act.
- II. The broad terms of reference of the stakeholders' relationship committee are as under:
  - Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
  - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- III. Meetings of the stakeholders' relationship committee were held during the year on December 01, 2016 and January 24, 2017.



IV. The composition of the stakeholders' relationship committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2016 -17	
		Held	Attended
Mr. C. B. PARDHANANI (Chairman)	Non- Executive	2	2
Mr. P. B. APPIAH	Independent, Non-Executive	2	2

V. The Company has always valued its customer relationships. This philosophy has been extended to investor relationship.

VI. Name, designation and address of Compliance Officer:

Mr. M. S. REDDY  
Executive Director and Company Secretary  
Mac Charles ( India ) Limited  
28, Sankey Road, Bengaluru- 560052  
Telephone : 080-22262233 / 22282828  
Fax : 080-22267676 / 22262050

VII Details of investor complaints received and redressed during the year 2016-17 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
-	8	8	-

e) **Risk Management Committee**

Pursuant to section 134 (3)(n) of the Companies Act, 2013 & Regulation 21 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the company has constituted a Risk Management Committee consisting of majority of Board of Directors and other senior executives of the Company.

As part of the risk assessment and minimization procedures, the Company had identified certain risk areas with regard to the operations of the Company and initiated steps, wherever possible, for risk minimization. The Company's Board is conscious of the need to review the risk management and minimization procedures on regular intervals. Certain risks that the Company is associated with is also provided as part of Management Discussion and Analysis Report.

f) **Other Committees**

i) Ethics and compliance committee:

The Company has an ethics and compliance committee of Directors to consider matters relating to the Company with respect to the Company's Code of Conduct ("CoC") and such matters as may be referred by the Board from time to time.

During the year, the Company adopted Insider Trading Code, pursuant to which the matters relating to the Insider Trading Code are being considered by the audit committee.

The Company has also formulated an Anti Bribery and Anti Corruption Policy and Gifts Policy which is also monitored by the ethics and compliance committee.

Monthly reports are sent to the members of the ethics and compliance committee on matters relating to the CoC.

Two meetings of the ethics and compliance committee were held during the year on December 01, 2016 and January 24, 2017.

The composition of the ethics and compliance committee and details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2016 -17	
		Held	Attended
Mr. C. B. PARDHANANI (Chairman)	Non- Executive	2	2
Mr. P. B. APPIAH	Independent , Non-Executive	2	2

Details of remuneration disbursed to Directors, during the Financial Year 2016-2017 are as under:

*(in Rupees)*

Sl. No.	Name of the Director	Sitting Fees	Professional Fees	Remuneration	Commission
1.	Mr. C.B. Pardhanani	----	----	----	22,58,021
2.	Mr. M. R. B. Punja	1,20,000	----	----	----
3.	Mr. P.B. Appiah	1,40,000	1,80,000	----	----
4.	Mr. Suresh Vaswani	1,00,000	----	----	----
5.	Ms. Tanya Girdhar	80,000	----	----	----
6	Mr. P.R. Ramakrishnan	20,000	----	----	----
7	Mr. Aditya Virwani	20,000	----	----	----
		<b>4,80,000</b>	<b>1,80,000</b>	----	<b>22,58,021</b>

# MAC CHARLES (INDIA) LIMITED

## NON-MANDATORY REQUIREMENTS

The Chairman of the Company, who is a Non-Executive Director, is devoting considerable time and energy towards the success of the Company and hence 1% commission based on profit upto 30.11.2016 is payable. He is entitled to maintain a Chairman's Office and is allowed to reimbursement of expenses incurred upto 30.11.2016 in performance of his duties.

## GENERAL BODY MEETING:

The Company has held last Three AGM's as per the details furnished below:

Financial Year (ended)	Date & Time	Venue	No. of Special Resolutions passed
31 March 2014	22 September 2014 3:00 p.m	Hotel Le Meridien, No.28, Sankey Road, Bengaluru – 560 052.	- - -
31 March 2015	29 September 2015 4.30 pm	Hotel Le Meridien, No.28, Sankey Road, Bengaluru – 560 052.	- - -
31 March 2016	29 September 2016 4:00 p.m	Hotel Le Meridien, No.28, Sankey Road, Bengaluru – 560 052.	- - -

Special Resolution passed in the previous Three AGMs.

- I. In the AGM held on 22nd September 2014 ... No Special Resolution
- II. In the AGM held on 29nd September 2015 ... No Special Resoluti
- III. In the AGM held on 29th September 2016 ... No Special Resolution.

No Postal Ballot was conducted during the financial year 2016-2017.

## COMPLAINCE

### A. CODE OF CONDUCT

Pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, all listed Companies are required to adopt a Code of Conduct for Board of Directors and members of the Senior Management. Accordingly, the Board of Directors of the Company has laid down a Code of Conduct applicable to all the Board Members and Senior Management Personnel. All those governed by the said Code of Conduct have made the following declaration with respect to adoption of the Code of Conduct.

### B. Corporate Governance Compliance

The Company has complied with the requirements as laid down in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the purpose of Corporate Governance. A certificate has been obtained from M/s. K.B. Nambiar & Associates Chartered Accountants, the Statutory Auditors of the Company.

### C. Reconciliation of Share Capital Audit

As stipulated by Securities and Exchange Board of India (SEBI), a Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company. This audit is carried out every quarter and the report is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

### D. Code of Conduct and Code of Fair Disclosure Under SEBI (Prohibition of Insider Trading) Regulations, 2015

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted two codes namely, Code of Conduct and Code of Fair Disclosure Practices. All the Directors, employees at the senior management level and other employees and all concerned who could have access to the unpublished price sensitive information of the Company are governed by this Code. The Company has appointed Mr. M.S. Reddy, Company Secretary, as Compliance Officer who is responsible for setting forth procedures, implementation and compliance of the Code of Conduct for trading in Company's securities.

Dear All (or Members)

This is to certify that all Board Members and Senior Management Personnel, to whom the Code of Conduct of the Company applies, are complying / abiding by the same and no instance of non-compliance with the same has been reported till date.

Bengaluru  
8 August 2017

C. B. Pardhanani  
Chairman

### E. CEO CERTIFICATION

As per the requirement of Corporate Governance Code, the Manager (CEO) and Chief Financial Officer have furnished a necessary certificate to the Board of Directors with respect to financial statements and Cash flow statement for the year ended 31 MARCH 2017.

## DISCLOSURES

- (i) All material transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transactions. The policy for determining material subsidiary and dealing with related party transactions is disclosed in our website [maccharlesindia.com](http://maccharlesindia.com)

- (ii) No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.
- (iii) The Company has not adopted a treatment different from that prescribed in accounting standards. While preparing the financial statements of the Company for the year ended 31st March, 2017, the management has ensured that all Accounting Standards have been properly followed and there has been no deviation from this practice.
- (iv) The Company has in place a mechanism to inform the Board members about the risk assessment and mitigation plans and periodical review to ensure that the critical risks are controlled by the executive management through means of a properly defined framework.
- (v) The Company has not come out with any public issue or right issue etc. during the financial year under review.
- (vi) The Company has complied with all the applicable requirements of the Listing Agreement with the stock exchanges. The Company has adopted a suitable reporting system on compliances of all major laws applicable to the Company, which is placed before the Board of Directors of the Company at its periodic meeting.
- (vii) The Company has not adopted the non-mandatory requirements of the Listing Agreement

**(viii) Whistle Blower Mechanism**

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

**Under related party transactions:**

The Company has contributed a sum of Rs.17.50 lakhs to C. Pardhanani's Education Trust wherein Mr. C. B. Pardhanani, Chairman is a Trustee.

**MEANS OF COMMUNICATION**

The Company is publishing unaudited quarterly results in the newspaper namely, Financial Express.

**GENERAL SHAREHOLDER INFORMATION**

**a. Date, Time and Venue of Annual General Meeting**

Date	Time	Venue
25 <sup>th</sup> September 2017	at 11.30 a.m.	Le Meridien, No.28, Sankey Road, Bengaluru-560 052

**b. Financial Calendar**

- **Annual General Meeting** 25<sup>th</sup> September 2017
- **Quarterly Results - 30.06.2016** on or before 15<sup>th</sup> August, 2016
- **Quarterly Results - 30.09.2016** on or before 15<sup>th</sup> November, 2016
- **Quarterly Results - 31.12.2016** on or before 15<sup>th</sup> February, 2017
- **Quarterly Results - 31.03.2017** on or before 15<sup>th</sup> May, 2017

**c. Book Closure dates -Dividend & AGM** 15<sup>th</sup> September 2017 to 25<sup>th</sup> September 2017 (both days inclusive)

**d. Dividend payment date** Dividend to be paid by 20<sup>th</sup> October, 2017

**e. Listing of Equity Shares on the Stock Exchanges at** Your Company's shares are listed in Bombay Stock Exchange

**f. Scrip ID. / Scrip Code :** Bombay Stock Exchange MCCHRLS-B / 507836

**g. Payment of Listing Fees :** Annual Listing Fee for the year 2017-18 has been paid by the Company to BSE.

**h. Demat ISIN numbers in NSDL & CDSL :** INE435D01014

**i. Payment of Listing Fees :** Annual Depository Fee for the year 2017-18 has been paid by the Company to NSDL and CDSL.

**j. Registrars & Transfer Agents :** BgSE Financials Limited  
RTA Division, No.51, 1st Cross, J.C. Road, Bengaluru - 560 027.

**k. Transfer of unpaid/unclaimed : amounts to Investor Education and Protection Fund** during the year under review, the Company has credited Rs.25.20 lakhs, lying in the unpaid/unclaimed dividend account, to the Section 205C of the 1956, Companies Act, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

**l. SEBI Complaints Redress System** The investor complaints are processed in a (SCORES) centralized WEB based complaints redress system. The features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and Online viewing by investors of action taken on the complaint and its current status.

# MAC CHARLES (INDIA) LIMITED

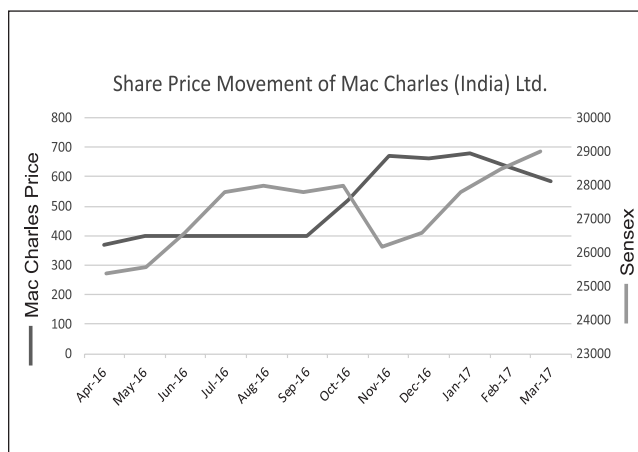
## m. Share Transfer System

In compliance of SEBI requirement, share transfers are entertained, both under demat form and physical form. Share Transfers in respect of physical shares are normally effected within 10-15 days from the date of receipt. Demat requests are put through as per NSDL / CDSL guidelines.

## n. Stock Market Data on Bombay Stock Exchange:

MONTH	MONTHLY HIGH (Rs.)	MONTHLY LOW (Rs.)
APRIL 2016	368.40	322.20
MAY	399.60	345.00
JUNE	399.60	393.25
JULY	399.60	399.60
AUGUST	399.60	399.60
SEPTEMBER	399.60	399.60
OCTOBER	519.45	419.55
NOVEMBER	668.90	545.40
DECEMBER	660.00	640.00
JANUARY 2017	679.00	533.90
FEBRUARY	632.25	449.55
MARCH	583.00	487.55

## o. Stock performance Vs BSE Sensex



## p. Website: [maccharlesindia.com](http://maccharlesindia.com)

## q. Distribution of Shareholding as on 31 March 2017

Number of Equity Shares Held	Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholding
Up to - 500	11510	96.72	14,79,252	11.29
501 - 1000	254	2.13	1,97,262	1.51
1001 - 2000	86	0.72	1,34,912	1.03
2001 - 3000	20	0.17	48,675	0.37
3001 - 4000	9	0.07	33,041	0.25
4001 - 5000	2	0.02	9,352	0.07
5001 - 10000	5	0.04	38,100	0.29
10001 - 50000	11	0.09	2,84,171	2.17
50001 and above	3	0.04	1,04,47,652	83.02
Total	11900	100.00	1,31,01,052	100.00

## r. Categories of Shareholders as on 31 March 2017 :

Category	No. of Share Holders	Total Shares	% of Total Equity
Promoter/ Corporate Bodies	1	1,04,50,670	79.77
Promoter / NRI	1	1,60,000	1.22
FI's & Banks	3	3,200	0.02
Bodies Corporate	67	2,80,180	2.14
Non-Resident Public	348	1,11,355	0.85
Resident Public	11480	20,95,647	16.00
Total	11900	1,31,01,052	100.00

The Company has not issued any GDRs/ ADRs, Warrants & Convertible Instruments.

## s. Dematerialization of Shares and Liquidity as on 31 March 2017 :

	No. of Share holders	No. of Shares	% of shares
No. of Shareholders in Physical Mode	7893	1228275	9.38
No. of Shareholders in Electronic Mode	4007	11872777	90.62
Total	<b>11900</b>	<b>13101052</b>	<b>100</b>



**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE**

**INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**TO THE MEMBERS OF  
MAC CHARLES (INDIA) LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated 15<sup>th</sup> July 2016
2. This report contains details of compliance of conditions of corporate governance by **MAC CHARLES (INDIA) LIMITED** (the Company) for the year ended 31<sup>st</sup> March , 2017 as stipulated in regulations 17-27, clause (b) to (i) of Regulations 46 (2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

**Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The Compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

**Auditor's Responsibility**

4. Our examinations was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2017.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purpose 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.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Auditors and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. In our opinion. And to the best of our information and according to explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **K.B. Nambiar & Associates**  
Chartered Accountants  
(Firm Regn. No. 002313S)

Bengaluru  
8 August 2017

**Ravishankar. V**  
Partner ( M.No. 236671)

# MAC CHARLES (INDIA) LIMITED

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## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

(As per Clause 49 of the Listing Agreement)

We certify that:

1. We have reviewed the financial statements and cash flow statement of Mac Charles (India) Limited for the financial year ended 31<sup>st</sup> March 2017 and to the best of our knowledge and belief;
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are, no transactions entered into by the Company during the financial year ended 31<sup>st</sup> March 2017, which are fraudulent, illegal or violating the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls over financial reporting and we have evaluated the effectiveness of Internal Control Systems of the Company over financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
4. We have indicated to the auditors and the audit committee:
  - i. Significant changes / improvements in internal controls over financial reporting during the financial year ended 31<sup>st</sup> March 2017
  - ii. Significant changes in accounting policies made during the financial year ended 31<sup>st</sup> March 2017, if any have been disclosed in the notes to the financial statements.
  - iii. That there are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Pranisha K Rao**  
Chief Financial Officer (CFO)

**Suresh K Badlaney**  
Manager (CEO)

Bengaluru  
8 August 2017

## MANAGEMENT DISCUSSION AND ANALYSIS INDIAN ECONOMY

The Indian economy is growing strongly and remains a bright spot in the global landscape. The halving of global oil prices that began in late 2014 boosted economic activity in India, further improved the external current account and fiscal positions, and helped lower inflation. In addition, continued fiscal consolidation, by reducing government deficits and debt accumulation, and an anti-inflationary monetary policy stance have helped cement macroeconomic stability.

The Government has made significant progress on important economic reforms, which shall support strong and sustainable growth going forward. In particular, the implementation of the Goods and Services Tax (GST), which has been in the making for over a decade, shall help raise India's medium-term growth, as it will enhance the efficiency of production and movement of goods and services across Indian states.

A key concern for India is the health of the banking system, which is still dealing with a large amount of bad loans, and also heightened corporate vulnerabilities in several key sectors of the Economy.

Over the past few months, the economy has been hit by cash shortages, and accordingly IMF has reduced its growth forecasts to 7.2 percent in 2017-18.

As per Asian Development Bank (ADB) - India's economy is set to grow at 7.4% in the current fiscal year 2017-18 against 7.1% in the previous year, on the back of pick-up in consumption demand and higher public investment. ADB projected inflation to accelerate to 5.2% in 2017-18 and 5.4% in 2018-19 as the global economy recovers and commodity prices rebound. The ADB report (Asian Development Outlook (ADO) 2017) estimates of a \$1 increase in oil prices raises the import bill by nearly \$2 billion. In 2016-17, rising oil prices resulted in a 37.6% increase in India's import bill. To mitigate India's vulnerability to oil price swings, the government has proposed reducing dependence on imported oil by 10% over the next five years through more efficient domestic production and increased private investment into the sector.

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. The industry is expected to generate 13.45 million jobs across sub-segments such as Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million). The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers.

The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000-December 2016, the hotel and tourism sector attracted around US\$ 9.93 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognised as a destination for spiritual tourism for domestic and international tourists.

Total contribution by travel and tourism sector to India's GDP is expected to increase from US\$ 136.3 billion in 2015 to US\$ 275.2

billion in 2025. Travel and tourism is the third largest foreign exchange earner for India.

India has moved up 12 positions to 40th rank from 52nd in Tourism & Travel competitive index.

### Market Size

India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism. Domestic Tourist Visits (DTVs) to the States/Union Territories (UTs) grew by 15.5 per cent y-o-y to 1.65 billion (provisional) during 2016 with the top 10 States/UTs contributing about 84.2 per cent to the total number of DTVs, as per Ministry of Tourism.

As per Ministry of Tourism, foreign tourists' arrival (FTAs) on e-tourist visa increased 56.6 per cent year-on-year in December 2016. In 2016, foreign tourist arrivals on e-visas more than doubled to 10,79,696 from 4,45,300 in 2015, partly because the e-visa facility was extended to 161 countries from 113 previously.

India is expected to move up five spots to be ranked among the top five business travel market globally by 2030, as business travel spending in the country is expected to treble until 2030 from US\$ 30 billion in 2015.

India ranked 3<sup>rd</sup> among 184 countries in terms of travel & tourism's total contribution to GDP in 2016 in India, the sector's direct contribution to GDP is expected to grow by 7.9 per cent per annum during 2016-26

International hotel chains will likely increase their expansion and investment plans in India, and are expected to account for 50 per cent share in the Indian hospitality industry by 2022, from the current 44 per cent.

### Government initiatives:

The Indian Government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. In the Union Budget 2017-18, the Government of India announced some initiatives to give a boost to the tourism and hospitality sector such as setting up of five special tourism zones, special pilgrimage or tourism trains and worldwide launch of Incredible India campaign among others.

Some of the major initiatives taken by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- The Central Government has taken a number of steps for smooth transitioning to cashless mode of payment to ensure that no hardship is faced by the tourists and the tourism industry remains unaffected from government's demonetisation move.
- The Ministry of Tourism has approved projects worth Rs 450 crore (US\$ 67.10 million) under the Swadesh Darshan scheme, for the improvement and creation of tourism infrastructure in Madhya Pradesh, Uttarakhand, Tamil Nadu, Uttar Pradesh and Sikkim.
- The Union Cabinet has approved a MoU between India and South Africa, aimed at expanding bilateral cooperation in the tourism sector through exchange of information and data, establishing exchange programmes and increasing investments in the tourism and hospitality sector.
- The Heritage City Development and Augmentation Yojana (HRIDAY) action plans for eight missions cities including Varanasi, Mathura, Ajmer, Dwaraka, Badami, Vellankini, Warangal and Amaravati have been approved by HRIDAY National Empowered Committee for a total cost of Rs 431 crore (US\$ 64.27 million).

## Road Ahead

India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India is projected to be the fastest growing nation in the wellness tourism sector in the next five years, clocking over 20 per cent gains annually through 2017, according to a study conducted by SRI International.

## 2. OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The Indian hospitality industry has experienced prominent growth in recent years due to various factors, including the rising purchasing power of domestic travellers, an increase in commercial development and foreign tourist arrivals, a growing airline industry and government-led initiatives aiming to stimulate the sector. There is a great deal of scope to expand tourism across India, and as the country improves air travel connections and relaxes visa restrictions, tourist arrivals should increase.

India's size and massive natural, geographic, cultural and artistic diversity offers enormous opportunities for the travel and tourism industry. The promotion and aggressive marketing measures undertaken by the government is expected to aid influx of tourists. The industry would also benefit from introduction of new forms of tourism and development of niche segments.

Opportunities also exist in ecotourism, adventure tourism, and cruise tourism. Eco-tourism is increasing in popularity, evident in the development of eco-friendly hotels and tour packages. With increasing environment awareness and consciousness among tourists and given efforts undertaken by the government and private players, the ecotourism segment is expected to record handsome growth in the coming years.

There are many domestic, regional and international factors which reduce tourist traffic and thus the business of the hotels. Lack of training man power is also a threat for the hotel industry. Proposed High tax structure as per GST does not appear to be conducive for the Hotel industry as it may affect the revenues of the Hotels.

Growth in hotel supply in recent times has outstripped demand in a number of Indian cities. Escalating land prices, increasing energy costs, depleting water levels and a scarcity of trained manpower are challenges that will need to be addressed and overcome.

The Government at the centre has to focus on infrastructure development with which the travel and tourism industry is expected to receive a major boost. Your Company's property with world class services and strong brand identity is ideally poised to take advantage of these opportunities.

## 3. SEGMENT WISE PERFORMANCE

During the period under review, the Company is engaged in only one segment of Hotel Business hence segment wise performance is not applicable.

## 4. OUTLOOK

The travel & tourism sector in India is estimated to account for 9 per cent of the total employment opportunities generated in the country in 2016, providing employment to around 38.4 million people during the same year. The number is expected to rise by 2 per cent annum to 46.42 million jobs by 2026

Travel & tourism's contribution to capital investment is projected to grow 6.3 per cent per annum during 2016-26, higher than the global average of 4.5 per cent

Contribution of visitor exports to total exports is estimated to increase 7.2 per cent per annum during 2016-2026 compared to the world

average of 4.3 per cent, India offers geographical diversity, attractive beaches, 30 World Heritage Sites & 25 bio-geographic zones. India has a diverse portfolio of niche tourism products – cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural & religious tourism

With a rise in online competition, popular models have come up with online travel agents (OTAs) offering a single marketplace for all travel-related needs. There are also seen meta search engines like Trip Advisor and Kayak, that operate like travel discovery platforms. Further, online accommodation reservation services like Oyo Rooms, Stayzilla are gaining popularity. Apart from this, branded hotels are seen operating direct bookings through their websites.

## 5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has standard operating procedures. It has in place adequate reporting systems in respect of financial performance, operational efficiencies and reporting with respect to compliance of various statutory and regulatory matters. The auditors of the Company had regularly conducted exhaustive audits pertaining to all operational areas and their reports were placed before the Audit Committee for its review and recommendations.

## 6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

### Sales & Other Income

The Gross Revenue during the year under review was Rs.800 Millions as against Rs.937 millions during previous Financial Year.

### Profit Before Tax

Your Company has registered PBT of Rs. 384 Millions as against Rs.525 Millions during previous Financial Year.

### Profit After Tax

Your Company has registered PAT of Rs.284 Millions as against Rs.344 Millions during previous financial year.

During the year ended March 31, 2017, the Company achieved an occupancy rate of 58% (in comparison to the 61% during the Financial Year 2015-16) and the Average room rate was Rs. 6245 (in comparison to ARR at Rs. 5991 during the previous year).

## 7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING - NUMBER OF PEOPLE EMPLOYED

As our Company is part of the hospitality industry the importance of efficient and motivated human resources helps in achieving complete customer satisfaction, which in turn has direct impact on the brand image and turnover of the Company. The Company enjoys harmonious relationship with its employees. The employee strength of the Company, as on March 31, 2017 was 313.

The Company recognizes the importance of human values and ensures that proper encouragement both moral and financial is extended to employees to motivate them. The senior management team consists of experienced professionals with diverse skills.

### **Cautionary Statement**

The Statements in the 'Management Discussion and Analysis Report' with regard to projections, estimates and expectations have been made in good faith. The achievement of results is subject to risks, uncertainties and even less than accurate assumptions. Market data and information are gathered from various published and unpublished reports; their accuracy, reliability and completeness cannot be assured.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF MAC CHARLES (INDIA) LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of **MAC CHARLES (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made there under. We conducted our audit in accordance with the Standards on auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- (b) in the case of the Statement of Profit and Loss, of the **PROFIT** for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. **As required by section 143(3) of the Act, we report that :**
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet , the Statement of Profit and Loss and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder;
  - e. On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a Director in terms of section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

# MAC CHARLES (INDIA) LIMITED

- (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements as referred to in note 38 to the Standalone financial statements.
- (ii) The Company did not have any long term contract for which there was any material foreseeable loss.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on

audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For **K.B. Nambiar & Associates**  
Chartered Accountants  
(Firm Regn. No. 002313S)

Bengaluru  
8 August 2017

**Ravishankar. V**  
Partner ( M.No. 236671)

## ANNEXURE A TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The numbering of the fixed assets and updating the same into the fixed assets register is not complete.
- (b) The company has a regular programme of physical verification of its fixed assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) Title deeds of all the immovable properties are in the name of the company, except for the following for which no title deeds have been executed :

Sl. No.	Particulars	Amount in Rupees
1.	Purva Eternity Apartment No.604, Cochin	39,23,354
2.	Purva Eternity Apartment No.704, Cochin	39,42,367
3.	Purva Eternity Apartment No.804, Cochin	39,61,325
4.	Purva Eternity Apartment No.904, Cochin	39,80,337
5.	Purva Eternity Apartment No.1004, Cochin	39,99,324
6.	Purva Eternity Apartment No.1703, Cochin	39,42,376
7.	Purva Eternity Apartment No.1803, Cochin	39,61,326
8.	Purva Eternity Apartment No.1903, Cochin	40,64,287

- (ii) Physical verification of inventory has been conducted by the management at reasonable intervals. The discrepancies noticed on physical verification of stocks as compared to book records are not material and have been properly dealt with in the books of account.
- (iii) The Company has granted loans to two companies covered in the register mentioned under Section 189 of the Act.
  - (a) Having regard to the fact that the said loans are given to its wholly owned subsidiary and to its holding company and

read with the terms and conditions wherever prescribed, in our opinion, such terms and conditions are not prejudicial to the Company's interest.

