

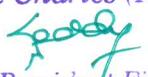
Mac Charles (India) Ltd.

Regd. Office :
P. B. No. 174,
28, Sankey Road,
Bangalore - 560 052

Tel : 2226 2233 / 2228 2828
Fax : Intl. (0091-80) 2226 7676 / 2226 2050
E-mail : leme@lemeridienbangalore.com

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company	MAC CHARLES (INDIA) LIMITED
2	Annual financial statements for the year ended	31 st MARCH 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	- NOT APPLICABLE -
5	To be signed by-	
	<p><i>For Mac Charles (India) Ltd.</i></p>  <p><i>Vice-President Finance & Company Secretary</i></p> <p>Mr. M. S. REDDY – VICE PRESIDENT FINANCE & COMPANY SECRETARY</p>	<p>For MAC CHARLES (INDIA) LTD</p>  <p>MANAGING DIRECTOR</p> <p>Ms. S. C. PARDHANANI MANAGING DIRECTOR</p>
	<p><i>For Mac Charles (India) Ltd.</i></p>  <p>DIRECTOR</p> <p>Mr. P. B. APPIAH – DIRECTOR - Cum - □ Audit Committee Chairman</p>	<p>For K.B. NAMBIAR & ASSOCIATES Chartered Accountants FIRM REGN. No. 002313S</p>  <p>CA RAJ KUMAR K PARTNER (M. No. 208039)</p> <p>Mr. RAJ KUMAR K. - Partner M/s. K.B.NAMBIAR & ASSOCIATES <i>Chartered Accountants</i> □ Auditor of the company</p>

MAC CHARLES (INDIA) LIMITED

34th Annual Report 2013-14





CORONET



BOARDROOM

BOARD OF DIRECTORS

Mr. C. B. Pardhanani	Chairman
Mr. P. B. Appiah	Director
Mr. M. R. B. Punja	Director
Mr. M. R. Prasanna <i>(Resigned w.e.f. 28.05.2013)</i>	Director
Mr. Suresh Vaswani <i>(w.e.f. 30.07.2013)</i>	Director
Ms. S. C. Pardhanani	Managing Director

VICE PRESIDENT FINANCE & COMPANY SECRETARY

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

REGISTERED OFFICE

LEMERIDIEN - BANGALORE
 28, Sankey Road, Bangalore - 560 052
 Tel : 080-2226 2233 / 2228 2828
 Fax : 080-2226 7676 / 2226 2050
 CIN: L55101KA1979PLC003620
 website: maccharlesindia.com
 e-mail : secretarial@lemeridienbangalore.com
 secretarial@lemeridien-bangalore.com

PRINCIPAL BANKERS

State Bank of India, Bangalore
 State Bank of Mysore, Bangalore

AUDITORS

K. B. Nambiar & Associates
 Chartered Accountants
 101, President Chambers
 # 8, Richmond Road
 Bangalore - 560 025

REGISTRARS & SHARE TRANSFER AGENTS

BgSE Financials Limited
 (Subsidiary of Bangalore Stock Exchange Ltd.,)
 Registrar & Transfer Agent (RTA Division)
 No. 51, 1st Cross, J.C. Road,
 Bangalore - 560 027.
 Tel : 080-4132 9661
 Fax : 080-4157 5232
 Email : manager_rta@bfsi.co.in

GRIEVANCE REDRESSAL DIVISION :

Mr. M. S. Reddy
 Vice President Finance and Company
 Secretary- cum - Compliance Officer
 Tel : 080-2226 2233 / 2228 2828
 Email : investor.relations@maccharles.com

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Thirtyfourth Annual General Meeting of MAC CHARLES (INDIA) LTD. will be held on MONDAY the 22nd SEPTEMBER 2014 at Hotel Le Meridien, No. 28, Sankey Road, Bangalore - 560 052 at 3 p.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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN TO THE MEMBERS THAT the 34th Annual General Meeting of MAC CHARLES (INDIA) LIMITED will be held at Hotel Le Meridien, No. 28, Sankey Road, Bangalore – 560 052, on Monday the 22nd September, 2014 at 3 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited accounts of the Company for the year ended 31 March 2014 together with the Directors' and Auditors' report thereon.
2. To declare a dividend on equity shares.
3. To appoint Auditors to the Company.

To Consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, K.B.Nambiar and Associates, Chartered Accountants (Firm Registration No.002313S) be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirtyfifth (35th) AGM of the Company (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors”.

SPECIAL BUSINESS

4. Appointment of Mr.M.R.B.Punja as an Independent Director of the Company ;

To Consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) as amended from time to time and Clause 49 of the Listing Agreement, Mr.M.R.B.Punja (DIN : 00007228), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company, with effect from 22nd September, 2014 to 21st September, 2019.”

5. Appointment of Mr.P.B.Appiah as an Independent Director of the Company ;

To Consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) as amended from time to time and Clause 49 of the Listing Agreement, Mr.P.B.Appiah (DIN : 00215646), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company, with effect from 22nd September, 2014 to 21st September, 2019.”

6. Appointment of Mr.Suresh Vaswani as an Independent Director of the Company.

To Consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) as amended from time to time and Clause 49 of the Listing Agreement, Mr.Suresh Vaswani (DIN : 06645434), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company, with effect from 22nd September, 2014 to 21st September, 2019.”

By Order of the Board of Directors

Bangalore
4 August 2014

M. S. REDDY
Company Secretary

NOTES

- a) The relative Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013, (“the Act”) in respect of the special business under item Nos. 4 to 6 is annexed hereto.
- b) The Register of Members and Share Transfer Book will remain closed from 19th September 2014 to 22nd September 2014 for the purpose of payment of dividend, if any, to be declared at this meeting to those members whose names appear on the Company's Register of Members on 18th September, 2014.
- c) 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.
- d) 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.

- e) 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.
- f) 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.
- g) For effecting change of Address/Bank details/Electronic Clearing Services (ECS) Mandate, if any, Members are requested to notify the same to the following :
- (i) 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, Bangalore – 560 027.
- (ii) 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.
- h) 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 :

- (i) The Voting period begins on 16.09.2014 (from 9:00 a.m.) and ends on 18.09.2014 (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 16.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the e-Voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login

- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) 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"> 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. 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.
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"> 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 cut off date in the Dividend Bank details field.

- (viii) After existing these details appropriately, click on "SUBMIT" tab.
- (xi) 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.

MAC CHARLES (INDIA) LIMITED

- (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> 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.
 - 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 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 under help selection or write an email to helpdesk.evoting@cdslindia.com.
- i) The results of the e-voting along with the scrutinizer’s report shall be placed in the Company’s website 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.
- j) Corporate members intending to send their authorize 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.
- k) 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).
- l) 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 forty-eight (48) hours before the commencement of the meeting, so as to make the management to furnish the clarification.

EXPLANATORY STATEMENT
As required by Section 102 of the Companies Act, 2013 (the Act)

1. The following Explanatory Statement sets out the material facts relating to the business under items Nos. 4 to 6 of the accompanying Notice dated August 4, 2014.

ITEM No. 4

2. Mr. M.R.B.Punja was appointed as a Director of the Company on 29.06.2011. He holds a Bachelors Degree in Commerce and he has previous worked with IDBI as its Chairman.
3. Mr.M.R.B.Punja is a Non-Executive Director and considered as Independent under Clause 49 of the Listing Agreement.
4. As per the provisions of Section 149 of the Act which has come into force with effect from April 1, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. M.R.B.Punja has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.
5. The matter regarding appointment of Mr.M.R.B.Punja as Independent Director was placed before the Board, which commends his appointment as an Independent Director up to September 21, 2019.
6. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and is independent of the management.
7. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the Appointment of Mr.M.R.B.Punja is Independent Director is now being placed before the Members in general meeting for their approval.
8. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.
9. Mr. M.R.B.Punja may be deemed to be concerned and interested in item No.4 as it relates to his appointment as Independent Director of the Company. Other than Mr.M.R.B.Punja, none of the other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at item No.4 of the Notice.

ITEM No. 5

10. Mr. P.B.Appiah was appointed as a Director of the Company on 26.08.2000. He holds a Bachelors Degree in Commerce and graduated in Law and he is practicing Law.
11. Mr. P.B.Appiah is a Non-Executive Director and considered as Independent under Clause 49 of the Listing Agreement.
12. As per the provisions of Section 149 of the Act which has come into force with effect from April 1, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. P.B.Appiah has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.
13. The matter regarding appointment of Mr. P.B.Appiah as Independent Director was placed before the Board, which

commends his appointment as an Independent Director up to September 21, 2019.

14. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and is independent of the management.
15. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the Appointment of Mr. P.B.Appiah is Independent Director is now being placed before the Members in general meeting for their approval.
16. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.
17. Mr. P.B.Appiah may be deemed to be concerned and interested in item No.5 as it relates to his appointment as Independent Director of the Company. Other than Mr. P.B.Appiah, none of the other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at item No.5 of the Notice.

ITEM No. 6

18. Mr. Suresh Vaswani was appointed as a Director of the Company on 30.07.2013. He holds a Bachelors Degree in Commerce and he is Honorary Consulate-Repulbic of Benin and is an International Property Investments and Advisory Consultant.
19. Mr. Suresh Vaswani is a Non-Executive Director and considered as Independent under Clause 49 of the Listing Agreement.
20. As per the provisions of Section 149 of the Act which has come into force with effect from April 1, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Suresh Vaswani has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.
21. The matter regarding appointment of Mr. Suresh Vaswani as Independent Director was placed before the Board, which commends his appointment as an Independent Director up to September 21, 2019.
22. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and is independent of the management.
23. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the Appointment of Mr. Suresh Vaswani is Independent Director is now being placed before the Members in general meeting for their approval.
24. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.
25. Mr. Suresh Vaswani may be deemed to be concerned and interested in item No.6 as it relates to his appointment as Independent Director of the Company. Other than Mr. Suresh Vaswani, none of the other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at item No.6 of the Notice.

MAC CHARLES (INDIA) LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 34th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31 March 2014.

FINANCIAL RESULTS

(In Rs.)

Particulars	2013-14	2012-13
Segmentwise Turnover/Revenue		
(a) Hotel Sales turnover	39,38,81,027	40,52,93,650
(b) Sale of Electricity	3,41,59,115	3,58,37,644
(c) Interest on Corporate loan/ deposits Received	7,22,20,853	8,90,10,702
(d) Rent Received on Commercial Spaces at Cessna Business Park	7,19,34,079	2,20,51,763
(e) Dividend/ Profit/(Loss) on sale of investments	(6,50,02,911)	5,75,68,363
Total	50,71,92,163	60,97,62,122
Profit before Depreciation, Finance Cost & Tax		
From Hotel Operations	9,24,63,600	8,41,76,408
From Investments other than the Hotel	11,33,11,136	20,44,68,472
	20,57,74,736	28,86,44,880
Less : Depreciation	6,51,31,429	6,31,18,373
Less : Finance Cost	11,03,382	9,37,458
Profit before Tax	13,95,39,925	22,45,89,049
From Hotel Operations	2,56,12,192	2,01,20,577
From Investments other than the Hotel	11,39,27,733	20,44,68,472
	13,95,39,925	22,45,89,049
Provision for tax for the year	7,14,25,505	6,56,85,278
Profit for the year	6,81,14,420	15,89,03,771
Add : Balance brought forward from the previous year	20,25,66,528	15,16,28,212
Amount available for Appropriation	27,06,80,948	31,05,31,983
APPROPRIATIONS		
(i) General Reserves	70,00,000	1,60,00,000
(ii) Dividend :	7,86,06,312	7,86,06,312
iii) Corporate Dividend Tax	1,33,59,143	1,33,59,143
iv) Balance carried to Balance Sheet	17,17,15,493	20,25,66,528

HOTEL OPERATIONS

During the year under report, the economy in general and Hotel business in particular has not done well especially in the face of sluggish economy and severe competition from the new five star hotels. In the last few years, Bangalore Hotel Industry has been facing weak demand and an excess supply of rooms caused by optimism about the economic growth story prior to 2008. This has led to new hotel openings by local and International hospitality brands. However, due to the economic slowdown, supply outpaced demand. As a result the Hotel room occupancy and room tariffs have dropped considerably. In view of this scenario, the sales turnover of the Company has decreased from Rs.4053 lakhs to Rs.3939 lakhs.

The profit before income tax from the Hotel is only Rs.2.56 crore as mentioned under Financial Results.

FUTURE PROSPECTS

The future of the hotel industry is facing tough times ahead in view of cost cutting measures initiated by the corporate companies in the sluggish economy prevailing worldwide. In addition there is substantial increase in supply side of the five star hotels in Bangalore resulting in low occupancy and undercutting of rates. 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 maintained despite the fall in Hotel business. The Company's diversification into electricity generation through Wind Turbine Generators and other sources of income from investments have helped the bottomline and the Company is able to show net profit after income tax. The segment performance is furnished elsewhere in this Annual Report.

DIVIDEND

Your Directors have recommended a dividend of Rs.6/- per Equity Share for the financial year ended March 31, 2014, amounting to Rs.9,19,65,455/- (inclusive of tax of Rs.1,33,59,143/-). The said dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear in the Register of Members as on 18th September, 2014.

DIRECTORS

Mr. M.R.Prasanna resigned from the Board w.e.f. 28th May, 2013. During the year, the Board has co-opted Mr. Suresh Vaswani as a Director and was appointed as Director at the Annual General Meeting of the Company held on 18.09.2013.

As per the provision of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Mr.M.R.B.Punja, Mr.P.B.Appiah and Mr.Suresh Vaswani are proposed to be appointed as Independent Directors of the Company for a period of five years commencing from September 22, 2014.

Your approval for their appointments as Directors has been sought in the Notice convening the Annual General Meeting of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors, based on the representations received from the Operating Management, hereby confirms that :

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures ;
- it has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for that period;
- it has 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 detecting fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records; and
- it has prepared the annual accounts on a going concern basis.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings during the year were Rs.1387 lacs which is 35% of the Hotel Sales Turnover. The Foreign Exchange utilisation during the year was Rs.246 lacs.

