

**BOARD OF DIRECTORS**

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

**VICE PRESIDENT FINANCE & COMPANY SECRETARY**

**Mr. M.S. Reddy**

**MANAGER & VICE PRESIDENT OPERATIONS**

**Mr. Suresh K Badlaney**

**CHIEF FINANCIAL OFFICER (CFO)**

**Mr. Pranasha K Rao**

**REGISTERED OFFICE**

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

**PRINCIPAL BANKERS**

State Bank of India  
 State Bank of Mysore  
 HDFC Bank Ltd.

**REGISTRARS & SHARE TRANSFER AGENTS**

BgSE Financials Limited  
 Registrar & Transfer Agent (RTA Division)  
 No. 51, 1st Cross, J.C. Road,  
 Bengaluru - 560 027.  
 Tel : 080 - 4132 9661, Fax : 080 - 4157 5232  
 Email: manager\_rta@bfsi.co.in

**GRIEVANCE REDRESSAL DIVISION:**

**Mr. M. S. Reddy** *B.Com., L.L.B., MBIM, FCA, FCS*  
 Vice President Finance and Company  
 Secretary- cum - Compliance Officer  
 Tel : 080-2226 2233 / 2228 2828  
 Email : investor.relations@maccharles.com

**AUDITORS**

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

**CONTENTS**

Directors' Report	2
Auditors' Certificate on Corporate Governance	9
Corporate Governance Report	16
Management Discussion & Analysis Report	24
Auditors' Report	26
Balance Sheet	30
Profit & Loss Account	31
Cash Flow Statement	32
Notes to Financial Statements for the year ended March 31, 2016	33
Consolidated Financial Statements	44
Attendance Form	63
Form for Registering E-mail ID	65

*Thirtysixth Annual General Meeting of MAC CHARLES (INDIA) LTD. will be held on THURSDAY the 29th SEPTEMBER 2016 at Hotel Le Meridien, No. 28, Sankey Road, Bengaluru - 560 052 at 4.00 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

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 36th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2016.

### FINANCIAL RESULTS

(In Rs.)

Particulars	2015-16	2014-15
<b>Segmentwise Turnover/Revenue</b>		
(a) Hotel Sales turnover	<b>51,04,28,128</b>	42,33,49,874
(b) Sale of Electricity	<b>6,00,73,470</b>	4,04,68,781
(c) Interest on Corporate loan/ deposits Received	<b>15,96,14,672</b>	9,09,80,633
(d) Rent Received on Commercial Spaces at Cessna Business Park	<b>11,96,07,090</b>	11,68,40,412
(e) Dividend/ Profit/(Loss) on sale of investments	<b>4,96,90,773</b>	4,60,29,384
<b>Total</b>	<b>89,94,14,133</b>	71,76,69,084
<b>Profit before Depreciation, Finance Cost &amp; Tax</b>		
From Hotel Operations	<b>15,60,74,278</b>	9,28,64,355
From Investments other than the Hotel	<b>38,89,86,005</b>	29,42,95,206
	<b>54,50,60,283</b>	38,71,59,561
Less : Depreciation	<b>3,47,25,010</b>	2,83,44,387
Less : Finance Cost	<b>5,92,154</b>	8,12,102
<b>Profit before Tax</b>	<b>50,97,43,119</b>	35,80,03,072
From Hotel Operations	<b>12,07,57,114</b>	6,37,07,866
From Investments other than the Hotel	<b>38,89,86,005</b>	29,42,95,206
	<b>50,97,43,119</b>	35,80,03,072
Provision for tax for the year	<b>17,57,26,579</b>	10,78,84,414
<b>Profit for the year</b>	<b>33,40,16,540</b>	25,01,18,658
Add : Balance brought forward from the previous year	<b>19,60,68,515</b>	17,17,15,493
<b>Amount available for Appropriation</b>	<b>53,00,85,055</b>	42,18,34,151
<b>APPROPRIATIONS</b>		
(i) General Reserves	<b>10,00,00,000</b>	10,00,00,000
(ii) Dividend :	<b>13,10,10,520</b>	10,48,08,416
iii) Corporate Dividend Tax	<b>2,66,70,659</b>	2,09,55,517
iv) Balance carried to Balance Sheet	<b>27,24,03,876</b>	19,60,70,218

### TRANSFER TO RESERVES

During the financial year 2015-16 an amount of Rs. 1000 lakhs (Rs.1000 lakhs last year) has been transferred to General Reserve out of amount available for appropriations.

### HOTEL OPERATIONS

The Board is pleased to inform that during the financial year 2015-16 the overall revenue of the hotel was higher and with effective cost control & effective working capital management, the Company enhanced its operating performance which has already been highlighted above and in the Management Discussion & Analysis Report.

The Board is pleased to inform you that during the financial year 2015-16 the total revenue of the company has increased to Rs.8,994 lakhs as compared to Rs.7,177 lakhs in the previous year. However, the hotel revenue has moderately increased. The profit after tax for the year is Rs.3,340 lakhs during the financial year 2015-16 compared to Rs.2,501 lakhs during financial year 2014-15. This increase has been mainly on account of 'other income' during the financial year. On the whole, the overall performance for the year has been higher with effective cost control, other segments & business and increase in business due to intensive efforts of marketing network. The Company has been able to retain market share through conference on business summits, out-door catering and also continuing in its leading position in wedding related business in the city. This success has been achieved despite new entrants into the hospitality business, and/or expansion in the existing ones. As a result, during the year, new supply has hit the market with increasing inventory of rooms thereby reflecting an increase of 50% of inventory in the 5 star and 5 star deluxe segments in the city and is situated right in the middle of the Company's key corporate catchment areas. To make the matter worse, there has been acute competition due to variable discount factors offered by many of the members of the hotel industry.

### FUTURE PROSPECTS

The future of the hotel industry is facing tough times ahead in view of cost cutting measure initiated by the corporate companies in the sluggish economy prevailing worldwide. Further availability of video conferencing and convenient airline facility are enabling the business traveler to skip room bookings. In addition there is substantial increase in supply side of the five star hotels in Bengaluru 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 strengthened despite the moderate increase in Hotel business. The Company's diversification into electricity generation through Wind Turbine Generators and other sources of income from investments have helped pushing up the bottomline and the Company is able to show higher net profit after income tax. The segment performance is furnished elsewhere in the Annual Report.

### DIVIDEND

As you aware, the interim dividend of Rs.10 per Equity Share for the financial year ended March 31, 2016, amounting to Rs.13,10,10,520/- was paid to the shareholders on 25th February 2016. Hence your directors have not recommended final dividend for the financial year ended as on 31st March 2016.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings during the year were Rs.1,334/- lakhs which is 28% of the Hotel Sales Turnover. The Foreign Exchange utilization during the year was Rs.227/- lakhs.

### SUBSIDIARY COMPANIES

The Company has one subsidiary, namely, Airport Golfview Hotels & Suites Pvt. Ltd., Kochi, a wholly owned and a non-material non-listed Indian Subsidiary.

In terms of proviso to sub section (3) of Section 129 of the Companies

Act, 2013, a report on the performance and financial position of the subsidiary of the Company is set out in the prescribed Form AOC-1, which forms a part of the Consolidated Financial Statements.

## **DUES TO SMALL SCALE UNDERTAKINGS**

There are no dues payable to small scale undertakings.

## **CORPORATE GOVERNANCE**

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

## **ENERGY CONSERVATION**

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

- a) During the year under report, the Company has generated 179 Lakh units 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 window with double glazed reflective glass with a view to save power an AC consumption.
- g) Installed two on load tap charger transformers for stabilizing voltage fluctuations and thereby to save power and prevent damage to electric motors and other installations.
- h) Thermostatic Controls, Timers and Photo Cell Switches have been installed wherever necessary to control power consumption.
- i) Imported and installed two temperature control systems to reduce power consumption.
- j) Constituted an energy conservation committee to monitor power consumption regularly.

## **TECHNOLOGY ABSORPTION**

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to Section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with the Stock Exchanges, a Woman Director should be a member of the Board of Directors of the Company. In accordance with the laws. Ms. Tanya Girdhar has been appointed as an Independent Additional Director of the Company with effect from 21.08.2015. Ms. Sangeeta C. Pardhanani resigned as director of the company with effect from 05.02.2016.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

## **BOARD EVALUATION**

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

## **BOARD DIVERSITY**

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

## **NOMINATION & REMUNERATION POLICY**

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

## **NOMINATION & REMUNERATION COMMITTEE**

Nomination and Remuneration Committee consists of the following

# MAC CHARLES (INDIA) LIMITED

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directors namely Mr. C.B. Pardhanani , Chairman, and Mr. P.B. Appiah, Director.

Brief description of terms of reference:

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

## **NOMINATION AND REMUNERATION POLICY**

The objectives of the Policy

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

## **CORPORATE GOVERNANCE**

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

## **RISK MANAGEMENT COMMITTEE**

Pursuant to Clause 49 of the Listing Agreement, the Company has constituted a Risk Management committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

Risk Management Committee consists of the following persons namely Mr. C.B. Pardhanani, Chairman, Mr. P.B. Appiah, Director of Le Meridien Bengaluru. Mr. M.S. Reddy, V P Finance & Company Secretary acts as secretary to the committee.

The Company has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended March 31st, 2016 and states that:

- a) In the preparation of the annual accounts for the year ended March 31st, 2016, the applicable accounting standards have been followed along with proper explanation relating to materials departures, if any;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detection fraud and other irregularities;
- d) The directors have prepared the annual accounts on a going concern basis;
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **PARTICULARS OF EMPLOYEES**

Information as per Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015, there are no employees drawing remuneration in excess of the limits set out in the said rules.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

There were no contracts or arrangements entered into by the Company in accordance with the Section 188 of the Companies Act, 2013. However, there were material related party transactions in terms of Clause 49 of the Listing Agreements. All material related party transactions that were entered by the Company during the financial year were in the ordinary course of business and on an arm's length basis. All related party transactions are

presented to the Audit Committee and the Board for approval. The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board can be accessed on the Company's website. The details of the transactions with related party are provided in the accompanying financial statements.

#### **AUDITORS' REPORT ON CORPORATE GOVERNANCE**

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

#### **AUDITORS & AUDITORS' REPORT**

M/s. K.B. Nambiar & Associates, Chartered Accountants, Bengaluru Firm (Firm Registration No. 002313S) was appointed as Statutory Auditors of the Company at the last Annual General Meeting held on 29th September 2015 to hold office upto the conclusion of the third consecutive Annual General Meeting subject to ratification by the members at every Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM. The notes on accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments. There are no frauds reported by the Auditors during the Financial Year under report.

#### **INTERNAL AUDITORS**

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

#### **SECRETARIAL AUDITOR**

The Board has appointed B.Chandu Narayan, Practicing Company Secretaries, Bengaluru to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2016-17. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed elsewhere in this Annual Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE**

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

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

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

#### **INTERNAL FINANCIAL CONTROL POLICY AND ITS ADEQUACY**

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

#### **RISK MANAGEMENT**

Your Board reviews and observes risk management and minimization procedures followed by the Company which are adequate and operating effectively. Although risk management policy and risk management committee is not applicable to your Company under the purview of the law, the system established in the Company to identify, assess, manage, monitor and mitigate risk and control is considered sufficient and adequate. Risk Management is an integral part of the Company's business process. In your Company, risks are carefully mapped and a risk management framework is involved.