- (b) There is no stipulation regarding the schedule of repayment of principal and payment of interest in the case of the loan given to the wholly owned subsidiary. The repayments and receipts are regular, in accordance with the stipulations prescribed read with the amendments thereon, in the case of the loan granted to the holding company.
- (c) In the case of the loan granted to the holding Company, where the repayment of principal and interest has been stipulated, there are no amounts overdue from such party. In the case of the loan granted to the wholly owned subsidiary, in the absence of any stipulation regarding repayment of principal and payment of interest, this clause does not apply.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted deposits to which the directives issued by Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the Company.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year.

- (b) To the best of our knowledge and belief and according to the information and explanations given to us, details of disputed statutory dues which has not been deposited in the case of Income Tax are given in the table below :

Sl. No.	Nature of Dues	Period to which the dispute relates	Amount in Rupees	Forum where the dispute is pending	Remarks
1.	Income Tax	A.Y.1997-98	9,55,691	Honorable High Court of Karnataka	The amount in dispute is adjusted by Income Tax Department out of refund due to the Company.
2.	Income Tax	A.Y.2010-11	10,34,668	Appellate Commissioner of Income Tax	The amount in dispute is adjusted by Income Tax Department out of refund due to the Company.

- (viii) The Company has not defaulted in repayment of loans and borrowings to any financial institution or bank.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly paragraph 3(ix) of the order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the Company, transaction with the related parties are in compliance with section 177 and 188 of the act where applicable and details

of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non cash transactions with directors or persons connected with him that fall within the purview of section 192 of the Companies Act 2013.
- (xvi) The Company is not required to be register under section 45-IA of the Reserve Bank of India Act, 1934.

For **K.B. Nambiar & Associates**  
Chartered Accountants  
(Firm Regn. No. 002313S)

Bengaluru  
8 August 2017

**Ravishankar. V**  
Partner ( M.No. 236671)

# MAC CHARLES (INDIA) LIMITED

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## ANNEXURE B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 ('the Act').

We have audited the internal financial controls over the financial reporting of **MAC CHARLES (INDIA) LIMITED** ("the Company"), as of 31 March 2017 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act 2013.

### Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the guidance note") and the standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the guidance notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and its operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide the reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of control, material misstatement due to error or fraud may occur and not be detected. Also projection of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risks that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K.B. Nambiar & Associates**  
Chartered Accountants  
(Firm Regn. No. 002313S)

Bengaluru  
8 August 2017

**Ravishankar. V**  
Partner ( M.No. 236671)



BALANCE SHEET AS AT MARCH 31, 2017

Rs in millions

	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	796.92	827.34	828.71
Capital work-in-progress	4	0.81	0.81	0.81
Investment property	5	876.60	892.20	907.81
Financial assets				
- Investments	6	143.30	148.28	239.09
- Loans	7	22.80	23.04	25.27
Tax Assets	8	20.97	5.30	4.47
Other non-current assets	9	1,099.80	97.03	157.54
<b>Total non-current assets</b>		<b>2,961.20</b>	<b>1,994.00</b>	<b>2,163.70</b>
<b>Current assets</b>				
Inventories	10	11.22	12.53	11.92
Financial assets				
- Investments	11	70.00	467.26	151.05
- Trade receivables	12	28.32	37.13	31.06
- Cash and cash equivalents	13	38.95	45.18	51.46
- Bank balances other than cash and cash equivalents	14	1.00	1.00	1.00
- Loans	15	388.00	281.50	332.50
- Other current financial assets	16	21.40	27.14	60.64
Other current assets	17	13.45	3.99	26.40
<b>Total current assets</b>		<b>572.34</b>	<b>875.73</b>	<b>666.03</b>
<b>Total assets</b>		<b>3,533.54</b>	<b>2,869.73</b>	<b>2,829.73</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	18	131.04	131.04	131.04
Other equity	19	2,713.36	2,429.38	2,368.70
<b>Total equity</b>		<b>2,844.40</b>	<b>2,560.42</b>	<b>2,499.74</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Long term borrowing	20	400.00	-	-
- Other financial liabilities (other than those specified above)	21	81.30	75.11	111.15
Provisions	22	27.69	22.36	19.95
Deferred tax liabilities (net)	23	91.21	105.97	61.28
Other non current liabilities	24	5.06	9.76	15.97
<b>Total non-current liabilities</b>		<b>605.26</b>	<b>213.20</b>	<b>208.35</b>
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables				
- Dues to micro, small and medium enterprises	25	-	-	-
- Dues to other than micro, small and medium enterprises	25	35.38	26.33	30.49
- Other financial liabilities	26	41.60	55.62	69.88
Current tax liabilities	27	-	-	2.95
Other current liabilities	28	6.90	14.16	18.32
<b>Total current liabilities</b>		<b>83.88</b>	<b>96.11</b>	<b>121.64</b>
<b>Total Equity and Liabilities</b>		<b>3,533.54</b>	<b>2,869.73</b>	<b>2,829.73</b>
<b>Significant accounting policies</b>	<b>3</b>			

The notes referred to above form an integral part of the standalone financial statements

In terms of our report of even date

On behalf of the Board

For **K.B. Nambiar & Associates**  
Chartered Accountants  
(Firm Regn. No. 002313S)

**M.S. Reddy**  
Executive Director &  
Company Secretary

**C.B. Pardhanani**  
Chairman

**Ravishankar. V**  
Partner (M.No. 236671)

**Pranisha K Rao**  
Chief Financial Officer

**P.B. Appiah**  
Director

Bengaluru  
8 August 2017

Bengaluru  
8 August 2017

# MAC CHARLES (INDIA) LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

*Rs in millions*

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Income</b>			
Revenue from operations	29	563.18	557.88
Other income	30	236.79	378.62
<b>Total income</b>		<b>799.97</b>	<b>936.50</b>
<b>Expenses</b>			
Cost of materials consumed	31	68.77	69.32
Maintenance and upkeep services	32	55.01	67.53
Employee benefits expense	33	131.36	113.13
Finance costs	34	6.71	7.93
Depreciation and amortization expense	35	50.32	50.33
Other expenses	36	104.17	102.81
<b>Total expenses</b>		<b>416.34</b>	<b>411.05</b>
<b>Profit before tax</b>		<b>383.63</b>	<b>525.45</b>
Tax expense:			
- Current tax	37	(110.00)	(135.00)
- Deferred tax	37	14.64	(47.63)
Income tax expense		<b>(95.36)</b>	<b>(182.63)</b>
<b>Profit for the year</b>		<b>288.27</b>	<b>342.82</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurements of defined benefit plan actuarial gains/ (losses)		(0.82)	(1.69)
Changes in fair value of FVOCI equity instruments		(3.59)	0.06
		<b>(4.41)</b>	<b>(1.63)</b>
Deferred tax on items that will not be reclassified to profit or loss		<b>0.12</b>	<b>2.94</b>
<b>Other comprehensive income for the period, net of taxes</b>		<b>(4.29)</b>	<b>1.31</b>
<b>Total comprehensive income for the year</b>		<b>283.98</b>	<b>344.13</b>
<b>Earnings per equity share:</b>			
- Basic		21.67	26.26
- Diluted		21.67	26.26
<b>Significant accounting policies</b>	<b>3</b>		
The notes referred to above form an integral part of the standalone financial statements			

In terms of our report of even date

For **K.B. Nambiar & Associates**  
Chartered Accountants  
(Firm Regn. No. 002313S)

**Ravishankar. V**  
Partner (M.No. 236671)

Bengaluru  
8 August 2017

**M.S. Reddy**  
Executive Director &  
Company Secretary

**Pranisha K Rao**  
Chief Financial Officer

Bengaluru  
8 August 2017

On behalf of the Board

**C.B. Pardhanani**  
Chairman

**P.B. Appiah**  
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>			
Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit before tax as per Statement of Profit and Loss	383.63	525.45	
<b>Adjustment for :</b>			
Depreciation	50.32	50.33	
Other non cash items (including fair valuation and other Ind AS adjustments)	(5.26)	(36.57)	
Profit on sale of fixed assets	0.00	(14.24)	
Loss/(Profit) on sale of investments	1.88	(25.14)	
Provision for diminution in value of investments created/(written back)	0.00	0.00	
Dividend received	(0.05)	(5.05)	
Interest Paid	1.45	0.20	
Interest received	(91.05)	(159.61)	
Rent received	(123.89)	(119.61)	
<b>Operating profit before working capital changes</b>	<b>217.03</b>	<b>215.75</b>	
<b>Movements in :</b>			
Trade receivables	8.81	(6.07)	
Inventories	1.31	(0.60)	
Other receivables	(17.17)	(14.71)	
Trade payables	9.04	(4.15)	
Other payables and provisions	(10.31)	(55.80)	
Cash generated from operations	<b>208.72</b>	<b>134.42</b>	
Direct taxes (paid) / refund	(125.68)	(135.82)	
<b>Net cash (used in) / from operating activities</b>		<b>83.03</b>	<b>(1.40)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>			
Received from subsidiary/(loan given to subsidiary)	1.83	3.50	
Loan (given to)/repayment from other companies	(106.50)	89.00	
Loan (given to)/repayment from others	12.69	7.68	
Purchase of fixed assets	(4.31)	(2.41)	
Sale of Fixed Assets	0.00	23.01	
Investment in immovable property	(1,002.77)	20.79	
Purchase of investments	(887.96)	(1,200.23)	
Sale of investments	1,289.74	1,058.53	
Interest received	91.05	159.61	
Rent received	123.89	119.61	
Dividend received	0.05	5.05	
<b>Net cash (used in) / from investing activities before exceptional items</b>		<b>(482.29)</b>	<b>284.14</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loan received from financial institutions	400.00		
Dividend paid including Corporate Dividend Tax	(5.52)	(288.82)	
Interest paid	(1.45)	(0.20)	
<b>Net cash (used in)/ from financing activities</b>		<b>393.03</b>	<b>(289.02)</b>
<b>Net increase in cash and cash equivalent</b>		<b>(6.23)</b>	<b>(6.28)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>45.18</b>	<b>51.46</b>
<b>Cash and cash equivalents at end of the period</b>		<b>38.95</b>	<b>45.18</b>
Cash and cash equivalents balances include Rs.28.02 million (2016 : Rs.33.54 million) being amounts lying in the unpaid dividend accounts which are not available for use by the company.			

In terms of our report of even date  
 For **K.B. Nambiar & Associates**  
 Chartered Accountants  
 (Firm Regn. No. 002313S)  
**Ravishankar. V**  
 Partner (M.No. 236671)  
 Bengaluru  
 8 August 2017

**M.S. Reddy**  
 Executive Director &  
 Company Secretary  
**Pranasha K Rao**  
 Chief Financial Officer  
 Bengaluru  
 8 August 2017

On behalf of the Board  
**C.B. Pardhanani**  
 Chairman  
**P.B. Appiah**  
 Director

# MAC CHARLES (INDIA) LIMITED

## STATEMENT OF CHANGE IN EQUITY

Rs in millions

<b>a Equity share capital</b>					
<b>Equity shares of Rs. 10 each, issued, subscribed and paid up capital</b>					
<b>Balance as at 1 April 2015</b>					131.04
Changes in equity share capital during the year 2015-16					-
<b>Balance as at 31 March 2016</b>					<b>131.04</b>
Changes in equity share capital during the year 2016-17					-
<b>Balance as at 31 March 2017</b>					<b>131.04</b>
<b>b Other Equity</b>					
For the year ended 31 March 2017					
Particulars	Reserves and Surplus		Other comprehensive income		Total equity excluding equity share capital attributable to equity share holders
	General reserve	Retained Earnings	Fair value of equity instruments	Remeasurements of actuarial gain and losses	
Balance as at 1 April 2016	2,164.77	266.51	(0.37)	(1.53)	2,429.38
Profit during the year	-	287.93	(3.75)	(0.54)	283.64
Transfer to general reserve	50.00	(50.00)	-	-	-
<b>Total</b>	<b>2,214.77</b>	<b>504.44</b>	<b>(4.12)</b>	<b>(2.07)</b>	<b>2,713.02</b>
<b>Balance as at 31 March 2017</b>	<b>2,214.77</b>	<b>504.44</b>	<b>(4.12)</b>	<b>(2.07)</b>	<b>2,713.02</b>
For the year ended 31 March 2016:					
Particulars	Reserves and Surplus		Other comprehensive income		Total equity excluding equity share capital attributable to equity share holders
	General reserve	Retained Earnings	Fair value of equity instruments	Remeasurements of actuarial gain and losses	
Balance as at 1 April 2015	2,064.77	307.14	(2.78)	(0.43)	2,368.70
Profit during the year	-	342.82	2.41	(1.10)	344.13
<b>Total</b>	<b>2,064.77</b>	<b>649.96</b>	<b>(0.37)</b>	<b>(1.53)</b>	<b>2,712.83</b>
<b>Contributions and distributions:</b>					
Dividends	-	(235.82)	-	-	(235.82)
Corporate Dividend Tax	-	(47.63)	-	-	(47.63)
Transfer to general reserve	100.00	(100.00)	-	-	-
<b>Balance as at 31 March 2016</b>	<b>2,164.77</b>	<b>266.51</b>	<b>(0.37)</b>	<b>(1.53)</b>	<b>2,429.38</b>
<b>Significant accounting policies</b> 3					
The notes referred to above form an integral part of the standalone financial statements					



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**1. Reporting Entity**

Mac Charles (India) Limited, together with its subsidiary, Airport Golf View Hotels & Suites Pvt. Ltd., engages in the hotel business in India. The company operates Le Meridien, a five star hotel with 197 rooms and suites in Bangalore, India; and a three star hotel in Kochi, India. It is also involved in the generation of electricity through wind turbine generators. The company was incorporated in 1979 and is based in Bengaluru, India.

**List of subsidiaries with percentage holding –**

Subsidiary	Country of incorporation and other particulars	Percentage of holding (%)
Airport Golfview Hotels and Suites Private Limited	a subsidiary of the company incorporated under the laws of India.	100.00

**2. Basis of preparation****2.1 Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, FirstTime Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. An explanation of how the transition to Ind AS has affected the previously reported financial position and financial performance of the company is provided in Note 46.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Details of the Company's accounting policies are included in note 3.

**2.2 Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

**2.3 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,

- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**2.4 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations.

**2.5 Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

No judgements have been made while preparing the financial statements.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 4 and 5 - Depreciation and amortisation method and useful life of items of property, plant and equipment;
- Note 22 and 37 – recognition of deferred tax assets;
- Note 21 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 21, 26 and 38 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 41 – impairment of financial assets.

## 2.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company has an established control framework with respect to the measurement of fair values. The Company engages with external valuers for measurement of fair values in the absence of quoted prices in active markets.

Significant valuation issues are reported to the Company's audit committee. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ‘- Financial instruments (note 41)
- ‘- Disclosures for valuation methods, significant estimates and assumptions (note 41)
- ‘- Quantitative disclosures of fair value measurement hierarchy (note 41)
- ‘- Financial instruments (including those carried at amortised cost) (note 41)

## 3. Significant accounting policies

### 3.1 Property, plant and equipment and other intangible assets (other than goodwill)

#### 1. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

**2. Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. Refer note 46.

**3. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**4. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful lives	Useful life as per Schedule II
Building	30 – 60 years	30 – 60 years
Leasehold improvements	Lease term or estimated useful life, whichever is lower	Lease term or estimated useful life, whichever is lower
Plant and machinery	15 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Vehicles	8 years	8 years
Leasehold land	Lease term	Lease term

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

**3.2 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not

capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

**3.3 Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property. Based on technical evaluation and consequent advice, the management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over a period of 60 years on a straight-line basis. The useful life estimate of 60 years is different from the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 30 years. Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

**3.4 Impairment of assets**

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments. At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is ‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 365 days or more past due.

### Measurement of expected credit losses

Expected credit losses are a probabilityweighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due

to the Company in accordance with the contract and the cash flows that the Company expects to receive).

### Presentation of allowance for expected credit losses in the balance sheet.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the writeoff. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

### Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 3.5 Inventories

Inventories are valued at the lower of cost and net realizable value. 'Cost' comprises purchase cost and all expenses incurred



in bringing the inventory to its present location and condition. Cost has been determined as follows:

Nature of inventory	Method of valuation
Inventories of provisions, food supplies, crockery, cutlery, glassware, beverage, stores and operational supplies	Cost on weighted average method. (Cost includes freight and other incidental expenses) or net realisable value, whichever is lower.
Crockery, cutlery and glassware	Charge to revenue

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The comparison of cost and net realizable value is made on an item by item basis. The Company periodically assesses the inventory for obsolescence and slow moving stocks.

### 3.6 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, inclusive of excise duty and net of taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue from different sources is recognised as below:

**- Room revenue:**

Revenue from rooms is based on occupancy charged on basis of room rates which is billed to the customers.

**- Food and Beverage:**

Revenue from food and beverage are accrued based on the food and beverage served.

**- Other services:**

On rendering such services.

**- Sale of electricity generated from Wind Turbine Generators is:**

Recognized on the basis of electricity units metered and invoiced.

**- Interest on deployment of funds:**

Recognized using the time proportionate method based on underlying interest rates.

**- Dividend income:**

Recognized when the Company's right to receive dividend is established.

### 3.7 Leases

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges,

are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### 1. As a lessee

##### Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets. Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

##### Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 2. As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 3.8 Investments and other financial assets

#### a). Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.



A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

## b) Classification and subsequent measurement

### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

### Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.
Debt investments at FVTPL	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in statement of profit and loss.

**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. See Note 3(c)(v) for financial liabilities designated as hedging instruments.

**c) Derecognition**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

**3.9 Financial liabilities**

**a) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and amortized cost.

At initial recognition, the Company measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

**b) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**Amortised cost**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective interest rate (EIR) method. Gains and losses are recognized in

profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

## **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **3.10 Employee benefits**

#### **a) Defined benefit plans**

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Gratuity scheme is administered through a trust with the Life Insurance Corporation of India and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

Compensated absence, which is a short term defined benefit, is accrued based on a full liability method based on current salaries at the balance sheet date for unexpired portion of leave

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### **b) Short-term benefit plans**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12

months after the end of the period in which the employees render the related service are recognized and measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### **c) Defined contribution plan**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **3.11 Foreign currency transactions**

#### **a) Functional and presentation currency**

Items included in the financial statements of each of the company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

#### **b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of transition. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

### **3.12 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 3.13 Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item directly recognised in equity or in other comprehensive income.

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer

probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognized in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognized in profit or loss.

### 3.14 Provisions and contingent liabilities

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.



The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

### **Contingent liabilities recognized in a business combination**

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions above or the amount initially recognized less, when appropriate, cumulative amortisation recognized in accordance with the requirements for revenue recognition.

### **3.15 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Deposits with maturity more than three months but less than twelve months have been disclosed as 'Bank balances other than cash and cash equivalents'.

### **3.16 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

### **3.17 Earnings per share**

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owner's of the company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

### **3.18 Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **3.19 Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### **3.20 Recent accounting pronouncements**

#### **Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

#### **Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not have any cash settled awards and accordingly this is not applicable.

#### **Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April 1, 2017.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

4 Property, plant and equipment and capital work-in-progress									<i>Rs in millions</i>
	Owned							Total	Capital work-in-progress
	Land	Buildings (refer note ii)	Plant and Machinery	Office equipment	Furniture and fixtures	Computers	Vehicles		
<b>Cost or deemed cost:</b>									
<b>Balance as at 1 April 2015</b>	338.93	33.90	418.82	0.34	31.40	2.33	2.99	<b>828.71</b>	0.81
Additions	-	39.71	1.66	0.06	0.55	0.14	-	<b>42.12</b>	-
Deletions	-	8.76	-	-	-	-	-	<b>8.76</b>	-
<b>Balance as at 31 March 2016</b>	<b>338.93</b>	<b>64.85</b>	<b>420.48</b>	<b>0.40</b>	<b>31.95</b>	<b>2.47</b>	<b>2.99</b>	<b>862.07</b>	<b>0.81</b>
<b>Balance as at 1 April 2016</b>	338.93	64.85	420.48	0.40	31.95	2.47	2.99	<b>862.07</b>	0.81
Additions	-	-	2.27	-	0.02	2.01	-	<b>4.30</b>	-
Deletions	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>338.93</b>	<b>64.85</b>	<b>422.75</b>	<b>0.40</b>	<b>31.97</b>	<b>4.48</b>	<b>2.99</b>	<b>866.37</b>	<b>0.81</b>
<b>Accumulated depreciation</b>									
<b>Balance as at 1 April 2015</b>	-	-	-	-	-	-	-	-	-
Charge for the year	-	0.91	25.46	0.04	6.88	0.85	0.59	<b>34.73</b>	-
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2016</b>	-	<b>0.91</b>	<b>25.46</b>	<b>0.04</b>	<b>6.88</b>	<b>0.85</b>	<b>0.59</b>	<b>34.73</b>	-
<b>Balance as at 1 April 2016</b>	-	0.91	25.46	0.04	6.88	0.85	0.59	<b>34.73</b>	-
Charge for the year	-	1.18	25.36	-	6.91	0.68	0.59	<b>34.72</b>	-
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	-	<b>2.09</b>	<b>50.82</b>	<b>0.04</b>	<b>13.79</b>	<b>1.53</b>	<b>1.18</b>	<b>69.45</b>	-
<b>Carrying amount:</b>									
<i>As at 1 April 2015</i>	<i>338.93</i>	<i>33.90</i>	<i>418.82</i>	<i>0.34</i>	<i>31.40</i>	<i>2.33</i>	<i>2.99</i>	<i>828.71</i>	<i>0.81</i>
<i>As at 31 March 2016</i>	<i>338.93</i>	<i>63.94</i>	<i>395.02</i>	<i>0.36</i>	<i>25.07</i>	<i>1.62</i>	<i>2.40</i>	<i>827.34</i>	<i>0.81</i>
<i>As at 31 March 2017</i>	<i>338.93</i>	<i>62.76</i>	<i>371.93</i>	<i>0.36</i>	<i>18.18</i>	<i>2.95</i>	<i>1.81</i>	<i>796.92</i>	<i>0.81</i>
<b>Notes:</b>									
(i) <b>Contractual obligations</b>	The Company has not entered into any contracts to purchase, construct or develop investment property or for its repairs, maintenance or enhancements exceeding a period of one year.								
(ii) <b>Building</b>	The amount above pertains to building constructed on freehold land.								
(iii) <b>Significant estimates</b>	Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life, if any. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.								

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 5. Investment property

*Rs in millions*

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Cost or deemed cost (Gross carrying amount)</b>		
Opening balance	936.13	936.13
Additions	-	-
Deletions	-	-
<b>Closing balance</b>	<b>936.13</b>	<b>936.13</b>
<b>Accumulated depreciation</b>		
Opening balance	(43.93)	(28.33)
Charge for the year	(15.60)	(15.60)
Deletions	-	-
<b>Closing balance</b>	<b>(59.52)</b>	<b>(43.92)</b>
<b>Net carrying amount</b>	<b>876.60</b>	<b>892.20</b>

#### Notes:

For investment property existing as on 1 April 2015, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed costs.

During the year commencing 1 April 2015, the Company has reclassified building carrying a gross amount of Rs. 936.13 million to investment property.

Investment property comprises of a commercial property that is leased to third parties. The lease may or may not contains an initial non-cancellable period. Subsequent renewals are negotiated with the lessee and historically the average renewal period is five to nine years.

The Company has not entered into any contracts to purchase, construct or develop investment property or for its repairs, maintenance or enhancements exceeding a period of one year.

121,176 sq.ft. and 202 car parks of the Delta building, 84,512 sq.ft. and 169 car parks of the Alpha building are secured against the term loan from bank.

#### i) Contractual obligation

Refer note 38 for disclosure of contractual obligation to purchase, construct or develop investment property or for its repairs, maintenance or enhancements.

#### ii) Fair value

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (Refer note 41).

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 10 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged. The company obtains independent valuations for its investment properties at least annually. As at 31 March 2017, 31 March 2016 and 1 April 2015, the fair values of the properties are Rs 1,966.70 million, Rs 1,623.30 million and Rs 1,352.84 million respectively.

The Group has followed the market comparison model for valuation of its investment property. The fair value has been computed based on the expected sale price of similar properties around the area.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

## 6. Non-current investments

Rs in millions

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Unquoted equity shares</b>			
<i>Investment in equity instruments</i>			
- <i>Investment in subsidiaries at cost:</i>			
29,988 equity shares of Airport Golf View Hotels and Suites Private Limited (31 March 2016: 29,988 shares) (1 April 2015: 29,988 shares)	74.50	74.50	74.50
<b>Quoted equity shares</b>			
- <i>Equity investments at fair value through other comprehensive income (fully paid-up)</i>			
Nil equity shares of Reliance Industries (31 March 2016: Nil shares) (1 April 2015: 5010 shares)	-	-	4.18
11,379 equity shares of Sobha Limited (31 March 2016: 13,594 shares) (1 April 2015: 13,594 shares)	3.93	3.71	5.43
10,000 equity shares of Global Offshore Services Limited (31 March 2016: 10,000 shares) (1 April 2015: 10,000 shares)	0.44	1.83	6.52
22,699 equity shares of Puravankara Limited (31 March 2016: 22,699 shares) (1 April 2015: 22,699 shares)	1.57	1.06	1.45
4,000 equity shares of Cipla Limited (31 March 2016: 4,000 shares) (1 April 2015: Nil shares)	2.96	2.62	-
	<b>8.90</b>	<b>9.22</b>	<b>17.58</b>
	<b>83.40</b>	<b>83.72</b>	<b>92.08</b>
<b>Other investments at fair value through statement of profit and loss (fully paid-up)</b>			
<i>Unquoted</i>			
Kotak Real Estate Fund	2.88	6.95	6.95
Pru.ICICI India Advantage Fund-III	12.24	13.58	19.98
Reliance Capital Asset Management	44.78	44.05	120.08
	<b>59.90</b>	<b>64.56</b>	<b>147.01</b>
Aggregate amount of quoted investments and market value thereof	8.90	9.22	17.58
Aggregate amount of unquoted investments	134.40	139.06	221.51
Aggregate amount of impairment in the value of investments	-	-	-
<b>Total</b>	<b>143.30</b>	<b>148.28</b>	<b>239.09</b>

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 41.