SUBSIDIARY COMPANIES

At the beginning of the year, the Company had one Subsidiary Company, Airport Golf View Hotels & Suites Pvt. Ltd., Kochi.

As required under the Listing Agreements with the Stock Exchanges, a Consolidated Financial Statement of the Company and its Subsidiary is attached. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards as prescribed under Section 211(3C) of the Companies Act, 1956 ("Act"). These financials statements disclose the assets, liabilities, income, expenses and other details of the Company, its subsidiary.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary Company with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2014 is included in the Annual Report. The annual accounts of these subsidiary and the related detailed information will be made available to any member of the Company/its subsidiary seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiary at the registered office of the Company. The annual accounts of the said subsidiary will also be available for inspection, as above, at the Head Office/Registered Office of the respective subsidiary company. The Company shall furnish a copy of details of annual accounts of subsidiary to any member on demand.

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 Report 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 following energy conservation measures have been taken:

- a) During the current year, the Company is adding two more Wind

Turbine Generators with a capacity of 4.20 MW apart from having existing capacity of 5.10 MW which will generate green electricity of about 2.25 crore units p.a. of green power which is being utilized partially for captive consumption of the Hotel 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 windows with double glazed reflective glass with a view to save power on AC consumption.
- g) installed two on load tap charger transformers for stabilising 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 particulars, pertaining to technology absorption in terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 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 soundfree fridges in guest rooms and various latest hotel operational equipments. Further the Hotel has been conforming to the stringent Le Meridien's International Standards.

PARTICULARS OF EMPLOYEES

Information under section 217(2A) of the Companies Act, 1956, read with Companies (particulars of employees) Rules, 1975, is appended below :

Particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 :

Employed for the year :

Name	Ms.S.C.Pardhanani	Mr.Rajesh Madan	Mr.Suresh Kumar Badlaney
		Employed Part of the year	Employed Part of the year
Age	45 Years	55 Years	64 Years
Remuneration	Rs.1,14,00,180/-	Rs.31,94,754/-	Rs.12,00,000/-
Qualification	B.Com., DBM	B.Com.	B.Com., DHM
Experience	11 Years	29 years	38 years
Date of commencement of employment	01.10.2002	01.10.2012	01.10.2013
Last Employment held	Executive Director – Mac Charles (India) Ltd.	General Manager Le Meridien, Kochi	General Manager Royal Le Meridien, Chennai
Designation	Managing Director	Vice President Operations	Vice President Operations

Note : (1) Ms. S. C. Pardhanani, Managing Director is the daughter of Mr. C.B.Pardhanani, the Chairman of the Company.
 (2) Mr. Rajesh Madan, Vice President Operations, resigned from service on 30.09.2013.
 (3) Mr. Suresh Kumar Badlaney, Vice President Operations, jointed service on 01.10.2013.

MAC CHARLES (INDIA) LIMITED

EMPLOYEES

The relationship with employees has been cordial. The total number of persons employed by the Company is 373 as at 31 March 2014.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. C.B. Pardhanani, Mr.P.B.Appiah, and Mr. M.R.B.Punja. The Audit Committee is discharging its duties and functions in consultation with the Internal and Statutory Auditors: (a) To review the adequacy of the internal control system and internal Audit Reports and their compliance thereof; (b) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; and (c) To review with the management, the financial statements before submission to the Board.

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

M/s. K.B. Nambiar & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

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.

DEMATERIALISATION

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 State Bank of Mysore 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. 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

Bangalore
4 August 2014

C.B. Pardhanani
Chairman

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
THE MEMBERS OF MAC CHARLES (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by MAC CHARLES (INDIA) LIMITED, for the year ended 31 March 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month as at 31 March 2014, as per the records maintained by the Company and as taken on record by the Share Transfer cum Share Holders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K. B. NAMBIAR & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 002313S)

Bangalore
4 August 2014

Raj Kumar K
Partner (M.No.208039)

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

Report on the Financial Statements

We have audited the accompanying financial statements of MAC CHARLES (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and also the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to

the explanations given to us, the 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 March 31, 2014;
- (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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as 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 referred to in sub-section (3C) of section 211 of the Act; read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the principles generally accepted in India.
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Bangalore
4 August 2014

Raj Kumar K
Partner (M.No.208039)

MAC CHARLES (INDIA) LIMITED

ANNEXURE 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) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The process of numbering the fixed assets and updating the same into the fixed assets register is in progress.
 - The fixed assets have been physically verified by the Management during the year and no material discrepancies were noticed during such verification.
 - Fixed Assets disposed off during the year were not substantial.
- (ii) In respect of its inventory:
- Physical verification of inventory has been conducted by the Management at reasonable intervals.
 - In our opinion, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - The Company is maintaining proper records of its inventory. 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) In respect of its loans:
- The Company has granted an unsecured loan to its wholly owned subsidiary. The maximum amount outstanding during the year was Rs.2,18,32,981/- and the year-end balance of the loan is Rs 1,92,68,689/-.
 - Having regard to the fact that the loan granted to its wholly owned subsidiary is interest free and unsecured and also that no agreement/contract is entered into with the subsidiary, the terms and conditions of loan granted to the subsidiary are in our opinion prima facie not prejudicial to the interests of the Company.
 - In the absence of an agreement/contract there is no stipulation as to repayment and as such paragraph 4(iii)(c) of the order is not applicable to the Company in respect of repayment of principal amount.
 - Since there is no stipulation regarding repayment of principal, paragraph 4(iii)(d) of the order is not applicable to the Company in respect of overdue amount in excess of rupees one lakh.
 - The Company has taken an unsecured loan from the Managing Director during the year. The maximum amount outstanding during the year was Rs.4,60,00,000/- and the year-end balance of the loan is NIL.
- Having regard to the fact that the loan is interest free and unsecured and also that no agreement/contract is entered into, the terms and conditions of the loan taken are in our opinion prima facie not prejudicial to the interests of the Company.
 - The loan having been fully repaid during the year, paragraph 4(iii)(g) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Companies Act, 1956. Hence paragraph 4(v)(a) and 4(v)(b) of the order is not applicable to the Company.
- (vi) The Company has not accepted deposits to which the directives issued by Reserve Bank of India and provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
- (vii) The Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) As informed to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956, for the Company.
- (ix) In respect of its statutory dues
- 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, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year.
 - 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	Honourable High Court of Karnataka	The amount in dispute is adjusted by the 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.

- (x) The Company has neither accumulated loss as at 31 March 2014 nor has it incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to financial institution or bank.
- (xii) According to the information and explanations given to us, and records examined by us, during the year the company has not granted loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised money by public issue during the year.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Bangalore
4 August 2014

Raj Kumar K
Partner (M.No.208039)

MAC CHARLES (INDIA) LIMITED

BALANCE SHEET AS AT MARCH 31, 2014

	Note	March 31, 2014 Rupees	March 31, 2013 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	13,10,37,270	13,10,37,270
Reserves and Surplus	3	213,64,88,479	216,03,39,513
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	4	4,20,49,931	5,36,24,426
Other Long Term Liabilities	5	8,82,50,271	4,48,69,080
Long Term Provisions	6	1,88,96,898	1,23,41,535
Current Liabilities			
Short-Term Borrowings	7	1,24,68,214	1,56,04,337
Trade Payables	8	1,83,21,069	1,92,63,092
Other Current Liabilities	9	7,34,75,788	6,73,37,424
Short-Term Provisions	10	14,18,04,928	11,38,83,043
Total		266,27,92,848	261,82,99,720
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		61,25,12,995	67,39,34,946
Capital work-in-progress		8,13,061	8,13,061
Non-current Investments	12	121,94,10,247	101,29,37,568
Long term loans and advances	13	19,44,96,919	59,14,97,112
Current Assets			
Current Investments	14	6,83,62,790	-
Inventories	15	99,81,772	1,37,22,300
Trade receivables	16	2,12,40,289	1,68,11,248
Cash and Bank Balances	17	4,95,22,889	4,35,93,697
Short-term loans and advances	18	46,93,09,997	24,60,42,534
Other current assets	19	1,71,41,889	1,89,47,254
Total		266,27,92,848	261,82,99,720
Significant Accounting Policies	1		
Notes to Financial Statements	2-39		

In terms of our report of even date

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

Raj Kumar K
Partner (M.No. 208039)

Bangalore
4 August 2014

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
4 August 2014

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
REVENUE			
Revenue from Operations	20	42,13,08,362	43,09,71,788
Other Income	21	8,58,83,801	17,87,90,334
Total Revenue		50,71,92,163	60,97,62,122
EXPENSES			
Cost of Provisions, Food and Beverages consumed	22	5,78,22,699	5,16,23,518
Employee Benefits Expenses	23	9,82,29,866	9,30,45,652
Maintenance, Upkeep and Services	24	6,18,87,129	9,35,87,228
Financial Costs	25	11,03,382	9,37,458
Depreciation and Amortization Expense	11	6,51,31,429	6,31,18,373
Other Expenses	26	8,34,77,732	8,28,60,844
Total Expenses		36,76,52,237	38,51,73,073
PROFIT BEFORE TAX		13,95,39,926	22,45,89,049
Tax Expenses			
- Current tax		(8,30,00,000)	(7,50,00,000)
- Deferred tax		1,15,74,495	93,14,722
NET PROFIT FOR THE YEAR		6,81,14,421	15,89,03,771
Earnings per equity share:			
Basic & Diluted (<i>Face Value of Rs.10/- each</i>)	38	5.20	12.13
Significant accounting policies	1		
Notes to financial statements	2-39		

In terms of our report of even date

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

Raj Kumar K
Partner (*M.No. 208039*)

Bangalore
4 August 2014

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
4 August 2014

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

MAC CHARLES (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per Statement of Profit & Loss	13,95,39,926	22,45,89,049
Adjustment for :		
Depreciation	6,51,31,429	6,31,18,373
Profit on sale of fixed assets	(88,82,061)	(10,63,000)
Loss/(Profit) on sale of investments	10,21,68,078	(4,52,12,635)
Excess Provision for diminution in value of investments written back	(1,50,42,771)	(13,96,852)
Dividend received	(1,32,40,335)	(98,95,876)
Interest Paid	6,25,894	4,71,317
Interest received	(7,27,38,674)	(8,78,99,996)
Rent received	(7,02,94,931)	(2,08,08,108)
Operating profit before working capital changes	12,72,66,555	12,19,02,272
Adjustment for :		
Trade and other receivables	(38,71,738)	2,07,92,476
Inventories	37,40,528	(1,99,578)
Trade and other payables	5,12,72,348	5,38,37,946
Cash generated from operations	17,84,07,693	19,63,33,116
Direct Taxes (paid) / refund	(5,12,17,568)	(6,70,03,067)
Net cash (used in) / from operating activities	12,71,90,125	12,93,30,049
B) CASH FLOW FROM INVESTING ACTIVITIES		
Received from subsidiary/(loan given to subsidiary)	25,64,292	24,68,411
Loan given to other companies	(22,00,00,000)	(15,00,00,000)
Purchase of Fixed Assets	(1,13,92,470)	(4,47,87,324)
Sale of Fixed Assets	1,65,65,053	32,75,225
Investment in immovable property	(17,10,42,551)	(5,26,68,324)
Purchase of investments	(60,30,98,727)	(42,97,89,154)
Sale of investments	80,45,97,002	52,52,90,892
Interest received	7,27,38,674	8,78,99,996
Rent received	7,02,94,931	2,08,08,108
Dividend received	1,32,40,335	98,95,876
Net cash (used in) / from investing activities	(2,55,33,461)	(2,76,06,294)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid including Corporate Dividend Tax	(9,19,65,455)	(9,13,58,221)
Interest paid	(6,25,894)	(4,71,317)
Increase / (decrease) in cash credit	(31,36,123)	(77,89,843)
Net cash (used in)/ from financing activities	(9,57,27,472)	(9,96,19,381)
Net increase in cash and cash equivalent	59,29,192	21,04,374
Cash and cash equivalents at beginning of the period	4,35,93,697	4,14,89,323
Cash and cash equivalents at end of the period	4,95,22,889	4,35,93,697

Footnote :

Cash and cash equivalents balances include Rs.4,38,72,265/- (Rs.3,99,17,645/-) 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
Vice President Finance &
Company Secretary

C.B. Pardhanani
Chairman

Raj Kumar K
Partner (M.No. 208039)

S. C. Pardhanani
Managing Director

Bangalore
4 August 2014

Bangalore
4 August 2014

P.B. Appiah
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES :

The accounts have been prepared on historical cost convention under mercantile system of accounting and generally complies with mandatory accounting standards.

a. Fixed Assets :

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of the assets capitalized.

b. Depreciation :

Depreciation is provided on straight line method on buildings at triple the rates and on other fixed assets at double the rates specified in Schedule XIV to the Companies Act, 1956, based on technical evaluation.

c. Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

d. Investments :

- i. Current Investments are stated at lower of cost and fair value.
- ii. Long Term Investments are stated at cost. However, provision for diminution is made to recognize a decline, other than temporary in the value of the investments.

e. Inventories :

- i. To value inventories of provisions, food supplies, crockery, cutlery, glassware, beverage, stores and operational supplies at cost on Weighted Average Method. Cost includes freight and other incidental expenses.
- ii. To charge to revenue the value of crockery, cutlery and glassware at the time of first issue.

f. Miscellaneous Expenditure :

To amortise the preliminary expenses and other deferred revenue expenditure over a period of 10 years.

g. Foreign Currency Transactions :

- i. Transactions in foreign currencies are accounted at the average exchange rate prevailing on the date of transaction.
- ii. To account for gain or loss on foreign exchange rate fluctuations relating to assets and liabilities as at the date of the Balance Sheet at the convertible rate of exchange prevailing on that date.