#### **DISCLOSURES:**

##### **A) MEETINGS OF THE BOARD**

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

##### **B) COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee comprises three (3) Directors amongst which two (2) are Independent Non-Executive Directors, namely Mr. P.B. Appiah and Mr. M.R.B. Punja and one (1) is Mr. C.B. Pardhanani Chairman of the Company. All the recommendations made by the Audit Committee were accepted by the Board.

##### **C) VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

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

The Company has zero tolerance towards sexual harassment at workplace and during the year under review, your Board has

# MAC CHARLES (INDIA) LIMITED

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constituted on internal Complaints Committee to consider and redress complaints of sexual harassment & also adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2015-16, the Company has received no complaints on sexual harassment.

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

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

## **F) PARTICULARS OF REMUNERATION**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable company as none is drawing in excess of the stipulated remuneration.

## **G) DISCLOSURES**

1. Details pertaining to remuneration and other details as required under section 197(12) of the act read with rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) rules, 2014 are not applicable as there is no remuneration paid to Directors except sitting fees, professional fees & 1% commission to the Non-executive Chairman. Further there was no increase in remuneration of Chief Finance Officer, Company Secretary & Chief Executive Officer in the financial 2015-16.
2. Declaration by the Chief Executive Officer affirming compliance with the code of conduct is annexed elsewhere in this Annual Report.
3. There are no material changes and commitments made during the financial year.
4. There are no changes in the nature of business during the financial year.
5. There are no material variation of market capitalization during the financial year.
6. There are no demat suspense accounts / unclaimed suspense account during the financial year.
7. Necessary disclosures of Accounting Treatment have been made

in the financial statements. The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

8. The extract of Annual Return is annexed elsewhere in this Annual Report.

## **H) GENERAL**

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

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts of Tribunals which impact the going concern status and Company's operations in future.

## **DEMATERIALIZATION**

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

## **ACKNOWLEDGEMENTS**

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

For and on behalf of the Board

Bengaluru  
03 August 2016

**C.B. Pardhanani**  
Chairman

**Annexure A**

**EXTRACT FROM NOMINATION AND REMUNERATION POLICY**

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

**A. Eligibility or Criteria for Appointment**

**Educational Qualification**

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

**Experience**

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

**Integrity**

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

**Age**

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

**Independence**

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

**Limits on Directorship**

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

**Limits on Committee Membership**

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

**B. Term of Office**

**Whole-time Director**

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

**Independent Director(s)**

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

**Key Managerial Personnel and Senior Management**

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

# MAC CHARLES (INDIA) LIMITED

## Annexure B

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

#### 1. Brief Outline of CSR Policy

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

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

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

S1 No.	CSR project or activity identified	Sector in which the activity is covered	Projects or activity (1) Local Area or Other (2) Specify the State and District where Projects/Programme undertaken	Amount Outlay (Budget) project / programs wise	Amount spent on the projects or activity	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency*
1	Promoting Education and Healthcare	including special education and employment enhancing vocation skills especially among children.	Bengaluru Karnataka	49,72,927	42,80,000	55,90,000	—

#### 6. Responsibility Statement

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

For and on behalf of the Board

Bengaluru  
03 August, 2016

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

**C.B. Pardhanani**  
Chairman



Form No. MEGT-9  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2016

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

**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN: L55101KA1979PLC003620
- ii. Registration Date: September 28, 1979
- iii. Name of the company: Mac Charles (India) Limited
- iv. Category / sub – category of the company: Company limited by shares / Indian Non- Government Company
- v. Address of the Registered office and contact details:  
 Le Meridien- Bangalore, 28, Sankey Road, Bengaluru- 560052  
 Tel: 080-22262233/22282828, Fax: 080-22267676/22262050  
 Email: sectretarial@lemeridien-bangalore.com  
 sectretarial@lemeridienbangalore.com  
 Website: maccharlesindia.com
- vi. Whether listed company: Yes
- vii. Name, Address and contact details of registrar and Transfer Agent, if any  
 BgSE Financials Limited  
 Registrar & Transfer Agent ( RTA Division)  
 No. 51, 1st Cross, J. C. Road, Bengaluru- 560 027.  
 Tel: 080-41329661, Fax: 080-41575232  
 Email: manager\_rta@bfsi.co.in

viii. Principal Business Activities of the Company

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

Sl. No	Name and Description of main products / services	NIC code of the product/ service	% to total turnover of the company
1	Five Star Hotel Business	55101	57%

**III. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Airport Golf View Hotels & Suites Private Limited, XI/447 VIP Road, Mekkad P O, Nedumbassery, Ernakulam, Kerala	U55101KL2003PTC015864	Subsidiary	100%	2(87)

# MAC CHARLES (INDIA) LIMITED

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

### i) Category-wise Share Holding:

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other.....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :									
(2) Foreign									
a) NRIs - Individuals	96,16,952	0	96,16,952	73.41	96,16,952	0	96,16,952	73.41	0
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	0	1,60,000	1,60,000	1.22	0	1,60,000	1,60,000	1.22	0
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	96,16,952	1,60,000	97,76,952	74.63	96,16,952	1,60,000	97,76,952	74.63	00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	96,16,952	1,60,000	97,76,952	74.63	96,16,952	1,60,000	97,76,952	74.63	0
B. Public Share-holding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	0	3,200	3,200	0.02	0	3,200	3,200	0.02	0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	0	3,200	3,200	0.02	0	3,200	3,200	0.02	0
2. Non-Institutions									
a) Bodies Corp.	2,38,625	6,850	2,45,475	1.87	2,46,382	7,000	2,53,382	1.93	3.22
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	9,91,938	13,01,150	22,93,088	17.50	9,38,242	12,49,900	21,88,142	16.70	-4.57
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,79,302		6,56,152	5.01	2,87,133	4,76,850	7,63,983	5.83	16.43
c) Others (specify)	32,335	9,3850	1,26,185	0.96	23,793	91,600	1,15,393	0.88	-8.55
Sub-total (B)(2)	14,42,200	18,78,700	33,20,900	25.34	14,95,550	18,25,350	33,20,900	25.34	0
Total Public Shareholding (B) = (B)(1) + (B)(2)	14,42,200	18,81,900	33,24,100	25.36	14,95,550	18,28,550	33,24,100	25.36	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,10,59,152	20,41,900	1,31,01,052	100.00	1,11,12,502	1,98,85,500	1,31,01,052	100.00	0

**ii) Shareholding of Promoters:**

Sl. No.	Share-holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	C B PARDHANANI	96,16,952	73.41	0	96,16,952	73.41	0	0
2	Kapi Investment Ink Ltd.	1,60,000	1.22	0	1,60,000	1.22	0	0
	Total	97,76,952	74.63	0	97,76,952	74.63	0	0

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Total	97,76,952	74.63	97,76,952	74.63

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

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year as on 01.04.2015		Cumulative Shareholding end of the year as on 31.03.2016	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	KACHASA INVESTMENTS PVT. LTD.	2,07,700	1.59	2,07,700	1.59
2.	UMA MUKUND PARDHANANI	2,05,000	1.56	2,05,000	1.56
3	MUKUND BASSARMAL PARDHANANI	1,20,000	0.92	1,20,000	0.92
	JITENDRA VIRWANI	-	-	88,017	0.67
4	ANIL KUMAR GOEL	78,000	0.60	78,000	0.60
5	AARTI MUKUND PARDHANANI	60,000	0.46	60,000	0.46
6	VIMAL KUMAR VIJ	17,950	0.14	17,950	0.14
7	VIMAL KUMAR VIJ	17,950	0.14	17,950	0.14
8	RADHEY SHYAM VIG	17,895	0.14	17,305	0.13
9.	VIMAL KUMAR VIJ	15,850	0.12	15,850	0.12
10	K VASANTHA KUMARI	15,400	0.12	15,400	0.12

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	96,17,252	73.41	96,17,252	73.41
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
3	At the End of the year	96,17,252	73.41	96,17,252	73.41

# MAC CHARLES (INDIA) LIMITED

## V. INDEBTEDNESS:

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

(Rupees in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i.) Principal Amount	0	0	8,93,78,203	8,93,78,203
ii.) Interest due but not paid	0	0	0	0
iii.) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	0	0	8,93,78,203	8,93,78,203
	0	0		
Change in Indebted-ness during the financial year	0	0		
• Addition	0	0		
• Reduction	0	0	30,55,171	30,55,171
Net Change	0	0	30,55,171	30,55,171
	0	0		
Indebtedness at the end of the financial year	0	0		
	0	0		
i.) Principal Amount	0	0	8,63,23,032	8,63,23,032
ii.) Interest due but not paid	0	0	0	0
iii.) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	0	0	8,63,23,032	8,63,23,032

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	SURESH KUMAR BADLANEY - MANAGER
1.	Gross Salary:	
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27,29,726
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	
	- others, specify	-
5.	Others, please specify	-
	Total (A)	27,29,726
	Ceiling as per the Act	

**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount
		Chatrabhuj Bassarmal Pardhanani	Appiah Palecanda Bopanna	Mulki Bhaskar Ramakrishna Punja	Suresh Vaswani	Tanya Girdhar	
1.	Independent Directors	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	• Fee for attending board committee meetings	-	1,20,000	1,20,000	60,000	40,000	3,40,000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	1,80,000	-	2,00,000	-	3,80,000
	Total (1)	-	3,00,000	1,20,000	2,60,000	-	7,20,000
2.	Other Non-Executive Directors	-	-	-	-	-	-
	• Others -Commission	47,51,424	-	-	-	-	-
	Total (2)	47,51,424	-	-	-	-	-
	Total (B) = (1 + 2)	47,51,424	3,00,000	1,20,000	2,60,000	40,000	-
	Total Managerial Remuneration	47,51,424	3,00,000	1,20,000	2,60,000	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sl. No	Particulars of Remuneration	Company Secretary	CFO	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,05,271	6,24,000	36,29,271
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit			
	- others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	30,05,271	6,24,000	36,29,271

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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

# MAC CHARLES (INDIA) LIMITED

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**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
Mac Charles ( India) Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mac Charles ( India) Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon. Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2016 according to the applicable provisions of:

- i. The Companies Act, 2013 (‘the Act’) and the rules made there under;
- ii. The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the audit period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- vi. Other laws specifically applicable to the Company namely–
  - (a) Information Technology Act, 2000 and the rules made thereunder;
  - (b) Special Economic Zones Act, 2005 and the rules made thereunder;
  - (c) Software Technology Parks of India rules and regulations;
  - (d) The Indian Copyright Act, 1957;
  - (e) The Patents Act, 1970;
  - (f) The Trade Marks Act, 1999.

Annual Report 2015-16

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings.
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above. However, the Company has spent an amount of Rs. 42,80,000/- against the amount of Rs. 49,72,000 to be spent during the year towards Corporate Social Responsibility.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Bengaluru, August 03, 2016

Chandu Narayan B  
Company Secretaries  
Membership No: A23222 COP No:9517

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

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**‘Annexure A’**

To,  
The members,  
Mac Charles ( India) Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Bengaluru, August 03, 2016

Chandu Narayan B  
Company Secretaries  
Membership No: A23222 COP No:9517

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# 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. Messrs. Mac Charles (India) Ltd. is committed in implementing corporate governance in true letter and spirit, maximizing shareholder value and paving way for good partnership and alliances. The company believes in having a long term partnership with investors by having transparency and fairness in the dealings and placing an uncompromising emphasis on integrity and regularity of compliance.

The functions of the Board of Directors and the executive management are well defined and are distinct from one another. The Chairman of the company is a non-executive Director. More than one-half strength of the Board of Directors is independent. Various (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 a high-profile Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience.