**Equity shares designated as at fair value through other comprehensive income**

At 1 April 2015, the Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Company intends to hold for long-term.

**Fair value**

Rs in millions

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Nil equity shares of Reliance Industries (31 March 2016: Nil shares) (1 April 2015: 5010 shares)	-	-	4.18
11,379 equity shares of Sobha Limited (31 March 2016: 13,594 shares) (1 April 2015: 13,594 shares)	3.93	3.71	5.43
10,000 equity shares of Global Offshore Services Limited (31 March 2016: 10,000 shares) (1 April 2015: 10,000 shares)	0.44	1.83	6.52
22,699 equity shares of Puravankara Limited (31 March 2016: 22,699 shares) (1 April 2015: 22,699 shares)	1.57	1.06	1.45
4,000 equity shares of Cipla Limited (31 March 2016: 4,000 shares) (1 April 2015: Nil shares)	2.96	2.62	-
	<b>8.90</b>	<b>9.22</b>	<b>17.58</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Rs in millions

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>7</b>	<b>Non-current loans</b>			
	<i>Unsecured, considered good</i>			
	Security deposit	11.25	9.67	8.39
	Loans to related parties:			
	- Subsidiary Company - Being a Private Limited Company in which Directors of the Company are Directors (refer note 40)	11.55	13.37	16.88
		<b>22.80</b>	<b>23.04</b>	<b>25.27</b>
<b>8</b>	<b>Tax assets</b>			
	Advance tax, net provision of tax	20.97	5.30	4.47
		<b>20.97</b>	<b>5.30</b>	<b>4.47</b>
<b>9</b>	<b>Other non-current assets</b>			
	Capital advances			
	- Advance paid for purchase of investment property	1,099.80	97.03	157.54
		<b>1,099.80</b>	<b>97.03</b>	<b>157.54</b>
<b>10</b>	<b>Inventories</b>			
	Raw materials	9.34	10.67	10.00
	Stores and spares	1.87	1.86	1.92
		<b>11.21</b>	<b>12.53</b>	<b>11.92</b>
<b>11</b>	<b>Current investments</b>			
	<b>Investment in bonds</b>			
	<i>Unquoted</i>			
	<i>Measured at FVTPL</i>			
	3.2 million units of Ultra Short Bond Fund Direct Plan of Deutsche Asset Management (31 March 2016: 27.16 million units) (1 April 2015: 9.24 million units)	70.00	467.26	151.05
		<b>70.00</b>	<b>467.26</b>	<b>151.05</b>
	Aggregate amount of quoted investments and market value thereof	-	-	-
	Aggregate amount of unquoted investments	70.00	467.26	151.05
	Aggregate amount of impairment in the value of investments	-	-	-
	Units of Ultra Short Bond Fund Direct Plan of Deutsche Asset Management mature within one year. Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 41.			
<b>12</b>	<b>Trade receivables</b>			
	Unsecured, considered good*	28.32	37.13	31.06
	Doubtful	-	-	-
	Loss allowance	-	-	-
		<b>28.32</b>	<b>37.13</b>	<b>31.06</b>
	*Receivables by way of rent from LG Soft India Private Limited and Inmobi Technology Services Private Limited are secured against the term loan from bank. All trade receivables are current There are no trade receivables due to related parties. For terms and conditions relating to related party receivables, refer note 40. The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 41.			
<b>13</b>	<b>Cash and cash equivalents</b>			
	Balances with banks			
	- in current accounts*	38.22	44.37	50.36
	- on term deposits	0.02	-	-
	Cash on hand	0.71	0.81	1.10
		<b>38.95</b>	<b>45.18</b>	<b>51.46</b>
	* includes unclaimed dividend of Rs. 28.02 million as on 31 March 2017, (31 March 2016: Rs.33.54 million, 1 April 2015: Rs.38.92 million)			

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Rs in millions

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>14</b>	<b>Bank balances other than cash and cash equivalents</b>			
	Balances with banks			
	- in fixed deposit accounts with banks	1.00	1.00	1.00
		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>15</b>	<b>Current loans</b>			
	<i>Unsecured, considered good</i>			
	- Inter corporate loans	388.00	281.50	332.50
		<b>388.00</b>	<b>281.50</b>	<b>332.50</b>
	For terms and conditions relating to party loans, refer note 40. The Company's exposure to credit and currency risks, and loss allowances related to inter corporate loans are disclosed in Note 41.			
<b>16</b>	<b>Other current financial assets</b>			
	Interest accrued but not due	16.98	11.02	6.02
	Other advances	4.42	16.12	54.62
		<b>21.40</b>	<b>27.14</b>	<b>60.64</b>
<b>17</b>	<b>Other current assets</b>			
	Prepaid expenses	10.73	3.78	3.09
	Balance with government authorities	2.16	-	-
	Other receivables	0.56	0.21	23.31
		<b>13.45</b>	<b>3.99</b>	<b>26.40</b>

18 Share capital		Rs in millions		
Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Authorised</b>				
20,000,000 (31 March 2016: 20,000,000, 1 April 2015: 20,000,000) equity shares of Rs.10/- each		200.00	200.00	200.00
		<b>200.00</b>	<b>200.00</b>	<b>200.00</b>
<b>Issued, subscribed and fully paid up</b>				
13,103,727 (31 March 2016: 13,103,727, 1 April 2015: 13,103,727) equity shares of Rs.10/- each		131.04	131.04	131.04
		<b>131.04</b>	<b>131.04</b>	<b>131.04</b>

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:						
<i>(Except per share data)</i>						
	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	13,103,727	131.04	13,103,727	131.04	13,103,727	131.04
Add: Shares issued during the year	-	-	-	-	-	-
Number of shares outstanding at the end of the year	13,103,727	131.04	13,103,727	131.04	13,103,727	131.04

<b>(b) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:</b>
The Company has one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts if any, in proportion to their shareholding.



# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(c)	Equity shareholders holding more than 5% of equity shares along with the number of equity preference shares held at the beginning and at the end of the year is as given below:-						
	<i>(Except per share data)</i>						
	Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		% of holding	No of shares	% of holding	No of shares	% of holding	No of shares
Embassy Property Development Limited (Holding company)	79.77	1,04,50,670	-	-	-	-	
C.B.Pardhanani	-	-	73.41	96,16,952	73.41	96,16,952	
(d)	During the year 2011-12, the company has allotted 6,550,526 shares by way of bonus issue.						
(e)	Particulars of each class of shares held by ultimate holding company						
	<i>(Except per share data)</i>						
	Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		% of holding	No of shares	% of holding	No of shares	% of holding	No of shares
Embassy Property Development Limited (Holding company)	79.77	1,04,50,670	-	-	-	-	
19	<b>Other equity</b>						
	<b>Particulars</b>					<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	<b>General reserve</b>						
	At the commencement of the year					2,164.77	2,064.77
	Add: Transferred from retained earnings for the year					50.00	100.00
	<b>At the close of the year</b>					<b>2,214.77</b>	<b>2,164.77</b>
	<b>Retained earnings</b>						
	At the commencement of the year					266.51	307.14
	Add: Net profit for the year					288.27	342.82
	Transfer to general reserve					(50.00)	(100.00)
	Interim dividend/proposed dividend					-	(235.82)
	Corporate dividend tax					-	(47.63)
	At the end of the year					<b>504.78</b>	<b>266.51</b>
	<b>Fair Value through other comprehensive income - equity instruments</b>						
	At the commencement of the year					(0.37)	(2.78)
	Add: Net fair value gain on investments in equity instruments at FVTOCI, net of tax					(3.75)	2.41
	<b>At the end of the year</b>					<b>(4.12)</b>	<b>(0.37)</b>
	<b>Other items of OCI (specify nature)</b>						
	At the commencement of the year					(1.53)	(0.43)
	Add: Actuarial gain / (loss)					(0.54)	(1.10)
	<b>At the end of the year</b>					<b>(2.07)</b>	<b>(1.53)</b>
						<b>2,713.36</b>	<b>2,429.38</b>
	<b>Nature and purpose of other reserves:</b>						
	<b>General reserve:</b>						
	The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.						

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	<p><b>Retained earnings:</b> The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the period, the profit after tax is transferred from the statement of profit and loss to the retained earnings account.</p>		
	<p><b>Fair Value through other comprehensive income - equity instruments</b> The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Company transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.</p>		
	<p><b>Actuarial gain / (loss):</b> Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).</p>		
<b>19.1</b>	<p><b>Capital management</b> For the purpose of the Company's capital management, capital includes issued equity share capital, and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the shareholder value. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity. The Company's adjusted net debt to equity ratio at 31 March 2017 was as follows:</p>		
	<i>Rs in millions</i>		
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Total liabilities	689.14	309.31
	Less: Cash and cash equivalents	38.95	45.18
	<b>Adjusted net debt</b>	<b>650.19</b>	<b>264.13</b>
	Total equity	2,844.40	2,560.42
	<b>Adjusted equity</b>	<b>2,844.40</b>	<b>2,560.42</b>
	<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.23</b>	<b>0.10</b>
<b>19.2</b>	<p><b>Earnings per share (EPS)</b></p>		
	<i>Rs in millions</i>		
	<i>(Except per share data)</i>		
	<b>Particulars</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
	Total comprehensive income for the year	283.98	344.13
	<b>Reconciliation of basic and diluted shares used in computing earnings per share –</b>		
	Weighted average number of equity shares outstanding during the year for calculation of basic EPS	1,31,03,727	1,31,03,727
	Effect of dilutive potential equity shares	-	-
	Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	<b>13,103,727</b>	<b>13,103,727</b>
	<i>In Rs.</i>		
	<b>Earnings per share:</b>		
	Basic	21.67	26.26
	Diluted	21.67	26.26

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>20</b>	<b>Long term borrowings</b>			
	<i>Rs in millions</i>			
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
	<i>Secured</i>			
	From bank [Refer note (i)]	400.00	-	-
		<b>400.00</b>	-	-
	Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 41.			
	<b>Notes:</b>			
	<b>(i) From HDFC Bank Limited, amounting to Rs. 400 million (31 March 2016: Nil, 1 April 2015: Nil)</b>			
	Secured by:			
	<ul style="list-style-type: none"> <li>- Assignment of receivables by way of rent from LG Soft India Private Limited and Inmobi Technology Services Private Limited.</li> <li>- 121,176 sq.ft. and 202 car parks of the Delta building, 84,512 sq.ft. and 169 car parks of the Alpha building, including undivided share of land, are secured against the term loan from bank.</li> <li>- Loan from HDFC Bank Limited carries interest rate of 8.50% per annum, and is repayable in 144 installments. The repayment of principle and interest commences from April 2017.</li> </ul>			
		<i>Rs in millions</i>		
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
<b>21</b>	<b>Other non-current financial liabilities</b>			
	Rental deposit	78.43	72.09	65.20
	Capital creditors	-	-	39.98
	Others	2.87	3.02	5.97
		<b>81.30</b>	<b>75.11</b>	<b>111.15</b>
<b>22</b>	<b>Non-current provisions</b>			
	Provision for employee benefits			
	- Leave Encashment	7.50	5.52	4.96
	Others			
	Income tax	12.12	12.12	9.17
	Provision for donations	8.07	4.72	5.82
		<b>27.69</b>	<b>22.36</b>	<b>19.95</b>
	<b>i) Movements in provision:</b>			
		<i>Rs in millions</i>		
	<b>Particulars</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>	
	<i>Income tax</i>			
	Opening balance	12.12	9.17	
	Provisions made during the period	110.00	135.00	
	Provisions utilised during the period	(110.00)	(132.05)	
	Closing balance	<b>12.12</b>	<b>12.12</b>	
	<i>Provision for donations</i>			
	Opening balance	4.72	5.82	
	Provisions made during the period	10.28	3.18	
	Provisions utilised during the period	(6.93)	(4.28)	
	Closing balance	<b>8.07</b>	<b>4.72</b>	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

				<i>Rs in millions</i>		
		<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>		
		<i>Compensated absences</i>				
		Opening balance	5.52	4.96		
		Charge for the current year	3.30	1.74		
		Paid during the year	(1.32)	(1.18)		
		Closing balance	<b>7.50</b>	<b>5.52</b>		
<b>23</b>	<b>Deferred tax liabilities (net)</b>					
	The balance comprises temporary differences attributable to:					
				<i>Rs in millions</i>		
		<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>	
		<b>Deferred tax liabilities</b>				
		Property, plant and equipment and investment property	95.43	98.87	64.07	
		<b>Deferred tax assets</b>				
		Others:				
		Accrued expenses deductible on payment	(2.28)	(1.41)	(1.93)	
		Investments	(1.94)	8.51	(0.86)	
		<b>Deferred tax liabilities (net)</b>	<b>91.21</b>	<b>105.97</b>	<b>61.28</b>	
				<i>Rs in millions</i>		
		<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>		
		<b>Movement in deferred tax liability</b>				
		Opening balance		105.97	61.28	
		Charge for the current year		(14.76)	44.69	
		<b>Closing balance</b>		<b>91.21</b>	<b>105.97</b>	
				<i>Rs in millions</i>		
		<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>	
<b>24</b>	<b>Other non current liabilities</b>					
	Deferred rent		5.06	9.76	15.97	
			<b>5.06</b>	<b>9.76</b>	<b>15.97</b>	
<b>25</b>	<b>Trade payables</b>					
	(a) Dues to micro and small enterprises		-	-	-	
	(b) Others		35.38	26.33	30.49	
			<b>35.38</b>	<b>26.33</b>	<b>30.49</b>	
All trade payables are 'current'.						
For terms and conditions of trade payables owed to related parties, see Note 40.						
The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 41.						
As at March 31, 2017 and March 31, 2016, there are no outstanding dues to micro and small enterprises. There are no interests due or outstanding on the same.						

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<p>The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2017 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.</p>			
<i>Rs in millions</i>			
Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;			
(a) (i) Principal	-	-	-
(ii) Interest	-	-	-
(b) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the year*;			
Interest	-	-	-
- Bank balances other than cash and cash equivalents	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
* No interest has been paid by the Company during the year			
<b>26 Other current financial liabilities</b>			
Accrued salaries	1.28	1.86	4.74
Bonus	3.53	2.46	1.07
Unpaid/unclaimed dividends	28.02	33.54	38.92
Due to directors	1.21	3.30	9.09
Accrued expenses	6.04	5.19	6.24
Others	1.52	9.27	9.82
	<b>41.60</b>	<b>55.62</b>	<b>69.88</b>
<b>27 Current tax liability</b>			
Current tax liability	-	-	2.95
	-	-	<b>2.95</b>
<i>Rs in millions</i>			
Particulars	As at 31 March 2017	As at 31 March 2016	
<b>Movement in current tax liability</b>			
Opening balance	-	2.95	
Charge for the current year	-	-	
Paid during the year	-	(2.95)	
<b>Closing balance</b>	-	-	



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>			
Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>28</b>	<b>Other current liabilities</b>		
	6.90	6.01	8.19
	-	8.15	10.13
	<b>6.90</b>	<b>14.16</b>	<b>18.32</b>

<i>Rs in millions</i>		
Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>29</b>	<b>Revenue from operations</b>	
	<b>Sale of services</b>	
	247.31	253.60
	208.84	219.84
	83.38	60.07
	23.65	24.37
	<b>563.18</b>	<b>557.88</b>
<b>30</b>	<b>Other income</b>	
	128.59	125.82
	91.31	160.09
	4.60	4.63
	3.12	60.80
	0.05	5.05
	-	14.24
	9.12	7.84
	-	0.15
	<b>236.79</b>	<b>378.62</b>
	*Income by way of rent from LG Soft India Private Limited and Inmobi Technology Services Private Limited are secured against the term loan from bank.	
<b>31</b>	<b>Cost of provisions, food and beverages consumed</b>	
	10.67	10.00
	67.44	69.99
	9.34	10.67
	<b>68.77</b>	<b>69.32</b>
<b>32</b>	<b>Maintenance and upkeep services</b>	
	8.64	9.44
	12.43	12.94
	<b>Repairs and maintenance of :-</b>	
	8.80	12.43
	15.80	15.87
	1.30	6.64
	3.79	4.83
	4.25	5.38
	<b>55.01</b>	<b>67.53</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		<i>Rs in millions</i>	
Particulars		For the year ended 31 March 2017	For the year ended 31 March 2016
<b>33</b>	<b>Employee benefits expense</b>		
	Salaries and wages	112.42	96.47
	Contribution to provident and other funds	9.12	8.35
	Staff welfare expenses	9.82	8.31
		<b>131.36</b>	<b>113.13</b>
<b>34</b>	<b>Finance costs</b>		
	Interest expense	5.26	7.34
	Interest on cash credit	-	0.20
	Bank charges	0.33	-
	Other borrowing costs	1.12	0.39
		<b>6.71</b>	<b>7.93</b>
<b>35</b>	<b>Depreciation and amortization expense</b>		
	Depreciation on property, plant and equipment	34.72	34.73
	Depreciation on investment properties	15.60	15.60
		<b>50.32</b>	<b>50.33</b>
<b>36</b>	<b>Other expenses</b>		
	Legal, professional and consultancy charges	19.26	20.87
	Rates and taxes	14.53	13.46
	Power and fuel	11.87	12.62
	Royalty	11.37	11.60
	Donations	10.28	3.18
	Administrative and general expenses	9.17	8.69
	Commission on sales	5.34	5.00
	Water charges	4.41	5.72
	Travelling and conveyance	3.96	4.01
	Postage, telex and telephones	3.46	4.12
	Commission to chairman and managing director	2.25	4.75
	Printing and stationery	2.41	2.59
	Sales and promotional expenses	1.60	2.23
	Rent	1.33	1.47
	Insurance	0.99	0.91
	Payment to auditors*	0.73	0.66
	Director's sitting fees	0.48	0.34
	Freight and transport	0.21	0.22
	Foreign currency fluctuations	0.06	-
	Miscellaneous	0.46	0.37
		<b>104.17</b>	<b>102.81</b>
<b>*</b>	<b>Auditor's remuneration (included in legal and professional charges and excludes service tax)</b>		
	As auditor		
	- for statutory audit	0.38	0.39
	- for tax audit	0.10	0.10
	- for other services	0.22	0.15
	Reimbursement of expenses	0.03	0.02
		<b>0.73</b>	<b>0.66</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>Corporate Social Responsibility</b>			
As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.			
<i>Rs in millions</i>			
<b>Particulars</b>		<b>As at and for the year ended 31 March 2017</b>	<b>As at and for the year ended 31 March 2016</b>
(a) Amount required to be spent by the company during the year		5.98	4.97
(b) Amount spent during the year for:			
(i) Construction/ acquisition of any asset		-	-
(ii) On purposes other than (i) above		6.93	4.28

<i>Rs in millions</i>			
<b>Particulars</b>		<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
<b>37</b>	<b>Income tax</b>		
(a)	<b>Major components of income tax expense for the years ended 31 March 2017 and 31 March 2016:</b>		
	<b>Current income tax:</b>		
	Current income tax charge	(110.00)	(135.00)
	<b>Deferred tax:</b>		
	Relating to origination and reversal of temporary differences	14.64	(47.63)
	<b>Income tax expense reported in the statement of profit or loss</b>	<b>(95.36)</b>	<b>(182.63)</b>
(b)	<b>Deferred tax related to items recognised in OCI during in the year:</b>		
	Gain/(loss) on FVTOCI financial assets	(0.16)	2.36
	Remeasurement of defined benefit liability/ (assets)	0.28	0.58
	<b>Income tax charged to OCI</b>	<b>0.12</b>	<b>2.94</b>
(c)	<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
	Profit/ (loss) before tax from operations	383.63	525.45
	<b>Tax at the Indian tax rate of 34.608% (31 March 2016: 34.608%)</b>	<b>132.77</b>	<b>181.85</b>
	Impact non-deductible expenses for tax purposes	(37.41)	0.78
	<b>Income tax expense</b>	<b>95.36</b>	<b>182.63</b>
(d)	<b>Deferred tax</b>		
	The company does not have any unrecognised deferred tax assets or liabilities.		

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>			
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>38</b>	<b>Contingent liabilities, commitments and contingent assets</b>		
	<b>Contingent liabilities:</b>		
	Disputed Income Tax liability against which appeals are pending		
	- Assessment Year 1997-98	0.96	0.96
	- Assessment Year 2010-11	1.03	1.03
	Other claims not acknowledged as debts	32.85	-
	a). The Company has not entered into any contracts to purchase, construct or develop investment property or for its repairs, maintenance or enhancements exceeding a period of one year.		
	b). Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with authorities.		
	c). The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.		

<b>39</b>	<b>Leases</b>		
<b>(i)</b>	<b>Operating lease</b>		
	<b>Assets given on operating lease:</b>		
	The Company earns its rental income from investment property leased under operating lease which is recognized in the statement of profit and loss on a straight-line basis over the term of the lease. Total lease rental income recognised in the statement of profit and loss for the year is:		
	<i>Rs in millions</i>		
	<b>Particulars</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
	Non-cancellable	128.59	125.82
	Cancellable	-	-
		<b>128.59</b>	<b>125.82</b>
	The future minimum lease receivables under non-cancellable operating leases in aggregate are as follows:		
	<i>Rs in millions</i>		
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Not later than 1 year	120.63	117.22
	Later than 1 year and not later than 5 years	246.98	367.61
	More than 5 years	-	31.96

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

40	<b>Related party</b>		
	<b>Related parties with whom transactions have taken place during the year</b>		
	<b>A. Holding company</b>		
	Embassy Property Development Limited		
	<b>B. Subsidiaries</b>		
	Airport Golfview Hotels and Suites Private Limited		
	<b>C. Key management personnel</b>		
	Mr. C.B.Pardhanani		
	Ms. S.C.Pardhanani		
	Mr. M.B.Pardhanani		
	Mrs. Uma M.Pardhanani		
	Ms. Aarti M. Pardhanani		
	<b>D. Enterprises significantly influenced by the Company/ key managerial personnel</b>		
	Kapi Investment Ink Limited		
	C.Pardhanani's Education Trust		
M.K. Trading L.L.C., Dubai, UAE			
Pardhanani International Investments And Holdings Private Limited			
Pardhanani International Properties Private Limited			
Sanko Properties Private Limited			
<b>E. The following is a summary of related party transactions</b>			
<i>Rs in millions</i>			
<b>Particulars</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>	
<b>1. Loan given</b>			
Airport Golfview Hotels and Suites Private Limited	(1.82)	3.50	
Embassy Property Development Limited	160.00	-	
	<b>158.18</b>	<b>3.50</b>	
<b>2. Dividend paid</b>			
Kapi Investment Ink Limited	-	2.88	
Mr. C. B. Pardhanani	-	173.11	
Mr. M. B. Pardhanani	-	2.16	
Mrs. Uma M. Pardhanani	-	3.69	
Ms. Aarti M. Pardhanani	-	1.08	
	-	<b>182.92</b>	
<b>3. Commission paid</b>			
Mr. C. B. Pardhanani	2.25	4.75	
	<b>2.25</b>	<b>4.75</b>	
<b>4. Donation</b>			
C. Pardhanani's Education Trust	1.75	1.60	
	<b>1.75</b>	<b>1.60</b>	
<b>5. Sale of electricity</b>			
Mr. C. B. Pardhanani	23.76	1.82	
	<b>23.76</b>	<b>1.82</b>	



# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>F. The following is a summary of balances receivable from related parties:</b>			
<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
<b>1. Loan to subsidiary</b>			
Airport Golfview Hotels and Suites Private Limited	11.55	13.37	16.87
<b>2. Loan to others</b>			
Embassy Property Development Limited	350.00	190.00	190.00
<b>3. Dividend payable</b>			
Mr. M. B. Pardhanani*	-	8.43	7.22
Mrs. Uma M. Pardhanani*	-	14.35	12.30
Ms. Aarti M. Pardhanani*	-	4.20	3.60
* Dividend payable to these parties are under dispute and are hence not yet paid.			
<b>4. Commission payable</b>			
Mr. C. B. Pardhanani	1.18	3.11	2.40
<b>5. Other receivables</b>			
Others	1.74	1.79	-
<b>G. Compensation of key management personnel of the Company:</b>			
(i) The remuneration of directors and other members of key management personnel during the year was as follows:			
<i>Rs in millions</i>			
<b>Particulars</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>	
Short-term employee benefits	4.64	5.60	
	<b>4.64</b>	<b>5.60</b>	
The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Post employment benefit comprising gratuity and compensated absences are not disclosed as these are determined for the Company as a whole.			
<b>H. Terms and conditions</b>			
All transactions and outstanding balances with these related parties are priced on an arm's length basis and are to be settled within the credit period allowed as per the policy. None of the balances are secured.			
<b>I. Details of inter corporate loans given to related parties</b>			
(a) Terms and conditions on which inter-corporate loans have been given			
<b>Party name</b>	<b>Interest rate</b>	<b>Repayment terms</b>	<b>Purpose</b>
Airport Golfview Hotels and Suites Private Limited (Subsidiary)	Nil	Repayable on demand	General
Embassy Property Development Limited	18%	Repayable on demand	General

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>(b) Reconciliation of inter-company loans given as at the beginning and as at the end of the year:</b>		
Particulars	As at 31 March 2017	As at 31 March 2016
<i>Subsidiary</i>		
<b>Airport Golfview Hotels and Suites Private Limited</b>		
At the commencement of the year	13.37	16.87
Add: given during the year	-	-
Less: repaid during the year	1.82	3.50
At the end of the year	11.55	13.37
<i>Others</i>		
<b>Embassy Property Development Limited</b>		
At the commencement of the year	190.00	190.00
Add: given during the year	160.00	-
Less: repaid during the year	-	-
At the end of the year	350.00	190.00