- iii. To account for all exchange differences arising from foreign currency transactions in the Statement of Profit and Loss.

h. Revenue Recognition :

- i. Room revenue is recognized on actual occupancy and is net off, of cost of complimentary airport pick-up and drop.
- ii. Food and Beverage at the point of supply.
- iii. Other services on rendering such services.
- iv. Sale of electricity generated from Wind Turbine Generators is recognized on the basis of electricity units metered and invoiced.

i. Employee Benefits :

- i. Provident Fund :

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders service.

- ii. Gratuity :

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognized in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets together with adjustments for unrecognized actuarial gains or losses and past service costs. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

- iii. Leave Encashment :

Provision for unavailed leave to the credit of the employees as at the end of the year is made on the basis of the actuarial valuation.

j. Taxation :

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.

Deferred Tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 Rupees	March 31, 2013 Rupees
2. SHARE CAPITAL		
AUTHORISED		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
1,31,01,052 (1,31,01,052) Equity Shares of Rs.10/- each	13,10,10,520	13,10,10,520
<i>Add</i> : Forfeited Shares	26,750	26,750
	13,10,37,270	13,10,37,270
Footnote :		
2.1 Reconciliation of number of shares	As at March 31, 2014 No. of Shares	As at March 31, 2013 No. of Shares
Shares outstanding at the beginning of the year	1,31,01,052	1,31,01,052
Shares outstanding at the end of the year	1,31,01,052	1,31,01,052
2.2 The issued, subscribed and paid up capital included 65,50,526 shares allotted as bonus shares (by capitalisation of Securities Premium and General Reserve) during the financial year 2011-12.		
2.3 Details of shareholders holding more than 5% of shares		
	No. of Shares held	No. of Shares held
Name of the Shareholder	%	%
Mr. C.B.Pardhanani	96,16,952 73.41	96,16,952 73.41
3. RESERVES AND SURPLUS		
a) General Reserve		
Opening Balance	195,77,72,985	194,17,72,985
<i>Add</i> : Current Year Transfer	70,00,000	1,60,00,000
Closing Balance (a)	196,47,72,985	195,77,72,985
b) Surplus		
Opening balance	20,25,66,528	15,16,28,212
<i>Add</i> : Net Profit/(Net Loss) For the current year	6,81,14,421	15,89,03,771
<i>Less</i> : Transfer to Reserves	70,00,000	1,60,00,000
<i>Less</i> : Proposed Dividends	7,86,06,312	7,86,06,312
<i>Less</i> : Corporate Dividend Tax	1,33,59,143	1,33,59,143
Closing Balance (b)	17,17,15,494	20,25,66,528
Total	213,64,88,479	216,03,39,513
4. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability:		
Accumulated Depreciation	4,41,21,123	5,53,22,713
Less: Deferred Tax Assets:		
Accrued expenses deductible on payment	20,71,192	16,98,287
Total	4,20,49,931	5,36,24,426

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 Rupees	March 31, 2013 Rupees
5. OTHER LONG TERM LIABILITIES		
a) Rental Deposits received :		
Diamond District Apartments	4,00,000	4,00,000
Vodafone Essar South Ltd	3,00,000	3,00,000
L G Soft India Pvt Ltd	3,95,51,616	3,95,51,616
Inmobi Technology Services Pvt Ltd	4,26,53,952	-
b) Others	53,44,703	46,17,464
Total	8,82,50,271	4,48,69,080
6. LONG TERM PROVISIONS		
a) Provision for employee benefits:		
Provision for leave encashment	50,31,101	56,97,603
b) Others:		
Income tax	85,11,534	11,09,669
Provision for donations	53,54,263	55,34,263
Total	1,88,96,898	1,23,41,535
7. SHORT TERM BORROWINGS		
Secured		
Cash credit		
From Bank	1,24,68,214	1,56,04,337
(The Cash Credit from Bank are secured by Company's immovable property at No. 28, Sankey Road, Bangalore and first charge by way of hypothecation and / or pledge of the Company's entire goods, movables and other assets present and future including documents of title to the goods and other assets, such as Book Debts, outstanding monies, receivables, bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, present and future of the Company)		
Total	1,24,68,214	1,56,04,337
8. TRADE PAYABLES		
a) Dues to Micro and Small Enterprises	-	-
b) Others	1,83,21,069	1,92,63,092
Total	1,83,21,069	1,92,63,092
Footnote :		
8.1. In the absence of information as regard to the status/classification of the Relevant enterprises into Micro, Small and Medium enterprises, information as required under Notification No. G.S.R 719[E] dated 16.11.2007 issued by the Department of Company Affairs in respect of the total amount payable at the end of the year to the Micro & Small Enterprises could not be disclosed.		
9. OTHER CURRENT LIABILITES		
a) Statutory remittances	66,18,942	51,72,042
b) Unclaimed / Subjudiced dividend	4,38,72,265	3,99,17,645
c) Due to Directors	62,02,893	44,43,953
d) Advance from Customers	51,13,590	47,76,936
e) Payables for capital assets	96,07,997	1,15,67,725
f) Others	20,60,101	14,59,123
Total	7,34,75,788	6,73,37,424
10. SHORT TERM PROVISIONS		
Provision For Employees Benefit		
a) Salaries & Wages payable	49,27,261	38,93,808
b) Bonus payable	10,62,430	11,54,899
c) Ex gratia payable	1,64,223	1,41,051
Others		
a) Proposed Dividend	7,86,06,312	7,86,06,312
b) Corporate Dividend Tax	1,33,59,143	1,33,59,143
c) Provision for Income Tax	3,63,73,497	1,19,92,930
d) Other provisions	73,12,062	47,34,900
Total	14,18,04,928	11,38,83,043

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

11. FIXED ASSETS

(Amount in Rupees)

	DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		As at 01/04/2013	Additions	Deductions	Total	Upto 01/04/2013	For the year	Deductions	Upto 31/03/2014	As at 31/03/2014	As at 31/03/2013
I	TANGIBLE ASSETS										
	Land	33,31,65,755	-	-	33,31,65,755	-	-	-	-	33,31,65,755	33,31,65,755
	Buildings	18,62,15,304	-	1,07,48,550	17,54,66,754	13,37,28,795	46,08,331	30,72,001	13,52,65,125	4,02,01,629	5,24,86,509
	Plant & Machinery	50,38,31,907	44,53,467	23,06,226	50,59,79,148	27,47,30,846	4,18,69,825	22,99,783	31,43,00,888	19,16,78,260	22,91,01,061
	Furniture, Fixtures & Interiors	9,51,17,998	6,94,939	23,15,215	9,34,97,722	4,43,37,973	1,37,69,787	23,15,215	5,57,92,545	3,77,05,177	5,07,80,025
	Vehicles	1,99,45,475	30,55,864	48,28,319	1,81,73,020	1,72,01,695	20,84,043	48,28,319	1,44,57,419	37,15,601	27,43,780
	Office Equipment	10,83,493	-	10,000	10,73,493	7,18,993	89,568	10,000	7,98,561	2,74,932	3,64,500
	Sanitary Fittings	1,62,76,789	-	1,56,554	1,61,20,235	1,31,84,991	7,66,558	1,56,554	1,37,94,995	23,25,240	30,91,798
	Computers	89,44,327	31,88,200	9,50,382	1,11,82,145	67,42,809	19,43,317	9,50,382	77,35,744	34,46,401	22,01,518
	TOTAL	116,45,81,048	1,13,92,470	2,13,15,246	115,46,58,272	49,06,46,102	6,51,31,429	1,36,32,254	54,21,45,277	61,25,12,995	67,39,34,946
	PREVIOUS YEAR	115,14,86,949	4,47,87,324	3,16,93,225	116,45,81,048	45,70,08,729	6,31,18,373	2,94,81,000	49,06,46,102	67,39,34,946	69,44,78,220
II	CAPITAL WORK-IN-PROGRESS										
	Hotel Project at Cochin	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	TOTAL	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	PREVIOUS YEAR	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061

12. NON-CURRENT INVESTMENTS

(In Rupees)

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2014	As at March 31, 2013
In Immovable Properties				
Block A, ALPHA	Embassy Tech Square, Sarjapur-Marathalli Outer Ring Road		37,26,68,324	37,26,68,324
Block B, DELTA	Embassy Tech Square, Sarjapur-Marathalli Outer Ring Road		56,34,59,051	----
In Equity Shares of Subsidiary Companies - Unquoted, fully paid up				
29988 [29988]	Airport Golf View Hotels & Suites Pvt. Ltd.	1000/-	7,45,00,000	7,45,00,000
In Equity Shares - Unquoted, fully paid up				
600 [600]	Electrex (India) Ltd	10/-	25,040	25,040
152 [152]	Nextgen Animation Media	10/-	----	----
380 [380]	Silverline Technologies Ltd	10/-	14,01,191	14,01,191
In Mutual Fund - Unquoted, fully paid up				
---- [794146.234]	Sundaram BNP Paribas Mutual Capex Opportunities Fund - Dividend	10/-	----	2,01,00,000
In Portfolio Management Services				
	Deutsche Bank Direct Equities		----	14,98,04,979
	Credit Suisse		----	1,67,11,088
	JM Financial Services		----	2,16,01,529
	Morgan Stanley India Financial Services		----	44,64,798
	Reliance - Capital Asset Management		8,00,43,687	----
In Real Estate Venture Capital Fund				
118.350 [118.350]	Kotak Real Estate Fund	1 lakh	1,18,35,031	1,18,35,031
374029.000 [415566.000]	Pru.ICICI India Advantage Fund-III	100/-	3,74,02,900	4,15,56,600
In Equity Shares - Quoted, fully paid up				
40000 [40000]	Indian Hotels Company	1/-	23,48,871	23,48,871
---- [5000]	BHEL	2/-	----	19,41,451
3000 [----]	Cairn India Ltd	1/-	10,49,715	----
---- [5000]	Essel Propack	2/-	----	4,08,729
---- [30000]	GMR Infrastructure	1/-	----	19,75,203
---- [500]	Great Offshore	10/-	----	5,23,713
---- [10000]	HDFC Bank	10/-	----	62,95,317

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

12. NON-CURRENT INVESTMENTS (Contd...)

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2014	As at March 31, 2013
----	HOV Services	10/-	----	9,95,820
[5000]				
750	ICICI Bank	10/-	7,13,736	10,65,856
[1250]				
----	Industrial Development Finance Corporation	10/-	----	2,15,714
[1000]				
----	Jaiprakash Associates	2/-	----	----
[375]				
----	Larsen & Tourbro	2/-	----	20,11,053
[1500]				
----	Mastek	5/-	----	14,55,550
[1800]				
----	Mercator	1/-	----	1,32,451
[1149]				
100000	ONGC	5/-	1,47,79,177	1,47,79,177
[100000]				
----	Polaris Financial Technology	5/-	----	3,61,800
[2350]				
22699	Purvankara Projects	5/-	31,83,651	67,98,326
[33651]				
----	Radha Madhav Corporation	10/-	----	8,51,752
[10000]				
64643	Reliance Industries	10/-	5,29,35,329	5,29,35,329
[74643]				
13594	Sobha Developers	10/-	46,18,356	1,37,04,356
[26433]				
----	Subex Azure	10/-	----	18,75,529
[4000]				
In Mutual Fund - Unquoted, fully paid up				
----	Franklin Templeton Mutual Fund			
[15131794.314]	Ultra Short Bond Fund - IP -Growth	10/-	----	15,29,12,091
----	Franklin Templeton Mutual Fund			
[3356778.805]	Ultra Short Bond Fund - Growth	10/-	----	5,12,77,483
In Debentures - Unquoted, fully paid up				
1.000	Reliance			
[----]	Non Convertible Debentures	10/-	----	----
Total Non-Current Investments			122,09,64,059	102,95,34,151
Less : Provision for diminution in value of Investments			15,53,812	1,65,96,583
			121,94,10,247	101,29,37,568

Footnote :

Investment in Immovable Properties is **Rs.93,61,27,375/-** (Rs.37,26,68,324/-)

Aggregate amount of Company's Quoted Investments is **Rs.7,96,28,835/-** (Rs.11,06,75,997/-)

Total Market value of Quoted Investments as on 31 March 2014 is **Rs.10,34,14,878/-** (Rs.7,47,28,525/-)

Aggregate amount of Company's Unquoted Investments is **Rs.20,52,07,849/-** (Rs.54,61,89,830/-)

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 Rupees	March 31, 2013 Rupees
13. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
a) Capital Advances	15,75,36,912	54,99,53,412
b) Security Deposit	76,65,914	83,10,315
c) Loans & Advances to related parties: Loans to Subsidiary Company-Being a private limited company in which Directors of the company are Directors	1,92,68,689	2,18,32,981
d) Other loans and advances	1,00,25,404	1,14,00,404
Total	19,44,96,919	59,14,97,112
14. CURRENT INVESTMENTS		
<i>In Mutual Fund - Unquoted, fully paid up</i>		
4514727.161 Deutsche Asset Management [-] Ultra Short bond Fund - Direct Plan- Gr. of Rs.10/- each	6,83,62,790	-
Total	6,83,62,790	-
Footnote : Aggregate amount of Company's Unquoted Investments is Rs.6,83,62,790/- (Nil)		
15. INVENTORIES		
a) Provisions, food supplies and beverages	81,07,545	61,68,536
b) Other stores and operational supplies	18,74,227	75,53,764
Total	99,81,772	1,37,22,300
16. TRADE RECEIVABLES		
Unsecured, Considered Good		
a) Outstanding for more than six months	15,524	6,29,416
b) Others	2,12,24,765	1,61,81,832
Total	2,12,40,289	1,68,11,248
17. CASH AND BANK BALANCES		
a) Cash-on-Hand Cash Balance	14,69,140	12,30,277
b) Balance with banks On Current Account* On Fixed Deposit account**	4,70,53,749 10,00,000	4,13,63,420 10,00,000
Total	4,95,22,889	4,35,93,697
Footnote : *Includes Unclaimed / Subjudged Dividend of Rs. 4,38,72,265/- (Rs. 3,99,17,645/-) ** Comprises of deposit with maturity of more than 12 months		
18. SHORT TERMS LOANS AND ADVANCES		
Unsecured, Considered Good		
Other than related parties		
a) Inter Corporate Loan/Deposits	37,00,00,000	15,00,00,000
b) Other Advances	9,93,09,997	9,60,42,534
Total	46,93,09,997	24,60,42,534
19. OTHER CURRENT ASSETS		
a) Prepaid Expenses	33,78,696	77,98,818
b) Other receivables	1,37,63,193	1,11,48,436
Total	1,71,41,889	1,89,47,254