As on 31st March 2016, the total Board strength comprises of Five (5) Directors which includes one (1) Non-Executive Chairman, and three (3) Independent Directors including one (1) Woman Director. The Company is in compliance with the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations pertaining to composition of the Board as on 31st March, 2016.

None of the Directors is a member of more than 10 committees or act as chairman of more than 5 committees as specified in Regulation 26 of the Listing Regulations, across all companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2016 have been made by the Directors as per Regulation 26 of the Listing Regulations.

The Non-Executive/Independent Directors are paid sitting fees within the limits prescribed under the Companies Act, 2013. No stock options were granted to Non-Executive Directors during the year under review. The Non-Executive/Independent Directors did not have any material

pecuniary relationship or transactions with the Company except the payment of sitting fees & professional fees and sale of electricity during the year 2015-16. Independent Directors are not serving as independent directors in more than seven listed companies as prescribed in Regulation 25 of the Listing Regulations. The Company is in conformity with Regulations 25 and 26 (1)(2)(4) of the Listing Regulations.

The Board normally meets four times in a year and as and when required. The time gap between two Board Meetings has not exceeded the limit of one hundred and twenty days as specified under Regulations 17 of the Listing Regulations. During the financial year 2015-16, the Board of Directors had four (4) meetings. These were held on 24 April 2015, 21 August 2015, 13 November 2015, and 05 February 2016, respectively. The attendance of the Directors at the Board meeting is given elsewhere in this report.

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

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

Pursuant to the Corporate Governance provisions as specified in the Listing Regulations, the composition and categories of directors of the Board, details of Directorships held, Committee Memberships/ Chairmanships held and attendance of the Director at the Board Meetings and previous Annual General Meeting (AGM) are as follows as on 31st March, 2016.

Sl. No	Name of Director	Category	No. of Board Meetings Attended	Last AGM attended	No. of Committee Member	No. of Chairmanship in Board / Committee	No. of Other Directorships (Public Ltd Companies)	No. of Other Directorships (Private Ltd. Companies)	Number of Shares Held
1.	Mr. C. B. Pardhanani	Non - Executive	4	YES	3	2	NONE	4	9616952
2.	Mr. M. R. B. Punja	Independent Non - Executive	4	YES	2	NONE	3	1	----
3.	Mr. P. B. Appiah	Independent Non - Executive	4	YES	3	2	NONE	1	----
4.	Mr. Suresh Vaswani	Non - Executive	3	YES	----	NONE	NONE	NONE	----
5.	Ms. Tanya Girdhar	Independent Non - Executive	2	----	----	NONE	NONE	NONE	----

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Board of Directors formulated and adopted the familiarization programme for Independent Directors for understanding of their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company. The

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



## MEETING OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, the meeting of the independent directors was held on 05.02.2016 without the attendance of non-independent directors and members of management. All the independent directors of the Company were present at such meeting they reviewed the performance of non-independent directors and the Board as a whole and evaluated the performance for the Chairperson of the Company.

## COMMITTEES OF THE BOARD

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

### a) AUDIT COMMITTEE

The Company has complied with the requirements of Regulation 18 of the Listing Regulations of the Stock Exchange and Section 177 of the Companies Act, 2013 as regards composition of Audit Committee.

During the year four meetings of the committee were held on 24 April 2015, 21 August 2015, 13 November 2015 and 5 February 2016. The Composition of the Audit Committee as on 31st March 2016 and the attendance of members at the meeting of the Audit Committee held during the financial year 2015-2016 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	3
Mr. M. R. B. Punja	Member	Independent - Non-Executive	4

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

### b) SHARE TRANSFER & SHAREHOLDERS GRIEVANCE COMMITTEE

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

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

**Communication Address** : No. 28, Sankey Road, P.B. No. 174, Bengaluru - 560 052.  
Email : investor.relations@maccharles.com

### c) REMUNERATION COMMITTEE

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

### d) Stakeholders' relationship committee

I. The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI listing Regulations read with section 178 of the Companies Act, 2013.

II. The broad terms of reference of the stakeholders' relationship committee are as under:

-Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.

-Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

III. Meetings of the stakeholders' relationship committee were held during the year on November 13, 2015 and February 05, 2016.

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

Name	Category	Number of meetings during the financial year 2015 -16	
		Held	Attended
Mr. C. B. PARDHANANI (Chairman)	Non- Executive	2	2
Mr. P. B. APPIAH	Independent , Non-Executive	2	2

## MAC CHARLES (INDIA) LIMITED

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

VI. Name, designation and address of Compliance Officer:

Mr. M. S. REDDY

Vice President Finance and Company Secretary

Mac Charles ( India ) Limited

28, Sankey Road,

Bengaluru- 560052

Telephone: 080-22262233/22282828

Fax : 080-22267676/22262050

VII. Details of investor complaints received and redressed during the year 2015 - 16 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
-	2	2	-

### e) Other Committees

i). Ethics and compliance committee:

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

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

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

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

Two meetings of the ethics and compliance committee were held during the year on November 13, 2015 and February 05, 2016.

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

Name	Category	Number of meetings during the financial year 2015 -16	
		Held	Attended
Mr. C.B. PARDHANANI (Chairman)	Non- Executive	2	2
Mr. P. B. APPIAH	Independent , Non-Executive	2	2

Details of remuneration disbursed to Directors, during the Financial Year 2015-2016 are as under: (in Rupees)

Sl. No.	Name of the Director	Sitting Fees	Professional Fees	Remuneration	Commission
1.	Mr. C.B. Pardhanani	-----	-----	-----	47,51,424
2.	Mr. M. R. B. Punja	1,20,000	-----	-----	-----
3.	Mr. P.B. Appiah	1,20,000	1,80,000	-----	-----
4.	Mr. Suresh Vaswani	60,000	2,00,000	-----	-----
5.	Ms. Tanya Girdhar	40,000	-----	-----	-----
		<b>3,40,000</b>	<b>3,80,000</b>	-----	<b>47,51,424</b>

### 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 2013	18 September 2013	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bengaluru – 560 052.	–
31 March 2014	22 September 2014	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bengaluru – 560 052.	–
31 March 2015	29 September 2015	4:30 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bengaluru – 560 052.	–

Special Resolution passed in the previous three AGMs.

- I. In the AGM held on 18th September 2013 ... No Special Resolution
  - II. In the AGM held on 22nd September ... No Special Resolution
  - III. In the AGM held on 29th September 2015 ... No Special Resolution
- No Postal Ballot was conducted during the financial year 2015-2016.

### COMPLIANCE

#### A. CODE OF CONDUCT

Pursuant to Regulation 26(3) of the Listing Regulations 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.

#### B. Corporate Governance Compliance

The Company has complied with the requirements as laid down in the Listing Regulations with the Stock Exchanges for the purpose of Corporate Governance. A certificate has been obtained from M/s. K.B. Nambiar & Associates Chartered Accountants, the Statutory Auditors of the Company.

#### C. Reconciliation of Share Capital Audit

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

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

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

Dear All (or Members)

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

Bengaluru  
03 August, 2016

C. B. Pardhanani  
*Chairman*

#### E. CEO CERTIFICATION

As per the requirement of Corporate Governance Code, the Manager (CEO) and Chief Financial Officer have furnished a necessary certificate to the Board of Directors with respect to financial statements and Cash flow statement for the year ended 31 March 2016.

#### F. SUBSIDIARIES

The Company has one unlisted subsidiary namely Airport Golfview Hotels & Suites Pvt. Ltd., Kochi which is wholly owned. The Audit Committee reviews the financial statements. Minutes of the meetings of the unlisted subsidiary company are placed before the Company's Board regularly and statement containing significant transactions and arrangements entered into by the unlisted subsidiary companies are regularly placed before the Board of Directors of your Company. As per the requirement of the Schedule V of the Regulation 34(2) of the Listing Regulations, the Company has formulated a policy for determining 'material subsidiaries' which has been put up on website of the Company at [maccharlesindia.com](http://maccharlesindia.com). During the year, the Company has not disposed of any shares in its material subsidiary or disposed or leased the assets amounting to more than twenty (20) percent of the assets of the material subsidiary.

#### DISCLOSURES

- (i) All material transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transactions. The policy for determining material subsidiary and dealing with related party transactions is disclosed in our website [maccharlesindia.com](http://maccharlesindia.com)
- (ii) No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.
- (iii) The Company has not adopted a treatment different from that prescribed in accounting standards. While preparing the financial statements

# MAC CHARLES (INDIA) LIMITED

of the Company for the year ended 31st March, 2016, the management has ensured that all Accounting Standards have been properly followed and there has been no deviation from this practice.

- (iv) The Company has in place a mechanism to inform the Board members about the risk assessment and mitigation plans and periodical review to ensure that the critical risks are controlled by the executive management through means of a properly defined framework.
- (v) The Company has not come out with any public issue or right issue etc. during the financial year under review.
- (vi) The Company has complied with all the applicable requirements of the Listing Agreement with the stock exchanges. The Company has adopted a suitable reporting system on compliances of all major laws applicable to the Company, which is placed before the Board of Directors of the Company at its periodic meeting.
- (vii) The Company has not adopted the non-mandatory requirements of the Listing Agreement

Under related party transactions :

The Company has contributed a sum of Rs. 16,00,000/- to C. Pardhanani's Education Trust wherein Mr. C. B. Pardhanani, Chairman is a Trustee. Sale of electricity amounting to Rs. 18,24,000/- was made to Mr. C. B. Pardhanani, Chairman.

## NON-MANDATORY REQUIREMENTS

### 1. Office of the Chairman of the Board and re-imburement of expenses by the Company

The Chairman of the Company is a Non-executive Director and no reimbursement of his expenses is made by the Company except in performance of his duties.

### 2. Shareholders' Rights

The Company's financial results are published in the newspapers and also posted on its own website: maccharlesindia.com. Hence, the financial results are not sent to the shareholders. However, the Company furnishes the financial results on receipt of request from the shareholders.

### 3. Modified Opinion in Audit Report

The Company, at present, does not have any modification in the audit opinion.

### 4. Separate posts of Chairman and CEO

The Company has a separate post of Chairman who is a Non-Executive Chairman. It has no separate post of CEO.

### 5. Reporting of Internal Auditor

The Company's Internal Auditor has the access of reporting directly to the Audit Committee.

## 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
29th September 2016	4.00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bengaluru – 560 052.