41	Financial instruments - fair value measurement				
	<i>Rs in millions</i>				
	Particulars	Carrying value as at 31 March 2017	Fair value		
		Level 1	Level 2	Level 3	
A	<b>Accounting classification and fair value</b>				
	<b>Financial assets measured at amortised cost:</b>				
	Non current financial assets				
	- Loans	22.80	-	-	-
	Current financial assets				
	- Trade receivables	28.32	-	-	-
	- Cash and cash equivalents	38.95	-	-	-
	- Loans	388.00	-	-	-
	- Bank balances other than cash and cash equivalents	1.00	-	-	-
	- Other current financial assets	21.40	-	-	-
	<b>Financial assets measured at fair value through other comprehensive income:</b>				
	Non current financial assets				
	- Investments other than investment in subsidiary	68.80	68.80	-	-
	<b>Financial assets measured at fair value through statement of profit and loss:</b>				
	Current financial assets				
	- Investments	70.00	70.00	-	-
	<b>Total</b>	<b>639.27</b>	<b>138.80</b>	<b>-</b>	<b>-</b>
					<b>138.80</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>					
Particulars	Carrying value as at 31 March 2017	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial liabilities measured at amortised cost:</b>					
Non current financial liabilities					
- Long term borrowing	400.00	-	-	-	-
- Other financial liabilities (other than those specified above)	81.32	-	-	-	-
Current financial liabilities					
- Trade payables	35.38	-	-	-	-
- Other financial liabilities	41.80	-	-	-	-
<b>Total</b>	<b>558.50</b>	-	-	-	-
The Company has not disclosed the fair values for financial instruments such as other trade receivables, cash and cash equivalents, bank balances, other than cash and cash equivalents, other current financial assets, loans, short term borrowings, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.					
<i>Rs in millions</i>					
Particulars	Carrying value as at 31 March 2016	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at amortised cost:</b>					
Non current financial assets					
- Loans	23.04	-	-	-	-
Current financial assets					
- Trade receivables	37.13	-	-	-	-
- Cash and cash equivalents	45.18	-	-	-	-
- Loans	281.50	-	-	-	-
- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
- Other current financial assets	27.14	-	-	-	-
<b>Financial assets measured at fair value through other comprehensive income:</b>					
Non current financial assets					
- Investments other than investment in subsidiary	73.78	73.78	-	-	73.78
<b>Financial assets measured at fair value through statement of profit and loss:</b>					
Current financial assets					
- Investments	467.26	467.26	-	-	467.26
<b>Total</b>	<b>956.03</b>	<b>541.04</b>	-	-	<b>541.04</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>					
Particulars	Carrying value as at 31 March 2016	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial liabilities measured at amortised cost:</b>					
Non current financial liabilities					
- Other financial liabilities	75.11	-	-	-	-
Current financial liabilities					
- Trade payables	26.33	-	-	-	-
- Other financial liabilities	55.62	-	-	-	-
<b>Total</b>	<b>157.06</b>	-	-	-	-
The Company has not disclosed the fair values for financial instruments such as other trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.					
<i>Rs in millions</i>					
Particulars	Carrying value as at 1 April 2015	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at amortised cost:</b>					
Non current financial assets					
- Loans	25.27	-	-	-	-
Current financial assets					
- Trade receivables	31.06	-	-	-	-
- Cash and cash equivalents	51.46	-	-	-	-
- Loans	332.50	-	-	-	-
- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
- Other current financial assets	60.64	-	-	-	-
<b>Financial assets measured at fair value through other comprehensive income:</b>					
Non current financial assets					
- Investments other than investment in subsidiary	164.59	164.59	-	-	164.59
<b>Financial assets measured at fair value through statement of profit and loss:</b>					
Current financial assets					
- Investments	151.05	151.05	-	-	151.05
<b>Total</b>	<b>817.57</b>	<b>315.64</b>	-	-	<b>315.64</b>
<b>Financial liabilities measured at amortised cost:</b>					
Non current financial liabilities					
- Other financial liabilities	111.15	-	-	-	-
Current financial liabilities					
- Trade payables	30.49				
- Other financial liabilities	69.88	-	-	-	-
<b>Total</b>	<b>211.52</b>	-	-	-	-
The Company has not disclosed the fair values for financial instruments such as other trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.					

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Financial instruments (continued)						
<b>B</b>	<b>Measurement of fair values</b>					
	The section explains the judgement and estimates made in determining the fair values of the financial instruments that are: a) recognised and measured at fair value b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:					
	<b>Level 1:</b> Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.					
	<b>Level 2:</b> The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.					
	<b>Level 3:</b> If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.					
	As stated in Note 2A, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP'). The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015. In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.					
	The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.					
	<b>Level 1:</b>					
		<b>Financial instruments measured at fair value</b>	<b>Type</b>	<b>Valuation Technique</b>	<b>Significant unobservable inputs</b>	<b>Inter relationship between significant unobservable inputs and fair value measurement</b>
		Fair value	Equity investments	The valuation model is based on market multiples derived from quoted prices of the companies shares.	Not applicable	Not applicable
	Fair value	Mutural Funds	The valuation model is based on the net asset value of the fund as at the reporting date. Net asset value of the fund is readily available from the statement of the fund.	Not applicable	Not applicable	



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Level 2:				
Financial instruments measured at fair value	Type	Valuation Technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Fair value	Other investments	Market comparison/discounted cash flow: The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.	Not applicable	Not applicable
C	<b>Financial risk management</b>			
	The Company's has exposure to the following risks arising from financial instruments: - credit risk (refer note ii below) - liquidity risk (refer note iii below) - market risk (refer note iv below)			
	<b>(i) Risk management framework</b>			
	The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.			
	<b>(ii) Credit risk</b>			
	Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure.			
	<b>Trade and other receivables:</b>			
	The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Outstanding customer receivables, which can be classified into receivables from corporates and receivables from others are evaluated as minimal credit risk by the Company. Receivable from corporates are mainly from reputed companies from the company has a trend of timely collections. Others pertains to customers who pay at the point of sale. However there is low risk on account of payments made through credit cards and coupons which are recoverable from banks, financial institutions and corporates having minimal credit risk. Due to this factor, management believes that no additional credit risk is inherent in the Company's trade receivables and other receivables and unbilled revenue. At the balance sheet date, there were no significant concentrations of credit risk.			

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>The following table provides information about the exposure to credit risk and expected credit loss for trade receivables and loans to related parties:</b>							
<b>As at 31 March 2017</b>						<i>Rs in millions</i>	
<b>Particulars</b>		<b>Gross carrying amount *</b>	<b>Expected loss rate</b>	<b>Provision amount</b>	<b>Whether credit impaired</b>		
Upto 180 days		28.32	0.00%	-	No		
> 180 days		-	0.00%	-	No		
		<b>28.32</b>		-			
<b>As at 31 March 2016</b>						<i>Rs in millions</i>	
<b>Particulars</b>		<b>Gross carrying amount*</b>	<b>Expected loss rate</b>	<b>Provision amount</b>	<b>Whether credit impaired</b>		
Upto 180 days		36.68	0.00%	-	No		
> 180 days		0.45	0.00%	-	No		
		<b>37.13</b>		-			
<b>As at 1 April 2015</b>						<i>Rs in millions</i>	
<b>Particulars</b>		<b>Gross carrying amount*</b>	<b>Expected loss rate</b>	<b>Provision amount</b>	<b>Whether credit impaired</b>		
Upto 180 days		30.95	0.00%	-	No		
> 180 days		0.11	0.00%	-	No		
		<b>31.06</b>		-			
<b>Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):</b>							
Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.							
<b>Loans and security deposit:</b>							
Expected credit loss for loans and security deposits is as follows:							
						<i>Rs in millions</i>	
<b>Particulars</b>		<b>Period ended</b>	<b>Asset company</b>	<b>Estimated gross carrying amount at default</b>	<b>Expected probability of default</b>	<b>Expected credit losses</b>	<b>Carrying amount, net of impairment provision</b>
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-17	Loan	399.55	-	-	399.55
			Security deposits	11.25	-	-	11.25
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-16	Loan	294.87	-	-	294.87
			Security deposits	9.67	-	-	9.67
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	1-Apr-15	Loan	400.05	-	-	400.05
			Security deposits	8.39	-	-	8.39

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>D</b>	<b>Liquidity risk</b>						
	Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.						
	Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance in between cash outflow and inflow. Usually the excess of funds is invested in short term mutual funds and fixed deposits. This is generally carried out in accordance with practice and limits set by the Company. These limits vary to take into account the liquidity of the market in which the Company operates.						
	<b>Maturities of financial liabilities</b>						
	The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments.						
	<b>As at 31 March 2017</b>						<i>Rs in millions</i>
		<b>Carrying amount</b>	<b>Total</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>More than 2 years</b>
	Long term borrowing	400.00	400.00	-	-	-	400.00
	Other non current financial liabilities	81.30	81.30	-	-	-	81.30
	Trade payables	35.38	35.38	35.38	-	-	-
Other current financial liabilities	41.60	41.60	41.60	-	-	-	
	<b>558.28</b>	<b>558.28</b>	<b>76.98</b>	-	-	<b>481.30</b>	
<b>As at 31 March 2016</b>						<i>Rs in millions</i>	
	<b>Carrying amount</b>	<b>Total</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>More than 2 years</b>	
Other non current financial liabilities	75.11	75.11	-	-	-	75.11	
Trade payables	26.33	26.33	26.33	-	-	-	
Other current financial liabilities	55.62	55.62	55.62	-	-	-	
	<b>157.06</b>	<b>157.06</b>	<b>81.95</b>	-	-	<b>75.11</b>	
<b>As at 1 April 2015</b>						<i>Rs in millions</i>	
	<b>Carrying amount</b>	<b>Total</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>More than 2 years</b>	
Other non current financial liabilities	111.15	111.15	-	-	-	111.15	
Trade payables	30.49	30.49	30.49	-	-	-	
Other current financial liabilities	69.88	69.88	69.88	-	-	-	
	<b>211.52</b>	<b>211.52</b>	<b>100.37</b>	-	-	<b>111.15</b>	

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

E	<b>Market risk</b>			
	Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.			
	<b>i) Currency risk</b>			
	The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of transacting parties. The functional currency of the Company is primarily INR.			
	Since the company does not have any unhedged foreign currency exposure at the year end, it is not exposed to currency risk.			
	<b>ii) Interest rate risk</b>			
	The Company's main interest rate risk arises from long-term borrowings, which expose the Company to cash flow interest rate risk. The Company adopts a policy of ensuring that 100% of its interest rate risk exposure is at a fixed rate.			
	<b>Exposure to interest rate risk</b>			
	The exposure of the Company's borrowing to interest rate at the end of the reporting period are as follows :-			<i>Rs in millions</i>
		<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>1-Apr-15</b>
	Fixed rate borrowings	400.00	-	-
	Investments in debt based mutual funds	70.00	467.26	151.05
	Cash and cash equivalents	0.02	-	-
	Bank balances other than cash and cash equivalents	1.00	1.00	1.00
	The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.			
However, the Company has invested in debt based mutual funds and the sensitivity analysis of the same is below:				
<i>Rs in millions</i>				
<b>Particulars</b>	<b>Impact on profit or loss</b>		<b>Impact on other components of equity</b>	
	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
Increase by 50 base points	46.73	7.00	-	-
Decrease by 50 base points	(46.73)	(7.00)	-	-
<b>iii) Price risk</b>				
The Company's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company. The majority of the company's equity investments are publicly traded and are included in the NSE or BSE index.				
<b>Sensitivity analysis – Equity price risk</b>				
Maturities of financial liabilities				
<i>Rs in millions</i>				
<b>Particulars</b>	<b>Impact on profit or loss</b>		<b>Impact on other components of equity</b>	
	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
Increase by 10% (2016: 10%)	0.41	0.68	0.85	0.92
Decrease by 10% (2016: 10%)	(0.41)	(0.68)	(0.85)	(0.92)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

42	<b>Gratuity</b>		
	<b>A. Defined contribution plan</b>		
	The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The defined benefit plan for gratuity is administered by a single gratuity fund that is legally separate from the Company.		
	<b>B. Reconciliation of the net defined benefit (asset) liability</b>		
	<b>Reconciliation of present value of defined benefit obligation</b>		
		<i>Rs in millions</i>	
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Balance at the beginning of the year	17.82	16.82
	Service cost		
	- Current service cost	2.81	2.11
	Interest Cost	1.27	1.20
	Benefits paid	(0.77)	(3.65)
	Actuarial (gains) losses recognised in other comprehensive income		
	- changes in financial assumptions	(0.08)	1.34
	- experience adjustments	-	-
	<b>Balance at the year end</b>	<b>21.06</b>	<b>17.82</b>
	<b>Reconciliation of the present value of plan assets</b>		
	Balance at the beginning of the year	21.41	22.00
	Expected return on plan assets	1.54	1.67
	Contributions paid into the plan	0.01	1.41
	Benefits paid	(0.77)	(3.65)
	Return on plan assets recognised in other comprehensive income	0.21	(0.02)
	<b>Balance at the year end</b>	<b>22.40</b>	<b>21.41</b>
	<b>C.(i) Expense recognised in profit or loss</b>		
	Current service cost	2.81	2.11
	Interest cost	1.27	1.20
		<b>4.08</b>	<b>3.31</b>
	<b>C.(ii) Remeasurements recognised in other comprehensive income</b>		
	Actuarial (gain) loss on defined benefit obligation	(0.08)	1.34
	Return on plan assets excluding interest income	0.13	0.02
		<b>0.06</b>	<b>1.36</b>
	<b>D. Plan assets</b>		
	Plan assets comprise of the following:		
	Investment funds	22.40	21.41
		<b>22.40</b>	<b>21.41</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>E. Defined benefit obligations</b>				
<b>(i) Actuarial assumptions</b>				
<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	
<b>Financial assumptions</b>				
Discount rate	7.31%	8.00%	8.00%	
Future salary growth	6.00%	6.00%	6.00%	
<b>Demographic assumptions</b>				
Withdrawal rate	5.00%	5.00%	5.00%	
Retirement age	58	58	58	
<b>(ii) Sensitivity analysis</b>				
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have reflected the defined benefit obligation as the amounts shown below.				
<b>Particulars</b>	<b>As at 31 March 2017</b>		<b>As at 31 March 2016</b>	
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
Discount rate (1% movement)	19.61	22.34	16.53	18.91
Future salary growth (1% movement)	22.27	19.64	18.89	16.52
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.				
Since the contributions made by the Company exceed the provision for gratuity, no liability has been recognised.				
<b>43</b>	<b>Reconciliation of inter-corporate loans given as at the beginning and as at the end of the year (apart from related party loans):</b>			
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	
	<b>IDS Next Business Solutions Private Limited</b>			
	At the commencement of the year	1.00	2.50	
	Add: given during the year	-	-	
	Less: repaid during the year	-	(1.50)	
	At the end of the year	1.00	1.00	
	<b>Legacy Global Projects Limited</b>			
	At the commencement of the year	52.50	100.00	
	Add: given during the year	-	-	
	Less: repaid during the year	(52.50)	(47.50)	
	At the end of the year	-	52.50	
	<b>Thrishul Developers</b>			
	At the commencement of the year	30.00	-	
	Add: given during the year	-	30.00	
	Less: repaid during the year	-	-	
	At the end of the year	30.00	30.00	
	<b>Marickar Plantations Private Limited</b>			
	At the commencement of the year	8.00	-	
	Add: given during the year	-	8.00	
	Less: repaid during the year	(1.00)	-	
	At the end of the year	7.00	8.00	
	<b>Pebble Bay Developers Private Limited</b>			
	At the commencement of the year	-	40.00	
	Add: given during the year	-	-	
	Less: repaid during the year	-	(40.00)	
	At the end of the year	-	-	



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>					
	As at 31 March 2016	Change in fair value	Net Purchase/ (Sale) of Investment	As at 31 March 2017	
<b>44</b>	<b>Details of non-current investments purchased and sold during the year</b>				
	<i>Unquoted</i>				
	<i>- Debt securities</i>				
	Reliance Capital Asset Management	44.04	4.11	(3.38)	44.77
	<i>- Subsidiaries:</i>				
	29,988 equity shares of Airport Golf View Hotels and Suites Private Limited (31 March 2016: 29,988 shares) (1 April 2015: 29,988 shares)	74.50	-	-	74.50
		118.54	4.11	(3.38)	119.27
	<i>Equity investments at fair value through other comprehensive income (fully paid-up)</i>				
	<i>Quoted</i>				
	11,379 equity shares of Sobha developers (31 March 2016: 13,594 shares) (1 April 2015: 13,594 shares)	3.71	1.02	(0.80)	3.93
	10,000 equity shares of Global Offshore (31 March 2016: 10,000 shares) (1 April 2015: 10,000 shares)	1.83	(1.39)	-	0.44
	22,699 equity shares of Puravankara Limited (31 March 2016: 22,699 shares) (1 April 2015: 22,699 shares)	1.06	0.51	-	1.57
	4,000 equity shares of Cipla Limited (31 March 2016: 4,000 shares) (1 April 2015: Nil shares)	2.62	0.34	-	2.96
		<b>9.22</b>	<b>(0.48)</b>	<b>(0.80)</b>	<b>8.90</b>
	<i>Other investments at fair value through other comprehensive income (fully paid-up)</i>				
	<i>Unquoted</i>				
	Kotak Real Estate Fund	6.95	(4.07)	-	2.88
	Pru.ICICI India Advantage Fund-III	13.58	(0.01)	(1.33)	12.24
		20.53	(4.08)	(1.33)	15.12
<b>45</b>	<b>Specified Bank Note</b>				
	During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denominationwise SBNs and other notes as per the notification are as follows :				
<i>Rs in millions</i>					
	Specified bank notes	Other denomination notes	Total		
	Closing cash in hand as on 8 November 2016	0.87	0.03	0.90	
	Add: Permitted receipts	-	3.06	3.06	
	Less: Amount deposited in banks	(0.74)	(2.91)	(3.65)	
	Less: Cash payments	(0.13)	-	(0.13)	
	<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>0.18</b>	<b>0.18</b>	
	For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.				

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>46</b>	<p><b>First time adoption</b></p> <p>As stated in Note 2A, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').</p> <p>The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.</p> <p>In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.</p>
<b>A</b>	<p><b>Optional exemptions availed:</b></p> <p>Ind AS 101 allows first-time adopters certain optional exemptions from the retrospective application of certain requirements under Ind AS for transition from the previous GAAP (IGAAP). The Company has availed the following:</p> <p><b>(i) Deemed cost of property, plant and equipment</b></p> <p>As per Ind AS 101 an entity may elect to:</p> <p>(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date</p> <p>(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:</p> <ul style="list-style-type: none"> <li>- fair value;</li> <li>- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.</li> </ul> <p>The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).</p> <p>(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.</p> <p>On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.</p> <p><b>(ii) Investments in subsidiaries</b></p> <p>Ind AS 101 provides an exemption to the first-time adopter to measure an investment in subsidiaries at:</p> <p>a) cost determined in accordance with Ind AS 27; or</p> <p>b) deemed cost, which shall be its:</p> <ul style="list-style-type: none"> <li>i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or</li> <li>ii) previous GAAP carrying amount at that date.</li> </ul> <p>The Company has chosen to avail the exemption provided by Ind AS 101 and value its investment in subsidiary at deemed cost being the previous GAAP carrying amount at the transition date.</p>
<b>B</b>	<p><b>Mandatory exceptions availed:</b></p> <p>Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from the previous GAAP (IGAAP):</p> <p><b>(i) Classification and measurement of financial assets</b></p> <p>Ind AS 101 require an entity to classify and measure its financial asset into amortised cost, fair value through OCI or fair value through profit or loss based on the business model assessment or and Solely payment of principal and interest (SPPI) criterion based on facts and circumstances that exist at the date of transition. The entity has measured certain investments at fair value through OCI in compliance with this requirement.</p> <p><b>(ii) Estimates</b></p> <p>Ind AS 101 prohibits the use of hindsight to correct estimates made under previous GAAP unless there is objective evidence of error. It only allows to adjust the estimates made under previous GAAP when the basis of calculation does not comply with Ind AS. Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, other than those required due to application of Ind AS.</p>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<p><b>(iii) De-recognition of financial assets and liabilities</b>                  Ind AS 101 requires a first-time adopter to apply the derecognition requirements of Ind AS 109 prospectively to transactions occurring on or after the date of transition. However, it also allows the first-time adopter that wants to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.                  The Company has chosen to avail the exception to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition.</p>				
<i>Rs in millions</i>				
Particulars	Notes to first-time adoption	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>C.</b>	<b>Reconciliation between previous GAAP and Ind AS:</b>			
	<b>(i) (a) Reconciliation of equity as at date of transition 1 April 2015:</b>			
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		828.71	-	828.71
Capital work-in-progress		0.81	-	0.81
Investment property	1	-	907.81	907.81
Financial Assets			-	
- Investments	1 & 2	1,179.48	(940.39)	239.09
- Loans		25.27	-	25.27
Tax assets		4.47		4.47
Other non-current assets		157.54	-	157.54
<b>Total non-current assets</b>		<b>2,196.28</b>	<b>(32.58)</b>	<b>2,163.70</b>
<b>Current assets</b>				
Inventories		11.92	-	11.92
Financial assets				
- Investments	2	149.26	1.79	151.05
- Trade receivables		31.06	-	31.06
- Cash and cash equivalents		51.46	-	51.46
- Bank balances other than cash and cash equivalents		1.00	-	1.00
- Loans		332.50	-	332.50
- Other current financial assets		60.64	-	60.64
Other current assets		26.40	-	26.40
<b>Total current assets</b>		<b>664.24</b>	<b>1.79</b>	<b>666.03</b>
<b>Total assets</b>		<b>2,860.52</b>	<b>(30.79)</b>	<b>2,829.73</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		131.04	-	131.04
Other equity	6 & 7	2,260.84	107.86	2,368.70
<b>Total equity</b>		<b>2,391.88</b>	<b>107.86</b>	<b>2,499.74</b>
<b>Non-current liabilities</b>				
Financial liabilities				
- Other financial liabilities	3	129.36	(18.21)	111.15
Provisions		19.95	-	19.95
Deferred tax liabilities (net)	8	71.93	(10.65)	61.28
Other non current liabilities	3	-	15.97	15.97
<b>Total non-current liabilities</b>		<b>221.24</b>	<b>(12.89)</b>	<b>208.35</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>				
Particulars	Notes to first-time adoption	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables		30.49	-	30.49
- Other financial liabilities		69.88	-	69.88
Provisions	4	125.76	(125.76)	-
Current tax liabilities (net)		2.95	-	2.95
Other current liabilities		18.32	-	18.32
<b>Total current liabilities</b>		<b>247.40</b>	<b>(125.76)</b>	<b>121.64</b>
<b>Total equity and liabilities</b>		<b>2,860.52</b>	<b>(30.79)</b>	<b>2,829.73</b>
* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.				
<b>(b) Reconciliation of equity as at 31 March 2016:</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		827.34	-	827.34
Capital work-in-progress		0.81	-	0.81
Investment property	1	-	892.20	892.20
Financial Assets				
- Investments	1 & 2	1,092.08	(943.80)	148.28
- Loans		23.04	-	23.04
Tax assets		5.30	-	5.30
Other non-current assets		97.03	-	97.03
<b>Total non-current assets</b>		<b>2,045.60</b>	<b>(51.60)</b>	<b>1,994.00</b>
<b>Current assets</b>				
Inventories		12.53	-	12.53
Financial assets			-	
- Investments	2	431.60	35.66	467.26
- Trade receivables		37.13	-	37.13
- Cash and cash equivalents		45.18	-	45.18
- Bank balances other than cash and cash equivalents		1.00	-	1.00
- Loans		281.50	-	281.50
- Other current financial assets		27.14	-	27.14
Other current assets		3.99	-	3.99
<b>Total current assets</b>		<b>840.07</b>	<b>35.66</b>	<b>875.73</b>
<b>Total assets</b>		<b>2,885.67</b>	<b>(15.94)</b>	<b>2,869.73</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		131.04	-	131.04
Other equity	6 & 7	2,437.17	(7.79)	2,429.38
<b>Total equity</b>		<b>2,568.21</b>	<b>(7.79)</b>	<b>2,560.42</b>
<b>Non-current liabilities</b>				
Financial liabilities				
- Other financial liabilities	3	86.33	(11.22)	75.11
Provisions		22.36	-	22.36
Deferred tax liabilities (net)	8	112.66	(6.69)	105.97
Other non current liabilities	3	-	9.76	9.76
<b>Total non-current liabilities</b>		<b>221.35</b>	<b>(8.15)</b>	<b>213.20</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>				
Particulars	Notes to first-time adoption	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables		26.33	-	26.33
- Other financial liabilities		55.62	-	55.62
Other current liabilities		14.16	-	14.16
<b>Total current liabilities</b>		<b>96.11</b>	<b>-</b>	<b>96.11</b>
<b>Total equity and liabilities</b>		<b>2,885.67</b>	<b>(15.94)</b>	<b>2,869.73</b>
* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.				
<b>(ii) Reconciliation of total comprehensive income for the year ended 31 March 2016:</b>				
<b>Income</b>				
Revenue from operations		557.88	-	557.88
Other income	3	341.53	37.09	378.62
<b>Total income</b>		<b>899.41</b>	<b>37.09</b>	<b>936.50</b>
<b>Expenses</b>				
Cost of materials consumed		69.32	-	69.32
Maintenance and upkeep services		67.53	-	67.53
Employee benefits expense	5	114.69	(1.56)	113.13
Finance costs	3 & 5	0.59	7.34	7.93
Depreciation and amortization expense	1	34.73	15.60	50.33
Other expenses		102.81	-	102.81
<b>Total expenses</b>		<b>389.67</b>	<b>21.38</b>	<b>411.05</b>
<b>Profit/(loss) before tax</b>		<b>509.74</b>	<b>15.71</b>	<b>525.45</b>
Tax expense:				
- Current tax		(135.00)	-	(135.00)
- Deferred tax		(40.72)	(6.91)	(47.63)
<b>Profit / (loss) for the year</b>		<b>334.02</b>	<b>8.80</b>	<b>342.82</b>
<b>Other comprehensive income:</b>				
Remeasurements of defined benefit plan actuarial gains/ (losses)	5	-	(1.69)	(1.69)
Changes in fair value of FVOCI equity instruments	2	-	0.06	0.06
		-	<b>(1.63)</b>	<b>(1.63)</b>
Deferred tax on items that will not be reclassified to profit or loss				
- Remeasurements of defined benefit plan actuarial gains/ (losses)		-	0.58	0.58
- Changes in fair value of FVOCI equity instruments		-	2.36	2.36
<b>Total comprehensive income for the period</b>		<b>334.02</b>	<b>10.11</b>	<b>344.13</b>
* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.				