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
20. REVENUE FROM OPERATIONS		
Income from Sale of Services	39,97,12,755	40,70,89,013
Less: Excise Duty (Refer Footnote)	71,958	76,084
Other operating revenues	39,96,40,797	40,70,12,929
Total	42,13,08,362	43,09,71,788
Footnote :		
20.1 Particulars of Income from Sale of Services		
Sales Rooms	20,67,32,022	23,62,99,007
Food Beverages and Banquets	15,87,49,660	13,48,76,278
Sale of Electricity	3,41,59,115	3,58,37,644
Total	39,96,40,797	40,70,12,929
21. OTHER INCOME		
Interest received	7,22,20,853	8,90,10,702*
Income Rent	7,19,34,079	2,20,51,763
Income Licence Fees	43,01,715	42,89,735
Dividend Income	1,32,40,335	98,95,876
Profit on sale of Fixed Assets	88,82,061	10,63,000
Profit/(loss) on sale of investments - Short term	1,07,50,452	1,05,17,264
- Long term	(11,29,18,530)	3,46,95,371
Provision for diminution in value of investments	1,50,42,771	13,96,852
Liabilities Written Back	24,30,065	28,24,728
Foreign Currency Fluctuations	-	1,22,460
Miscellaneous Income	-	29,22,583
Total	8,58,83,801	17,87,90,334
[*Includes a sum of Rs. 6,75,99,996/- being compensation received which was shown under exceptional items in the previous year]		
22. COST OF CONSUMPTION OF PROVISIONS, FOOD AND BEVERAGES		
Opening stock	61,68,536	69,36,993
Add: Purchase of provisions, food and beverages	5,97,61,708	5,08,55,061
Less: Closing stock	81,07,545	61,68,536
Total	5,78,22,699	5,16,23,518
23. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	8,26,93,465	7,72,56,519
Contribution to provident and other funds	85,75,855	79,82,469
Staff welfare	69,60,546	78,06,664
Total	9,82,29,866	9,30,45,652
Footnote :		
23.1 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:		
Defined Contribution Plan		
Contribution to Defined Contribution Plan, recognized as expense for the year are as under:		
Employer's Contribution to Provident Fund	47,51,014	43,38,893
Defined Benefit Plan		
The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.		

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(in Rupees)

	Gratuity 2013-14	Gratuity 2012-13	Leave Encashment 2013-14	Leave Encashment 2012-13
I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation				
Defined Benefit obligation at beginning of the year	1,69,81,020	1,55,49,361	56,97,603	52,44,829
Current service cost	18,25,389	20,64,513	8,90,293	10,78,253
Interest cost	14,78,793	12,12,842	4,64,495	3,77,180
Actuarial (gain)/loss	(15,32,376)	(1,49,208)	(12,08,915)	3,43,253
Benefits paid	(32,61,287)	(16,96,488)	(8,12,375)	(13,45,912)
Defined Benefit obligation at the year end	1,54,91,539	1,69,81,020	50,31,101	56,97,603
II. Reconciliation of Opening and Closing Balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	1,87,98,097	1,76,10,407		
Expected return on plan assets	15,06,151	13,92,381		
Actuarial gain/(loss)	1,21,962	2,06,607		
Employer contributions	15,89,955	12,85,190		
Benefits paid	(15,32,376)	(16,96,488)		
Fair value of plan assets at year end	2,04,83,789	1,87,98,097		
Actual return on plan assets	16,28,113	15,98,988		
III. Reconciliation of fair value of assets and present value of obligation				
Fair value of plan assets	2,04,83,789	1,87,98,097	-	-
Present value of obligation	1,54,91,539	1,69,81,020	50,31,101	56,97,603
Amount recognized in Balance Sheet	-	-	50,31,101	56,97,603
IV. The amounts recognized in the Statement of Profit and Loss account are as follows				
Current service Cost			8,90,293	10,78,253
Interest Cost			4,64,495	3,77,180
Expected return on plan assets			-	-
Actuarial Gain/(loss)			(8,12,375)	3,43,253
Contribution	17,25,771	14,37,894	-	-
Net Cost	17,25,771	14,37,894	5,42,413	17,98,686
V. Composition of Plan Assets				
Insurance managed funds	2,04,83,789 (100%)	1,87,98,097 (100%)	-	-
VI. Actuarial Assumptions				
Interest rate	9.12%	8.25%	9.12%	8.25%
Discount rate (per annum)	9.12%	8.25%	9.12%	8.25%
Expected rate of return on plan Assets (per annum)	8%	8%	0%	0%
Rate of escalation in salary (per annum)	6%	6%	6%	8%
Attrition rate	5%	5%	5%	10%
Retirement age	58	58	58	58

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
24. MAINTENANCE, UPKEEP AND SERVICES		
Guest Accomodation Board and Kitchen	89,72,578	74,21,094
Linen, Uniforms and Laundry	98,13,097	1,14,17,687
Repairs and Maintenance of:		
i) Building	1,80,61,552	1,89,15,339
ii) Plant and Machinery	1,54,93,464	1,35,76,213
iii) Interiors, Furniture, Furnishings and others	21,13,748	3,40,78,514
House-keeping Expenses	33,99,905	38,19,499
Music, Entertainment & Banquet Expenses	40,32,785	43,58,882
Total	6,18,87,129	9,35,87,228
25. FINANCIAL COSTS		
Interest on Cash Credit	6,18,015	4,71,317
Interest Others	7,879	-
Other borrowing costs	4,77,488	4,66,141
Total	11,03,382	9,37,458
26. OTHER EXPENSES		
Power & fuel	1,59,48,573	1,44,32,662
Water charges	39,37,758	39,47,776
Commission on sales	35,82,723	48,59,938
Postage, Telex & Telephones	30,41,857	29,71,745
Printing & Stationery	19,40,321	26,49,896
Sales Promotional Expenses	12,83,519	9,67,308
Administrative & General Expenses	1,07,90,051	87,06,789
Travel & Conveyance	24,54,644	31,74,363
Rent	5,90,231	13,30,560
Rates & Taxes	1,05,49,107	1,42,30,469
Insurance	11,07,871	11,09,243
Royalty	92,89,879	1,06,20,223
Foreign Currency Fluctuations	10,08,207	-
Freight & Transport	71,310	92,946
Professional & Consultancy fees	64,06,282	51,05,980
Miscellaneous Expenses	3,02,947	2,99,092
Payment to Auditors	4,95,591	4,92,860
Director's Sitting Fees	4,20,000	3,80,000
Commission to Chairman & Managing Director	90,36,375	66,06,109
Provision for Donations	11,00,000	8,00,000
Sundry Debit Balances Written off	1,20,486	82,885
Total	8,34,77,732	8,28,60,844
Footnote :		
26.1 Payment to Auditors		
Audit Fee	2,72,954	2,66,960
Tax Audit Fee	83,452	78,200
Other Services	1,28,845	1,28,100
Reimbursement of Expenses	10,340	19,600
Total	4,95,591	4,92,860

27. Estimated amount of contract remaining to be executed on capital account not provided for Rs.3,29,00,000/- (Rs.3,29,00,000/-).

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 Rupees	March 31, 2013 Rupees
28. Confirmation of balances has not been received from parties covered under Trade Receivables, Long term Loans and Advances and Trade Payables.		
29. Prior period items debited/ credited to Statement of Profit and Loss:		
Prior period expenses:		
R & M Windmill	30,140	-
T.V. Software Maintenance Charges	-	30,884
Guest Supplies	-	6,839
30. Earnings in Foreign Exchange	13,87,43,090	18,16,40,568
31. Expenditure in Foreign Currency		
Royalty	92,89,871	1,06,20,223
Sales Promotion and General Expenses	84,10,558	1,20,76,790
Agents Commission for Room Bookings	15,63,882	7,91,199
32. CIF Value of Imports		
Stores, Components and Spare Parts	32,78,321	21,83,345
Capital Goods	20,28,081	2,12,53,888
33. Information as per Order No.46/22/98 CL III Dated 24 February 1998, issued by the Ministry of Finance, Department of Company Affairs:		
a) Income from		
i. Wines and Liquor	1,08,20,718	99,68,435
ii. Telephone and Telex	3,71,68,29	62,85,502
b) Consumption of		
i. Provision, Beverages (excluding Wine and Liquor)	5,28,01,343	4,63,31,811
ii. Wine and Liquor	50,21,356	52,91,707
34. Dividends remitted in Foreign Currency to Non Resident Shareholder Rs.9,60,000/- (Rs. 9,60,000/-).		
Number of Non Resident Shareholder	Number of Shares held by them on which Dividends remitted	
1 (1)	1,60,000 (1,60,000)	
35. Contingent Liabilities		
Disputed Income Tax Liability against which Appeals are pending		
Assessment Year 1997-98	9,55,691	9,55,691
Assessment Year 2010-11	10,34,668	10,34,668
36. RELATED PARTY DISCLOSURE		
(A) Related Parties and their Relationships		
(I) Subsidiary		
Airport Golf View Hotels & Suites Private Limited		
(II) Others		
1. Kapi Investment Ink Limited, Mauritius,	Shareholder.	
2. M.K.Trading L.L.C. , Dubai, UAE	a Company in which Chairman of the Company is a shareholder.	
3. C. Pardhanani's Education Trust,	a Trust in which the Chairman of the Company is a Trustee.	
4. Pardhanani International Investments And Holdings Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director } and Managing Director of the Company is a Director and shareholder.	
5. Pardhanani International Properties Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director } and Managing Director of the Company is a Director and shareholder.	
6. Sanko Properties Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director } and Managing Director of the Company is a Director and shareholder..	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

RELATED PARTY DISCLOSURE (Contd...)

(B) Transaction with Related Parties:

Name of the Transacting Related party	Relationship between the transacting party	Nature of transactions	Volume of transactions during the Year (Rs.)	Amount Outstanding as on 31.3.2014 (Rs.)	Payable (P) OR Receivable (R)
Kapi Investment Ink Limited	Overseas Body Corporate	Dividend	9,60,000 (9,60,000)	Nil (Nil)	Nil (Nil)
Airport Golf View Hotels and Suites Private Limited	Subsidiary	Loan (Given)/ repayment	25,64,292 (15,57,562)	1,92,68,689 (2,18,32,981)	(R) (R)
Mr.C.B.Pardhanani	Chairman	Commission based on profit	22,80,036 (18,82,091)	17,28,986 (14,26,455)	(P) (P)
		Dividend	5,77,01,712 (5,38,10,712)	Nil (Nil)	Nil (Nil)
Ms. S. C. Pardhanani	Managing Director	Dividend	- (38,91,000)	Nil (Nil)	Nil (Nil)
		Remuneration	46,43,841 (46,86,437)	Nil (Nil)	Nil (Nil)
		Commission based on profit	67,56,339 (47,24,018)	44,73,907 (30,17,498)	(P) (P)
		Loan from Director	4,60,00,000 (-)	Nil (Nil)	Nil (Nil)
C Pardhanani's Education Trust	Trust in which Chairman of the Company is a trustee	Donation	10,50,000 (9,00,000)	Nil (Nil)	Nil (Nil)
Mr. M. B. Pardhanani	Related to Director	Dividend	7,22,400 (7,22,400)	65,01,600 (57,79,200)	(P) (Under dispute and subjudice)
Mrs.Uma M. Pardhanani	Related to Director	Dividend	12,30,000 (12,30,000)	1,10,70,000 (98,40,000)	(P) (Under dispute and subjudice)
Ms. Aarti M Pardhanani	Related to Director	Dividend	3,60,000 (3,60,000)	32,40,000 (28,80,000)	(P) (Under dispute and subjudice)

37. Disclosure as per Accounting Standard 29 :

(In Rupees)

Srl. No.	Particulars	Balance as at 01.04.2013	Additional Provision made during the year	Provision Reversed/utilised during the year	Balance as at 31.03.2014
1.	Provision for Leave Encashment	56,97,603	5,42,414	12,08,916	50,31,101
2.	Proposed Dividend	7,86,06,312	7,86,06,312	7,86,06,312	7,86,06,312
3.	Corporate Dividend Tax	1,33,59,143	1,33,59,143	1,33,59,143	1,33,59,143

March 31, 2014	March 31, 2013
Rupees	Rupees

38. Earnings Per Share has been computed as under :

Net Profit	6,81,14,421	15,89,03,771
Weighted Average Number of Equity Shares Outstanding	1,31,01,052	1,31,01,052
Earnings Per Share in Rupees- Basic And Diluted (<i>Face Value of Rs. 10/- each</i>)	5.20	12.13

39. Previous year's figures have been regrouped/ rearranged wherever necessary.

MAC CHARLES (INDIA) LIMITED

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. 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 (presently three) 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 an appropriate mix of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and the executive management. During the year the Board comprised of Chairman, one Managing Director and three Non-Executive Directors of who are independent Directors. During the year Mr. Suresh Vaswani, has been appointed as additional independent Director of the Company with effect from 30th July 2013 and Mr. M. R. Prasanna Director of the Company has resigned from the Board on 30th July 2013.