### b. Financial Calendar

- Annual General Meeting 29th September 2016
  - Quarterly Results - 30.06.2015 on or before 15th November, 2015
  - Quarterly Results - 30.09.2015 on or before 15th February, 2016
  - Quarterly Results - 31.12.2015 on or before 15th May, 2016
  - Quarterly Results - 31.03.2016 on or before 15th May, 2016
- c. Book Closure dates - Dividend & AGM 22nd September 2016 to 29th September 2016 (both days inclusive)
- d. Dividend payment date Interim Dividend paid on 25th February, 2016
- e. Listing of Equity Shares on the Stock Exchanges at Your Company's shares are listed in Bombay Stock Exchange .
- f. Scrip ID. / Scrip Code Bombay Stock Exchange MCCHRLS-B / 507836
- g. Payment of Listing Fees : Annual Listing Fee for the year 2016-17 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 2015-16 has been paid by the Company to NSDL and CDSL.
- j. Registrars & Transfer Agents : BgSE Financials Limited  
RTA Division, No.51, 1st Cross, J.C. Road, Bengaluru – 560 027.
- k. Transfer of unpaid/unclaimed: amounts to Investor Education and During the year under review, the Company has credited Rs. 25.57 lakhs, lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection Fund

**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.

**1. 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.

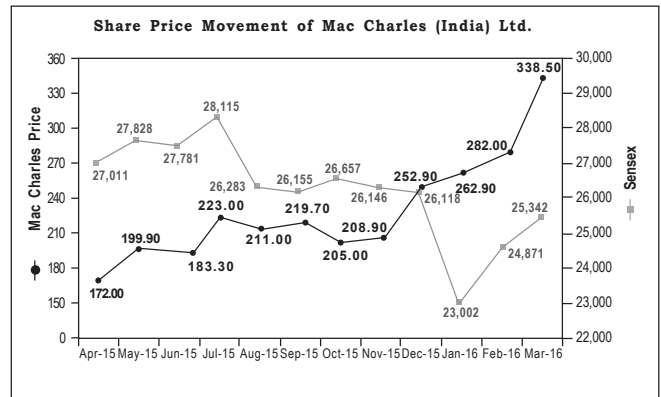
Share Transfers in respect of physical shares are normally effected within 10-15 days from the date of receipt.

Demat requests are put through as per NSDL / CDSL guidelines.

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

MONTH	MONTHLY HIGH (Rs.)	MONTHLY LOW (Rs.)
APRIL 2015	172.00	150.20
MAY	199.90	157.10
JUNE	183.30	162.10
JULY	223.00	165.30
AUGUST	211.00	180.10
SEPTEMBER	219.70	195.00
OCTOBER	205.00	191.10
NOVEMBER	208.90	188.00
DECEMBER	252.90	195.40
JANUARY 2016	262.90	211.00
FEBRUARY	282.00	232.30
MARCH	338.50	267.10

**o. Stock performance Vs BSE Sensex :**



**p. Website : www.maccharlesindia.com**

**q. Distribution of Shareholding as on 31 March 2016**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to – 500	12285	95.77	16,41,505	12.53
501 – 1000	335	2.61	2,60,192	1.99
1001 – 2000	114	0.89	1,76,921	1.35
2001 – 3000	31	0.24	77,554	0.59
3001 – 4000	20	0.16	70,991	0.54
4001 – 5000	7	0.05	32,050	0.24
5001 – 10000	12	0.09	78,015	0.6
10001 – 50000	17	0.13	2,28,155	1.74
50001 and above	8	0.06	1,05,35,669	80.43
Total	12829	100	1,31,01,052	100

**r. Categories of Shareholders as on 31 March 2016**

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	72	2,53,382	1.93
Non-Resident Public	354	1,13,630	0.87
Resident Public	12398	29,53,888	22.55
Total	12829	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 2016**

	No. of Share holders	No. of Shares	% of shares
No. of Shareholders in Physical Mode	8462	1988550	15.18
No. of Shareholders in Electronic Mode	4367	11112502	84.82
Total	12829	13101052	100

# MAC CHARLES (INDIA) LIMITED

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## Form AOC – 1

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

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

#### Part “A”: Subsidiaries

Name	:	Airport Golf view Hotels & Suites Pvt. Ltd., Kochi
Reporting Period	:	2015-16
		(In Rupees)
Share Capital	:	2,99,88,000
Reserve & Surplus	:	(1,26,03,911)
Total Assets	:	3,88,40,924
Total Liabilities	:	2,14,56,835
Turnover	:	3,41,62,138
Profit before taxation	:	42,95,027
Profit after taxation	:	40,78,412
Proposed Dividend	:	Nil
% Share Holding	:	100%

Part “B”: Associates and Joint Ventures : Not Applicable.

**CERTIFICATE**

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

We have examined the compliance of conditions of Corporate Governance by Mac Charles (India) Limited ('the Company'), for the year ended 31 March 2016, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period 01 April 2015 to 30 November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 as referred to in regulation 15(2) of the Listing Regulations for the period 01 December 2015 to 31 March 2016.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations subject to non-compliance with regulation 46(2)(e) of Listing Regulations, which requires the Whistleblower's policy to be hosted on the Company's website.

We state that no Investor Grievance is pending for a period exceeding one month as at 31 March 2016, 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)

Bengaluru  
03 August 2016

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

**CHIEF EXECUTIVE OFFICER (CEO) AND  
CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE**  
(As per Clause 49 of the Listing Agreement)

We certify that:

1. We have reviewed the financial statements and cash flow statement of Mac Charles (India) Limited for the financial year ended 31st March 2016 and to the best of our knowledge and belief;
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are, no transactions entered into by the Company during the financial year ended 31st March 2016, which are fraudulent, illegal or violating the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls over financial reporting and we have evaluated the effectiveness of Internal Control Systems of the Company over financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
4. We have indicated to the auditors and the audit committee:
  - (i) significant changes / improvements in internal controls over financial reporting during the financial year ended 31st March 2016
  - (ii) significant changes in accounting policies made during the financial year ended 31st March 2016, if any have been disclosed in the notes to the financial statements.
  - (iii) that there are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Bengaluru  
03 August, 2016

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

**Suresh K Badlaney**  
Manager (CEO)

## 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, 2015 to March, 2016. 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

The hospitality industry in India is showing a slow but steady revival in the sector. The change of government at the Centre has improved the business sentiment. However, it seems the part of the positive sentiment comes from discounted room rate. With competition becoming fierce, some top hotels are offering deep discounts at their F & B outlets to boost sales. Another factor that has led to discount is increase of external competition from standalone restaurants which is making hotels revisit pricing strategy. In Bengaluru several new restaurants have been mushroomed in the city and so, in order to offer a better value to customer, hotels are offering a better package of facilities. In this complex situation, hotels will have to focus on deriving revenue from all fronts-room, F&B, conference and events which will help in deriving higher profitability. This will help the hotel to derive high profitability. It is expected Indian leisure tourist to begin travelling in destination for reasons other than to visit friends or relatives and therefore to stay in more hotels. To prepare for the increase in Indian tourist, hotels have to provide safety & security and variety of things to do and see the overall image of the destination, good tourist facility and infrastructure. Given the current demand, supply dynamics, stable political situation and the likelihood of overall economic growth, the Indian hospitality sector is on the cusp of a much expected growth trajectory. As the airline fares to Bengaluru are comparably higher it is not likely to be on top of the leisure destinations favorites. The outlook for Bengaluru is further complicated by reason of an addition of minimum 450 keys by the end of the financial year 2015-16 which is a supply surplus far bigger than the expected growth of the market and will bring average rates more under pressure. Long term outlook with over 500 keys to be added in the coming 3 years does not foresee a change in this trend. It is therefore important that the existing hotels ensure that their product and services are utmost competitive.

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) estimates that the contribution of travel and tourism to the Indian GDP will be 7.7% in 2015. 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 2015-16. 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.

### OUT LOOK, OPPORTUNITIES, THREATS, RISKS & CONVERNS

Hotel industry in India has huge staff turnover, Rising staff & utility costs, staff retention & guests satisfaction are the major concerns of the hotel industry in India. There is a risk that the elements of Indian Hotel market may move into over supply at least in the short term. Delivering the brand experience consistently at a transparent price point will be vital to success. The benefit of loyalty program will continue to be a key differentiation for the consumer. Hotels have to realign their expenditure, optimize opportunal and efficiency and adopt flexible business model. They have to provide new facilities in the existing properties, stylish bars and other F & B outlets, free hotel-wide-Wifi connection to customers plus fitness areas besides offering discounts announcing happy hours and free wine testing events to leisure travelers. Despite all these profitability will continue to remain a concern with high operational and debt costs.

With a dynamic 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 FINANCIAL & OPERATIONAL PERFORMANCE

During the year under report, the global economic turmoil especially in the western countries and political turmoil in the Middle East have caused precedented 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 increased from Rs.7,177 lakhs to Rs.8,994 lakhs as compared to the previous year. The profit



before income tax has substantially increased from Rs.3580 lakhs to 5097 lakhs during the financial year. During the year under report, the hotel business is hit by the entry of new five star hotels in the city of Bengaluru 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, Bengaluru. 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 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.

#### **Development in Human Resources and industrial relations**

The Company believes that the quality of the employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skills, enabling them to keep pace with ongoing technological advancements and evolve. Hotel Le Meridien Bengaluru is known worldwide for its impeccable services – a reflection of careful employee selection, training and motivation. Employees are provided opportunity to grow and prosper. In the mean time all efforts are being made to control cost so as to maintain present level of profitability. We are also seeking opportunities in different markets and segments to continue diversify our revenue.

Industrial relations remained stable throughout the financial year 2015-16.

As on 31st March, 2016 the number of people employed by the Company was 365.

#### **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

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

### Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of MAC CHARLES (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone financial statements.

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

### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a Director in terms of section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating

effectiveness of such controls, refer to our separate report in ‘Annexure B’; and

g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements as referred to in note 34 to the Standalone financial statements.

(ii) The Company did not have any long term contract for which there was any material foreseeable loss.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. However, with regard to the disputed /subjudged dividends referred to in note 8.1, the dividend warrants thereof (demand drafts) are in custody of the company.

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

Bengaluru  
3rd August 2016

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

**ANNEXURE A TO THE AUDITORS’ REPORT**

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

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

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

- (ii) Physical verification of inventory has been conducted by the management at reasonable intervals. The discrepancies noticed on physical verification of stocks as compared to book records are not material and have been properly dealt with in the books of account.
- (iii) The Company has granted an unsecured loan to its wholly owned subsidiary covered in the register maintained under Section 189 of the Act.

- (a) Having regard to the fact that the loan is given to its wholly owned subsidiary, in our opinion, the terms and conditions of such loan are not prejudicial to the Company’s interest.
- (b) There is no stipulation regarding the schedule of repayment of principal and payment of interest.
- (c) Since there is no stipulation regarding repayment of principal and interest, paragraph 3(iii)(c) of the order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted deposits to which the directives issued by Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the Company.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year.
- (b) To the best of our knowledge and belief and according to the information and explanations given to us, details of

## MAC CHARLES (INDIA) LIMITED

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.

(viii) The Company does not have any loans or borrowings from any financial institution, bank, and government or debenture holders during the year. Accordingly paragraph 3(viii) of the order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly paragraph 3(ix) of the order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly paragraph 3(xii) of the order is not applicable.

(xiii) According to the information and explanations given to us, and based on our examination of the records of the Company, transaction with

the related parties are in compliance with section 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non cash transactions with directors or persons connected with him that fall within the purview of section 192 of the Companies Act 2013.

(xvi) The Company is not required to be register under section 45-IA of the Reserve Bank of India Act, 1934.