# MAC CHARLES (INDIA) LIMITED

<i>Rs in millions</i>			
Particulars	Notes to first-time adoption	31 March 2016	1 April 2015
<b>(iii) Reconciliation of total equity as at 31 March 2016 and 1 April 2015</b>			
<b>Total equity (shareholder's funds) as per previous GAAP</b>		<b>2,568.22</b>	<b>2,391.88</b>
<i>Adjustments:</i>			
Depreciation impact on reclassification of investment property	1	(43.92)	(28.32)
Provision for dividend	4	-	125.76
Fair valuation of investments through OCI	2	8.76	(4.26)
Unwinding of security deposits	3	(6.99)	-
Creation of deferred tax on Ind AS adjustments	8	(4.35)	10.67
Creation of deferred rent	3	2.23	2.23
Fair valuation of investments through PL	2	36.49	1.78
<b>Total adjustments</b>		<b>(7.80)</b>	<b>107.86</b>
<b>Total equity as per Ind AS</b>		<b>2,560.42</b>	<b>2,499.74</b>
<b>(iv) Reconciliation of total comprehensive income for the year ended 31 March 2016</b>			
<i>Rs in millions</i>			
Particulars	Notes to first-time adoption	31 March 2016	
<b>Profit after tax as per previous GAAP</b>			<b>334.02</b>
<i>Adjustments:</i>			
Depreciation impact on reclassification of investment property	1	(15.60)	
Unwinding of security deposits	3	6.98	
Fair valuation of investments through OCI	3	(6.80)	
Deferred rent	3	(6.21)	
Reversal in impairment on investments	2	3.05	
Reclassification of actuarial gain/(loss) to OCI	5	(1.36)	
Fair valuation of investments	2	36.49	
Deferred tax on Ind AS adjustments	8	(7.75)	
<b>Total adjustments</b>			<b>8.80</b>
<b>Profit after tax as per Ind AS</b>	6		<b>342.82</b>
<b>Other comprehensive income</b>	2		<b>1.31</b>
<b>Total comprehensive income as per Ind AS</b>			<b>344.13</b>
<b>Notes to first time adoption:</b>			
<b>1</b>	<p><b>Investment property</b> Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. Consequent to the above, the total equity as at 31 March 2016 decreased by Rs. 43.92 million (1 April 2015 - (Rs. 28.32 million)) because the property was erroneously not depreciated and the profit for the year ended 31 March 2016 decreased by Rs. 15.60 million.</p>		
<b>2</b>	<p><b>Investments</b> Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in other comprehensive income reserve as at the date of transition and subsequently in the other comprehensive income for year ended 31 March 2016 for equity instruments and in retained earnings at the date of transition and subsequently in statement of profit and loss for the year ended 31 March 2016 for mutual funds. Consequent to the above, the total equity increased by Rs. 45.25 million for the year ended 31 March 2016 (1 April 2015: Rs. (2.48) million) and the total comprehensive income decreased by Rs. 6.80 million.</p>		



<b>3</b>	<p><b>Security deposits</b> Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent expense.</p>
	<i>Rs in millions</i>
	<b>Year ended 31 March 2016</b>
	<b>Statement of profit and loss</b>
	Increase in rental income (other income) 6.21
	Increase in interest expense (interest expense) 6.98
	<b>Adjustment before income tax (0.77)</b>
	<i>Rs in millions</i>
	<b>31 March 2016</b>
	<b>1 April 2015</b>
	<b>Balance sheet</b>
	Other non current financial assets (reclass of lease deposit to deferred rental expense) 18.21 18.21
	Deferred rent 15.98 15.98
	<b>Adjustment to retained earnings 2.23 2.23</b>
<b>4</b>	<p><b>Proposed dividend</b> Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. Nil as at 31 March 2016 (1 April 2015 – Rs. 125.76 million) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.</p>
<b>5</b>	<p><b>Remeasurement of post-employment benefit expenses</b> Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2016 increased by Rs 1.36 million and the other comprehensive income has decreased by the corresponding amount. Also, pursuant to the requirement of schedule III, net interest cost on actuarial valuation has been reclassified to finance cost. This has no impact on the total equity and the profit for the year ended 31 March 2016.</p>
<b>6</b>	<p><b>Retained earnings</b> Retained earnings as at 1 April 2015 has been adjusted consequent to the above mentioned Ind AS adjustments.</p>
<b>7</b>	<p><b>Other comprehensive income</b> Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income’ includes remeasurements of defined benefit plans and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.</p>
<b>8</b>	<p><b>Deferred tax on Ind AS adjustments</b> Deferred tax have been recognised on the adjustments made on transition to Ind AS.</p>
<b>Significant accounting policies</b>	
The notes referred to above form an integral part of the consolidated financial statements	

# MAC CHARLES (INDIA) LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAC CHARLES (INDIA) LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial statements of **MAC CHARLES (INDIA) LIMITED** (“the Company”) and its Subsidiary (the company and its Subsidiary constitutes ‘Group’ which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management’s Responsibility for the Consolidated Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance and Consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made there under. We conducted our audit in accordance with the Standards on auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the

consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in the ‘other matters’ paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

Based on our audit and on consideration of the separate audit report on individual financial statement of the subsidiary, in our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2017;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the **PROFIT OF THE** Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, since the said Order is not applicable for Consolidated Financial Statements.
2. **As required by section 143(3) of the Act, we report that :**
  - a. We/the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion proper books of account as required by law have been kept by the Company and its Subsidiary so far as it appears from our examination of those books and reports of the other auditors;
  - c. The Consolidated Balance Sheet , the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement, dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement, comply with the Accounting Standards specified under section 133 of the Act; read with relevant rules issued thereunder;
- e. On the basis of written representations received from the directors of the Company as on 31st March, 2017, and taken on record by the Board of Directors of the Company and the reports of the auditors who are appointed under section 139 of the Act of its Subsidiary Company, none of the directors of the Group is disqualified as on 31st March, 2017, from being appointed as a Director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in the Annexure; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company and its Subsidiary has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note 38 to the financial statements.
  - (ii) The Company and its Subsidiary did not have any long term contract for which there was any material foreseeable loss.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation and the report of the other auditors, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management

## Other matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 38.83 million and total liabilities of Rs. 16.45 million as at 31<sup>st</sup> March, 2017, total revenues of Rs. 35.88 million and total expenditure of Rs. 30.89 million and net cashflows of Rs.0.17 million for the year ended on the said date as considered in the consolidated financial statements. The financial statements of the subsidiary are audited by another auditor whose report is furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.

Our report is not qualified in respect of other matters.

## ANNEXURE TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub section 3 of Section 143 of the Companies act 2013('the act')

We have audited the internal financial controls over the financials reporting of **MAC CHARLES (INDIA) LIMITED** ("the Holding Company"), as of 31 March 2017 and have considered the audit report given by the auditor of the subsidiary company.

### Management's Responsibility for Internal Financial Controls

The respective Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act 2013.

### Auditors' responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the guidance note") and the standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the guidance notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and its operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion on the company's internal financial controls system over financial reporting.

# MAC CHARLES (INDIA) LIMITED

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## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide the reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Companies assets that could have a material effect on the financial statements.

## **Inherent limitations of internal financial controls over financial reporting**

Because of the Inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of control, material misstatement due to error or fraud may occur and not be detected. Also projection of any evaluation of the internal financial controls over financial reporting

to future periods are subject to the risks that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, and considering the opinion of the auditor of the subsidiary company, the Holding Company and its subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K.B. Nambiar & Associates**  
Chartered Accountants  
(Firm Regn. No. 002313S)

Bengaluru  
8 August 2017

**Ravishankar. V**  
Partner ( M.No. 236671)

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

Rs in millions

	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	829.42	859.93	860.87
Capital work-in-progress	4	0.81	0.81	0.81
Investment property	5	876.60	892.20	907.81
Intangibles	6	71.96	71.99	71.94
Financial assets				
- Investments	7	68.80	73.78	164.59
- Loans	8	12.74	10.69	9.31
Tax assets	9	21.55	5.55	4.52
Other non-current assets	10	1,099.80	97.03	157.53
<b>Total non-current assets</b>		<b>2,981.68</b>	<b>2,011.98</b>	<b>2,177.38</b>
<b>Current assets</b>				
Inventories	10	11.45	12.85	12.52
Financial assets				
- Investments	11	70.00	467.26	151.05
- Trade receivables	12	29.66	38.39	32.66
- Cash and cash equivalents	13	39.64	45.72	56.40
- Bank balances other than cash and cash equivalents	14	1.00	1.00	1.00
- Loans	15	388.00	281.50	332.50
- Other current financial assets	16	21.47	27.87	61.13
Other current assets	17	14.10	4.80	26.63
<b>Total current assets</b>		<b>575.32</b>	<b>879.39</b>	<b>673.89</b>
<b>Total assets</b>		<b>3,557.00</b>	<b>2,891.37</b>	<b>2,851.27</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	18	131.04	131.04	131.04
Other equity	19	2,731.91	2,442.93	2,378.17
<b>Total equity</b>		<b>2,862.95</b>	<b>2,573.97</b>	<b>2,509.21</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Long term borrowing	20	400.00	-	-
- Other financial liabilities (other than those specified above)	21	81.49	75.28	111.20
Provisions	22	27.69	22.62	20.00
Deferred tax liabilities (net)	23	91.21	105.97	61.28
Other non current liabilities	24	5.06	9.76	15.97
<b>Total non-current liabilities</b>		<b>605.45</b>	<b>213.63</b>	<b>208.45</b>
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables				
Dues to micro and small enterprises	25	-	-	-
Dues to other than micro and small enterprises	25	37.27	27.87	30.88
- Other financial liabilities	26	44.32	61.56	81.26
Current tax liabilities	27	-	-	2.95
Other current liabilities	28	7.01	14.34	18.52
<b>Total current liabilities</b>		<b>88.60</b>	<b>103.77</b>	<b>133.61</b>
<b>Total equity and liabilities</b>		<b>3,557.00</b>	<b>2,891.37</b>	<b>2,851.27</b>
<b>Significant accounting policies</b>	<b>3</b>			

The notes referred to above form an integral part of the consolidated financial statements

In terms of our report of even date

For **K.B. Nambiar & Associates**  
Chartered Accountants  
(Firm Regn. No. 002313S)

**Ravishankar. V**  
Partner (M.No. 236671)

Bengaluru  
8 August 2017

**M.S. Reddy**  
Executive Director &  
Company Secretary

**Pranisha K Rao**  
Chief Financial Officer

Bengaluru  
8 August 2017

On behalf of the Board

**C.B. Pardhanani**  
Chairman

**P.B. Appiah**  
Director

# MAC CHARLES (INDIA) LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

*Rs in millions*

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Income</b>			
Revenue from operations	29	598.25	591.34
Other income	30	237.51	379.32
<b>Total income</b>		<b>835.76</b>	<b>970.66</b>
<b>Expenses</b>			
Cost of materials consumed	31	80.92	81.12
Maintenance and upkeep services	32	57.31	70.11
Employee benefits expense	33	134.05	115.44
Finance costs	34	6.71	8.01
Depreciation and amortization expense	35	52.79	52.71
Other expenses	36	115.14	113.52
<b>Total expenses</b>		<b>446.92</b>	<b>440.91</b>
<b>Profit before tax</b>		<b>388.84</b>	<b>529.75</b>
Tax expense:			
- Current tax	37	(110.22)	(135.22)
- Deferred tax	37	14.64	(47.63)
Income tax expense		<b>(95.58)</b>	<b>(182.85)</b>
<b>Profit for the year</b>		<b>293.26</b>	<b>346.90</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurements of defined benefit plan actuarial gains/ (losses)		(0.82)	(1.69)
Changes in fair value of FVOCI equity instruments		(3.59)	0.06
<b>Net Other Comprehensive Income not to be reclassified subsequently to statement of profit and loss</b>		<b>(4.41)</b>	<b>(1.63)</b>
Deferred tax on items that will not be reclassified to profit or loss		<b>0.12</b>	<b>2.94</b>
<b>Other comprehensive income for the period, net of taxes</b>		<b>(4.29)</b>	<b>1.31</b>
<b>Total comprehensive income for the year</b>		<b>288.97</b>	<b>348.21</b>
<b>Earnings per equity share:</b>			
- Basic		22.05	26.57
- Diluted		22.05	26.57
<b>Significant accounting policies</b>	<b>3</b>		
The notes referred to above form an integral part of the consolidated financial statements			

In terms of our report of even date

For **K.B. Nambiar & Associates**  
Chartered Accountants  
(Firm Regn. No. 002313S)

**Ravishankar. V**  
Partner (M.No. 236671)

Bengaluru  
8 August 2017

**M.S. Reddy**  
Executive Director &  
Company Secretary

**Pranisha K Rao**  
Chief Financial Officer

Bengaluru  
8 August 2017

On behalf of the Board

**C.B. Pardhanani**  
Chairman

**P.B. Appiah**  
Director



## CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

				<i>Rs in millions</i>
Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before tax as per Statement of Profit and Loss	388.84		529.75	
<b>Adjustment for :</b>				
Depreciation	52.79		52.72	
Other non cash items (including Ind AS adjustments)	(5.26)		(36.57)	
Profit on sale of fixed assets	0.00		(14.24)	
Loss/(Profit) on sale of investments	1.88		(25.14)	
Provision for diminution in value of investments created/(written back)	0.00		0.00	
Dividend received	(0.05)		(5.05)	
Interest Paid	1.45		0.20	
Interest received	(91.15)		(159.68)	
Rent received	(124.50)		(120.24)	
<b>Operating profit before working capital changes</b>	<b>224.00</b>		<b>221.75</b>	
<b>Movement in :</b>				
Trade receivables	8.73		(5.72)	
Inventories	1.40		(0.33)	
Other receivables	(18.20)		(15.85)	
Trade payables	9.39		(3.02)	
Other payables and provisions	(12.76)		(61.75)	
Cash generated from operations	<b>212.56</b>		<b>135.08</b>	
Direct taxes (paid) / refund	(125.92)		(135.22)	
<b>Net cash (used in) / from operating activities</b>		<b>86.64</b>		<b>(0.14)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Loan (given to)/repayment from other companies	(94.00)		89.00	
Loan (given to)/repayment from others	0.19		7.68	
Purchase of fixed assets	(6.65)		(5.27)	
Sale of Fixed Assets	0.00		23.01	
Investment in immovable property	(1,002.77)		20.79	
Purchase of investments	(887.96)		(1,200.23)	
Sale of investments	1,289.74		1,058.53	
Interest received	91.15		159.68	
Rent received	124.50		120.24	
Dividend received	0.05		5.05	
<b>Net cash (used in) / from investing activities before exceptional items</b>		<b>(485.75)</b>		<b>278.48</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Loan from financial institutions	400.00			
Dividend paid including Corporate Dividend Tax	(5.52)		(288.82)	
Interest paid	(1.45)		(0.20)	
<b>Net cash (used in)/ from financing activities</b>		<b>393.03</b>		<b>(289.02)</b>
<b>Net increase in cash and cash equivalent</b>		<b>(6.08)</b>		<b>(10.68)</b>
<b>Cash and cash equivalents at beginning of period</b>		45.72		56.40
<b>Cash and cash equivalents at end of the period</b>		<b>39.64</b>		<b>45.72</b>
Cash and cash equivalents balances include Rs.28.02 million (2016 : Rs.33.54 million) being amounts lying in the unpaid dividend accounts which are not available for use by the company.				

In terms of our report of even date

On behalf of the Board

For **K.B. Nambiar & Associates**  
Chartered Accountants  
(Firm Regn. No. 002313S)

**M.S. Reddy**  
Executive Director &  
Company Secretary

**C.B. Pardhanani**  
Chairman

**Ravishankar. V**  
Partner (M.No. 236671)

**Pranasha K Rao**  
Chief Financial Officer

**P.B. Appiah**  
Director

Bengaluru  
8 August 2017

Bengaluru  
8 August 2017

# MAC CHARLES (INDIA) LIMITED

## CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Rs in millions

<b>a Equity share capital</b>					
<b>Equity shares of Rs. 10 each, issued, subscribed and paid up capital</b>					
<b>Balance as at 1 April 2015</b>	131.04				
Changes in equity share capital during the year 2015-16	-				
<b>Balance as at 31 March 2016</b>	<b>131.04</b>				
Changes in equity share capital during the year 2016-17	-				
<b>Balance as at 31 March 2017</b>	<b>131.04</b>				
<b>b Other Equity</b>					
For the year ended 31 March 2017					
Particulars	Reserves and Surplus		Other comprehensive income		Total equity excluding equity share capital attributable to equity share holders
	General reserve	Retained Earnings	Fair value of equity instruments	Remeasurments of actuarial gain and losses	
Balance as at 1 April 2016	2,164.77	280.06	(0.37)	(1.53)	2,442.93
Profit during the year	-	292.92	(3.75)	(0.53)	288.64
Transfer to general reserve	50.00	(50.00)	-	-	-
<b>Total</b>	<b>2,214.77</b>	<b>522.98</b>	<b>(4.12)</b>	<b>(2.06)</b>	<b>2,731.57</b>
<b>Balance as at 31 March 2017</b>	<b>2,214.77</b>	<b>522.98</b>	<b>(4.12)</b>	<b>(2.06)</b>	<b>2,731.57</b>
For the year ended 31 March 2016:					
Particulars	Reserves and Surplus		Other comprehensive income		Total equity excluding equity share capital attributable to equity share holders
	General reserve	Retained Earnings	Fair value of equity instruments	Remeasurments of actuarial gain and losses	
Balance as at 1 April 2015	2,064.77	316.61	(2.78)	(0.43)	2,378.17
Profit during the year	-	346.90	2.41	(1.10)	348.21
<b>Total</b>	<b>2,064.77</b>	<b>663.51</b>	<b>(0.37)</b>	<b>(1.53)</b>	<b>2,726.38</b>
<b>Contributions and distributions:</b>					
Dividends	-	(235.82)	-	-	(235.82)
Corporate Dividend Tax	-	(47.63)	-	-	(47.63)
Transfer to general reserve	100.00	(100.00)	-	-	-
<b>Balance as at 31 March 2016</b>	<b>2,164.77</b>	<b>280.06</b>	<b>(0.37)</b>	<b>(1.53)</b>	<b>2,442.93</b>
<b>Significant accounting policies</b>	<b>3</b>				
The notes referred to above form an integral part of the consolidated financial statements					

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**1. Reporting Entity**

Mac Charles (India) Limited, together with its subsidiary, Airport Golf View Hotels & Suites Pvt. Ltd., engages in the hotel business in India. The Group operates Le Meridien, a five star hotel with 197 rooms and suites in Bangalore, India; and a three star hotel in Kochi, India. It is also involved in the generation of electricity through wind turbine generators. The Group was incorporated in 1979 and is based in Bengaluru, India.

**List of subsidiaries with percentage holding –**

Subsidiary	Country of incorporation and other particulars	Percentage of holding (%)
Airport Golfview Hotels and Suites Private Limited	a subsidiary of the Group incorporated under the laws of India.	100.00

**2. Basis of preparation****2.1 Statement of compliance**

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, FirstTime Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 48.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of the Group's accounting policies are included in note 3.

**2.2 Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated Ind AS financial statements are presented in Indian rupee (INR), which is Mac Charles (India) Limited's functional and presentation currency. All financial information presented in Indian rupee has been rounded to the nearest million unless otherwise indicated.

**2.3 Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**2.4 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations.

**2.5 Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

No judgements have been made while preparing the financial statements.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment

in the year ending 31 March 2018 is included in the following notes:

- 4, 5 and 6 - Depreciation and amortisation method and useful life of items of property, plant and equipment;
- Note 22 and 38 – recognition of deferred tax assets;
- Note 21 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 21, 26 and 39 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 43 – impairment of financial assets.

## 2.6 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Group has an established control framework with respect to the measurement of fair values. The Group engages with external valuers for measurement of fair values in the absence of quoted prices in active markets.

Significant valuation issues are reported to the Group's audit committee. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Financial instruments (note 42)
- Disclosures for valuation methods, significant estimates and assumptions (note 42)
- Quantitative disclosures of fair value measurement hierarchy (note 42)
- Financial instruments (including those carried at amortised cost) (note 42)

## 3 Significant accounting policies

### 3.1 Property, plant and equipment and other intangible assets (other than goodwill)

#### 1. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or

disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

**2. Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. Refer note 48.

**3. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

**4. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful lives	Useful life as per Schedule II
Building	30 – 60 years	30 – 60 years
Leasehold improvements	Lease term or estimated useful life, whichever is lower	Lease term or estimated useful life, whichever is lower
Plant and machinery	15 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Vehicles	8 years	8 years
Leasehold land	Lease term	Lease term

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

**3.2 Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale

in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property. Based on technical evaluation and consequent advice, the management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Group depreciates investment properties over a period of 60 years on a straight-line basis. The useful life estimate of 60 years is different from the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 30 years. Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

**3.3 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

**3.4 Impairment of assets**

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are



credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

## Measurement of expected credit losses

Expected credit losses are a probabilityweighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

## Presentation of allowance for expected credit losses in the balance sheet.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

## Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the writeoff. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

## Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



**3.5 Basis of Consolidation**

**Business combinations**

**Business combinations (other than common control business combinations) on or after 1 April 2015:**

As part of its transition to Ind AS, the Group has elected to apply Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Holding Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see note 6). The gain on business combination is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the consolidated statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in statement of profit and loss or other comprehensive income (OCI), as appropriate.

**Business combinations prior to 1 April 2015:**

In respect of such business combinations, goodwill represents the amount recognised under the Group’s previous accounting framework under Indian GAAP adjusted for the reclassification of certain intangibles.

**Subsidiary companies**

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of

assets, liabilities, equity, incomes and expenses. InterGroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

**3.6 Inventories**

Inventories are valued at the lower of cost and net realizable value. ‘Cost’ comprises purchase cost and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Nature of inventory	Method of valuation
Inventories of provisions, food supplies, crockery, cutlery, glassware, beverage, stores and operational supplies	Cost on weighted average method. (Cost includes freight and other incidental expenses) or net realisable value, whichever is lower.
Crockery, cutlery and glassware	Charge to revenue

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The comparison of cost and net realizable value is made on an item by item basis. The Group periodically assesses the inventory for obsolescence and slow moving stocks.

**3.7 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, inclusive of excise duty and net of taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue from different sources is recognised as below:

**- Room revenue:**

Recognized on actual occupancy and is net off, of cost of complimentary airport pick-up and drop.

**- Food and Beverage:**

At the point of supply.

**- Other services:**

On rendering such services.

**- Sale of electricity generated from Wind Turbine Generators is:**

Recognized on the basis of electricity units metered and invoiced.

## **- Interest on deployment of funds:**

Recognized using the time proportionate method based on underlying interest rates.

## **- Dividend income:**

Recognized when the Group's right to receive dividend is established.

### **3.8 Leases**

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### **1. As a lessee**

Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets. Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's balance sheet.

#### **Lease payments**

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **2. As a lessor**

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease

term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### **3.9 Investments and other financial assets**

#### **a). Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### **b) Classification and subsequent measurement**

##### **Financial assets**

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### **Financial assets: Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level

because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount

substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.
Debt investments at FVTPL	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in statement of profit and loss.

**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. See Note 3(c)(v) for financial liabilities designated as hedging instruments.

## c) Derecognition

### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

## 3.10 Financial liabilities

### a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and amortized cost.

At initial recognition, the Group measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

### b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

### Amortised cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## 3.11 Employee benefits

### a) Defined benefit plans

The Group's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.



Gratuity scheme is administered through a trust with the Life Insurance Corporation of India and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

Compensated absence, which is a short term defined benefit, is accrued based on a full liability method based on current salaries at the balance sheet date for unexpired portion of leave, which an entity pays fixed.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**b) Short-term benefit plans**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized and measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**c) Defined contribution plan**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**3.12 Foreign currency transactions**

**a) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of transition. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and

losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**3.13 Income taxes**

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item directly recognised in equity or in other comprehensive income.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'. The Group reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognized in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognized in profit or loss.

### 3.14 Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to

any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

### Contingent liabilities recognized in a business combination

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions above or the amount initially recognized less, when appropriate, cumulative amortisation recognized in accordance with the requirements for revenue recognition.

### 3.15 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Deposits with maturity more than three months but less than twelve months have been disclosed as 'Bank balances other than cash and cash equivalents'.

### 3.16 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

### 3.17 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owner's of the Group for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.



### 3.18 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 3.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 3.20 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which

the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### 3.21 Recent accounting pronouncements

#### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements.

#### Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group does not have any cash settled awards and accordingly this is not applicable.

#### Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017.