Board Meetings are scheduled well in advance. Agenda papers along with explanatory notes are distributed in a timely manner to Board members. The Board meets at least once in every quarter to review the quarterly financial results and discuss issues of import. During the year under review six Board Meetings have taken place on 29 April 2013, 24 May 2013, 30 July 2013, 30 October 2013, 29 January 2014 and 26 March 2014. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49 of the Listing Agreement.

Details of attendance of each Director at various meetings of the company and their Directorship held at other corporate bodies are as follows :

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 Director ships (Public Ltd Companies)	No. of Other Director ships (Private Ltd. Companies)	Number of Shares Held
1.	Mr. C. B. Pardhanani	Non- Executive	5	YES	3	2	NONE	4	9616952
2.	Mr. M. R. B. Punja	Independent Non- Executive	6	YES	2	NONE	3	1	----
3.	Mr. P. B. Appiah	Independent Non- Executive	6	YES	3	2	NONE	1	----
4.	Mr. M. R. Prasanna	Independent Non- Executive	2	NO	----	----	----	----	----
5.	Mr. Suresh Vaswani	Independent Non- Executive	3	YES	----	NONE	NONE	NONE	----
6.	Ms. S. C. Pardhanani	Executive	5	NO	1	NONE	NONE	4	----

None of the Directors is a Member of more than ten Board-level Committees, or a Chairman of more than five such Committees, as required under clause 49 of the listing agreement.

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 29 April 2013, 30 July 2013, 30 October 2013 and 29 January 2014. The Composition of the Audit Committee as on 31st March 2014 and the attendance of members at the meeting of the Audit Committee held during the financial year 2013-2014 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, Ms. S. C. Pardhanani, Managing Director 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, Bangalore - 560 052.
 Email : investor.relations@maccharles.com

Details as to the shareholders complaints received and handled during the year is given under :

NATURE OF COMPLAINT	OPENING BALANCE OF COMPLAINTS	NO. OF COMPLAINTS RECEIVED DURING THE YEAR	NO. OF COMPLAINTS RESOLVED	NO. OF PENDING COMPLAINTS
With regard to share transfer/ Transmission/ Transposition/ Dividend / Annual Reports / Dematerialization etc.,	Nil	64	64	Nil

c) REMUNERATION COMMITTEE

This committee comprises of Mr. P.B.Appiah – Chairman of Remuneration Committee, Mr. C.B. Pardhanani and Mr. M.R.B. Punja 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.

Details of remuneration disbursed to Directors, during the Financial Year 2013-2014 are as under :

(In Rupees)

Srl.No.	Name of the Director	Sitting Fees	Professional Fees	Remuneration	Commission
1.	Mr. C.B. Pardhanani	----	----	----	22,80,036
2.	Ms. S. C. Pardhanani	----	----	46,43,841	67,56,339
3.	Mr. M. R. B. Punja	1,60,000	----	----	----
4.	Mr. P.B. Appiah	1,60,000	1,80,000	----	----
5.	Mr. M. R. Prasanna	40,000	----	----	----
6.	Mr. Suresh Vaswani	60,000	----	----	----
		4,20,000	1,80,000	46,43,841	90,36,375

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 is paid. He is entitled to maintain a Chairman’s Office and is allowed to reimbursement of expenses incurred 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 2011	5 September 2011	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	6
31 March 2012	6 September 2012	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	–
31 March 2013	18 September 2013	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	–

Special Resolution passed in the previous three AGMs.

I. In the AGM held on 05th September 2011 :

1. Bonus Issue in the ratio of 1:1 ;
2. Re-appointment of Mr. M.R.Prasanna as Director of the Company ;
3. Re-appointment of Mr. M.R.B.Punja as Director of the Company ;
4. Re-appointment of Ms. S.C.Pardhanani as ‘Managing Director’ and Revision in Remuneration ;
5. Commission to Chairman of the Company ; and
6. Pay professional fee to Mr.P.B.Appiah.

MAC CHARLES (INDIA) LIMITED

- II. In the AGM held on 6th September 2012 ... No Special Resolution
III. In the AGM held on 18th September 2013 ... No Special Resolution.
No Postal Ballot was conducted during the financial year 2013-2014.

A. CODE OF CONDUCT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, 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.

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.

Bangalore
4 August 2014

S. C. Pardhanani
Managing Director

B. CEO CERTIFICATION

As per the requirement of Corporate Governance Code, the Managing Director 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 2014.

DISCLOSURES

Under related party transactions :

The Company has contributed a sum of Rs.10,50,000/- 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
22nd September 2014	3 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.

b. Financial Calendar

- | | |
|----------------------------------|----------------------------------|
| - Annual General Meeting | 22nd September 2014 |
| - Quarterly Results - 30.06.2014 | 8th August, 2014 |
| - Quarterly Results - 30.09.2014 | on or before 15th November, 2014 |
| - Quarterly Results - 31.12.2014 | on or before 15th February, 2015 |
| - Quarterly Results - 31.03.2015 | on or before 15th May, 2015 |
- c. Book Closure dates - Dividend & AGM** 19th September 2014 to 22nd September 2014 (both days inclusive)
- d. Dividend payment date** The Dividend will be paid on or before 21st October, 2014
- 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** MCCHRLS-B / 507836
Bombay Stock Exchange
- g. Payment of Listing Fees :** Annual Listing Fee for the year 2014-15 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 2014-15 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, Bangalore – 560 027.
- k. Transfer of unpaid/unclaimed: amounts to Investor Education and Protection Fund** During the year under review, the Company has credited Rs.25.49 lakhs, lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

l. SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized WEB based complaints redress system. The features of this systems 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.

m. Share Transfer System

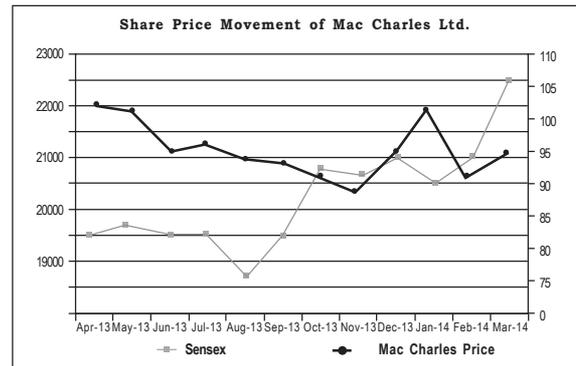
In compliance of SEBI requirement, share transfers are entertained, both under demat form and physical form. Share Transfers in respect of physical shares are normally effected within 10-15 days from the date of receipt. Demat requests are put through as per NSDL / CDSL guidelines.

n. Website : www.maccharlesindia.com

o. Stock Market Data on Bombay Stock Exchange :

MONTH	MONTHLY HIGH (Rs.)	MONTHLY LOW (Rs.)
APRIL 2013	102.40	94.60
MAY	101.00	95.60
JUNE	95.95	89.05
JULY	97.00	86.10
AUGUST	94.40	85.60
SEPTEMBER	93.90	81.20
OCTOBER	92.00	80.55
NOVEMBER	89.00	81.20
DECEMBER	94.80	81.05
JANUARY 2014	101.00	88.00
FEBRUARY	92.00	80.50
MARCH	95.25	81.25

p. Stock performance Vs BSE Sensex :



q. Distribution of Shareholding as on 31 March 2014

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to – 500	12380	95.68	17,27,651	13.19
501 – 1000	344	2.66	2,65,931	2.03
1001 – 2000	116	0.90	1,80,763	1.38
2001 – 3000	36	0.28	89,509	0.68
3001 – 4000	18	0.14	64,571	0.49
4001 – 5000	13	0.10	59,231	0.45
5001 – 10000	10	0.08	71,572	0.55
10001 – 50000	14	0.11	1,94,172	1.48
50001 and above	7	0.05	1,04,47,652	79.75
Total	12938	100.00	1,31,01,052	100.00

r. Categories of Shareholders as on 31 March 2014

Category	No. of Share Holders	Total Shares	% of Total Equity
Promoter/Director	1	96,16,952	73.41
Overseas Corporate Bodies	1	1,60,000	1.22
FI's & Banks	3	3,200	0.02
Bodies Corporate	77	2,53,258	1.93
Non-Resident Public	365	1,45,254	1.11
Resident Public	12491	29,22,388	22.31
Total	12938	1,31,01,052	100.00

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

s. Dematerialisation of Shares and Liquidity as on 31 March 2014

	No. of Share holders	No. of Shares	% of shares
No. of Shareholders in Physical Mode	9062	2103650	16.06
No. of Shareholders in Electronic Mode	3876	10997402	83.94
Total	12938	13101052	100

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Company has been reporting consolidated results taking into account the results of its subsidiary. This discussion, therefore, covers the financial results and other developments during April, 2013 to March, 2014. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated on account of various factors such as changes in government regulations, tax regimes, economic developments within India and abroad, exchange rates and interests rates fluctuations, impact of competition, demand and supply constraints.

OVERVIEW OF THE GLOBAL & INDIAN TOURISM INDUSTRY

Global economic growth in 2013 has remained subdued at about 3%. This is largely due to weak domestic demand and slow growth in several key emerging market economies coupled with a protracted recession in the Euro zone. Furthermore, the year 2013-2014 has not been a year of economic recovery in India. GDP growth in India is estimated at 4.9% for the financial year. This lower GDP growth is driven by high inflation, low industrial production and investment.

In the last few years, the Indian Hotel Industry has been facing weak demand and an excess supply of rooms caused by optimism about the Indian growth story prior to 2008. This has led to new hotel openings by Indian and International hospitality brands. However, due to the economic slowdown, supply outpaced demand, suppressing Average Room Rate (ARR) and reducing occupancy.

As we look to the future, the Travel and Tourism industry has globally emerged as one of the fastest growing sectors, contributing significantly to economic growth and development. The World Travel and Tourism Council (WTTC) in its Annual Economic Impact Report 2014 estimates that the contribution of travel and tourism to the Indian GDP will be 7.3% in 2014. This is expected to grow by 7% p.a. reaching INR 14,000 billion by 2024.

India has potential to become a preferred tourist destination globally. The long term outlook for the Indian hospitality industry continues to be buoyant with growth outperforming the general economy. Inbound tourism continues to have modest growth of international tourists arrival and receipts. However, the domestic market will see strong growth with more Indians travelling, resulting in an expected revenue growth of 8.2% in the financial year 2014-2-15.

The tourism sector in India faces several issues that needs to be addressed for the sector to realize its true potential. Visa on arrival from key markets in Europe and America, safety and security of tourists, specially women, infrastructure development, identification of new tourist destinations and regulatory and policy changes need attention from all stakeholders.

Recently, the Government of India announced a proposal to extend a visa on arrival scheme (VOA) for visitors from 180 countries. A proposal for an electronic travel authorization system will allow foreign travelers to apply for a visa electronically and receive an online confirmation in five working days has also been cleared. Presently,

the VOA scheme is available to tourists from eleven countries, mainly from South East Asia and two European countries. Since its introduction, there is a continuous and significant growth of tourists arrivals reconfirming the need to quickly extend this facility to the identified 180 countries. According to a study undertaken by WTTC and UNWTO, these improvements in the Visa regime could result in upto 6 million more international visitors travelling to India resulting in corresponding growth in revenue and creating 1.8 million jobs over three years.

OPPORTUNITIES, THREATS, RISKS & CONVERNS

According to WTTC, the Travel and Tourism Industry globally is expected to grow by 4.3% in 2014. This continues to be higher than the growth rates of other industries. With the rapid growth in domestic tourism and India becoming a preferred travel destination for international tourists and the proposed new visa policy, the outlook for the travel and tourism industry will be positive in 2014. Despite this, with the increase in the supply of hotel rooms and falling Average Room Rates (ARR), margins will continue to be under pressure. Escalating real estate prices, increasing cost of energy, inadequate infrastructure development and lack of trained manpower are some of the challenges that will need to be addressed urgently.

With a newly elected government at the centre and focus on infrastructure development, the travel and tourism industry is expected to receive a major boost. The Le Meridien group, with its globally acclaimed hotels, world class services and strong brand identity is ideally poised to take advantage of these opportunities.

REVIEW OF OPERATIONS

During the year under report, the global economic turmoil especially in the western countries and political turmoil in the Middle East have caused unprecedented recession and job losses all around the world. The Indian economy too suffered heavily with lower export of goods and services. The Indian IT and BPO business is languishing. Hospitality industry too is badly affected pushing the room occupancy and average room rate significantly lower levels.

Hence, sales turnover of the Company has decreased from Rs.4053 lakhs to Rs.3939 lakhs as compared to the previous year. During the year under report, the hotel business is hit by the entry of new five star hotels in the city of Bangalore resulting in stiff competition. Hence, it will be difficult to improve the working results in current financial year.

SEGMENT WISE PERFORMANCE

The Company is operating a five star hotel business by name & style as Le Meridien, Bangalore. The Company's 100% subsidiary Company is operating a three star hotel at Kochi, Kerala. The Company has diversified into electricity generation through Wind Turbine Generators (WTG) for captive consumption and sale of electricity to the State Govt., and outside consumers. Further, the Company has considerable earnings on investments. The segment-wise performance is reported elsewhere in this Annual Report.

RENOVATIONS

Your Company undertook renovation of guest rooms, Banquet Halls, public areas as per the ongoing product up-gradation initiatives.

GUEST EXPERIENCE

The enhanced service levels are achieved through focused training programmes based on guest feedback and audits (external and internal) conducted to check the performance against the standards.

SALES & MARKETING INITIATIVES

Your Company has various promotional and incentive schemes such as Starwood preferred guest incentive scheme, Bookers incentives, Sale & Marketing executives incentive scheme, local and international travel agents incentive scheme etc., to attract local and foreign guests. The Company is undertaking various sales blitzes to the important cities in the country. The Company is also tapping the Starwood's global network for room bookings through internet.

RISK AND CONCERNS**Industry Risk****General Economic Conditions :**

The hospitality industry is prone to impact due to fluctuations in the economy caused by changes in global and domestic economies, changes in local market conditions, excess hotel room supply, reduced international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other social factors. Since demand for hotels is affected by world economic growth, a global recession could also lead to a downturn in the hotel industry.