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

Bengaluru  
3rd August 2016

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

**ANNEXURE B TO THE AUDITORS' REPORT**

**Report on the Internal Financial Controls under Clause (1) of sub section 3 of Section 143 of the Companies Act, 2013 ('the Act').**

We have audited the internal financial controls over the financial reporting of MAC CHARLES (INDIA) LIMITED ("the Company"), as of 31 March 2016 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' responsibility**

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

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

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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Bengaluru  
3rd August 2016

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

# MAC CHARLES (INDIA) LIMITED

## BALANCE SHEET AS AT MARCH 31, 2016

	Note	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	13,10,37,270	13,10,37,270
Reserves and Surplus	3	2,43,71,76,861	2,26,08,41,500
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	11,26,60,924	7,19,34,345
Other Long Term Liabilities	5	8,63,23,032	8,93,78,203
Long Term Provisions	6	2,23,55,145	1,99,47,468
<b>Current Liabilities</b>			
Trade Payables	7	2,63,37,940	3,04,85,465
Other Current Liabilities	8	6,02,77,546	11,61,40,062
Short-Term Provisions	9	95,02,671	14,07,63,343
<b>Total</b>		<b>2,88,56,71,389</b>	<b>2,86,05,27,656</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		82,73,40,281	82,87,13,133
Capital work-in-progress		8,13,061	8,13,061
Non-current Investments	11	1,09,20,82,980	1,17,94,77,755
Long term loans and advances	12	12,45,32,273	18,72,72,419
<b>Current Assets</b>			
Current Investments	13	43,16,01,047	14,92,63,039
Inventories	14	1,25,27,371	1,19,28,988
Trade receivables	15	3,71,29,162	3,10,55,015
Cash and cash equivalents	16	4,61,80,650	5,24,63,044
Short-term loans and advances	17	29,76,20,555	38,71,15,883
Other current assets	18	1,58,44,009	3,24,25,319
<b>Total</b>		<b>2,88,56,71,389</b>	<b>2,86,05,27,656</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	2-38		

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)

Bengaluru  
3rd August 2016

**M.S. Reddy**  
Vice President Finance &  
Company Secretary

**Pranisha K Rao**  
Chief Financial Officer

Bengaluru  
3rd August 2016

On behalf of the Board

**C.B. Pardhanani**  
Chairman

**P.B. Appiah**  
Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

	Note	<b>For the year ended March 31, 2016 Rupees</b>	For the year ended March 31, 2015 Rupees
<b>REVENUE</b>			
Revenue from Operations	19	<b>55,78,78,193</b>	45,84,41,016
Other Income	20	<b>34,15,35,940</b>	25,92,28,068
<b>Total Revenue</b>		<b><u>89,94,14,133</u></b>	<u>71,76,69,084</u>
<b>EXPENSES</b>			
Cost of Provisions, Food and Beverages consumed	21	<b>6,93,24,131</b>	6,02,26,237
Employee Benefits Expenses	22	<b>11,46,92,776</b>	10,65,40,346
Maintenance, Upkeep and Services	23	<b>6,75,24,844</b>	6,63,84,461
Financial Costs	24	<b>5,92,154</b>	8,12,102
Depreciation and Amortization Expense	10	<b>3,47,25,010</b>	2,83,44,387
Other Expenses	25	<b>10,28,12,099</b>	9,73,58,476
<b>Total Expenses</b>		<b><u>38,96,71,014</u></b>	<u>35,96,66,009</u>
<b>PROFIT BEFORE TAX</b>		<b><u>50,97,43,119</u></b>	<u>35,80,03,075</u>
<b>Tax Expenses</b>			
- Current tax		<b>13,50,00,000</b>	7,80,00,000
- Deferred tax		<b>4,07,26,579</b>	2,98,84,414
<b>NET PROFIT FOR THE YEAR</b>		<b><u>33,40,16,540</u></b>	<u>25,01,18,661</u>
Earnings per equity share:			
Basic & Diluted ( <i>Face Value of Rs. 10/- each</i> )	37	<b>25.50</b>	19.09
<b>Significant accounting policies</b>	1		
<b>Notes to financial statements</b>	2-38		

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*)

Bengaluru  
3rd August 2016

**M.S. Reddy**  
Vice President Finance &  
Company Secretary

**Pranisha K Rao**  
Chief Financial Officer

Bengaluru  
3rd August 2016

On behalf of the Board

**C.B. Pardhanani**  
Chairman

**P.B. Appiah**  
Director

# MAC CHARLES (INDIA) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per Statement of Profit and Loss	50,97,43,119	35,80,03,075
Adjustment for :		
Depreciation	3,47,25,010	2,83,44,387
Profit on sale of fixed assets	(1,42,42,089)	(1,96,50,313)
Loss/(Profit) on sale of investments	(3,34,58,075)	(2,35,68,867)
Provision for diminution in value of investments (written back)/provided	30,60,841	(15,53,812)
Dividend received	(50,51,450)	(12,02,139)
Interest Paid	1,96,532	5,07,299
Interest received	(15,96,14,672)	(9,09,80,633)
Rent received	(11,96,07,090)	(11,68,40,412)
<b>Operating profit before working capital changes</b>	<b>21,57,52,126</b>	<b>13,30,58,585</b>
Adjustment for :		
Trade and other receivables	(2,07,81,813)	9,17,13,031
Inventories	(5,98,383)	(19,47,216)
Trade and other payables	(5,99,48,979)	5,98,85,488
Cash generated from operations	13,44,22,951	28,27,09,888
Direct Taxes (paid) / refund	(13,58,28,076)	(10,52,06,276)
<b>Net cash (used in) / from operating activities</b>	<b>(14,05,125)</b>	<b>17,75,03,612</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Received from subsidiary/(loan given to subsidiary)	34,97,750	23,95,945
Loan (given to)/ repayment from other companies	8,90,00,000	3,75,00,000
Loan (given to)/repayment from others	76,76,441	(5,00,00,000)
Purchase of Fixed Assets	(24,06,392)	(25,02,81,752)
Sale of Fixed Assets	2,30,08,083	2,53,85,834
Investment in immovable property	2,07,93,636	-
Purchase of investments	(1,20,02,32,956)	(73,61,83,230)
Sale of investments	1,05,85,31,831	69,74,93,288
Interest received	15,96,14,672	9,09,80,633
Rent received	11,96,07,090	11,68,40,412
Dividend received	50,51,450	12,02,139
<b>Net cash (used in) / from investing activities</b>	<b>28,41,41,605</b>	<b>(6,46,66,731)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid including Corporate Dividend Tax	(28,88,22,342)	(9,69,21,213)
Interest paid	(1,96,532)	(5,07,299)
Increase / (decrease) in cash credit	-	(1,24,68,214)
<b>Net cash (used in)/ from financing activities</b>	<b>(28,90,18,874)</b>	<b>(10,98,96,726)</b>
Net increase in cash and cash equivalent	<b>(62,82,394)</b>	<b>29,40,155</b>
Cash and cash equivalents at beginning of the period	<b>5,24,63,044</b>	<b>4,95,22,889</b>
Cash and cash equivalents at end of the period	<b>4,61,80,650</b>	<b>5,24,63,044</b>

Footnote :

Cash and cash equivalents balances include Rs.3,35,39,278/- (Rs.3,89,16,507/-) 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)

**Pranisha K Rao**  
Chief Financial Officer

**P.B. Appiah**  
Director

Bengaluru  
3rd August 2016

Bengaluru  
3rd August 2016



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**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 based on useful life of the assets as specified in Schedule II to the Companies Act, 2013.

**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 amortize 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 un-availed 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, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>2. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>20,00,00,000</b>	20,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,31,01,052 (1,31,01,052) Equity Shares of Rs.10/- each	<b>13,10,10,520</b>	13,10,10,520
<i>Add</i> : Forfeited Shares	<b>26,750</b>	26,750
<b>Total</b>	<b>13,10,37,270</b>	13,10,37,270
<b>2.1 Reconciliation of number of shares</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Particulars</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares outstanding at the beginning of the year	<b>1,31,01,052</b>	1,31,01,052
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<b>1,31,01,052</b>	1,31,01,052
<b>2.2 Details of shareholders holding more than 5% of shares</b>		
	Name of the Shareholder	No. of Shares held %
	Mr. C.B.Pardhanani	96,16,952 73.41
<b>2.3</b>	The issued, subscribed and paid up capital includes 65,50,526 shares allotted as bonus shares (by capitalisation of Securities Premium and General Reserve) during the financial year 2011-12.	
<b>3. RESERVES AND SURPLUS</b>		
<b>a) General Reserve</b>		
Opening Balance	<b>2,06,47,72,985</b>	1,96,47,72,985
<i>Add</i> : Current Year Transfer	<b>10,00,00,000</b>	10,00,00,000
Closing Balance	<b>2,16,47,72,985</b>	2,06,47,72,985
<b>b) Surplus</b>		
Opening balance	<b>19,60,68,515</b>	17,17,15,494
<i>Add</i> : Net Profit/(Net Loss) For the current year	<b>33,40,16,540</b>	25,01,18,661
<i>Less</i> : Adjustment relating to fixed assets	-	1706
<i>Less</i> : Transfer to Reserves	<b>10,00,00,000</b>	10,00,00,000
<i>Less</i> : Proposed Dividends	-	10,48,08,417
<i>Less</i> : Interim Dividend	<b>13,10,10,520</b>	-
<i>Less</i> : Corporate Dividend Tax	<b>2,66,70,659</b>	2,09,55,517
Closing Balance	<b>27,24,03,876</b>	19,60,68,515
<b>Total</b>	<b>2,43,71,76,861</b>	2,26,08,41,500
<b>4. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liability:</b>		
Accumulated Depreciation	<b>11,40,71,003</b>	7,38,69,120
<b>Less: Deferred Tax Assets:</b>		
Accrued expenses deductible on payment	<b>14,10,079</b>	19,34,775
<b>Total</b>	<b>11,26,60,924</b>	7,19,34,345

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>5. OTHER LONG TERM LIABILITIES</b>		
a) Rental Deposits received :		
Diamond District	-	4,00,000
Reliance JIO	3,00,000	-
Vodafone Essar South Ltd	3,00,000	3,00,000
Bharti Airtel Ltd	1,00,000	1,00,000
L G Soft India Pvt Ltd	3,99,50,540	3,99,50,540
Inmobi Technology Services Pvt Ltd	4,26,53,952	4,26,53,952
b) Others	30,18,540	59,73,711
<b>Total</b>	<b>8,63,23,032</b>	<b>8,93,78,203</b>
<b>6. LONG TERM PROVISIONS</b>		
a) Provision for employee benefits:		
Provision for leave encashment	55,08,471	49,54,052
b) Others:		
Income tax	1,21,22,411	91,69,153
Provision for donations	47,24,263	58,24,263
<b>Total</b>	<b>2,23,55,145</b>	<b>1,99,47,468</b>
<b>7. TRADE PAYABLES</b>		
a) Dues to Micro and Small Enterprises	-	-
b) Others	2,63,37,940	3,04,85,465
<b>Total</b>	<b>2,63,37,940</b>	<b>3,04,85,465</b>
Footnote :		
<b>7.1.</b> 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.		
<b>8. OTHER CURRENT LIABILITES</b>		
a) Statutory remittances	60,14,301	81,85,825
b) Unclaimed / Subjudiced dividend	3,35,39,278	3,89,16,507
c) Due to Directors	32,99,450	90,90,961
d) Advance from Customers	81,49,634	1,01,34,135
e) Payables for capital assets	-	3,99,82,362
f) Others	92,74,883	98,30,272
<b>Total</b>	<b>6,02,77,546</b>	<b>11,61,40,062</b>
Footnote :		
<b>8.1.</b> In respect of unclaimed dividends of Rs.69,37,200/- in excess of the amount reflected in the books of account beyond a period of 7 years (pertaining to Financial Years 2002-03 to 2006-07) which are subject to litigation in court and are therefore subjudice, the Company is holding the dividend warrants (demand drafts) in its custody. The same shall be disbursed in accordance with the outcome of court decisions.		
<b>9. SHORT TERM PROVISIONS</b>		
Provision For Employees Benefit		
a) Salaries & Wages payable	18,59,135	47,38,103
b) Bonus payable	23,33,510	7,38,134
c) Ex gratia payable	1,22,761	3,32,858
Others		
a) Proposed Dividend	-	10,48,08,417
b) Corporate Dividend Tax	-	2,09,55,517
c) Provision for Income Tax	-	29,53,257
d) Other provisions	51,87,265	62,37,057
<b>Total</b>	<b>95,02,671</b>	<b>14,07,63,343</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 10. FIXED ASSETS