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

4 Property, plant and equipment and capital work-in-progress									<i>Rs in millions</i>
	Owned							Total	Capital work-in-progress
	Land	Buildings (refer note ii)	Plant and Machinery	Office equipment	Furniture and fixtures	Computers	Vehicles		
<b>Cost or deemed cost:</b>									
<b>Balance as at 1 April 2015</b>	<b>342.32</b>	<b>60.10</b>	<b>421.00</b>	<b>0.34</b>	<b>31.75</b>	<b>2.37</b>	<b>2.99</b>	<b>860.87</b>	<b>0.81</b>
Additions	-	40.32	2.87	0.07	1.30	0.37	-	<b>44.93</b>	-
Deletions	-	8.76	-	-	-	-	-	8.76	-
<b>Balance as at 31 March 2016</b>	<b>342.32</b>	<b>91.66</b>	<b>423.87</b>	<b>0.41</b>	<b>33.05</b>	<b>2.74</b>	<b>2.99</b>	<b>897.04</b>	<b>0.81</b>
<b>Balance as at 1 April 2016</b>	<b>342.32</b>	<b>91.66</b>	<b>423.87</b>	<b>0.41</b>	<b>33.05</b>	<b>2.74</b>	<b>2.99</b>	<b>897.04</b>	<b>0.81</b>
Additions	-	-	4.53	-	0.08	2.03	-	<b>6.65</b>	
<b>Balance as at 31 March 2017</b>	<b>342.32</b>	<b>91.66</b>	<b>428.43</b>	<b>0.41</b>	<b>33.13</b>	<b>4.77</b>	<b>2.99</b>	<b>903.71</b>	<b>0.81</b>
<b>Accumulated depreciation</b>									
<b>Balance as at 1 April 2015</b>	-	-	-	-	-	-	-	-	-
Charge for the year	-	2.24	26.00	0.04	7.25	1.00	0.58	37.11	-
<b>Balance as at 31 March 2016</b>	-	<b>2.24</b>	<b>26.00</b>	<b>0.04</b>	<b>7.25</b>	<b>1.00</b>	<b>0.58</b>	<b>37.11</b>	-
<b>Balance as at 1 April 2016</b>	-	2.24	26.00	0.04	7.25	1.00	0.58	37.11	-
Charge for the year	-	2.42	26.00	-	7.19	0.77	0.59	37.19	-
<b>Balance as at 31 March 2017</b>	-	<b>4.66</b>	<b>52.21</b>	<b>0.04</b>	<b>14.44</b>	<b>1.77</b>	<b>1.17</b>	<b>74.29</b>	-
<b>Carrying amount:</b>									
<i>As at 1 April 2015</i>	<i>342.32</i>	<i>60.10</i>	<i>421.00</i>	<i>0.34</i>	<i>31.75</i>	<i>2.36</i>	<i>2.99</i>	<i>860.86</i>	<i>0.81</i>
<i>As at 31 March 2016</i>	<i>342.32</i>	<i>89.42</i>	<i>397.87</i>	<i>0.37</i>	<i>25.80</i>	<i>1.74</i>	<i>2.41</i>	<i>859.93</i>	<i>0.81</i>
<i>As at 31 March 2017</i>	<i>342.32</i>	<i>87.00</i>	<i>376.22</i>	<i>0.37</i>	<i>18.69</i>	<i>3.00</i>	<i>1.82</i>	<i>829.42</i>	<i>0.81</i>
<b>Notes:</b>									
(i) <b>Contractual obligations</b>	The Group has not entered into any contracts to purchase, construct or develop investment property or for its repairs, maintenance or enhancements exceeding a period of one year.								
(ii) <b>Building</b>	The amount above pertains to building constructed on freehold land.								
(iii) <b>Significant estimates</b>	Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life, if any. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Management believes that the useful life of the assets are the same as those prescribed in schedule II of the Companies Act, 2013.								

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

<b>5. Investment property</b>	<i>Rs in millions</i>	
<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
<b>Cost or deemed cost (Gross carrying amount)</b>		
Opening balance	936.13	936.13
Additions	-	-
Deletions	-	-
<b>Closing balance</b>	<b>936.13</b>	<b>936.13</b>
<b>Accumulated depreciation</b>		
Opening balance	(43.93)	(28.33)
Charge for the year	(15.60)	(15.60)
Deletions	-	-
<b>Closing balance</b>	<b>(59.53)</b>	<b>(43.93)</b>
<b>Net carrying amount</b>	<b>876.60</b>	<b>892.20</b>
<b>Notes:</b>		
For investment property existing as on 1 April 2015, i.e., its date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed costs.		
During the year commencing 1 April 2015, the Group has reclassified building carrying a gross amount of Rs. 936.13 million to investment property.		
Investment property comprises of a commercial property that is leased to third parties. The lease may or may not contains an initial non-cancellable period. Subsequent renewals are negotiated with the lessee and historically the average renewal period is five to nine years.		
The Group has not entered into any contracts to purchase, construct or develop investment property or for its repairs, maintenance or enhancements exceeding a period of one year.		
121,176 sq.ft. and 202 car parks of the Delta building, 84,512 sq.ft. and 169 car parks of the Alpha building are secured against the term loan from bank.		

**i) Contractual obligation**

Refer note 38 for disclosure of contractual obligation to purchase, construct or develop investment property or for its repairs, maintenance or enhancements.

**ii) Fair value**

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The Group obtains independent valuations for its investment properties at least annually. As at 31 March 2017, 31 March 2016 and 1 April 2015, the fair values of the properties are Rs 1,966.70 million, Rs 1,623.30 million and Rs 1,352.84 million respectively.

The Group has followed the market comparison model for valuation of its investment of its investment property. The fair value has been computed based on the expected sale price of similar properties around the area.

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>6 Intangible assets</b>			<i>Rs in millions</i>
	<b>Goodwill</b>	<b>Software</b>	<b>Total</b>
Cost or deemed cost:			
Balance as at 1 April 2015	71.94	-	71.94
Additions	-	0.13	0.13
Deletions	-	-	-
<b>Balance as at 31 March 2016</b>	<b>71.94</b>	<b>0.13</b>	<b>72.07</b>
Balance as at 1 April 2016	71.94	0.13	72.07
Additions	-	-	-
Deletions	-	-	-
<b>Balance as at 31 March 2017</b>	<b>71.94</b>	<b>0.13</b>	<b>72.07</b>
<b>Accumulated amortisation</b>			
Balance as at 1 April 2015	-	-	-
Charge for the year	-	0.08	0.08
Disposals	-	-	-
<b>Balance as at 31 March 2016</b>	<b>-</b>	<b>0.08</b>	<b>0.08</b>
Balance as at 1 April 2016	-	0.08	0.08
Charge for the year	-	0.03	0.03
Disposals	-	-	-
Balance as at 31 March 2017	-	<b>0.11</b>	<b>0.11</b>
<b>Carrying amount:</b>			
<i>As at 1 April 2015</i>	<i>71.94</i>	<i>-</i>	<i>71.94</i>
<i>As at 31 March 2016</i>	<i>71.94</i>	<i>0.05</i>	<i>71.99</i>
<i>As at 31 March 2017</i>	<i>71.94</i>	<i>0.02</i>	<i>71.96</i>

<b>6.1 Goodwill</b>			
<i>Rs in millions</i>			
<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
Carrying amount at the beginning of the year	71.94	71.94	71.94
<b>Carrying amount at the end of the year</b>	<b>71.94</b>	<b>71.94</b>	<b>71.94</b>
For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows :-			
<i>Rs in millions</i>			
<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
Hotel operations	71.94	71.94	71.94
	<b>71.94</b>	<b>71.94</b>	<b>71.94</b>
The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or the market capitalization as at the date of reporting. Value in use is generally calculated as the net present value of the projected post-tax cash flows, based on financial budgets approved by management at the assumptions mentioned below plus a terminal value of the cash generating unit to which the goodwill is allocated. Management has determined the values assigned to each of the key assumptions as follows:			
<b>Hotel operations</b>			
The recoverable amount of this CGU is based on fair value less cost to sell, estimated using an independent valuer report of the identified real properties under assumed earnings (in use premise) as of March 31, 2017. The estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.			

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

				<i>Rs in millions</i>		
<b>Particulars</b>		<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>		
<b>7</b>	<b>Non-current investments</b>					
	<i>Quoted</i>					
	<i>Equity investments at fair value through other comprehensive income (fully paid-up)</i>					
	Nil equity shares of Reliance Industries (31 March 2016: Nil shares) (1 April 2015: 5010 shares)	-	-	4.18		
	11,379 equity shares of Sobha Limited (31 March 2016: 13,594 shares) (1 April 2015: 13,594 shares)	3.93	3.71	5.43		
	10,000 equity shares of Global Offshore Services Limited (31 March 2016: 10,000 shares) (1 April 2015: 10,000 shares)	0.44	1.83	6.52		
	22,699 equity shares of Puravankara Limited (31 March 2016: 22,699 shares) (1 April 2015: 22,699 shares)	1.57	1.06	1.45		
	4,000 equity shares of Cipla Limited (31 March 2016: 4,000 shares) (1 April 2015: Nil shares)	2.96	2.62	-		
		<b>8.90</b>	<b>9.22</b>	<b>17.58</b>		
	<i>Other investments at fair value through statement of profit and loss (fully paid-up)</i>					
	<i>Unquoted</i>					
	Kotak Real Estate Fund	2.88	6.95	6.95		
	Pru.ICICI India Advantage Fund-III	12.25	13.57	19.98		
	Reliance Capital Asset Management	44.77	44.04	120.08		
		<b>59.90</b>	<b>64.56</b>	<b>147.01</b>		
	Aggregate amount of quoted investments and market value thereof	8.90	9.22	17.58		
	Aggregate amount of unquoted investments	59.90	64.56	147.01		
	Aggregate amount of impairment in the value of investments	-	-	-		
	<b>Total</b>	<b>68.80</b>	<b>73.78</b>	<b>164.59</b>		
Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 42.						
<b>Equity shares designated as at fair value through other comprehensive income</b>						
At 1 April 2015, the Group designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Group intends to hold for long-term.						
				<i>Rs in millions</i>		
<b>Particulars</b>		<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>		
	<i>Fair value</i>					
	Nil equity shares of Reliance Industries (31 March 2016: Nil shares) (1 April 2015: 5010 shares)	-	-	4.18		
	11,379 equity shares of Sobha Limited (31 March 2016: 13,594 shares) (1 April 2015: 13,594 shares)	3.93	3.71	5.43		
	10,000 equity shares of Global Offshore Services Limited (31 March 2016: 10,000 shares) (1 April 2015: 10,000 shares)	0.44	1.83	6.52		
	22,699 equity shares of Puravankara Limited (31 March 2016: 22,699 shares) (1 April 2015: 22,699 shares)	1.57	1.06	1.45		
	4,000 equity shares of Cipla Limited (31 March 2016: 4,000 shares) (1 April 2015: Nil shares)	2.96	2.62	-		
		<b>8.90</b>	<b>9.22</b>	<b>17.58</b>		

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		<i>Rs in millions</i>		
Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>8</b>	<b>Non-current loans</b>			
	<i>Unsecured, considered good</i>			
	Security deposit	12.74	10.69	9.31
		<b>12.74</b>	<b>10.69</b>	<b>9.31</b>
<b>9</b>	<b>Tax assets</b>			
	Advance tax, net of provision for tax	21.55	5.55	4.52
		<b>21.55</b>	<b>5.55</b>	<b>4.52</b>
<b>10</b>	<b>Other non-current assets</b>			
	Capital advances			
	- Advance paid for purchase of investment property	1,099.80	97.03	157.53
		<b>1,099.80</b>	<b>97.03</b>	<b>157.53</b>
<b>10</b>	<b>Inventories</b>			
	Raw materials	9.58	11.00	10.60
	Stores and spares	1.87	1.85	1.92
		<b>11.45</b>	<b>12.85</b>	<b>12.52</b>
<b>11</b>	<b>Current investments</b>			
	<i>Investment in mutual funds</i>			
	<i>Unquoted</i>			
	<i>Measured at FVTPL</i>			
	3.2 million units of Ultra Short Bond Fund Direct Plan of Deutsche Asset Management (31 March 2016: 27.16 million units) (1 April 2015: 9.24 million units)	70.00	467.26	151.05
		<b>70.00</b>	<b>467.26</b>	<b>151.05</b>
	Aggregate amount of quoted investments and market value thereof		-	-
	Aggregate amount of unquoted investments	70.00	467.26	151.05
	Aggregate amount of impairment in the value of investments	-	-	-
	Units of Ultra Short Bond Fund Direct Plan of Deutsche Asset Management mature within one year. Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 42.			
<b>12</b>	<b>Trade receivables</b>			
	Unsecured, considered good*	29.66	38.39	32.66
		<b>29.66</b>	<b>38.39</b>	<b>32.66</b>
	Current	29.66	38.39	32.66
<p>*Receivables by way of rent from LG Soft India Private Limited and Inmobi Technology Services Private Limited are secured against the term loan from bank. All trade receivables are current There are no trade receivables due to related parties. For terms and conditions relating to related party receivables, refer note 41. The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 42.</p>				



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		<i>Rs in millions</i>		
Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>13</b>	<b>Cash and cash equivalents</b>			
	Balances with banks			
	- in current accounts*	38.85	44.83	53.85
	- on term deposits	0.02	-	-
	Cash on hand	0.77	0.89	2.55
		<b>39.64</b>	<b>45.72</b>	<b>56.40</b>
* includes unclaimed dividend of Rs. 28.02 million as on 31 March 2017, (31 March 2016: Rs.33.54 million, 1 April 2015: Rs.38.92 million)				
<b>14</b>	<b>Bank balances other than cash and cash equivalents</b>			
	Balances with banks			
	- in fixed deposit accounts with banks	1.00	1.00	1.00
		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>15</b>	<b>Current loans</b>			
	<i>Unsecured, considered good</i>			
	- Inter corporate loans	388.00	281.50	332.50
		<b>388.00</b>	<b>281.50</b>	<b>332.50</b>
For terms and conditions relating to related party loans, refer note 41.				
The group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in Note 42.				
<b>16</b>	<b>Other current financial assets</b>			
	Interest accrued but not due	16.98	11.02	6.68
	Other advances	4.49	16.85	54.45
		<b>21.47</b>	<b>27.87</b>	<b>61.13</b>
<b>17</b>	<b>Other current assets</b>			
	Prepaid expenses	11.35	4.58	3.32
	Balance with government authorities	2.16	-	-
	Other receivables	0.59	0.22	23.31
		<b>14.10</b>	<b>4.80</b>	<b>26.63</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

18	Share capital						
	<i>Rs. in millions</i>						
	Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015		
	<b>Authorised</b>						
	20,000,000 (31 March 2016: 20,000,000, 1 April 2015: 20,000,000) equity shares of Rs.10/- each		200.00	200.00	200.00		
			<b>200.00</b>	<b>200.00</b>	<b>200.00</b>		
	<b>Issued, subscribed and fully paid up</b>						
	13,103,727 (31 March 2016: 13,103,727, 1 April 2015: 13,103,727) equity shares of Rs.10/- each		131.04	131.04	131.04		
			<b>131.04</b>	<b>131.04</b>	<b>131.04</b>		
(a)	<b>Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:</b>						
	<i>Rs. in millions (Except per share data)</i>						
		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
		No of shares	Amount	No of shares	Amount	No of shares	Amount
	Number of shares at the beginning of the year	1,31,03,727	131.04	1,31,03,727	131.04	1,31,03,727	131.04
	Add: Shares issued during the year	-	-	-	-	-	-
	Number of shares outstanding at the end of the year	1,31,03,727	131.04	1,31,03,727	131.04	1,31,03,727	131.04
(b)	<b>The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:</b>						
	The Group has one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts if any, in proportion to their shareholding.						
(c)	<b>Equity shareholders holding more than 5% of equity shares along with the number of equity preference shares held at the beginning and at the end of the year is as given below:-</b>						
	<i>Rs. in millions (Except per share data)</i>						
	Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		% of holding	No of shares	% of holding	No of shares	% of holding	No of shares
	Embassy Property Development Limited (Holding company)	79.75	1,04,50,670	-	-	-	-
	C.B.Pardhanani	-	-	73.41	96,16,952	73.41	96,16,952
(d)	During the year 2011-12, the Group has allotted 6,550,526 shares by way of bonus issue.						
(e)	<b>Particulars of each class of shares held by ultimate holding company</b>						
	<i>Rs. in millions (Except per share data)</i>						
	Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		% of holding	No of shares	% of holding	No of shares	% of holding	No of shares
	Embassy Property Development Limited (Holding company)	79.75	1,04,50,670	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		<i>Rs in millions</i>	
Particulars		As at 31 March 2017	As at 31 March 2016
<b>19</b>	<b>Other equity</b>		
	<b>General reserve</b>		
	At the commencement of the year	2,164.77	2,064.77
	Add: Transferred from retained earnings	50.00	100.00
	<b>At the close of the year</b>	<b>2,214.77</b>	<b>2,164.77</b>
	<b>Retained earnings</b>		
	At the commencement of the year	280.06	316.61
	Add: Net profit for the year	293.26	346.90
	Transfer to general reserve	(50.00)	(100.00)
	Interim dividend/proposed dividend	-	(235.82)
	Corporate dividend tax	-	(47.63)
	At the end of the year	<b>523.32</b>	<b>280.06</b>
	<b>Fair Value through other comprehensive income - equity instruments</b>		
	At the commencement of the year	(0.37)	(2.78)
	Add: Net fair value gain on investments in equity instruments at FVTOCI, net of tax	(3.75)	2.41
	<b>At the end of the year</b>	<b>(4.12)</b>	<b>(0.37)</b>
	<b>Other items of OCI (specify nature)</b>		
	At the commencement of the year	(1.53)	(0.43)
	Add: Actuarial gain / (loss)	(0.53)	(1.10)
	<b>At the end of the year</b>	<b>(2.06)</b>	<b>(1.53)</b>
		<b>2,731.91</b>	<b>2,442.93</b>
<b>Nature and purpose of other reserves:</b>			
<b>General reserve:</b>			
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.			
<b>Retained earnings:</b>			
The cumulative gain or loss arising from the operations which is retained by the Group is recognised and accumulated under the heading of retained earnings. At the end of the period, the profit after tax is transferred from the statement of profit and loss to the retained earnings account.			
<b>Fair Value through other comprehensive income - equity instruments</b>			
The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Group transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.			
<b>Actuarial gain / (loss):</b>			
Remeasurements of defined benefit liability /(asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).			

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>19.1</b>	<p><b>Capital management</b></p> <p>For the purpose of the Group's capital management, capital includes issued equity share capital, and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.</p> <p>The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.</p> <p>The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity. The Group's adjusted net debt to equity ratio at 31 March 2017 was as follows:</p>																												
	<i>Rs in millions</i>																												
	<table border="1"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">As at 31 March 2017</th> <th style="text-align: center;">As at 31 March 2016</th> <th style="text-align: center;">As at 1 April 2015</th> </tr> </thead> <tbody> <tr> <td>Total liabilities</td> <td style="text-align: right;">694.05</td> <td style="text-align: right;">317.40</td> <td style="text-align: right;">342.06</td> </tr> <tr> <td>Less: Cash and cash equivalents</td> <td style="text-align: right;">39.64</td> <td style="text-align: right;">45.72</td> <td style="text-align: right;">56.40</td> </tr> <tr> <td><b>Adjusted net debt</b></td> <td style="text-align: right;"><b>654.41</b></td> <td style="text-align: right;"><b>271.68</b></td> <td style="text-align: right;"><b>285.66</b></td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">2,862.95</td> <td style="text-align: right;">2,573.97</td> <td style="text-align: right;">2,509.21</td> </tr> <tr> <td><b>Adjusted equity</b></td> <td style="text-align: right;"><b>2,862.95</b></td> <td style="text-align: right;"><b>2,573.97</b></td> <td style="text-align: right;"><b>2,509.21</b></td> </tr> <tr> <td><b>Adjusted net debt to adjusted equity ratio</b></td> <td style="text-align: right;"><b>0.23</b></td> <td style="text-align: right;"><b>0.11</b></td> <td style="text-align: right;"><b>0.11</b></td> </tr> </tbody> </table>	Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	Total liabilities	694.05	317.40	342.06	Less: Cash and cash equivalents	39.64	45.72	56.40	<b>Adjusted net debt</b>	<b>654.41</b>	<b>271.68</b>	<b>285.66</b>	Total equity	2,862.95	2,573.97	2,509.21	<b>Adjusted equity</b>	<b>2,862.95</b>	<b>2,573.97</b>	<b>2,509.21</b>	<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.23</b>	<b>0.11</b>	<b>0.11</b>
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<b>19.2</b>	<p><b>Earnings per share (EPS)</b></p> <p><b>Computation of earnings per share is as follows:</b></p>																												
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Diluted	22.05	26.57																											

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

20	<b>Long term borrowings</b>			
	<i>Rs in millions</i>			
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
	<i>Secured</i>			
	From bank (Refer note (i))	400.00	-	-
		<b>400.00</b>	-	-
	Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 42.			
	<b>Notes:</b>			
	<b>(i) From HDFC Bank Limited, amounting to Rs. 400 million (31 March 2016: Nil, 1 April 2015: Nil)</b>			
	Secured by:			
- Assignment of receivables by way of rent from LG Soft India Private Limited and Inmobi Technology Services Private Limited.				
- 121,176 sq.ft. and 202 car parks of the Delta building, 84,512 sq.ft. and 169 car parks of the Alpha building, including undivided share of land, are secured against the term loan from bank.				
- Loan from HDFC Bank Limited carries interest rate of 8.50% per annum, and is repayable in 144 installments. The repayment of principal and interest commences from April 2017.				
	<i>Rs in millions</i>			
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
	<b>21 Other non-current financial liabilities</b>			
	Rental deposit	78.43	72.09	65.20
	Capital creditors	-	-	39.98
Others	3.06	3.19	6.02	
	<b>81.49</b>	<b>75.28</b>	<b>111.20</b>	
22	<b>Non-current provisions</b>			
	Provision for employee benefits			
	- Leave Encashment	7.50	5.51	4.96
	Others			
	Income tax	12.12	12.39	9.22
	Provision for donations	8.07	4.72	5.82
		<b>27.69</b>	<b>22.62</b>	<b>20.00</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		<i>Rs in millions</i>	
Particulars		For the year ended 31 March 2017	For the year ended 31 March 2016
<b>i) Movements in provision:</b>			
<i>Income tax</i>			
Opening balance		12.39	9.22
Provisions made during the period		110.22	135.22
Provisions utilised during the period		(110.49)	(132.05)
Closing balance		<b>12.12</b>	<b>12.39</b>
<i>Provision for donations</i>			
Opening balance		4.72	5.82
Provisions made during the period		10.28	3.18
Provisions utilised during the period		(6.93)	(4.28)
Closing balance		<b>8.07</b>	<b>4.72</b>
<i>Compensated absences</i>			
Opening balance		5.51	4.96
Charge for the current year		3.30	1.74
Paid during the year		(1.31)	(1.19)
Closing balance		<b>7.50</b>	<b>5.51</b>
<b>23</b>	<b>Deferred tax liabilities (net)</b>		
The balance comprises temporary differences attributable to:			
		<i>Rs in millions</i>	
Particulars		As at 31 March 2017	As at 31 March 2016
Property, plant and equipment and investment property		95.43	98.87
Others:			
Accrued expenses deductible on payment basis		(2.28)	(1.41)
Investments		(1.94)	(0.86)
		<b>91.21</b>	<b>105.97</b>
<b>Movement in deferred tax liability</b>			
		<i>Rs in millions</i>	
Particulars		For the year ended 31 March 2017	For the year ended 31 March 2016
Opening balance		105.97	61.28
Charge for the current year		(14.76)	44.69
<b>Closing balance</b>		<b>91.21</b>	<b>105.97</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>				
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
<b>24</b>	<b>Other non current liabilities</b>			
	Deferred rent	5.06	9.76	15.97
		<b>5.06</b>	<b>9.76</b>	<b>15.97</b>
<b>25</b>	<b>Trade payables</b>			
	(a) Dues to micro and small enterprises	-	-	-
	(b) Others	37.27	27.87	30.88
		<b>37.27</b>	<b>27.87</b>	<b>30.88</b>
	All trade payables are 'current'.			
	For terms and conditions of trade payables owed to related parties, see Note 41.			
	The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 42.			
	As at March 31, 2017 and March 31, 2016, there are no outstanding dues to micro and small enterprises. There are no interests due or outstanding on the same.			
<i>Rs in millions</i>				
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
<b>26</b>	<b>Other current financial liabilities</b>			
	Accrued salaries	1.36	1.98	4.83
	Bonus	3.53	2.46	1.07
	Unpaid/unclaimed dividends	28.02	33.54	38.92
	Due to directors	2.36	7.87	19.32
	Accrued expenses	7.54	6.44	7.29
	Others	1.51	9.27	9.83
		<b>44.32</b>	<b>61.56</b>	<b>81.26</b>
<i>Rs in millions</i>				
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
<b>27</b>	<b>Current tax liability</b>			
	Current tax liability	-	-	2.95
		-	-	<b>2.95</b>
<i>Rs in millions</i>				
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	
	<b>Movement in current tax liability</b>			
	Opening balance		-	2.95
	Charge for the current year		-	-
	Paid during the year		-	(2.95)
	<b>Closing balance</b>		-	-

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>				
Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>28</b>	<b>Other current liabilities</b>			
	Statutory dues	7.01	6.19	8.39
	Advance from customers	-	8.15	10.13
		<b>7.01</b>	<b>14.34</b>	<b>18.52</b>