Socio-Political Risks :

In addition to economic risks, your Company faces risks from the socio-political environment, internationally as well as within the country and is affected by events like political instability, conflict between nations, threat of terrorist activities, occurrence of infectious diseases, extreme weather conditions and natural calamities, etc., which may affect the level of travel and business activity

Company Specific Risks :

The Company specific risks remain by and large the same as mentioned hereinabove. Further, being a single hotel it cannot have an effective marketing leverages. The industry in general has a high operating leverage

which has further increased with on-going renovations and product upgrades. However, the Company is by and large a debt free Company.

RISK MITIGATION INITIATIVES

Your Company employs various policies and methods to counter these risks effectively, as enumerated below :

Your Company has implemented various security measures at its property which inter alia include screening of guest's luggage, installation of security bollards & metal detectors, etc. to counter the security risk.

By extensively improving its service standards, as also renovating and repositioning all its key outlets, your Company counters the risk from growing competition and new properties. Further, it gains operating and financial leverage, by diversification of business activities and leveraging the strengths of its high reserves.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal information systems ensure smooth information flow to facilitate proper control. Adherence to the systems is then validated through the process of internal audit. The Company has adequate system of internal audit control to ensure that all the assets are safeguarded and protected. Regular internal audits are conducted by the professional Chartered Accountant firm and reports submitted by these Internal Auditors are periodically reviewed by the Audit Committee of the Board. The findings and compliance/s are reported to the apex level management on a periodic basis. The Company has constituted an in-house Committee for timely implementation of internal audit recommendations. The Company has clear systematic process and well-defined roles and responsibilities for people at different hierarchical levels. This ensures appropriate information flow to facilitate monitoring.

CAUTIONARY STATEMENT

The views and futuristic statements contained in this report are the perception of management and subject to certain risks and uncertainty that could cause actual results to differ materially from those reflected in such statements. Readers should carefully review the other information in this Annual Report and in the Company's periodic reports. The Company undertakes no obligation to publicly update or revise any of these futuristic statements, whether as a result of new information, future events, or otherwise.

MAC CHARLES (INDIA) LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,
RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary Company	Airport Golf View Hotels & Suites Private Limited
Financial Year of the Subsidiary Company ended on	MARCH 31, 2014
Number of Shares in the Subsidiary Company held by MAC CHARLES (INDIA) LIMITED, Bangalore, as the above dated	29988
The net aggregate of Profit, less losses, of the Subsidiary Company so far as it concerns the members of MAC CHARLES (INDIA) LIMITED	In Rupees
(i) Dealt with in the accounts of MAC CHARLES (INDIA) LIMITED, amount to :	
(a) for the subsidiary's financial year ended 31st March 2014	13,86,181/-
(b) for previous financial years of the subsidiary since it became subsidiary of MAC CHARLES (INDIA) LIMITED	19,00,164/-
(ii) Not dealt with in the accounts of MAC CHARLES (INDIA) LIMITED, amount to :	
(a) for the subsidiary's financial year ended 31st March 2014	Nil
(b) for previous financial years of the subsidiary since it became subsidiary of MAC CHARLES (INDIA) LIMITED	Nil
Changes in the interest of MAC CHARLES (INDIA) LIMITED, between the end of the subsidiary's financial year ended 31 March 2014 : Number of shares acquired	N.A.
Material changes between the end of the subsidiary's financial year ended 31 March 2014	
1. Fixed Assets (net addition)	
2. Investments	N.A.
3. Moneys lent by the subsidiary	
4. Moneys borrowed by the subsidiary company other than for meeeting current liabilities	

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS 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 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group 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 Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatements, 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including to the assessment risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

In making those risk assessments, the auditor consider internal control relevant to the Group's preparation and fair presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on

the effectiveness of the Company's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We did not audit the financial statements of the Subsidiary, whose financial statements reflect Total Assets of Rs 4,28,74,353/- and Total Liabilities of Rs. 3,87,59,668/- as at 31st March 2014, Total Revenues of Rs 3,38,13,468/- and Total Expenditure of Rs.3,24,27,287/- for the year ended on that 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, is so far as it relates to the amounts included in respect of the subsidiary, is based solely on the reports of other auditor.

We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting standard (AS) 21, 'Consolidated Financial Statements' prescribed by the Companies (Accounting Standards) Rules, 2006.

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

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 March 31, 2014 ;
- (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 Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

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

Bangalore
4 August 2014

Raj Kumar K
Partner (M.No.208039)

MAC CHARLES (INDIA) LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	Note	March 31, 2014 Rupees	March 31, 2013 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	13,10,37,270	13,10,37,270
Reserves and Surplus	4	213,67,72,073	215,92,48,126
Non-Current Liabilities			
Long Term Borrowings	5	1,57,24,868	1,57,24,868
Deferred Tax Liabilities (Net)	6	4,20,49,931	5,36,24,426
Other Long Term Liabilities	7	8,97,28,863	4,54,19,080
Long Term Provisions	8	1,88,96,898	1,23,41,535
Current Liabilities			
Short-Term Borrowings	9	1,24,68,214	1,56,04,337
Trade Payables	10	1,93,08,826	2,08,85,200
Other Current Liabilities	11	7,42,45,642	6,83,32,128
Short-Term Provisions	12	14,23,34,836	11,45,99,868
Total		268,25,67,421	263,68,16,838
ASSETS			
Non-Current Assets			
Fixed Assets	13		
Tangible Assets		64,61,33,560	70,94,08,045
Intangible Assets		7,19,39,681	7,19,39,681
Capital work-in-progress		8,13,061	8,13,061
Non-current investments	14	114,49,10,247	93,84,37,568
Long term loans and advances	15	17,61,31,475	57,03,21,805
Current Assets			
Current investments	16	6,83,62,790	-
Inventories	17	1,20,20,090	1,59,41,251
Trade receivables	18	2,17,19,958	1,72,63,933
Cash and Bank Balances	19	5,09,49,140	4,47,76,673
Short-term loans and advances	20	46,93,82,201	24,61,20,738
Other current assets	21	2,02,05,218	2,17,94,083
Total		268,25,67,421	263,68,16,838
Significant Accounting Policies	2		
Notes to Financial Statements	3-42		

In terms of our report of even date

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

Raj Kumar K
Partner (M.No. 208039)

Bangalore
4 August 2014

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
4 August 2014

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
REVENUE			
Revenue from Operations	22	45,48,67,529	46,90,56,033
Other Income	23	8,61,37,340	17,89,89,017
Total Revenue		54,10,04,869	64,80,45,050
EXPENSES			
Cost of Provisions, Food and Beverages consumed	24	7,50,30,491	7,24,36,119
Employee Benefits Expenses	25	10,17,53,259	9,67,03,470
Maintenance, Upkeep and Services	26	6,25,52,572	9,42,63,764
Financial Costs	27	11,62,396	10,03,671
Depreciation and Amortization Expense	13	6,71,07,545	6,52,64,864
Other Expenses	28	9,24,72,499	9,18,53,950
Total Expenses		40,00,78,762	42,15,25,838
PROFIT BEFORE TAX		14,09,26,107	22,65,19,212
Tax Expenses:			
- Current tax		(8,30,11,200)	(7,50,30,000)
- Deferred tax		1,15,74,495	93,14,722
NET PROFIT FOR THE YEAR		6,94,89,402	16,08,03,934
Earnings per equity share:			
Basic & Diluted (<i>Face Value of Rs.10/- each</i>)	41	5.30	12.27
Significant Accounting Policies	2		
Notes to Financial Statements	3-42		

In terms of our report of even date

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

Raj Kumar K
Partner (M.No. 208039)

Bangalore
4 August 2014

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
4 August 2014

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

MAC CHARLES (INDIA) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31 , 2014

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per Statement of Profit & Loss	14,09,26,107	22,65,19,212
Adjustment for :		
Depreciation	6,71,07,545	6,52,64,864
Profit on sale of fixed assets	(88,82,061)	(11,22,812)
Loss/(Profit) on sale of investments	10,21,68,078	(4,52,12,636)
Excess Provision for diminution in value of investments written back	(1,50,42,771)	(13,96,852)
Dividend received	(1,32,40,335)	(98,95,876)
Interest Paid	6,25,894	4,91,956
Interest received	(7,27,38,674)	(8,78,99,996)
Rent received	(7,02,94,931)	(2,08,08,108)
Operating profit before working capital changes	13,06,28,852	12,59,39,752
Adjustment for :		
Trade and other receivables	(37,23,864)	2,03,98,656
Inventories	39,21,161	(12,49,528)
Trade and other payables	5,11,73,623	5,37,01,632
Cash generated from operations	18,19,99,772	19,87,90,512
Direct taxes (paid) / refund	(5,18,78,497)	(6,70,83,067)
Net cash (used in) / from operating activities	13,01,21,275	13,17,07,445
B) CASH FLOW FROM INVESTING ACTIVITIES		
Loan to other companies	(22,00,00,000)	(15,00,00,000)
Purchase of fixed assets	(1,15,16,052)	(4,49,00,334)
Sale of Fixed Assets	1,65,65,053	35,50,226
Investment in immovable property	(17,10,42,551)	(5,26,68,324)
Purchase of investments	(60,30,98,728)	(42,97,89,154)
Sale of investments	80,45,97,002	52,52,90,892
Dividend received	1,32,40,335	98,95,876
Interest received	7,27,38,674	8,78,99,996
Rent received	7,02,94,931	2,08,08,108
Net cash (used in) / from investing activities	(2,82,21,336)	(2,99,12,714)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid including Corporate Dividend Tax	(9,19,65,455)	(9,13,58,221)
Increase / (decrease) in cash credit	(31,36,123)	(77,89,843)
Decrease in Long term Loans	-	(28,639)
Interest paid	(6,25,894)	(4,91,956)
Net cash (used in) / from financing activities	(9,57,27,472)	(9,96,68,659)
Net increase in cash and cash equivalent	61,72,467	21,26,072
Cash and cash equivalents at beginning of the period	4,47,76,673	4,26,50,601
Cash and cash equivalents at end of the period	5,09,49,140	4,47,76,673

Footnote :

Cash and cash equivalents balances include Rs.4,38,72,265/- (Rs.3,99,17,645/-) 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. 0023135)

Raj Kumar K
Partner (M.No. 208039)

Bangalore
4 August 2014

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
4 August 2014

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. BASIS OF CONSOLIDATION :

The Consolidated Financial Statements relate to Mac Charles (India) Limited ('the Company') and its Subsidiary. The Company and its Subsidiary together constitute 'the Group'. The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its Subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Accounting Standard 21 'Consolidated Financial Statements', as notified by the Companies (Accounting Standards) Rules, 2006.
- The financial statements of the Subsidiary, used in the consolidation are drawn upto the same reporting date as that of the Company.
- The excess of cost to the Company of its investment in the Subsidiary over the Company's portion of equity as at the date of making the investment is recognized in the financial statements as Goodwill.
- Goodwill arising out of consolidation is not amortized. However, the same is tested for impairment at each Balance Sheet date.

Disclosure under Accounting Standard 21 :

List of Subsidiary :

- | | |
|------------------------------|---|
| (a) Name | : AIRPORT GOLF VIEW
HOTELS AND SUITES
PRIVATE LIMITED |
| (b) Country of Incorporation | : India |
| (c) Proportion of Ownership | : 100% |

2. SIGNIFICANT ACCOUNTING POLICIES :

The accounts have been prepared on historical cost convention under mercantile system of accounting and generally complies with mandatory Accounting Standards.

a. Fixed Assets :

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of the assets capitalized.

b. Depreciation :

Depreciation is provided on straight line method on buildings at triple the rates and on other fixed assets at double the

rates specified in Schedule XIV to the Companies Act, 1956, based on technical evaluation.

In case of Subsidiary Company, depreciation is provided on written down value at the rates specified in Schedule XIV of the Companies Act, 1956, the proportion of gross block of assets of the Subsidiary is 4.49% of the gross block of assets of the Group.

c. Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

d. Investments :

- i. Current Investments are stated at lower of cost and fair value.
- ii. Long term investments are stated at cost. However, provision for diminution is made to recognize a decline, other than temporary in the value of the investments.

e. Inventories :

- i. To value inventories of provisions, food supplies, crockery, cutlery, glassware, beverage, stores and operational supplies at cost on Weighted Average Method. Cost includes freight and other incidental expenses.
- ii. To charge to revenue the value of crockery, cutlery and glassware at the time of first issue.

f. Miscellaneous Expenditure :

To amortise the preliminary expenses and other deferred revenue expenditure over a period of 10 years.

g. Foreign Currency Transactions :

- i. Transactions in foreign currencies are accounted at the average exchange rate prevailing on the date of transaction.
- ii. To account for gain or loss on foreign exchange rate fluctuations relating to assets and liabilities as at the date of the Balance Sheet at the convertible rate of exchange prevailing on that date.
- iii. To account for all exchange differences arising from foreign currency transactions in the Statement of Profit and Loss.

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

h. Revenue Recognition :

- i. Room revenue is recognized on actual occupancy and is net off, of cost of complimentary airport pick-up and drop.
- ii. Food and Beverage at the point of supply.
- iii. Other services on rendering such services.
- iv. Sale of electricity generated from Wind Turbine Generators is recognized on the basis of electricity units metered and invoiced.

i. Employee Benefits :

- i. Provident Fund :

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders service.

- ii. Gratuity :

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognized in the Balance Sheet represents the present value of the defined benefit

obligation at the Balance Sheet date less the fair value of plan assets together with adjustments for unrecognized actuarial gains or losses and past service costs. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

- iii. Leave Encashment :

Provision for unavailed leave to the credit of the employees as at the end of the year is made on the basis of the actuarial valuation.

j. Taxation :

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.