(Amount in Rupees)

	DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		As at 01/04/2015	Additions	Deductions	Total	Upto 01/04/2015	For the year	Deductions	Upto 31/03/2016	As at 31/03/2016	As at 31/03/2015
<b>I</b>	<b>TANGIBLEASSETS</b>										
	Land	33,89,26,255	-	-	33,89,26,255	-	-	-	-	33,89,26,255	33,89,26,255
	Buildings	16,63,06,754	3,97,11,760	1,13,22,471	19,46,96,043	13,24,07,566	9,07,672	25,56,477	13,07,58,761	6,39,37,282	3,38,99,188
	Plant & Machinery	74,88,81,809	16,63,507	-	75,05,45,316	33,20,94,458	2,51,68,603	-	35,72,63,061	39,32,82,255	41,67,87,351
	Furniture,Fixtures & Interiors	9,31,81,590	5,50,000	-	9,37,31,590	6,17,79,774	68,80,096	-	6,86,59,870	2,50,71,720	3,14,01,816
	Vehicles	1,75,51,850	-	9,93,604	1,65,58,246	1,45,57,426	5,88,676	9,93,604	1,41,52,498	24,05,748	29,94,424
	Office Equipment	11,77,080	59,673	-	12,36,753	8,33,236	37,254	-	8,70,490	3,66,263	3,43,844
	Sanitary Fittings	1,59,57,826	-	-	1,59,57,826	1,39,28,060	2,95,474	-	1,42,23,534	17,34,292	20,29,766
	Computers	1,12,98,063	1,33,212	-	1,14,31,275	89,67,574	8,47,235	-	98,14,809	16,16,466	23,30,489
	<b>TOTAL</b>	1,39,32,81,227	4,21,18,152	1,23,16,075	1,42,30,83,304	56,45,68,094	3,47,25,010	35,50,081	59,57,43,023	82,73,40,281	82,87,13,133
	<b>PREVIOUS YEAR</b>	1,15,46,58,272	25,02,81,752	1,16,58,797	1,39,32,81,227	54,21,45,277	2,83,44,387	59,23,276	56,45,68,094	82,87,13,133	61,25,12,995
<b>II</b>	<b>CAPITALWORK-IN-PROGRESS</b>										
	Hotel Project at Cochin	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	<b>TOTAL</b>	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	<b>PREVIOUS YEAR</b>	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061

10.1 Additions to Building for Rs.3,97,11,760/- represents 10 apartments purchased from Purvankara Projects Ltd. Execution of sale deeds and registration of properties in favour of the company is yet to be done. However these are capitalised based on the possession being given vide letters dated 20 August 2015 and 16 October 2015 and agreement to sell.

### 11. NON-CURRENT INVESTMENTS

(In Rupees)

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2016	As at March 31, 2015
<b>Non Trade - Investment in immovable properties</b>				
	Block A, ALPHA Embassy Tech Square, Sarjapur-Marthalli Outerring Road		37,26,68,324	37,26,68,324
	Block B, DELTA Embassy Tech Square, Sarjapur-Marthalli Outerring Road		56,34,59,051	56,34,59,051
<b>Trade - Investment in Subsidiary</b>				
29988 (29988)	Airport Golf View Hotels and Suites Private Limited	1000/-	7,45,00,000	7,45,00,000
<b>Non Trade - In Equity Shares - Unquoted, fully paid up</b>				
600 (600)	Electrex (India) Ltd.	10/-	25,040	25,040
380 (380)	Silverline Technologies Ltd.	10/-	14,01,191	14,01,191
<b>Non Trade - In Portfolio Management Services</b>				
	Reliance Capital Asset Management		4,40,36,871	12,00,80,693
<b>Non Trade - In Real Estate Venture Capital Fund</b>				
69.478 (69.478)	Kotak Real Estate Fund	1 Lakh	69,47,765	69,47,765
135790 (199802)	Pru.ICICI India Advantage Fund-III	100/-	1,35,79,000	1,99,80,200
<b>Non Trade - In Equity Shares-Quoted, fully paid up</b>				
(—) (5010)	Reliance Industries	10/-	—	45,06,743
13594 (13594)	Sobha Developers	10/-	46,18,356	46,18,356
10000 (10000)	Global Offshore	10/-	81,06,741	81,06,741

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**11. NON-CURRENT INVESTMENTS (Contd...)**

*(In Rupees)*

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2016	As at March 31, 2015
22699 (22699)	Purvankara Projects	5/-	31,83,651	31,83,651
4000 (—)	Cipla Limited	2/-	26,17,831	—
(—) (2500)	HCL Technologies	10/-	—	—
(—) (6000)	Infosys	10/-	—	—
<b>Total Non-Current Investments</b>			<b>1,09,51,43,821</b>	1,17,94,77,755
<i>Less : Provision for diminution in value of Investments</i>			<b>(30,60,841)</b>	—
			<b>1,09,20,82,980</b>	1,17,94,77,755

Footnote :

Investment in Properties is **Rs.93,61,27,375/-** (Rs.93,61,27,375/-)

Aggregate amount of Company's Quoted Investment is **Rs.1,85,26,579/-** (Rs.2,04,15,491/-)

Total Market Value of Quoted Investments as on 31 March 2016 is **Rs.86,51,584/-** (Rs.3,31,00,387/-)

Aggregate amount of Company's Unquoted Investments is **Rs.14,04,89,867/-** (Rs.22,29,34,889/-)

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>12. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
a) Capital Advances	9,70,31,516	15,75,36,912
b) Security Deposit	96,56,704	83,93,704
c) Loans & Advances to related parties:		
Loans to Subsidiary Company-Being a private limited company in which Directors of the company are Directors	1,33,74,994	1,68,72,744
d) Other loans and advances	44,69,059	44,69,059
<b>Total</b>	<b>12,45,32,273</b>	<b>18,72,72,419</b>
<b>13. CURRENT INVESTMENTS</b>		
Non Trade - In Mutual Fund - Unquoted, fully paid up		
Deutsche Asset Management		
Ultra Short bond Fund - Direct Plan- Gr. of Rs.10/- each		
	43,16,01,047	14,92,63,039
<b>Total</b>	<b>43,16,01,047</b>	<b>14,92,63,039</b>
Footnote :		
Aggregate amount of Company's unquoted investments is Rs.43,16,01,047/-(Rs.14,92,63,039/-)		
<b>14. INVENTORIES</b>		
a) Provisions, food supplies and beverages	1,06,71,281	1,00,04,363
b) Other stores and operational supplies	18,56,090	19,24,625
<b>Total</b>	<b>1,25,27,371</b>	<b>1,19,28,988</b>
<b>15. TRADE RECEIVABLES</b>		
<b>Unsecured, Considered Good</b>		
a) Outstanding for more than six months	4,45,972	1,05,457
b) Others	3,66,83,190	3,09,49,558
<b>Total</b>	<b>3,71,29,162</b>	<b>3,10,55,015</b>
<b>16. CASH AND CASH EQUIVALENTS</b>		
a) <b>Balance with banks</b>		
On Current Account*	4,43,71,561	5,03,61,336
On Fixed Deposit account**	10,00,000	10,00,000
b) <b>Cash-on-Hand</b>		
Cash Balance	8,09,089	11,01,708
<b>Total</b>	<b>4,61,80,650</b>	<b>5,24,63,044</b>
Footnote :		
*Includes Unclaimed / Subjudiced Dividend of Rs.3,35,39,278/- (Rs.3,89,16,507/-)		
** Comprises of deposit with maturity of more than 12 months		
<b>17. SHORT TERMS LOANS AND ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
Other than related parties		
a) Inter Corporate Loan/Deposits	24,35,00,000	33,25,00,000
b) Other Advances	5,41,20,555	5,46,15,883
<b>Total</b>	<b>29,76,20,555</b>	<b>38,71,15,883</b>
<b>18. OTHER CURRENT ASSETS</b>		
<b>Others</b>		
a) Prepaid Expenses	37,82,321	30,89,459
b) Other receivables	1,12,33,621	2,93,35,860
c) Advance Tax	8,28,067	-
<b>Total</b>	<b>1,58,44,009</b>	<b>3,24,25,319</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>19. REVENUE FROM OPERATIONS</b>		
Income from Sale of Services	53,36,21,067	43,51,49,226
Less: Excise Duty	<u>1,05,826</u>	<u>81,222</u>
	53,35,15,241	43,50,68,004
Other operating revenues	<u>2,43,62,952</u>	<u>2,33,73,012</u>
<b>Total</b>	<b><u>55,78,78,193</u></b>	<b><u>45,84,41,016</u></b>
Footnote :		
<b>19.1 Particulars of Income from Sale of Services</b>		
Sales Rooms	25,36,00,527	21,98,83,381
Food, Beverages and Banquets	21,98,41,244	17,47,15,842
Sale of Electricity	<u>6,00,73,470</u>	<u>4,04,68,781</u>
<b>Total</b>	<b><u>53,35,15,241</u></b>	<b><u>43,50,68,004</u></b>
<b>20. OTHER INCOME</b>		
Interest received	15,96,14,672	9,09,80,633
Income Rent	11,96,07,090	11,68,40,412
Income Licence Fees	46,32,139	45,41,895
Dividend Income	50,51,450	12,02,139
Profit on sale of Fixed Assets	1,42,42,089	1,96,50,313
Profit/(loss) on sale of investments - Short term	2,69,25,569	(2,90,771)
- Long term	65,32,506	2,38,59,639
Provision for diminution in value of investments written back/(provided)	(30,60,841)	15,53,812
Liabilities Written back	78,40,043	2,42,663
Provision no longer required written back	-	6,47,333
Foreign Currency Fluctuations	1,51,223	-
<b>Total</b>	<b><u>34,15,35,940</u></b>	<b><u>25,92,28,068</u></b>
<b>21. COST OF CONSUMPTION OF PROVISIONS, FOOD AND BEVERAGES CONSUMED</b>		
Opening stock	1,00,04,363	81,07,545
Add: Purchase of provisions, food and beverages	6,99,91,050	6,21,23,055
Less: Closing stock	<u>1,06,71,282</u>	<u>1,00,04,363</u>
<b>Total</b>	<b><u>6,93,24,131</u></b>	<b><u>6,02,26,237</u></b>
<b>22. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages and Bonus	9,64,65,625	8,96,31,852
Contribution to provident and other funds	99,10,417	91,97,343
Staff welfare	<u>83,16,734</u>	<u>77,11,151</u>
<b>Total</b>	<b><u>11,46,92,776</u></b>	<b><u>10,65,40,346</u></b>
Footnote :		
<b>22.1</b> As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:		
<b>Defined Contribution Plan</b>		
Contribution to Defined Contribution Plan, recognized as expense for the year are as under:		
Employer's Contribution to Provident Fund	65,55,759	61,86,236
<b>Defined Benefit Plan</b>		
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 an 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, 2016