<i>Rs in millions</i>				
Particulars		For the year ended 31 March 2017	For the year ended 31 March 2016	
<b>29</b>	<b>Revenue from operations</b>			
	<b>Sale of services</b>			
	-Income from rooms	261.49		268.71
	-Income from sale of food, beverages and banquets	229.74		238.16
	-income from sale of electricity	83.38		60.07
	Other operating revenue	23.64		24.40
		<b>598.25</b>		<b>591.34</b>
<b>30</b>	<b>Other income</b>			
	Rental income* (Refer note 39)	129.20		126.46
	Interest income	91.41		160.15
	Licence fees	4.60		4.63
	Dividend income	0.05		5.05
	Profit on sale of Asset	-		14.24
	Financial assets at fair value through statement of profit and loss			
	- Mandatorily measured at fair value through statement of profit and loss-others	3.12		60.80
	Liabilities written back	9.13		7.84
	Provision no longer required written back	-		0.15
		<b>237.51</b>		<b>379.32</b>
	*Income by way of rent from LG Soft India Private Limited and Inmobi Technology Services Private Limited are secured against the term loan from bank.			
<b>31</b>	<b>Cost of provisions, food and beverages consumed</b>			
	Opening stock of provisions, food and beverages consumed	11.00		10.60
	Add: Purchase of provisions, food and beverages	79.50		81.52
	Less: Closing stock of provisions, food and beverages consumed	9.58		11.00
	<b>Cost of provisions, food and beverages consumed</b>	<b>80.92</b>		<b>81.12</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		<i>Rs in millions</i>	
<b>Particulars</b>		<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
<b>32</b>	<b>Maintenance and upkeep services</b>		
	Guest accomodation and kitchen	8.64	9.44
	Linen, uniforms and laundry	12.43	12.94
	<b>Repairs and maintenance of :</b>		
	<b>i) Building</b>	9.65	13.66
	<b>ii) Plant &amp; machinery</b>	16.14	16.07
	<b>iii) Interiors, furniture, furnishings &amp; others</b>	1.54	7.12
	Housekeeping expenses	4.66	5.36
	Music, entertainment and banquet expenses	4.25	5.52
		<b>57.31</b>	<b>70.11</b>
<b>33</b>	<b>Employee benefits expense</b>		
	Salaries and wages	114.12	97.82
	Contribution to provident and other funds	9.48	8.55
	Staff welfare expenses	10.45	9.07
		<b>134.05</b>	<b>115.44</b>
		<i>Rs in millions</i>	
<b>Particulars</b>		<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
<b>34</b>	<b>Finance costs</b>		
	Interest expense	5.26	7.34
	Interest on cash credit	-	0.20
	Bank charges	0.33	-
	Other borrowing costs	1.12	0.47
		<b>6.71</b>	<b>8.01</b>
<b>35</b>	<b>Depreciation and amortization expense</b>		
	Depreciation of property, plant and equipment	37.19	37.11
	Depreciation on investment properties	15.60	15.60
		<b>52.79</b>	<b>52.71</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		<i>Rs in millions</i>	
Particulars		For the year ended 31 March 2017	For the year ended 31 March 2016
<b>36</b>	<b>Other expenses</b>		
	Professional and consultancy fees	19.82	21.54
	Power and fuel	17.00	18.02
	Rates and taxes	16.44	15.22
	Royalty	11.37	11.60
	Administrative and general expenses	10.77	9.17
	Donations	10.28	3.18
	Commission to sale and travel agencies	5.34	5.00
	Water charges	4.41	5.72
	Travel and conveyance	4.22	4.47
	Postage, telex and telephones	3.72	4.29
	Printing and stationery	2.55	2.75
	Commission to chairman and managing director	2.25	4.75
	Sales promotional expenses	2.54	2.86
	Rent	1.33	1.47
	Insurance	1.11	1.04
	Payment to auditors	0.73	0.83
	Director's sitting fees	0.48	0.34
	Freight and transport	0.35	0.22
	Miscellaneous expenses	0.37	1.05
	Foreign currency fluctuations	0.06	-
		<b>115.14</b>	<b>113.52</b>

		<i>Rs in millions</i>	
Particulars		For the year ended 31 March 2017	For the year ended 31 March 2016
<b>37</b>	<b>Income tax</b>		
(a)	<b>Major components of income tax expense for the years ended 31 March 2017 and 31 March 2016:</b>		
	<b>Current income tax:</b>		
	Current income tax charge	(110.22)	(135.22)
	<b>Deferred tax:</b>		
	Relating to origination and reversal of temporary differences	14.64	(47.63)
	<b>Income tax expense reported in the statement of profit or loss</b>	<b>(95.58)</b>	<b>(182.85)</b>
(b)	<b>Deferred tax related to items recognised in OCI during in the year:</b>		
	Gain/(loss) on FVTOCI financial assets	(0.16)	2.36
	Remeasurement of defined benefit liability/ (assets)	0.28	0.58
	<b>Income tax charged to OCI</b>	<b>0.12</b>	<b>2.94</b>
(c)	<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
	Profit/ (loss) before tax from operations	388.84	529.75
	<b>Tax at the Indian tax rate of 34.608% (31 March 2016: 34.608%)</b>	<b>134.57</b>	<b>183.34</b>
	Impact of non-deductible expenses for tax purposes	(38.99)	(0.49)
	<b>Income tax expense</b>	<b>95.58</b>	<b>182.85</b>
(d)	<b>Deferred tax</b>		
	The Group does not have any unrecognised deferred tax assets or liabilities.		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>			
Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>38</b>	<b>Contingent liabilities, commitments and contingent assets</b>		
	<b>Contingent liabilities:</b>		
	Disputed Income Tax liability against which appeals are pending		
	- Assessment Year 1997-98	0.96	0.96
	- Assessment Year 2010-11	1.03	1.03
	Other claims not acknowledged as debts	32.85	-
	The Group has not entered into any contracts to purchase, construct or develop investment property or for its repairs, maintenance or enhancements exceeding a period of one year.		
	Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with authorities.		
	The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.		
<b>39</b>	<b>Leases</b>		
<b>(i)</b>	<b>Operating lease</b>		
	<b>Assets given on operating lease:</b>		
	The Group earns its rental income from investment property leased under operating lease which is recognized in the statement of profit and loss on a straight-line basis over the term of the lease. Total lease rental income recognised in the statement of profit and loss for the year is:		
	<i>Rs in millions</i>		
	<b>Particulars</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
	Non-cancellable	129.20	126.46
	Cancellable	-	-
		<b>129.20</b>	<b>126.46</b>
	The future minimum lease receivables under non-cancellable operating leases in aggregate are as follows:		
			<i>Rs in millions</i>
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Not later than 1 year	120.63	117.22
	Later than 1 year and not later than 5 years	246.98	367.61
	More than 5 years	-	31.96
<b>40</b>	<b>Segment information</b>		
	Based on the "management approach" as defined in Ind AS 108 - Operating Segments, Managing Director of the Group have been identified as the Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. hotel operations, sale of electricity and others as its operating segments.		
	The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant policies.		
	Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group, therefore, believes that it is not practicable to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as unallocated.		
	Unallocable expenses comprises of finance cost and certain other corporate costs. Unallocable income comprises of interest income and other income.		

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		<i>Rs in millions</i>		
	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	
(i)	<b>Segment revenue:</b>			
	<b>Sale of services</b>			
	- Income from hotel	491.23	506.87	
	- Income from sale of electricity	83.38	60.07	
	Other operating revenue	23.64	24.40	
	<b>Total segment revenue</b>	<b>598.25</b>	<b>591.34</b>	
(ii)	<b>Segment results:</b>			
	Hotel operations	103.71	128.18	
	Electricity	75.28	52.66	
	Others	31.84	29.02	
		<b>Total segment results</b>	<b>210.83</b>	<b>209.86</b>
	Reconciling items:			
	- other income	237.51	379.32	
	- depreciation	(52.79)	(52.72)	
	- finance cost	(6.71)	(6.71)	
		<b>Profit before tax as per statement of profit and loss</b>	<b>386.84</b>	<b>529.75</b>
		Income tax expense	(95.58)	(182.85)
		<b>Profit after tax as per statement of profit and loss</b>	<b>293.26</b>	<b>346.90</b>
<b>Geographical information</b>				
The Group has not disclosed geographical segments, because it derives all its revenue from India.				
<b>Revenue from major products and services</b>				
The Group's revenue from continuing operations from its major products or services are as follows:				
	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	
<b>Revenue from major and services</b>				
The Group's revenue from continuing operations from its major products or services are as follows:				
	Sale of services			
	- Income from hotel	491.23	506.87	
	- Income from sale of electricity	83.38	60.07	
<b>Information about major customers</b>				
The Group does not derive more than 10% of its revenues from any single customer.				



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

41	<b>Related party</b>		
	<b>Related parties with whom transactions have taken place during the year</b>		
	<b>A. Holding company</b>		
	Embassy Property Development Limited		
	<b>B. Subsidiaries</b>		
	Airport Golfview Hotels and Suites Private Limited		
	<b>C. Key management personnel</b>		
	Mr. C.B.Pardhanani		
	Ms. S.C.Pardhanani		
	Mr. M.B.Pardhanani		
	Mrs. Uma M.Pardhanani		
	Ms. Aarti M. Pardhanani		
	<b>D. Enterprises significantly influenced by the Company/ key managerial personnel</b>		
	Kapi Investment Ink Limited		
C.Pardhanani's Education Trust			
M.K. Trading L.L.C., Dubai, UAE			
Pardhanani International Investments And Holdings Private Limited			
Pardhanani International Properties Private Limited			
Sanko Properties Private Limited			
<b>E. The following is a summary of related party transactions</b>			
<i>Rs in millions</i>			
	<b>Particulars</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
<b>1. Loan given</b>			
	Embassy Property Development Limited	160.00	-
		<b>160.00</b>	<b>-</b>
<b>2. Dividend paid</b>			
	Kapi Investment Ink Limited	-	2.88
	Mr. C. B. Pardhanani	-	173.11
	Mr. M. B. Pardhanani	-	2.16
	Mrs. Uma M. Pardhanani	-	3.69
	Ms. Aarti M. Pardhanani	-	1.08
		<b>-</b>	<b>182.92</b>
<b>3. Commission paid</b>			
	Mr. C. B. Pardhanani	2.25	4.75
		<b>2.25</b>	<b>4.75</b>
<b>4. Donation</b>			
	C. Pardhanani's Education Trust	1.75	1.60
		<b>1.75</b>	<b>1.60</b>
<b>5. Sale of electricity</b>			
	Mr. C. B. Pardhanani	23.76	1.82
		<b>23.76</b>	<b>1.82</b>
<b>6. Key management personnel compensation</b>		4.64	5.60
		<b>4.64</b>	<b>5.60</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>Notes:</b>			
(i) The remuneration of directors and other members of key management personnel during the year was as follows:			
<i>Rs in millions</i>			
Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	
Short-term employee benefits	4.64	5.60	
	<b>4.64</b>	<b>5.60</b>	
The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Post employment benefit comprising gratuity and compensated absences are not disclosed as these are determined for the Group as a whole.			
<b>F. The following is a summary of balances receivable/payable from related parties:</b>			
Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>1. Loan to others</b>			
Embassy Property Development Limited	350.00	190.00	190.00
<b>2. Dividend payable</b>			
Mr. M. B. Pardhanani*	-	8.43	7.22
Mrs. Uma M. Pardhanani*	-	14.35	12.30
Ms. Aarti M. Pardhanani*	-	4.20	3.60
* Dividend payable to these parties are under dispute and are hence not yet paid.			
<b>3. Commission payable</b>			
Mr. C. B. Pardhanani	1.18	3.11	2.40
<b>4. Other receivables</b>			
Others	1.74	1.79	-
<b>G. Terms and conditions</b>			
All transactions and outstanding balances with these related parties are priced on an arm's length basis and are to be settled within the credit period allowed as per the policy. None of the balances are secured.			
<b>G. Details of inter company loans given</b>			
(a) Terms and conditions on which inter-corporate loans have been given			
Party name	Interest rate	Repayment terms	Purpose
Embassy Property Development Limited	18%	Repayable on demand	General
IDS Next Business Solutions Private Limited	18%	Repayable on demand	General
Legacy Global Projects Limited	18%	Repayable on demand	General
<b>(b) Reconciliation of inter-company loans given as at the beginning and as at the end of the year:</b>			
Particulars	As at 31 March 2017	As at 31 March 2016	
<b>Embassy Property Development Limited</b>			
At the commencement of the year	190.00	190.00	
Add: given during the year	160.00	-	
Less: repaid during the year	-	-	
At the end of the year	350.00	190.00	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

42	Financial instruments - fair value measurement					Total
	<i>Rs in millions</i>					
	Particulars	Carrying value as at 31 March 2017	Fair value			
Level 1			Level 2	Level 3		
<b>A</b>	<b>Accounting classification and fair value</b>					
	<b>Financial assets measured at amortised cost:</b>					
	Non current financial assets					
	- Loans	12.74	-	-	-	
	Current financial assets					
	- Trade receivables	29.66	-	-	-	
	- Cash and cash equivalents	39.64	-	-	-	
	- Loans	388.00	-	-	-	
	- Bank balances other than cash and cash equivalents	1.00	-	-	-	
	- Other current financial assets	21.47	-	-	-	
	<b>Financial assets measured at fair value through other comprehensive income:</b>					
	Non current financial assets					
	- Investments	68.80	68.80	-	68.80	
	<b>Financial assets measured at fair value through statement of profit and loss:</b>					
	Current financial assets					
	- Investments	70.00	70.00	-	70.00	
	<b>Total</b>	<b>631.31</b>	<b>138.80</b>	<b>-</b>	<b>138.80</b>	
	<b>Financial liabilities measured at amortised cost:</b>					
	Non current financial liabilities					
	- Long term borrowing	400.00	-	-	-	
	- Other financial liabilities (other than those specified above)	81.49	-	-	-	
	Current financial liabilities					
	- Trade payables	37.27	-	-	-	
	- Other financial liabilities	44.52	-	-	-	
	<b>Total</b>	<b>563.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	
	The Group has not disclosed the fair values for financial instruments such as other trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, loans, short term borrowings, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.					

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>					
Particulars	Carrying value as at 31 March 2016	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at amortised cost:</b>					
Non current financial assets					
- Loans	10.69	-	-	-	-
Current financial assets					
- Trade receivables	38.39	-	-	-	-
- Cash and cash equivalents	45.72	-	-	-	-
- Loans	281.50	-	-	-	-
- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
- Other current financial assets	15.37	-	-	-	-
<b>Financial assets measured at fair value through other comprehensive income:</b>					
Non current financial assets					
- Investments	73.78	73.78	-	-	73.78
<b>Financial assets measured at fair value through statement of profit and loss:</b>					
Current financial assets					
- Investments	467.26	467.26	-	-	467.26
<b>Total</b>	<b>933.71</b>	<b>541.04</b>	<b>-</b>	<b>-</b>	<b>541.04</b>
<b>Financial liabilities measured at amortised cost:</b>					
Non current financial liabilities					
- Other financial liabilities	75.28	-	-	-	-
Current financial liabilities					
- Trade payables	27.87	-	-	-	-
- Other financial liabilities	61.56	-	-	-	-
<b>Total</b>	<b>164.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The Group has not disclosed the fair values for financial instruments such as other trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.					

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>					
Particulars	Carrying value as at 1 April 2015	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at amortised cost:</b>					
Non current financial assets					
- Loans	9.31	-	-	-	-
Current financial assets					
- Trade receivables	32.66	-	-	-	-
- Cash and cash equivalents	56.40	-	-	-	-
- Loans	332.50	-	-	-	-
- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
- Other current financial assets	61.13	-	-	-	-
<b>Financial assets measured at fair value through other comprehensive income:</b>					
Non current financial assets					
- Investments	164.59	164.59	-	-	164.59
<b>Financial assets measured at fair value through statement of profit and loss:</b>					
Current financial assets					
- Investments	151.05	151.05	-	-	151.05
<b>Total</b>	<b>808.64</b>	<b>315.64</b>	<b>-</b>	<b>-</b>	<b>315.64</b>
<b>Financial liabilities measured at amortised cost:</b>					
Non current financial liabilities					
- Other financial liabilities	111.20	-	-	-	-
Current financial liabilities					
- Trade payables	30.88				
- Other financial liabilities	81.26	-	-	-	-
<b>Total</b>	<b>223.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The Group has not disclosed the fair values for financial instruments such as other trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.					

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>B</b>	<b>Measurement of fair values</b>				
	The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:				
	a) recognised and measured at fair value				
	b) measured at amortised cost and for which fair values are disclosed in the financial statements.				
	To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:				
	<b>Level 1:</b> Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.				
	<b>Level 2:</b> The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.				
	<b>Level 3:</b> If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.				
	The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.				
	The Group has elected to measure all financial instruments, except investments, at amortised cost.				
	Investments fall under the 'Level 1' hierarchy and are measured using quoted prices on the respective reporting dates.				
	<b>Level 1:</b>				
	<b>Financial instruments measured at fair value</b>	<b>Type</b>	<b>Valuation Technique</b>	<b>Significant unobservable inputs</b>	<b>Inter relationship between significant unobservable inputs and fair value measurement</b>
	Fair value	Equity investments	The valuation model is based on market multiples derived from quoted prices of the companies shares.	Not applicable	Not applicable
	Fair value	Mutural Funds	The valuation model is based on the net asset value of the fund as at the reporting date. Net asset value of the fund is readily available from the statement of the fund.	Not applicable	Not applicable
	<b>Level 2:</b>				
	<b>Financial instruments measured at fair value</b>	<b>Type</b>	<b>Valuation Technique</b>	<b>Significant unobservable inputs</b>	<b>Inter relationship between significant unobservable inputs and fair value measurement</b>
	Fair value	Other investments	Market comparison/discounted cash flow: The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.	Not applicable	Not applicable



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>C</b>	<b>Financial risk management</b>				
	The Group has exposure to the following risks arising from financial instruments:				
	- credit risk (refer note ii below)				
	- liquidity risk (refer note iii below)				
	- market risk (refer note iv below)				
	<b>(i) Risk management framework</b>				
	The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.				
	The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.				
	<b>(ii) Credit risk</b>				
	Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.				
	The carrying amount of financial assets represents the maximum credit exposure.				
	<b>Trade and other receivables:</b>				
	The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.				
	Outstanding customer receivables, which can be classified into receivables from corporates and receivables from others are evaluated as minimal credit risk by the Group. Receivable from corporates are mainly from reputed companies from which the company has noted a trend of timely collections. Others pertains to customers who pay at the point of sale. However there is low risk on account of payments made through credit cards and coupons which are recoverable from banks, financial institutions and corporates having minimal credit risk.				
	Due to this factor, management believes that no additional credit risk is inherent in the Group's trade receivables and other receivables and unbilled revenue. At the balance sheet date, there were no significant concentrations of credit risk.				
	<b>The following table provides information about the exposure to credit risk and expected credit loss for trade receivables and loans to related parties:</b>				
	<b>As at 31 March 2017</b> <span style="float: right;"><i>Rs in millions</i></span>				
	<b>Particulars</b>	<b>Gross carrying amount *</b>	<b>Expected loss rate</b>	<b>Provision amount</b>	<b>Whether credit impaired</b>
	Upto 180 days	29.66	0.00%	-	No
	> 180 days	-	0.00%	-	No
		<b>29.66</b>		-	
	<b>As at 31 March 2016</b> <span style="float: right;"><i>Rs in millions</i></span>				
	<b>Particulars</b>	<b>Gross carrying amount *</b>	<b>Expected loss rate</b>	<b>Provision amount</b>	<b>Whether credit impaired</b>
	Upto 180 days	37.94	0.00%	-	No
	> 180 days	0.45	0.00%	-	No
		<b>38.39</b>		-	
	<b>As at 1 April 2015</b> <span style="float: right;"><i>Rs in millions</i></span>				
	<b>Particulars</b>	<b>Gross carrying amount *</b>	<b>Expected loss rate</b>	<b>Provision amount</b>	<b>Whether credit impaired</b>
	Upto 180 days	32.56	0.00%	-	No
	> 180 days	0.11	0.00%	-	No
		<b>32.66</b>		-	

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<b>Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):</b>						
Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.						
						<i>Rs in millions</i>
Particulars	Asset company	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision	
<b>Loans and security deposit:</b>						
Expected credit loss for loans and security deposits is as follows:						
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loan	388.00	-	-	388.00
		Security deposits	12.74	-	-	12.74
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loan	281.50	-	-	281.50
		Security deposits	10.69	-	-	10.69
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loan	383.18	-	-	383.18
		Security deposits	9.31	-	-	9.31
<b>D</b>	<b>Liquidity risk</b>					
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.						
Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group's objective is to maintain a balance in between cash outflow and inflow. Usually the excess of funds is invested in short term mutual funds and fixed deposits. This is generally carried out in accordance with practice and limits set by the Group. These limits vary to take into account the liquidity of the market in which the Group operates.						
<b>Maturities of financial liabilities</b>						
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments.						
<b>As at 31 March 2017</b>						<i>Rs in millions</i>
Particulars	Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years
Long term borrowing	400.00	400.00	-	-	-	400.00
Other non current financial liabilities	81.49	81.49	-	-	-	81.49
Trade payables	37.27	37.27	37.27	-	-	-
Other current financial liabilities	44.32	44.32	44.32	-	-	-
	<b>563.08</b>	<b>563.08</b>	<b>81.59</b>	<b>-</b>	<b>-</b>	<b>481.49</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

As at 31 March 2016							<i>Rs in millions</i>
Particulars	Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years	
Other non current financial liabilities	75.28	75.28	-	-	-	75.28	
Trade payables	27.87	27.87	27.87	-	-	-	
Other current financial liabilities	61.56	61.56	61.56	-	-	-	
	<b>164.71</b>	<b>164.71</b>	<b>89.43</b>	-	-	<b>75.28</b>	
As at 1 April 2015							<i>Rs in millions</i>
Particulars	Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years	
Other non current financial liabilities	111.20	111.20	-	-	-	111.20	
Trade payables	30.88	30.88	30.88	-	-	-	
Other current financial liabilities	81.26	81.26	81.26	-	-	-	
	<b>223.34</b>	<b>223.34</b>	<b>112.14</b>	-	-	<b>111.20</b>	
<b>E</b>	<b>Market risk</b>						
	Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.						
	<b>i) Currency risk</b>						
	The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of transacting parties. The functional currency of the Group is primarily INR.						
	Since the Group does not have any unhedged foreign currency exposure at the year end, it is not exposed to currency risk.						
	<b>ii) Interest rate risk</b>						
	The Group's main interest rate risk arises from long-term borrowings, which expose the Group to cash flow interest rate risk. The Group adopts a policy of ensuring that 100% of its interest rate risk exposure is at a fixed rate.						
	<b>Exposure to interest rate risk</b>						
	The exposure of the Group's borrowing to interest rate at the end of the reporting period are as follows :-						
				<i>Rs in millions</i>			
			<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>1-Apr-15</b>		
	Fixed rate borrowings		400.00	-	-		
	Investments in debt based mutual funds		70.00	467.26	151.05		
	Cash and cash equivalents		0.02	-	-		
	Bank balances other than cash and cash equivalents		1.00	1.00	1.00		
	The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.						

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However, the Group has invested in debt based mutual funds and the sensitivity analysis of the same is below:				
<i>Rs in millions</i>				
Particulars	Impact on profit or loss		Impact on other components of equity	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
RBI borrowing rate - Increase by 50 base points	46.73	7.00	-	-
RBI borrowing rate - Decrease by 50 base points	(46.73)	(7.00)	-	-
<b>iii) Price risk</b>				
The Group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The majority of the Group's equity investments are publicly traded and are included in the NSE or BSE index.				
<b>Sensitivity analysis – Equity price risk</b>				
The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period. The analysis is based on the assumption that the equity index had increased by 10% or decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.				
<i>Rs in millions</i>				
Particulars	Impact on profit or loss		Impact on other components of equity	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
NSE - Nifty 50 - Increase by 10% (2016: 10%)	0.41	0.68	0.85	0.92
NSE - Nifty 50 - Decrease by 10% (2016: 10%)	(0.41)	(0.68)	(0.85)	(0.92)

### 43 Consolidated financial information

Additional information required to be disclosed pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 - 'General instructions for the preparation of consolidated financial statements' as at and for the year ended 31 March 2017 is as follows:

*Rs in millions*

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent company</b>								
Mac Charles (India) Limited	99.22%	2,840.62	98.30%	287.93	100.00%	4.29	98.27%	283.64
<b>Indian subsidiary</b>								
Airport Golf View Hotels and Suites Private Limited	0.78%	22.33	1.70%	4.99	-	-	1.73%	4.99
<b>Total</b>	<b>100.00%</b>	<b>2,862.95</b>	<b>100.00%</b>	<b>292.92</b>	<b>100.00%</b>	<b>4.29</b>	<b>100.00%</b>	<b>288.63</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>44</b>	<b>Gratuity</b>		
	<b>A. Defined contribution plan</b>		
	The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The defined benefit plan for gratuity is administered by a single gratuity fund that is legally separate from the Company.		
	<b>B. Reconciliation of the net defined benefit (asset) liability</b>		
	<b>Reconciliation of present value of defined benefit obligation</b>		
		<i>Rs in millions</i>	
	<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Balance at the beginning of the year	17.82	16.82
	Service cost		
	- Current service cost	2.81	2.11
	Interest Cost	1.27	1.20
	Benefits paid	(0.77)	(3.65)
	Actuarial (gains) losses recognised in other comprehensive income		
	- changes in financial assumptions	(0.08)	1.34
	- experience adjustments	-	-
	<b>Balance at the year end</b>	<b>21.06</b>	<b>17.82</b>
	<b>Reconciliation of the present value of plan assets</b>		
	Balance at the beginning of the year	21.41	22.00
	Expected return on plan assets	1.54	1.67
	Contributions paid into the plan	0.01	1.41
	Benefits paid	(0.77)	(3.65)
	Return on plan assets recognised in other comprehensive income	0.21	(0.02)
	<b>Balance at the year end</b>	<b>22.40</b>	<b>21.41</b>
	<b>C.(i) Expense recognised in profit or loss</b>		
	Current service cost	2.81	2.11
	Interest cost	1.27	1.20
		<b>4.08</b>	<b>3.31</b>
	<b>C.(ii) Remeasurements recognised in other comprehensive income</b>		
	Actuarial (gain) loss on defined benefit obligation	(0.08)	1.34
	Return on plan assets excluding interest income	0.13	0.02
		<b>0.06</b>	<b>1.36</b>
	<b>D. Plan assets</b>		
	Plan assets comprise of the following:		
	Investment funds	22.40	21.41
		<b>22.40</b>	<b>21.41</b>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>E. Defined benefit obligations</b>				
<b>(i) Actuarial assumptions</b>				
<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	
<b>Financial assumptions</b>				
Discount rate	7.31%	8.00%	8.00%	
Future salary growth	6.00%	6.00%	6.00%	
<b>Demographic assumptions</b>				
Withdrawal rate	5.00%	5.00%	5.00%	
Retirement age	58	58	58	
<b>(ii) Sensitivity analysis</b>				
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have reflected the defined benefit obligation as the amounts shown below.				
<b>Particulars</b>	<b>As at 31 March 2017</b>		<b>As at 31 March 2016</b>	
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
Discount rate (1% movement)	19.61	22.34	16.53	18.91
Future salary growth (1% movement)	22.27	19.64	18.89	16.52
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.				
Since the contributions made by the Company exceed the provision for gratuity, no liability has been recognised.				
<b>45</b>	<b>Reconciliation of inter-corporate loans given as at the beginning and as at the end of the year (apart from related party loans):</b>			
<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>		
<b>IDS Next Business Solutions Private Limited</b>				
At the commencement of the year		1.00	2.50	
Add: given during the year		-	-	
Less: repaid during the year		-	(1.50)	
At the end of the year		1.00	1.00	
<b>Legacy Global Projects Limited</b>				
At the commencement of the year		52.50	100.00	
Add: given during the year		-	-	
Less: repaid during the year		(52.50)	(47.50)	
At the end of the year		-	52.50	
<b>Thrishul Developers</b>				
At the commencement of the year		30.00	-	
Add: given during the year		-	30.00	
Less: repaid during the year		-	-	
At the end of the year		30.00	30.00	
<b>Marickar Plantations Private Limited</b>				
At the commencement of the year		8.00	-	
Add: given during the year		-	8.00	
Less: repaid during the year		(1.00)	-	
At the end of the year		7.00	8.00	
<b>Pebble Bay Developers Private Limited</b>				
At the commencement of the year		-	40.00	
Add: given during the year		-	-	
Less: repaid during the year		-	(40.00)	
At the end of the year		-	-	



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

46	Details of non-current investments purchased and sold during the year			
	<i>Rs in millions</i>			
	As at 31 March 2016	Change in fair value	Net Purchase/ (Sale) of investment	As at 31 March 2017
<i>Unquoted</i>				
- Debt securities				
Reliance Capital Asset Management	44.04	4.11	(3.38)	44.77
- Subsidiaries:				
29,988 equity shares of Airport Golf View Hotels and Suites Private Limited (31 March 2016: 29,988 shares) (1 April 2015: 29,988 shares)	74.50	-	-	74.50
	<b>118.54</b>	<b>4.11</b>	<b>(3.38)</b>	<b>119.27</b>
<b>Equity investments at fair value through other comprehensive income (fully paid-up)</b>				
<i>Quoted</i>				
11,379 equity shares of Sobha developers (31 March 2016: 13,594 shares) (1 April 2015: 13,594 shares)	3.71	1.02	(0.80)	3.93
10,000 equity shares of Global Offshore (31 March 2016: 10,000 shares) (1 April 2015: 10,000 shares)	1.83	(1.39)	-	0.44
22,699 equity shares of Puravankara Limited (31 March 2016: 22,699 shares) (1 April 2015: 22,699 shares)	1.06	0.51	-	1.57
4,000 equity shares of Cipla Limited (31 March 2016: 4,000 shares) (1 April 2015: Nil shares)	2.62	0.34	-	2.96
HCL Technologies				
	<b>9.22</b>	<b>(0.48)</b>	<b>(0.80)</b>	<b>8.90</b>
- Associates:				
<i>Unquoted</i>				
Kotak Real Estate Fund	6.95	(4.07)	-	2.88
Pru.ICICI India Advantage Fund-III	13.58	(0.01)	(1.33)	12.24
	<b>20.53</b>	<b>(4.08)</b>	<b>(1.33)</b>	<b>15.12</b>
47	<b>Specified Bank Note</b>			
During the year, the Group had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denominationwise SBNs and other notes as per the notification are as follows :				
<i>Rs in millions</i>				
	Specified bank notes	Other denomination notes	Total	
Closing cash in hand as on 8 November 2016	1.14	0.07	1.20	
Add: Permitted receipts	-	5.83	5.83	
Less: Amount deposited in banks	(1.01)	(4.23)	(5.23)	
Less: Cash Payments	(0.13)	(1.46)	(1.59)	
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>0.21</b>	<b>0.21</b>	
For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.				