Deferred Tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 Rupees	March 31, 2013 Rupees
3. SHARE CAPITAL		
AUTHORISED CAPITAL		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
1,31,01,052 (1,31,01,052) Equity shares of Rs.10/- each	13,10,10,520	13,10,10,520
<i>Add</i> : Forfeited Shares	26,750	26,750
	13,10,37,270	13,10,37,270
Footnote :		
3.1 Reconciliation of number of shares	As at 31.03.2014	As at 31.03.2013
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	1,31,01,052	1,31,01,052
Shares outstanding at the end of the year	1,31,01,052	1,31,01,052
3.2 The issued, subscribed and paid up capital included 65,50,526 shares allotted as bonus shares (by capitalisation of Securities Premium and General Reserve) during the financial year 2011-12.		
3.3 Details of shareholders holding more than 5% of shares		
Name of the Shareholder	No. of Shares held	No. of Shares held
Mr. C.B.Pardhanani	96,16,952 73.41	96,16,952 73.41
4. RESERVES AND SURPLUS		
a) General Reserve		
Opening Balance	195,77,72,985	194,17,72,985
<i>Add</i> : Current Year Transfer	70,00,000	1,60,00,000
<i>Less</i> : Utilised for issue of Bonus Shares		
Closing Balance (a)	196,47,72,985	195,77,72,985
b) Surplus		
Opening balance	20,14,75,141	14,86,36,662
<i>Add</i> : Net Profit/(Net Loss) For the current year	6,94,89,402	16,08,03,934
<i>Less</i> : Transfer to Reserves	70,00,000	1,60,00,000
<i>Less</i> : Proposed Dividends	7,86,06,312	7,86,06,312
<i>Less</i> : Corporate Dividend Tax	1,33,59,143	1,33,59,143
Closing Balance (b)	17,19,99,088	20,14,75,141
Total	213,67,72,073	215,92,48,126
5. Long Term Borrowings		
Unsecured		
From other than banks	1,57,24,868	1,57,24,868
Total	1,57,24,868	1,57,24,868

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 Rupees	March 31, 2013 Rupees
6. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Accumulated Depreciation	4,41,21,123	5,53,22,713
Less: Deferred Tax Assets:		
Accrued expenses deductible on payment	20,71,192	16,98,287
Total	4,20,49,931	5,36,24,426
7. OTHER LONG TERM LIABILITIES		
a) Rental Deposits received:		
Diamond District Apartments	4,00,000	4,00,000
Vodafone Essar South Ltd	3,00,000	3,00,000
L G Soft india Pvt Ltd	3,95,51,616	3,95,51,616
Inmobi Technology Services Pvt. Ltd.	4,26,53,952	-
b) Others	68,23,295	51,67,464
Total	8,97,28,863	4,54,19,080
8. LONG TERM PROVISIONS		
a) Provision for employee benefits		
Provision for leave encashment	50,31,101	56,97,603
b) Others		
Income tax	85,11,534	11,09,669
Provision for donations	53,54,263	55,34,263
Total	1,88,96,898	1,23,41,535
9. SHORT TERM BORROWINGS		
Secured		
Cash credit		
From bank	1,24,68,214	1,56,04,337
(The Cash Credit from Bank are secured by company's immovable property at No 28 sankey road Bangalore and first charge by way of hypothecation and / or pledge of the company's entire goods, movables and other assets present and future including documents of title to the goods and other assets, such as Book Debts, outstanding monies, receivables, bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities present and future of the Company)		
Total	1,24,68,214	1,56,04,337
10. TRADE PAYABLES		
(a) Dues to Micro and Small Enterprises	-	-
(b) Others	1,93,08,826	2,08,85,200
Total	1,93,08,826	2,08,85,200
Foot Note:		
10.1 In the absence of information as regard to the status/classification of the Relevant enterprises into Micro, Small and Medium enterprises, information as required under Notification No. G.S.R 719[E] dated 16.11.2007 issued by the Department of Company Affairs in respect of the total amount payable at the end of the year to the Micro & Small Enterprises could not be disclosed.		
11. OTHER CURRENT LIABILITES		
a) Statutory remittances	69,26,478	57,62,481
b) Unclaimed/subjudged dividend	4,38,72,265	3,99,17,645
c) Due to Directors	62,02,893	44,43,953
d) Advance from customers	51,13,590	47,76,936
e) Payables for capital assets	96,07,997	1,15,67,725
f) Others	25,22,419	18,63,388
Total	7,42,45,642	6,83,32,128

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014	March 31, 2013
	Rupees	Rupees
12. SHORT TERM PROVISIONS		
Provision For Employees Benefit		
(a) Salaries & Wages Payable	50,04,461	39,87,830
(b) Bonus Payable	10,62,430	11,54,899
(c) Ex gratia Payable	1,64,223	1,41,051
Others		
(a) Proposed Dividend	7,86,06,312	7,86,06,312
(b) Corporate Dividend Tax	1,33,59,143	1,33,59,143
(c) Provision for Income Tax	3,63,84,697	1,20,22,930
(d) Other provisions	77,53,570	53,27,703
Total	14,23,34,836	11,45,99,868

13. FIXED ASSETS

(Amount in Rupees)

	DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		As at 01/04/2013	Additions	Deductions	Total	Upto 01/04/2013	For the year	Deductions	Upto 31/03/2014	As at 31/03/2014	As at 31/03/2013
I	TANGIBLE ASSETS										
	Land	33,65,64,276	-	-	33,65,64,276	-	-	-	-	33,65,64,276	33,65,64,276
	Buildings	22,75,45,559		1,07,48,550	21,67,97,009	14,60,82,428	60,57,162	30,72,001	14,90,67,589	6,77,29,420	8,14,63,131
	Plant & Machinery	51,14,06,244	44,70,967	23,06,226	51,35,70,985	27,98,15,912	4,22,17,300	22,99,783	31,97,33,429	19,38,37,556	23,15,90,332
	Furniture, Fixtures & Interiors	9,93,67,488	7,88,021	23,15,215	9,78,40,294	4,79,99,449	1,39,38,449	23,15,215	5,96,22,683	3,82,17,611	5,13,68,039
	Vehicles	1,99,45,476	30,55,864	48,28,319	1,81,73,021	1,72,01,695	20,84,043	48,28,319	1,44,57,419	37,15,602	27,43,781
	Office Equipment	10,83,493	-	10,000	10,73,493	7,18,993	89,568	10,000	7,98,561	2,74,932	3,64,500
	Sanitary Fittings	1,62,76,789	-	1,56,554	1,61,20,235	1,31,84,991	7,66,558	1,56,554	1,37,94,995	23,25,240	30,91,798
	Computers	92,92,115	32,01,200	9,50,382	1,15,42,933	70,69,927	19,54,465	9,50,382	80,74,010	34,68,923	22,22,188
II	INTANGIBLE ASSETS										
	Good will	7,19,39,681	-	-	7,19,39,681	-	-	-	-	7,19,39,681	7,19,39,681
	TOTAL	129,34,21,121	1,15,16,052	2,13,15,246	128,36,21,927	51,20,73,395	6,71,07,545	1,36,32,254	56,55,48,686	71,80,73,241	78,13,47,726
	PREVIOUS YEAR	128,09,50,211	4,49,00,334	3,24,29,424	129,34,21,121	47,68,10,542	6,52,64,864	3,00,02,011	51,20,73,395	78,13,47,726	80,41,39,669
III	CAPITAL WORK-IN-PROGRESS										
	Hotel Project at Cochin	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	TOTAL	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061

	March 31, 2014	March 31, 2013
	Rupees	Rupees
14. NON CURRENT INVESTMENTS		
a) Investment in Immovable properties	93,61,27,375	37,26,68,324
b) Aggregate amount of quoted investments	7,96,28,835	11,06,75,997
c) Aggregate amount of un-quoted investments	13,07,07,849	47,16,89,830
	114,64,64,059	95,50,34,151
<i>Less: Provision for diminution in value of Investments</i>	15,53,812	1,65,96,583
Total	114,49,10,247	93,84,37,568
15. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
a) Capital Advances	15,75,36,912	54,99,53,412
b) Security Deposits	85,69,159	89,67,989
c) Other loans and advances	1,00,25,404	1,14,00,404
Total	17,61,31,475	57,03,21,805
16. CURRENT INVESTMENTS		
In Mutual Fund - Unquoted, fully paid up 4514727.161 Deutsche Asset Management		
[-] Ultra Short bond Fund - Direct Plan- Gr. of Rs.10/- each	6,83,62,790	-
Total	6,83,62,790	-

Aggregate amount of Company's unquoted investments is Rs.6,83,62,790 (Nil).

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 Rupees	March 31, 2013 Rupees
17. INVENTORIES		
a) Provisions, food supplies and beverages	1,01,45,863	83,87,487
b) Other stores and operational supplies	18,74,227	75,53,764
Total	1,20,20,090	1,59,41,251
18. TRADE RECEIVABLES		
Unsecured, Considered Good		
a) Outstanding for more than six months	15,525	6,29,416
b) Others	2,17,04,433	1,66,34,517
Total	2,17,19,958	1,72,63,933
19. CASH AND BANK BALANCES		
a) Cash-in-Hand		
Cash Balance	26,60,181	20,59,349
b) Balance with banks		
On Current Account*	4,72,88,959	4,17,17,324
On Fixed Deposit account**	10,00,000	10,00,000
Total	5,09,49,140	4,47,76,673
Footnote :		
*Includes Unclaimed/subjudiced Dividend of Rs. 4,38,72,265/- (Rs. 3,99,17,645/-)		
** Comprises of deposit with maturity of more than 12 months		
20. SHORT TERMS LOANS AND ADVANCES		
Unsecured, Considered Good		
Other than related parties		
a) Inter corporate loan/deposit	37,00,00,000	15,00,00,000
b) Other Advances	9,93,82,201	9,61,20,738
Total	46,93,82,201	24,61,20,738
21. OTHER CURRENT ASSETS		
a) Advance Income Tax	6,30,929	4,38,388
b) Prepaid Expenses	58,11,096	1,02,07,259
c) Other receivables	1,37,63,193	1,11,48,436
Total	2,02,05,218	2,17,94,083
	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
22. REVENUE FROM OPERATIONS		
Income from Sale of Services	43,29,83,918	44,46,66,132
Less: Excise Duty	71,958	76,084
	43,29,11,960	44,45,90,048
Other operating revenues	2,19,55,569	2,44,65,985
Total	45,48,67,529	46,90,56,033
Footnote :		
22.1 Sales Rooms	21,42,61,798	24,20,73,976
Food Beverages and Banquets	18,44,91,047	16,66,78,428
Sale of Electricity	3,41,59,115	3,58,37,644
Total	43,29,11,960	44,45,90,048

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
23. OTHER INCOME		
Interest received	7,22,56,894	8,90,31,516*
Income Rent	7,21,51,577	2,21,69,819
Income Licence Fees	43,01,715	42,89,735
Dividend Income	1,32,40,335	98,95,876
Profit on sale of Fixed Assets	88,82,061	11,22,812
Profit/(loss) on sale of investments - Short term	1,07,50,452	1,05,17,264
- Long term	(11,29,18,530)	3,46,95,372
Provision for diminition in value of investments	1,50,42,771	13,96,852
Liabilities Written Back	24,30,065	28,24,728
Foreign Currency Fluctuations	-	1,22,460
Miscellaneous Income	-	29,22,583
Total	8,61,37,340	17,89,89,017
[*Includes a sum of Rs. 6,75,99,996/- being compensation received which was shown under exceptional items in the previous year]		
24. COST OF CONSUMPTION OF PROVISIONS, FOOD AND BEVERAGES		
Opening stock	83,87,487	81,05,994
Add: Purchase of provisions, food and beverages	7,67,88,867	7,27,17,612
Less: Closing stock	1,01,45,863	83,87,487
Total	7,50,30,491	7,24,36,119
25. EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and bonus	8,52,08,660	7,97,81,203
Contribution to provident and other funds	87,99,798	82,07,324
Staff welfare	77,44,801	87,14,943
Total	10,17,53,259	9,67,03,470

Footnote :

- 25.1 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

Employer's Contribution to Provident Fund	47,51,014	43,38,893
---	-----------	-----------

Defined Benefit Plan

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

(in Rupees)

	Gratuity 2013-14	Gratuity 2012-13	Leave Encashment 2013-14	Leave Encashment 2012-13
I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation				
Defined Benefit obligation at beginning of the year	1,69,81,020	1,55,49,361	56,97,603	52,44,829
Current service cost	18,25,389	20,64,513	8,90,293	10,78,253
Interest cost	14,78,793	12,12,842	4,64,495	3,77,180
Actuarial (gain) /loss	(15,32,376)	(1,49,208)	(12,08,915)	3,43,253
Benefits paid	(32,61,287)	(16,96,488)	(8,12,375)	(13,45,912)
Defined Benefit obligation at the year end	1,54,91,539	1,69,81,020	50,31,101	56,97,603

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(in Rupees)