	<i>(in Rupees)</i>			
	Gratuity 2015-16	Gratuity 2014-15	Leave Encashment 2015-16	Leave Encashment 2014-15
<b>I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation</b>				
Defined Benefit obligation at beginning of the year	1,68,19,100	1,54,91,539	49,54,052	50,31,101
Current service cost	21,07,415	17,54,063	10,65,328	8,10,653
Interest cost	11,99,508	11,83,697	3,48,864	3,43,836
Actuarial (gain)/loss	13,40,181	(2,19,547)	3,26,730	2,34,765
Benefits paid	(36,50,497)	(13,90,652)	(11,86,503)	(14,66,303)
Defined Benefit obligation at the end of the year	1,78,15,707	1,68,19,100	55,08,471	49,54,052
<b>II. Reconciliation of Opening and Closing Balances of fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year	2,20,03,126	2,04,83,789		
Expected return on plan assets	16,70,686	16,26,722		
Actuarial gain/(loss)	(19,289)	1,92,136		
Employer contributions	14,11,397	10,91,131		
Benefits paid	(36,50,497)	(13,90,652)		
Fair value of plan assets at the end of the year	2,14,15,423	2,20,03,126		
Actual return on plan assets	16,51,397	18,18,858		
<b>III. Reconciliation of fair value of assets and present value of obligation</b>				
Fair value of plan assets	2,14,15,423	2,20,03,126	-	-
Present value of obligation	1,78,15,707	1,68,19,100	55,08,471	49,54,052
Amount recognized in Balance Sheet	-	-	55,08,471	49,54,052
<b>IV. The amounts recognized in the Statement of Profit and Loss are as follows</b>				
Current service Cost	-	-	10,65,328	8,10,653
Interest Cost	-	-	3,48,864	3,43,836
Expected return on plan assets	-	-	-	-
Actuarial (Gain)/loss	-	-	3,26,730	2,34,765
Contribution	15,24,175	11,85,524	-	-
Net Cost	15,24,175	11,85,524	17,40,922	13,89,254
<b>V. Composition of Plan Assets</b>				
Insurance managed funds	2,14,15,423 (100%)	2,20,03,126 (100%)	-	-
<b>VI. Actuarial Assumptions</b>				
Interest rate	8.00%	8.00%	8.00%	8.00%
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan Assets (per annum)	8.00%	8.00%	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%
Attrition rate	5.00%	5.00%	5.00%	5.00%
Retirement age	58	58	58	58



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>23. MAINTENANCE, UPKEEP AND SERVICES</b>		
Guest Accomodation Board and Kitchen	94,37,154	86,12,955
Linen, Uniforms and Laundry	1,29,42,643	98,62,234
Repairs and Maintenance of:		
i) Building	1,24,32,037	1,06,50,636
ii) Plant and Machinery	1,58,70,227	1,57,64,951
iii) Interiors, Furniture, Furnishings and others	66,38,358	1,36,00,492
House-keeping Expenses	48,26,565	32,11,966
Music, Entertainment & Banquet Expenses	53,77,860	46,81,227
<b>Total</b>	<b>6,75,24,844</b>	<b>6,63,84,461</b>
<b>24. FINANCIAL COSTS</b>		
Interest on Cash Credit	1,96,532	5,07,299
Other borrowing costs	3,95,622	3,04,803
<b>Total</b>	<b>5,92,154</b>	<b>8,12,102</b>
<b>25. OTHER EXPENSES</b>		
Power & fuel	1,26,18,603	1,44,43,693
Water charges	57,21,491	34,65,150
Commission on sales	49,95,081	35,83,360
Postage, Telex & Telephones	41,19,426	32,54,439
Printing & Stationery	25,94,604	22,83,471
Sales Promotional Expenses	22,31,875	31,32,132
Administrative & General Expenses	86,89,222	80,71,926
Travel & Conveyance	40,12,630	38,80,849
Rent	14,65,438	2,96,930
Rates & Taxes	1,34,57,577	1,26,75,386
Insurance	9,11,459	10,38,682
Royalty	1,16,04,073	94,81,712
Foreign Currency Fluctuations	-	3,51,926
Freight and Transport	2,18,706	37,474
Professional and Consultancy Fees	2,08,68,724	1,50,73,296
Miscellaneous Expenses	3,68,109	3,81,379
Payment to Auditors	6,63,657	6,37,618
Director's Sitting Fees	3,40,000	3,80,000
Commission to Chairman and Managing Director	47,51,424	1,31,89,053
Provision for Donations	31,80,000	17,00,000
<b>Total</b>	<b>10,28,12,099</b>	<b>9,73,58,476</b>
Footnote :		
<b>25.1 Payment to Auditors</b>		
Audit Fee	3,90,102	3,44,945
Tax Audit Fee	98,040	87,641
Other Services	1,54,340	1,84,590
Reimbursement of Expenses	21,175	20,442
<b>Total</b>	<b>6,63,657</b>	<b>6,37,618</b>
<b>26.</b> Estimated amount of contract remaining to be executed on capital account not provided for Nil (Nil).		
<b>27.</b> Confirmation of balances has not been received from parties covered under Trade Receivables and Trade Payables.		

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>28. Prior period items debited/ credited to Statement of Profit and Loss:</b>		
<b>Prior period expenses:</b>		
R & M Security Equipment	-	1,66,278
S & C Kitchen Equipment	9,832	-
R & M Building	5,46,726	-
Vehicle Maintenance	2,285	-
<b>Managerial Remuneration to the 'Chairman' and 'Managing Director'</b>		
Remuneration to the Managing Director	-	56,02,483
Commission to the Managing Director	-	98,91,790
Commission to the Chairman	47,51,424	32,97,263
<b>29. Earnings in Foreign Exchange</b>	<b>13,33,87,469</b>	13,65,20,346
<b>30. Expenditure in Foreign Currency</b>		
Royalty	1,16,04,073	94,81,712
Sales Promotion and General Expenses	91,57,500	86,04,537
Agents Commission for Room Bookings	58,658	1,15,056
<b>31. CIF Value of Imports</b>		
Stores, Components and Spare Parts	18,71,648	39,245
Capital Goods	-	-
<b>32. Information as per Order No.46/22/98 CL III Dated 24 February 1998, issued by the Ministry of Finance, Department of Company Affairs:</b>		
a) Income from		
i. Wines and Liquor	1,63,01,909	1,77,24,239
ii. Telephone and Telex	8,56,165	22,50,293
b) Consumption of		
i. Provision, Beverages (excluding Wine and Liquor)	5,53,22,233	5,33,66,357
ii. Wine and Liquor	1,40,01,898	68,59,879
<b>33. Dividends remitted in Foreign Currency to Non Resident Shareholder 17,59,85,136/- (Rs.9,60,000/-).</b>		
Number of Non Resident Shareholder	Number of Shares held by them on which Dividends remitted	
2 (1)	97,76,952 (1,60,000)	
<b>34. Contingent Liabilities</b>		
<b>Disputed Income Tax Liability against which Appeals are pending</b>		
Assessment Year 1997-98	9,55,691	9,55,691
Assessment Year 2010-11	10,34,668	10,34,668
<b>35. RELATED PARTY DISCLOSURE</b>		
<b>(A) Related Parties and their Relationships</b>		
(I) <b>Subsidiary</b>		
Airport Golf View Hotels & Suites Private Limited		
(II) <b>Others</b>		
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 a 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 a 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 a Director of the Company is a Director and shareholder..	

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

## 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 31.3.2016 (Rs.)	Payable (P) OR Receivable (R)
Kapi Investment Ink Limited	Overseas Body Corporate	Dividend	28,80,000 (9,60,000)	Nil (Nil)	Nil (Nil)
Airport Golf View Hotels & Suites Private Limited.	Subsidiary	Loans(Given)/ repayment	34,97,750 (23,95,945)	<b>1,33,74,994</b> <b>(1,68,72,744)</b>	(R) (R)
Mr.C.B.Pardhanani	Chairman	Commission based on profit	47,51,424 (32,97,263)	<b>31,07,051</b> <b>(23,99,576)</b>	(P) (P)
		Dividend	17,31,05,136 (5,77,01,712)	Nil (Nil)	Nil (Nil)
		Sale of Electricity	18,24,000 (Nil)	<b>17,87,520</b> <b>(Nil)</b>	(R) (Nil)
Ms. S. C. Pardhanani	Director	Remuneration	Nil (56,02,483)	Nil (Nil)	Nil (Nil)
		Commission based on profit	Nil (98,91,790)	Nil <b>(66,91,385)</b>	(Nil) (P)
C Pardhanani's Education Trust	Trust in which Chairman of the Company is a trustee	Donation	16,00,000 (10,50,000)	Nil (Nil)	Nil (Nil)
Mr. M. B. Pardhanani	Related to Director	Dividend	21,67,200 (7,22,400)	<b>84,28,000</b> <b>(72,24,000)</b>	(P) (Under dispute and subjudice)
Mrs.Uma M. Pardhanani	Related to Director	Dividend	36,90,000 (12,30,000)	<b>1,43,50,000</b> <b>(1,23,00,000)</b>	(P) (Under dispute and subjudice)
Ms. Aarti M Pardhanani	Related to Director	Dividend	10,80,000 (3,60,000)	<b>42,00,000</b> <b>(36,00,000)</b>	(P) (Under dispute and subjudice)

## 36. Disclosure as per Accounting Standard 29 :

(In Rupees)

Srl. No.	Particulars	Balance as at 01.04.2015	Additional Provision made during the year	Provision Reversed/utilised during the year	Balance as at 31.03.2016
1.	Provision for Leave Encashment	49,54,052	17,40,922	11,86,503	<b>55,08,471</b>
2.	Proposed Dividend	10,48,08,417	-	10,48,08,417	-
3.	Corporate Dividend Tax	2,09,55,517	2,66,70,659	4,76,26,176	-

<b>March 31, 2016</b>	March 31, 2015
<b>Rupees</b>	Rupees

## 37. Earnings Per Share has been computed as under :

Net Profit	<b>33,40,16,540</b>	25,01,18,661
Weighted Average Number of Equity Shares Outstanding	<b>1,31,01,052</b>	1,31,01,052
Earnings Per Share in Rupees- Basic And Diluted (Face Value of Rs. 10/- each)	<b>25.50</b>	19.09

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

# MAC CHARLES (INDIA) LIMITED

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

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of MAC CHARLES (INDIA) LIMITED ('the Company') and its Subsidiary (the Company and its Subsidiary constitutes 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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 auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in the 'other matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2016 ;
- (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.

### Report on other Legal and Regulatory Requirements

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

Statement, dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement, comply with the Accounting Standards specified under section 133 of the Act; read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors of the Company as on March 31, 2016, and taken on record by the Board of Directors of the Company and the reports of the auditors who are appointed under section 139 of the Act of its Subsidiary Company, none of the directors of the Group is disqualified as on March 31, 2016, from being appointed as a Director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in the Annexure; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company and its Subsidiary has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note 36 to the financial statements.

b) The Company and its Subsidiary did not have any long term contract for which there was any material foreseeable loss.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. However, with regard to the disputed/subjudiced dividends referred to in note 10.1, the dividend warrants thereof (demand drafts) are in custody of the company.

### Other matters

We did not audit the financial statements of the Subsidiary, whose financial statements reflect Total Assets of Rs 3,88,40,924/- and Total Liabilities of Rs. 2,14,56,835/- as at 31st March 2016, Total Revenues of Rs 3,41,62,138/- and Total Expenditure of Rs. 3,00,83,726/- and Net cash outflow of Rs.43,93,756/- 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, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the reports of other auditor.

Our report is not qualified in respect of other matters.