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>48</b>	<p><b>First time adoption</b></p> <p>As stated in Note 2A, these are the Group's first consolidated financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Group had prepared its consolidated financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP'). The accounting policies set out in Note 3 have been applied in preparing these consolidated financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening consolidated Ind AS balance sheet on the date of transition i.e. 1 April 2015.</p> <p>In preparing its consolidated Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its consolidated financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.</p>
<b>A</b>	<p><b>Optional exemptions availed:</b></p> <p>Ind AS 101 allows first-time adopters certain optional exemptions from the retrospective application of certain requirements under Ind AS for transition from the previous GAAP (IGAAP). The Company has availed the following:</p> <p><b>(i) Deemed cost of property, plant and equipment</b> As per Ind AS 101 an entity may elect to:</p> <p>(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date</p> <p>(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:</p> <ul style="list-style-type: none"> <li>- fair value;</li> <li>- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.</li> </ul> <p>The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).</p> <p>(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.</p> <p>On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.</p>
<b>B</b>	<p><b>Mandatory exceptions availed:</b></p> <p>Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from the previous GAAP (IGAAP):</p> <p><b>(i) Classification and measurement of financial assets</b> Ind AS 101 require an entity to classify and measure its financial asset into amortised cost, fair value through OCI or fair value through profit or loss based on the business model assessment or and Solely payment of principal and interest (SPPI) criterion based on facts and circumstances that exist at the date of transition. The entity has measured certain investments at fair value through OCI in compliance with this requirement.</p> <p><b>(ii) Estimates</b> Ind AS 101 prohibits the use of hindsight to correct estimates made under previous GAAP unless there is objective evidence of error. It only allows to adjust the estimates made under previous GAAP when the basis of calculation does not comply with Ind AS. Upon an assessment of the estimates made under Previous GAAP, the Group has concluded that there was no necessity to revise such estimates under Ind AS, other than those required due to application of Ind AS.</p> <p><b>(iii) De-recognition of financial assets and liabilities</b> Ind AS 101 requires a first-time adopter to apply the derecognition requirements of Ind AS 109 prospectively to transactions occurring on or after the date of transition. However, it also allows the first-time adopter that wants to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has chosen to avail the exception to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition.</p>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

C. Reconciliation between previous GAAP and Ind AS:				
(i) (a) Reconciliation of equity as at date of transition 1 April 2015:				
<i>Rs in millions</i>				
Particulars	Notes to first-time adoption	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		860.87	-	860.87
Capital work-in-progress		0.81	-	0.81
Investment property	1	-	907.81	907.81
Intangibles		71.94	-	71.94
Financial Assets			-	
- Investments	1 & 2	1,104.98	(940.39)	164.59
- Loans		9.31	-	9.31
- Tax assets		4.52	-	4.52
Other non-current assets		157.53	-	157.53
<b>Total non-current assets</b>		<b>2,209.96</b>	<b>(32.58)</b>	<b>2,177.38</b>
<b>Current assets</b>				
Inventories		12.52	-	12.52
Financial assets			-	
- Investments	2	149.26	1.79	151.05
- Trade receivables		32.66	-	32.66
- Cash and cash equivalents		56.40	-	56.40
- Bank balances other than cash and cash equivalents		1.00	-	1.00
- Loans		332.50	-	332.50
- Other current financial assets		61.13	-	61.13
Other current assets		26.63	-	26.63
<b>Total current assets</b>		<b>672.10</b>	<b>1.79</b>	<b>673.89</b>
<b>Total assets</b>		<b>2,882.06</b>	<b>(30.79)</b>	<b>2,851.27</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		131.04	-	131.04
Other equity	6 & 7	2,270.30	107.87	2,378.17
<b>Total equity</b>		<b>2,401.34</b>	<b>107.87</b>	<b>2,509.21</b>
<b>Non-current liabilities</b>				
Financial liabilities				
- Other financial liabilities	3	129.41	(18.21)	111.20
Provisions		20.00	-	20.00
Deferred tax liabilities (net)	8	71.94	(10.66)	61.28
Other non current liabilities	3	-	15.97	15.97
<b>Total non-current liabilities</b>		<b>221.35</b>	<b>(12.90)</b>	<b>208.45</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

				<i>Rs in millions</i>
Particulars	Notes to first-time adoption	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables		30.88	-	30.88
- Other financial liabilities		81.26	-	81.26
Provisions	4	125.76	(125.76)	-
Current tax liabilities (net)		2.95	-	2.95
Other current liabilities		18.52	-	18.52
<b>Total current liabilities</b>		<b>259.37</b>	<b>(125.76)</b>	<b>133.61</b>
<b>Total equity and liabilities</b>		<b>2,882.06</b>	<b>(30.79)</b>	<b>2,851.27</b>
* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.				
<b>(b) Reconciliation of equity as at 31 March 2016:</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		859.93	-	859.93
Capital work-in-progress		0.81	-	0.81
Investment property	1	-	892.20	892.20
Intangibles		71.99	-	71.99
Financial Assets				
- Investments	1 & 2	1,017.58	(943.80)	73.78
- Loans		10.69	-	10.69
- Tax assets		5.55	-	5.55
Other non-current assets		97.03	-	97.03
<b>Total non-current assets</b>		<b>2,063.58</b>	<b>(51.60)</b>	<b>2,011.98</b>
<b>Current assets</b>				
Inventories		12.85	-	12.85
Financial assets			-	
- Investments	2	431.60	35.66	467.26
- Trade receivables		38.39	-	38.39
- Cash and cash equivalents		45.72	-	45.72
- Bank balances other than cash and cash equivalents		1.00	-	1.00
- Loans		281.50	-	281.50
- Other current financial assets		27.87	-	27.87
Other current assets		4.80	-	4.80
<b>Total current assets</b>		<b>843.73</b>	<b>35.66</b>	<b>879.39</b>
<b>Total assets</b>		<b>2,907.31</b>	<b>(15.94)</b>	<b>2,891.37</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<i>Rs in millions</i>				
Particulars	Notes to first-time adoption	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		131.04	-	131.04
Other equity	6 & 7	2,450.72	(7.79)	2,442.93
<b>Total equity</b>		<b>2,581.76</b>	<b>(7.79)</b>	<b>2,573.97</b>
<b>Non-current liabilities</b>				
Financial liabilities				
- Other financial liabilities	3	86.50	(11.22)	75.28
Provisions		22.62	-	22.62
Deferred tax liabilities (net)	8	112.66	(6.69)	105.97
Other non current liabilities	3	-	9.76	9.76
<b>Total non-current liabilities</b>		<b>221.78</b>	<b>(8.15)</b>	<b>213.63</b>
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables		27.87	-	27.87
- Other financial liabilities		61.56	-	61.56
Other current liabilities		14.34	-	14.34
<b>Total current liabilities</b>		<b>103.77</b>	<b>-</b>	<b>103.77</b>
<b>Total equity and liabilities</b>		<b>2,907.31</b>	<b>(15.94)</b>	<b>2,891.37</b>
* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.				

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>(ii) Reconciliation of total comprehensive income for the year ended 31 March 2016:</b>				
<i>Rs in millions</i>				
<b>Particulars</b>	<b>Notes to first-time adoption</b>	<b>Previous GAAP*</b>	<b>Adjustment on transition to Ind AS</b>	<b>Ind AS</b>
<b>Income</b>				
Revenue from operations		591.34	-	591.34
Other income	3	342.24	37.08	379.32
<b>Total income</b>		<b>933.58</b>	<b>37.08</b>	<b>970.66</b>
<b>Expenses</b>				
Cost of materials consumed		81.12	-	81.12
Maintenance and upkeep services		70.11	-	70.11
Employee benefits expense	5	117.00	(1.56)	115.44
Finance costs	3 & 5	0.67	7.34	8.01
Depreciation and amortization expense	1	37.11	15.60	52.71
Other expenses		113.52	-	113.52
<b>Total expenses</b>		<b>419.53</b>	<b>21.38</b>	<b>440.91</b>
<b>Profit/(loss) before tax</b>		<b>514.05</b>	<b>15.70</b>	<b>529.75</b>
Tax expense:				
- Current tax		(135.22)	-	(135.22)
- Deferred tax		(40.73)	(6.90)	(47.63)
<b>Profit / (loss) for the year</b>		<b>338.10</b>	<b>8.80</b>	<b>346.90</b>
<b>Other comprehensive income:</b>				
Remeasurements of defined benefit plan actuarial gains/ (losses)	5	-	(1.69)	(1.69)
Changes in fair value of FVOCI equity instruments	2	-	0.06	0.06
<b>Net Other Comprehensive Income not to be reclassified subsequently to statement of profit and loss</b>		<b>-</b>	<b>(1.63)</b>	<b>(1.63)</b>
Deferred tax on items that will not be reclassified to profit or loss		-		
- Remeasurements of defined benefit plan actuarial gains/ (losses)		-	0.58	0.58
- Changes in fair value of FVOCI equity instruments		-	2.36	2.36
<b>Total comprehensive income for the period</b>		<b>338.10</b>	<b>10.11</b>	<b>348.21</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>(iii) Reconciliation of total equity as at 31 March 2016 and 1 April 2015</b>			
<i>Rs in millions</i>			
Particulars	Notes to first-time adoption	31 March 2016	1 April 2015
<b>Total equity (shareholder's funds) as per previous GAAP</b>		<b>2,581.77</b>	<b>2,401.35</b>
<b>Adjustments:</b>			
<b>Less:</b>			
Depreciation impact on reclassification of investment property	1	(43.92)	(28.32)
Provision for dividend	4	-	125.76
Fair valuation of investments through OCI	2	8.76	(4.26)
Unwinding of security deposits	3	(6.99)	-
Creation of deferred tax on Ind AS adjustments	8	(4.35)	10.67
Creation of deferred rent	3	2.23	2.23
Fair valuation of investments through PL	2	36.49	1.78
<b>Total adjustments</b>		<b>(7.80)</b>	<b>107.86</b>
<b>Total equity as per Ind AS</b>		<b>2,573.97</b>	<b>2,509.21</b>
<b>(v) Reconciliation of total comprehensive income for the year ended 31 March 2016</b>			
<i>Rs in millions</i>			
Particulars	Notes to first-time adoption	31 March 2016	
<b>Profit after tax as per previous GAAP</b>		<b>338.10</b>	
<b>Adjustments:</b>			
Depreciation impact on reclassification of investment property	1	(15.60)	
Unwinding of security deposits	3	6.98	
Fair valuation of investments through OCI	3	(6.80)	
Deferred Rent	3	(6.21)	
Reclassification of actuarial gain/(loss) to OCI	5	(1.36)	
Reversal in impairment on investments	2	3.05	
Fair valuation of investments	2	36.49	
Deferred tax on Ind AS adjustments	8	(7.75)	
<b>Total adjustments</b>		<b>8.80</b>	
<b>Profit after tax as per Ind AS</b>	6	<b>346.90</b>	
<b>Other comprehensive income</b>	2	<b>1.31</b>	
<b>Total comprehensive income as per Ind AS</b>		<b>348.21</b>	
<b>Notes to first time adoption:</b>			
<b>1</b>	<b>Investment property</b> Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. Consequent to the above, the total equity as at 31 March 2016 decreased by Rs. 86.32 million (1 April 2015 - (Rs. 70.72 million)) because the property was erroneously not depreciated and the profit for the year ended 31 March 2016 decreased by Rs. 15.60 million.		
<b>2</b>	<b>Investments</b> Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in other comprehensive income reserve as at the date of transition and subsequently in the other comprehensive income for year ended 31 March 2016 for equity instruments and in retained earnings at the date of transition and subsequently in statement of profit and loss for the year ended 31 March 2016 for mutual funds. Consequent to the above, the total equity increased by Rs. 45.25 million for the year ended 31 March 2016 (1 April 2015: Rs. (2.48) million) and the total comprehensive income decreased by Rs. 6.80 million.		

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<b>3</b>	<p><b>Security deposits</b> Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent expense.</p>																																	
	<p>The impact arising from the changes is summarised below: <span style="float: right;"><i>Rs in millions</i></span></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%;"></th> <th style="width: 10%; text-align: center;"><b>Year ended 31 March 2016</b></th> </tr> </thead> <tbody> <tr> <td><b>Statement of profit and loss</b></td> <td></td> <td></td> </tr> <tr> <td>Increase in rental income (other income)</td> <td></td> <td style="text-align: right;">6.21</td> </tr> <tr> <td>Increase in interest expense (interest expense)</td> <td></td> <td style="text-align: right;">6.98</td> </tr> <tr> <td><b>Adjustment before income tax</b></td> <td></td> <td style="text-align: right;"><b>(0.77)</b></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><i>Rs in millions</i></td> </tr> <tr> <td></td> <td style="text-align: center;"><b>31 March 2016</b></td> <td style="text-align: center;"><b>1 April 2015</b></td> </tr> <tr> <td><b>Balance sheet</b></td> <td></td> <td></td> </tr> <tr> <td>Other non current financial assets (reclass of lease deposit to deferred rental expense)</td> <td style="text-align: right;">18.21</td> <td style="text-align: right;">18.21</td> </tr> <tr> <td>Deferred rent</td> <td style="text-align: right;">15.98</td> <td style="text-align: right;">15.98</td> </tr> <tr> <td><b>Adjustment to retained earnings</b></td> <td style="text-align: right;"><b>2.23</b></td> <td style="text-align: right;"><b>2.23</b></td> </tr> </tbody> </table>			<b>Year ended 31 March 2016</b>	<b>Statement of profit and loss</b>			Increase in rental income (other income)		6.21	Increase in interest expense (interest expense)		6.98	<b>Adjustment before income tax</b>		<b>(0.77)</b>			<i>Rs in millions</i>		<b>31 March 2016</b>	<b>1 April 2015</b>	<b>Balance sheet</b>			Other non current financial assets (reclass of lease deposit to deferred rental expense)	18.21	18.21	Deferred rent	15.98	15.98	<b>Adjustment to retained earnings</b>	<b>2.23</b>	<b>2.23</b>
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<b>4</b>	<p><b>Proposed dividend</b> Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. Nil as at 31 March 2016 (1 April 2015 – Rs. 125.76 million) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.</p>																																	
<b>5</b>	<p><b>Remeasurement of post-employment benefit expenses</b> Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2016 increased by Rs 1.36 million and the other comprehensive income has decreased by the corresponding amount. Also, pursuant to the requirement of schedule III, net interest cost on actuarial valuation has been reclassified to finance cost. This has no impact on the total equity and the profit for the year ended 31 March 2016.</p>																																	
<b>6</b>	<p><b>Retained earnings</b> Retained earnings as at 1 April 2015 has been adjusted consequent to the above mentioned Ind AS adjustments.</p>																																	
<b>7</b>	<p><b>Other comprehensive income</b> Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.</p>																																	
<b>8</b>	<p><b>Deferred tax on Ind AS adjustments</b> Deferred tax have been recognised on the adjustments made on transition to Ind AS.</p>																																	
<b>Significant accounting policies</b> <span style="float: right;"><b>3</b></span>																																		
The notes referred to above form an integral part of the consolidated financial statements																																		

# MAC CHARLES (INDIA) LIMITED

Corporate Identification No. (CIN): L55101KA1979PLC003620

Registered Office: No.28, Sankey Road, Bengaluru - 560 052

## FORM OF PROXY

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Folio No/ Client Id : \_\_\_\_\_  
DP ID : \_\_\_\_\_

I/We, being the member (s) of ..... shares of Mac Charles (India) Limited, hereby appoint

1. .... of.....having email id:.....or failing him
2. .... of.....having email id:.....or failing him
3. .... of.....having email id:.....

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty-Seventh Annual General Meeting of the company to be held at Hotel Le Meridien, No.28, Sankey Road, Bengaluru-560052, on Monday the 25th September, 2017 and at any adjournment thereof in respect of such resolutions as indicated below:

Ordinary Business		Optional*	
Resolution No	Business	For	against
1	To receive, consider and adopt Audited Standalone Financial Statements of the Company for the financial year ended 31 March, 2017, the Reports of Board of Directors and Auditors thereon.		
2	To receive, consider and adopt Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2017, the Reports of Board of Directors and Auditors thereon.		
3	To declare dividend on equity shares for the financial year ended 31 March 2017.		
4	To appoint a Director in place of Mr. Suresh Vaswani (DIN 06645434), who retires by rotation and being eligible, offers himself for re-appointment.		
5	To appoint M/s. BSR & Co. LLP, as the Auditor of the Company.		
Special Business			
6	Regularisation of Additional Director, Mr. P. R. Ramakrishnan.		
7	Regularisation of Additional Director, Mr. Aditya Virwani.		
8	Increase in the limits for borrowings.		
9	Providing security in connection with the borrowings of the Company.		
10	Increase in the limits for providing Loans, Guarantee, Security and making Investments.		

Signed this..... day of September 2017

Affix  
Revenue  
Stamp

Signature of shareholder	
Signature of First Proxy holder	
Signature of Second Proxy holder	
Signature of Third Proxy holder	

### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and notes, please refer to the notice of 37<sup>th</sup> Annual General Meeting.
3. \*It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



# MAC CHARLES (INDIA) LIMITED

Corporate Identification No. (CIN): L55101KA1979PLC003620

Registered Office: No.28, Sankey Road, Bengaluru - 560 052

## ATTENDANCE SLIP

Name and Address of the Shareholder : \_\_\_\_\_

Name(s) of the Joint Shareholder(s) if any : \_\_\_\_\_

Registered Folio No. / DP ID No. & Client ID : \_\_\_\_\_

Number of Shares held : \_\_\_\_\_

Name of the Proxy/Representative, if any : \_\_\_\_\_

I/We hereby record my/our presence at the 37<sup>th</sup> Annual General Meeting of the Company held at Hotel Le Meridien, 28, Sankey Road, Bengaluru-560052 at 11:30 a.m.

\_\_\_\_\_  
Name of the member/proxy

\_\_\_\_\_  
Signature of the member/proxy

**Note:** Please bring the attendance slip to the meeting hall and hand it over at the entrance of the hall.

ELECTRONIC VOTING PARTICULARS		
EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

**Note:** Please read the instructions given in the Notice of the 37<sup>th</sup> Annual General Meeting of the company, carefully before voting electronically.





# MAC CHARLES (INDIA) LIMITED

Corporate Identification No. (CIN): L55101KA1979PLC003620

Registered Office: No.28, Sankey Road, Bengaluru - 560 052

## POSTAL BALLOT FORM

Serial No. :

1. Name and Registered address of the Sole/ First Joint Shareholder :
2. Name(s) of Joint holder(s), if any :
3. Registered Folio No. / DP ID No. / Client ID No.\* :  
(\*Applicable to investors holding shares in dematerialised form) :
4. Number of Equity Shares held :

I/We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot for Resolutions as stated in the Notice of the 37th Annual General Meeting of the Company, by sending my/our Assent (For) or Dissent (Against) to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Resolution No.	Description	Nature of Resolution	No of shares held	I/We assent to the Resolution	I/We dissent to the Resolution
6	Regularisation of Additional Director, Mr. P. R. Ramakrishnan.	Ordinary			
7	Regularisation of Additional Director, Mr. Aditya Virwani.	Ordinary			
8	Increase in the limits for borrowings.	Special			
9	Providing security in connection with the borrowings of the Company.	Special			
10	Increase in the limits for providing Loans, Guarantee, Security and making Investments.	Special			

Place:

Date:

\_\_\_\_\_  
Signature of the Sole / First Joint Holder

### ELECTRONIC VOTING PARTICULARS

EVENT (E-Voting Event Number)	USER ID	PASSWORD/PIN

Note:

1. Please read the instructions printed overleaf before filling this form and for e-voting, please refer instructions under Note No.11 in the Postal Ballot Notice sent herewith.
2. Last date of receipt of Postal Ballot forms by the Scrutinizer is 23.09.2017

## INSTRUCTIONS

- 1) A member desiring to exercise vote by Postal Ballot shall complete this Postal Ballot Form and send it duly and properly sealed to the Scrutinizer in the self-addressed business reply envelope sent herewith. However, envelopes containing Postal Ballot form, if sent by courier or by registered post/speed post at the expense of the member will also be accepted. Members are requested to convey their assent or dissent in this postal Ballot form only. Assent or dissent received in any other form or manner shall be considered as invalid.
- 2) This Form should be completed and signed by the member (as per the specimen signature registered with the Company / Depository Participant(s)). In case of Joint holding, this form should be completed and signed by the first named member and in his absence, by the next named Member.
- 3) Duly completed Postal Ballot form should reach the scrutinizer not later than 11:30 am IST on 23.09.2017 All Postal Ballot forms received after this date will be strictly treated as if reply from such member(s) has not been received.
- 4) There will be only one Postal Ballot Form for every Folio/ DP ID\_Client ID No. irrespective of the number of Joint Member(s). On receipt of the duplicate Postal Ballot Form, the original will be rejected.
- 5) In case of shares held by Corporate/ Institutional members (i.e. other than individuals, HUF, NRI etc.) the duly completed Postal Ballot Form should be accompanied by a certified copy of Board Resolution / Authority Letter preferably with attested specimen signatures of the duly authorised signatories.
- 6) Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed business reply envelope, as all such envelopes will be sent to the scrutinizer and any extraneous paper found in such envelope would be destroyed by the scrutinizer.
- 7) Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected. The scrutinizer's decision on the validity of a Postal will be final and binding.
- 8) Additionally, please note that the Postal Ballot Forms shall be considered invalid if:
  - a. A form other than one issued by the Company has been used;
  - b. It is not possible to determine without any doubt the assent or dissent of the member;
  - c. Neither assent or dissent is mentioned;
  - d. Any competent authority has given directions in writing to the Company to freeze the voting rights of the Member;
  - e. It is defaced or mutilated in such a way that its identity as genuine form cannot be established;
  - f. The member has made any amendment to the Resolution or imposed any condition while exercising his vote.
- 9) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member(s) on 15.09.2017 (cut off date).
- 10) Voting by Postal Ballot or through e-voting may be exercised by the Members or its duly constituted attorney. Exercise of vote by Postal Ballot through Proxy is not permitted.
- 11) The Company is pleased to offer e-voting facility as an alternate, for all the Members of the Company to enable them to cast their votes electronically instead of returning duly filled-up Postal Ballot Form. E-voting is optional. The detailed procedure for e-voting is enumerated in notes No. (xii) in the Notice of the 37th Annual General Meeting of the Company.

By the order of the Board

Bengaluru  
8 August 2017

M.S. REDDY  
*Company Secretary*







UTSAV



SUITE



# AIRPORT GOLF VIEW HOTELS & SUITES COCHIN