	Gratuity 2013-14	Gratuity 2012-13	Leave Encashment 2013-14	Leave Encashment 2012-13
II. Reconciliation of Opening and Closing Balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	1,87,98,097	1,76,10,407		
Expected return on plan assets	15,06,151	13,92,381		
Actuarial gain/(loss)	1,21,962	2,06,607		
Employer contributions	15,89,955	12,85,190		
Benefits paid	(15,32,376)	(16,96,488)		
Fair value of plan assets at year end	2,04,83,789	1,87,98,097		
Actual return on plan assets	16,28,113	15,98,988		
III. Reconciliation of fair value of assets and present value of obligation				
Fair value of plan assets	2,04,83,789	1,87,98,097	-	-
Present value of obligation	1,54,91,539	1,69,81,020	50,31,101	56,97,603
Amount recognized in Balance Sheet	-	-	50,31,101	56,97,603
IV. The amounts recognized in the Profit and Loss account are as follows				
Current service Cost			8,90,293	10,78,253
Interest Cost			4,64,495	3,77,180
Expected return on plan assets			-	-
Actuarial gain/(loss)			(8,12,375)	3,43,253
Contribution	17,25,771	14,37,894		
Net Cost	17,25,771	14,37,894	5,42,413	17,98,686
	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Leave Encashment (Unfunded) 2013-14	Leave Encashment (Unfunded) 2012-13
V. Composition of Plan Assets				
Insurance managed funds	2,04,83,789 (100%)	1,87,98,097 (100%)	-	-
VI. Actuarial Assumptions				
Interest rate	9.12%	8.25%	9.12%	8.25%
Discount rate (per annum)	9.12%	8.25%	9.12%	8.25%
Expected rate of return on plan Assets (per annum)	8%	8%	-	-
Rate of escalation in salary (per annum)	6%	6%	6%	8%
Attrition rate	5%	5%	5%	10%
Retirement age	58	58	58	58
			For the year ended March 31, 2014	For the year ended March 31, 2013
			Rupees	Rupees
26. MAINTENANCE, UPKEEP AND SERVICES				
Guest Accomodation Board and Kitchen			89,72,578	74,21,094
Linen, Uniforms and Laundry			98,13,097	1,14,17,687
Repairs and Maintenance of :				
i) Building			1,81,60,383	1,92,48,071
ii) Plant & Machinery			1,58,10,978	1,39,13,931
iii) Interiors, Furniture, Furnishings and others			21,13,748	3,40,78,514
House-keeping Expenses			35,52,953	38,25,585
Music, Entertainment and Banquet Expenses			41,28,835	43,58,882
Total			6,25,52,572	9,42,63,764
27. FINANCIAL COST				
Interest on Cash Credit			6,18,015	4,71,317
Interest Others			7,879	20,639
Other borrowing costs			5,36,502	5,11,715
Total			11,62,396	10,03,671

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
28. OTHER EXPENSES		
Power & fuel	2,04,83,054	1,85,96,970
Water charges	39,37,758	40,60,650
Commission on sale	35,82,723	48,59,938
Postage, Telex & Telephones	31,43,211	31,86,012
Printing & Stationery	20,49,599	27,62,425
Sales Promotional Expenses	14,19,198	14,45,304
Administrative & General Expenses	1,12,13,326	90,81,630
Travel & Conveyance	29,48,923	36,90,634
Rent	6,03,729	13,41,735
Rates & Taxes	1,30,90,082	1,66,47,925
Insurance	12,07,379	12,25,720
Royalty	92,89,879	1,06,20,223
Foreign Currency Fluctuations	10,08,207	-
Freight & Transport	71,310	92,946
Professional & Consultancy fees	66,48,525	52,68,330
Miscellaneous Expenses	5,78,144	5,91,654
Payment to Auditors	5,20,591	5,12,860
Director's Sitting Fees	4,20,000	3,80,000
Commission to Chairman's & Managing Director	90,36,375	66,06,109
Provision for Donations	11,00,000	8,00,000
Sundry Debit Balances Written off	1,20,486	82,885
Total	9,24,72,499	9,18,53,950
Footnote :		
28.1 Payment to Auditors		
Audit Fee	2,97,954	2,86,960
Tax Audit Fee	83,452	78,200
Other Services	1,28,845	1,28,100
Reimbursement of Expenses	10,340	19,600
Total	5,20,591	5,12,860
29. Estimated amount of contract remaining to be executed on capital account not provided for Rs.3,29,00,000/- (Rs.3,29,00,000/-).		
30. Confirmation of balances has not been received from parties covered under Trade Receivables, Long term Loans and Advances and Trade Payables.		
31. Prior period items debited/ credited to Profit and Loss Account		
Prior period expenses		
R & M Wind Mill	30,140	-
T.V. Software Maintenance Charges	-	30,884
Guest Supplies	-	6,839
32. Earnings in Foreign Exchange	13,87,43,090	18,16,40,568
33. Expenditure in Foreign Currency		
Royalty	92,89,879	1,06,20,223
Sales Promotion and General Expenses	84,10,558	1,20,76,790
Agents Commission for Room Bookings	15,63,882	7,91,199
34. CIF Value of Imports		
Stores, Components and Spare Parts	32,78,321	21,83,345
Capital Goods	20,28,081	2,12,53,888

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 Rupees	March 31, 2013 Rupees
35. Information as per Order No.46/22/98 CL III Dated 24 February 1998, issued by the Ministry of Finance, Department of Company Affairs:		
a) Income from		
i. Wines and Liquor	1,08,20,718	99,68,435
ii. Telephone and Telex	37,16,829	62,85,502
b) Consumption of		
i. Provision, Beverages (excluding Wine and Liquor)	5,28,01,343	4,63,31,811
ii. Wine and Liquor	50,21,356	52,91,707
36. Dividends remitted in Foreign Currency to Non Resident Shareholder Rs.9,60,000 (Rs.9,60,000/-).		
Number of Non Resident Shareholder	1 (1)	
Number of Share held by them on which Dividends remitted	1,60,000 (1,60,000)	
37. Contingent Liabilities		
Disputed Income Tax Liability against which Appeals are pending		
Assessment Year 1997-98	9,55,691	9,55,691
Assessment Year 2010-11	10,34,668	10,34,668

38. RELATED PARTY DISCLOSURE

(A) Related Parties and their Relationships

- | | |
|---|--|
| 1. Kapi Investment Ink Limited, Mauritius, | Shareholder. |
| 2. M.K.Trading L.L.C. , Dubai, UAE | a Company in which Chairman of the Company is a shareholder. |
| 3. C. Pardhanani's Education Trust, | a Trust in which the Chairman of the Company is a Trustee. |
| 4. Pardhanani International Investments }
And Holdings Private Limited } } | a Private Limited Company in which the Chairman of the Company is a Director and Managing Director of the Company is a Director and shareholder. |
| 5. Pardhanani International Properties }
Private Limited } } | a Private Limited Company in which the Chairman of the Company is a Director and Managing Director of the Company is a Director and shareholder. |
| 6. Sanko Properties Private Limited } } | a Private Limited Company in which the Chairman of the Company is a Director and Managing Director of the Company is a Director and shareholder. |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

RELATED PARTY DISCLOSURE (Contd...)

(B) Transaction with Related Parties:

Name of the Transacting Related party	Relationship between the transacting party	Nature of transactions	Volume of transactions during the Year (Rs.)	Amount Outstanding as on 31.3.2014 (Rs.)	Payable (P) OR Receivable (R)
Kapi Investment Ink Limited	Overseas Body Corporate	Dividend	9,60,000 (9,60,000)	Nil (Nil)	Nil (Nil)
Mr.C.B.Pardhanani	Chairman	Commission based on profit	22,80,036 (18,82,091)	17,28,986 (14,26,455)	P (P)
Ms. S. C. Pardhanani	Managing Director	Dividend	5,77,01,712 (5,38,10,712)	Nil (Nil)	Nil (Nil)
		Dividend	- (38,91,000)	Nil (Nil)	Nil (Nil)
		Remuneration	46,43,841 (46,86,437)	(Nil) (Nil)	(Nil) (Nil)
		Commission based on profit	67,56,339 (47,24,018)	4473907 (3017498)	P (P)
		Loan taken from Director	4,60,00,000 (-)	(Nil) (Nil)	(Nil) (Nil)
C Pardhanani's Education Trust	Trust in which Chairman of the Company is a trustee	Donation	10,50,000 (9,00,000)	Nil (Nil)	Nil (Nil)
Mr. M. B. Pardhanani	Related to Director	Dividend	7,22,400 (7,22,400)	65,01,600 (57,79,200)	(P) (Under dispute and subjudice)
Mrs.Uma M. Pardhanani	Related to Director	Dividend	12,30,000 (12,30,000)	1,10,70,000 (98,40,000)	(P) (Under dispute and subjudice)
Ms. Aarti M Pardhanani	Related to Director	Dividend	3,60,000 (3,60,000)	32,40,000 (28,80,000)	(P) (Under dispute and subjudice)

39. AS 17 SEGMENT REPORTING

	AS AT March 31, 2014				AS AT March 31, 2013			
	HOTEL	ELECTRICITY	UNALLOCABLE	TOTAL	HOTEL	ELECTRICITY	UNALLOCABLE	TOTAL
REVENUE NET SALES								
External Sales	43,81,78,900	3,41,59,115	-	47,23,38,015	44,58,70,597	3,58,37,644	-	48,17,08,241
Inter- Segment Sales	-	2,36,40,710	-		-	2,36,35,500		
TOTAL REVENUE				47,23,38,015				48,17,08,241
RESULT								
Segment Result	7,31,32,492	2,33,19,282	-	9,64,51,774	7,32,66,704	40,48,724	-	7,73,15,428
Net Result			(2,66,20,165)	(2,66,20,165)			6,11,75,939	6,11,75,939
Add:Interest Income				7,22,56,894				8,90,31,516
Less:Interest Expenses				11,62,396				10,03,671
PROFIT BEFORE TAX				14,09,26,107				22,65,19,212
Add :Exceptional Items				-				-
Less:Income Tax				8,30,11,200				7,50,30,000
Add :Deferred Tax				1,15,74,495				93,14,722
NET PROFIT				6,94,89,402				16,08,03,934
OTHER INFORMATION								
Segment Assets	106,60,30,138	22,51,51,409	139,13,85,874	268,25,67,421	83,17,53,696	25,16,92,467	155,33,70,675	263,68,16,838
TOTALASSETS				268,25,67,421				263,68,16,838
Segment Liabilities	31,50,99,174	51,43,250	9,45,15,654	41,47,58,078	10,43,31,442	22,83,523	23,99,16,477	34,65,31,442
TOTAL LIABILITIES				41,47,58,078				34,65,31,442
Capital Expenditure	1,15,16,052	-	-	1,15,16,052	4,49,00,334	-	-	4,49,00,334
TOTAL				1,15,16,052				4,49,00,334

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

40. Disclosure as per Accounting Standard 29 :

(In Rupees)

Srl. No.	Particulars	Balance as at 01.04.2013	Additional Provision made during the year	Provision Reversed/ utilised during the year	Balance as at 31.03.2014
1.	Provision for Leave Encashment	56,97,603	5,42,414	12,08,916	50,31,101
2.	Proposed Dividend	7,86,06,312	7,86,06,312	7,86,06,312	7,86,06,312
3.	Corporate Dividend Tax	1,33,59,143	1,33,59,143	1,33,59,143	1,33,59,143

March 31, 2014 Rupees	March 31, 2013 Rupees
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41. Earnings Per Share has been computed as under :

Net Profit	6,94,89,402	16,08,03,934
Weighted Average Number of Equity Shares Outstanding	1,31,01,052	1,31,01,052
Earnings Per Share in Rupees- Basic And Diluted (<i>Face Value of Rs. 10/- each</i>)	5.30	12.27

42. Previous year's figures have been regrouped/ rearranged wherever necessary.

MAC CHARLES (INDIA) LIMITED

Corporate Identification No. (CIN): L55101KA1979PLC003620

Registered Office : 28, Sankey Road, Bangalore - 560 052

ATTENDANCE SLIP

Please complete this attendance slip in all respects and hand it over at the entrance of the meeting hall.

REGD. FOLIO NO./CLIENT ID:
DP ID NO:
NAME:
ADDRESS:
NUMBER OF SHARES:

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the **THIRTY-FOURTH ANNUAL GENERAL MEETING** of the Company at Hotel Le Meridien No. 28, Sankey Road, Bangalore - 560 052 on **Monday the 22nd September, 2014** at **3 p.m.**

SHAREHOLDER'S EMAIL ID

SIGNATURE OF THE SHAREHOLDER/PROXY

Note: A Proxy attending on behalf of the Member(s) shall write the name of the Member(s) from whom he holds Proxy.

MAC CHARLES (INDIA) LIMITED

Corporate Identification No. (CIN): L55101KA1979PLC003620

Registered Office : 28, Sankey Road, Bangalore - 560 052

PROXY FORM

Please complete this attendance slip in all respects and hand it over at the entrance of the meeting hall.

Name of the Member(s):

Registered Address:

Email Id:

Reg. Folio/Client ID No.:

DP ID No.:

No. of shares:

I/We.....being a Member(s) of Mac Charles (India) Limited, hereby appoint Mr./Mrs..... of in the district of or failing him/her, Mr./Mrs..... of in the district of or failing him/her, Mr./Mrs..... of in the district of as my/our proxy to attend and vote for me/us on my/our behalf at the **Thirty-Fourth Annual General Meeting** of the Company to be held at Hotel Le Meridien No. 28, Sankey Road, Bangalore - 560 052 on **Monday the 22nd September, 2014** at **3 p.m.** and at any adjournment thereof.

Signed this day of September 2014.

Affix
Re. 1/-
Revenue
Stamp

Signature of shareholder

Signature of Proxy

As my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the 34th Annual General Meeting of the Company, to be held at Hotel Le Meridien No. 28, Sankey Road, Bangalore - 560 052 on **Monday the 22nd September, 2014** at **3 p.m.**, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	(Please mention no. of shares)	For	Against
Ordinary business				
1	To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit & Loss Account for the financial year ended on that date, together with the Reports of the Directors and Auditors thereon.			
2	To declare dividend of Rs. 6/- Per Equity Share for the year ended March 31, 2014.			
3	To reappoint K. B. Nambiar and Associates, as the auditors of the Company.			
4	To appoint a Director Mr. M. R. B. Punja, as an Independent Director.			
5	To appoint a Director Mr. P. B. Appiah, as an Independent Director.			
6	To appoint a Director Mr. Suresh Vaswani, as an Independent Director.			

Note: The proxy form duly signed across the revenue stamp of One Rupee must reach the Company's Registered Office not less than 48 hours before the time of the meeting.



SUITE



SPORTS BAR



AIRPORT GOLF VIEW HOTELS & SUITES COCHIN

BOOK-POST

If undelivered please return to :
MAC CHARLES (INDIA) LTD.
28, Sankey Road,
Bangalore - 560 052.