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

Bengaluru  
3rd August 2016

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

## ANNEXURE TO THE AUDITOR'S REPORT

### **Report on the Internal Financial Controls under Clause (1) of sub section 3 of Section 143 of the Companies Act 2013 ('the act')**

We have audited the internal financial controls over the financial reporting of MAC CHARLES (INDIA) LIMITED ("the Holding Company"), as of 31 March 2016.

#### **Managements's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

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

A Company's internal financial controls over financial reporting is a process designed to provide the reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that :

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the Company ;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Holding Company has, in all material respects,

an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the guidance note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountant of India.

For **K. B. Nambiar & Associates**

Chartered Accountants

*(Firm Regn. No. 002313S)*

Bengaluru

3rd August 2016

**Raj Kumar K**

*Partner (M.No.208039)*

# MAC CHARLES (INDIA) LIMITED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Note	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	13,10,37,270	13,10,37,270
Reserves and Surplus	4	2,45,07,29,859	2,27,03,16,086
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	45,65,686	1,02,24,868
Deferred Tax Liabilities (Net)	6	11,26,60,924	7,19,34,345
Other Long Term Liabilities	7	8,64,93,033	8,94,28,203
Long Term Provisions	8	2,23,55,145	1,99,47,468
<b>Current Liabilities</b>			
Trade Payables	9	2,78,66,862	3,08,78,420
Other Current Liabilities	10	6,04,50,153	11,63,42,106
Short-Term Provisions	11	1,11,47,297	14,19,62,885
<b>Total</b>		<b>2,90,73,06,229</b>	<b>2,88,20,71,651</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	12		
Tangible Assets		85,99,73,244	86,08,68,808
Intangible Assets		7,19,39,681	7,19,39,681
Capital work-in-progress		8,13,061	8,13,061
Non-current investments	13	1,01,75,82,980	1,10,49,77,755
Long term loans and advances	14	11,24,38,784	17,13,62,920
<b>Current Assets</b>			
Current investments	15	43,16,01,047	14,92,63,039
Inventories	16	1,28,51,988	1,25,22,675
Trade receivables	17	3,83,86,312	3,26,62,064
Cash and Bank Balances	18	4,67,23,045	5,73,99,195
Short-term loans and advances	19	29,83,49,901	38,76,03,724
Other current assets	20	1,66,46,186	3,26,58,729
<b>Total</b>		<b>2,90,73,06,229</b>	<b>2,88,20,71,651</b>
<b>Significant Accounting Policies</b>	2		
<b>Notes to Financial Statements</b>	3-41		

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)

Bengaluru  
3rd August 2016

**M.S. Reddy**  
Vice President Finance &  
Company Secretary

**Pranisha K Rao**  
Chief Financial Officer

Bengaluru  
3rd August 2016

On behalf of the Board

**C.B. Pardhanani**  
Chairman

**P.B. Appiah**  
Director



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

	Note	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>REVENUE</b>			
Revenue from Operations	21	59,13,39,312	52,92,93,583
Other Income	22	34,22,36,959	25,96,41,333
<b>Total Revenue</b>		<b>93,35,76,271</b>	<b>78,89,34,916</b>
<b>EXPENSES</b>			
Cost of Provisions, Food and Beverages consumed	23	8,11,25,520	9,47,20,191
Employee Benefits Expenses	24	11,69,99,940	11,20,01,435
Maintenance, Upkeep and Services	25	7,01,08,846	6,96,81,354
Financial Costs	26	6,70,215	9,42,068
Depreciation and Amortization Expense	12	3,71,13,165	3,03,78,164
Other Expenses	27	11,35,20,439	11,39,67,747
<b>Total Expenses</b>		<b>41,95,38,125</b>	<b>42,16,90,959</b>
<b>Profit before tax</b>		<b>51,40,38,146</b>	<b>36,72,43,957</b>
<b>Tax Expenses:</b>			
- Current tax		13,52,16,615	7,80,49,890
- Deferred tax		4,07,26,579	2,98,84,414
<b>NET PROFIT FOR THE YEAR</b>		<b>33,80,94,952</b>	<b>25,93,09,653</b>
Earnings per equity share:			
Basic & Diluted ( <i>Face Value of Rs.10/- each</i> )	40	25.81	19.79
<b>Significant Accounting Policies</b>	2		
<b>Notes to Consolidated Financial Statements</b>	3-41		

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*)

Bengaluru  
3rd August 2016

**M.S. Reddy**  
Vice President Finance &  
Company Secretary

**Pranisha K Rao**  
Chief Financial Officer

Bengaluru  
3rd August 2016

On behalf of the Board

**C.B. Pardhanani**  
Chairman

**P.B. Appiah**  
Director

# MAC CHARLES (INDIA) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax as per Statement of Profit & Loss	51,40,38,146	36,72,43,957
Adjustment for :		
Depreciation	3,71,13,165	3,03,78,164
Profit on sale of fixed assets	(1,42,42,089)	(1,96,50,313)
Loss/(Profit) on sale of investments	(3,34,58,075)	(2,35,68,868)
Provision for diminution in value of investments created/(written back)	30,60,841	(15,53,812)
Dividend received	(50,51,450)	(12,02,139)
Interest Paid	1,96,532	5,07,299
Interest received	(15,96,79,428)	(9,11,42,092)
Rent received	(12,02,43,353)	(11,70,92,218)
<b>Operating profit before working capital changes</b>	<b>22,17,34,289</b>	<b>14,39,19,978</b>
Adjustment for :		
Trade and other receivables	(2,15,60,447)	9,29,89,932
Inventories	(3,29,312)	(5,02,585)
Trade and other payables	(6,47,64,612)	5,79,25,229
Cash generated from operations	<b>13,50,79,918</b>	<b>29,43,32,554</b>
Direct taxes (paid) / refund	<b>(13,52,16,615)</b>	<b>(10,52,67,476)</b>
<b>Net cash (used in) / from operating activities</b>	<b>(1,36,697)</b>	<b>18,90,65,078</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Loan (given to)/repayment from other companies	8,90,00,000	3,75,00,000
Loan (given to)/repayment from others	76,76,441	(5,00,00,000)
Purchase of fixed assets	(52,71,835)	(25,08,50,639)
Sale of Fixed Assets	2,30,08,083	2,53,85,834
Investment in immovable property	2,07,93,636	-
Purchase of investments	(1,20,02,32,966)	(73,61,83,230)
Sale of investments	1,05,85,31,831	69,74,93,289
Dividend received	50,51,450	12,02,139
Interest received	15,96,79,428	9,11,42,092
Rent received	12,02,43,353	11,70,92,218
<b>Net cash (used in) / from investing activities</b>	<b>27,84,79,421</b>	<b>(6,72,18,297)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid including Corporate Dividend Tax	(28,88,22,342)	(9,69,21,213)
Increase / (decrease) in cash credit	-	(1,24,68,214)
Increase/(decrease) in long term borrowings	-	(55,00,000)
Interest paid	(1,96,532)	(5,07,299)
<b>Net cash (used in) / from financing activities</b>	<b>(28,90,18,874)</b>	<b>(11,53,96,726)</b>
Net increase in cash and cash equivalents	<b>(1,06,76,150)</b>	<b>64,50,055</b>
Cash and cash equivalents at beginning of the period	<b>5,73,99,195</b>	<b>5,09,49,140</b>
Cash and cash equivalents at end of the period	<b>4,67,23,045</b>	<b>5,73,99,195</b>

Footnote :

Cash and cash equivalents balances include Rs.3,35,39,278/- (Rs.3,89,16,507/-) 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)

**Raj Kumar K**

Partner (M.No. 208039)

Bengaluru  
3rd August 2016

**M.S. Reddy**

Vice President Finance &  
Company Secretary

**Pranisha K Rao**

Chief Financial Officer

Bengaluru  
3rd August 2016

**C.B. Pardhanani**

Chairman

**P.B. Appiah**

Director

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**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 based on useful life of the assets as specified in Schedule II to the Companies Act, 2013.

**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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>3. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>20,00,00,000</b>	20,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,31,01,052 (1,31,01,052) Equity Shares of Rs.10/- each	<b>13,10,10,520</b>	13,10,10,520
<i>Add</i> : Forfeited Shares	<b>26,750</b>	26,750
<b>Total</b>	<b>13,10,37,270</b>	13,10,37,270
<b>3.1 Reconciliation of number of shares</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Particulars</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares outstanding at the beginning of the year	<b>1,31,01,052</b>	1,31,01,052
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<b>1,31,01,052</b>	1,31,01,052
<b>3.2 Details of shareholders holding more than 5% of shares</b>		
	Name of the Shareholder	No. of Shares held %
	Mr. C.B.Pardhanani	96,16,952 73.41
<b>3.3</b>	The issued, subscribed and paid up capital includes 65,50,526 shares allotted as bonus shares (by capitalisation of Securities Premium and General Reserve) during the financial year 2011-12.	
<b>4. RESERVES AND SURPLUS</b>		
<b>a) General Reserve</b>		
Opening Balance	<b>2,06,47,72,985</b>	1,96,47,72,985
<i>Add</i> : Current Year Transfer	<b>10,00,00,000</b>	10,00,00,000
Closing Balance	<b>2,16,47,72,985</b>	2,06,47,72,985
<b>b) Surplus</b>		
Opening balance	<b>20,55,43,101</b>	17,19,99,088
<i>Add</i> : Net Profit/(Net Loss) For the current year	<b>33,80,94,952</b>	25,93,09,653
<i>Less</i> : Adjustment relating to fixed assets	-	1,706
<i>Less</i> : Transfer to Reserves	<b>10,00,00,000</b>	10,00,00,000
<i>Less</i> : Interim Dividends	<b>13,10,10,520</b>	-
<i>Less</i> : Proposed Dividends	-	10,48,08,417
<i>Less</i> : Corporate Dividend Tax	<b>2,66,70,659</b>	2,09,55,517
Closing Balance	<b>28,59,56,874</b>	20,55,43,101
<b>Total</b>	<b>2,45,07,29,859</b>	2,27,03,16,086
<b>5. Long Term Borrowings</b>		
<b>Unsecured</b>		
From other than banks	<b>45,65,686</b>	1,02,24,868
<b>Total</b>	<b>45,65,686</b>	1,02,24,868

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>6. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liability</b>		
Accumulated Depreciation	11,40,71,003	7,38,69,120
<b>Less: Deferred Tax Assets:</b>		
Accrued expenses deductible on payment	14,10,079	19,34,775
<b>Total</b>	<b>11,26,60,924</b>	<b>7,19,34,345</b>
<b>7. OTHER LONG TERM LIABILITIES</b>		
a) Rental Deposits received :		
Diamond District	-	4,00,000
Vodafone Essar South Ltd	3,00,000	3,00,000
Bharti Airtel Ltd	1,00,000	1,00,000
L G Soft India Pvt Ltd	3,99,50,540	3,99,50,540
Inmobi Technology Services Pvt Ltd	4,26,53,952	4,26,53,952
Reliance JIO	3,00,000	-
b) Others	31,88,541	60,23,711
<b>Total</b>	<b>8,64,93,033</b>	<b>8,94,28,203</b>
<b>8. LONG TERM PROVISIONS</b>		
a) Provision for employee benefits		
Provision for leave encashment	55,08,471	49,54,052
b) Others		
Income tax	1,21,22,411	91,69,153
Provision for donations	47,24,263	58,24,263
<b>Total</b>	<b>2,23,55,145</b>	<b>1,99,47,468</b>
<b>9. TRADE PAYABLES</b>		
(a) Dues to Micro and Small Enterprises	-	-
(b) Others	2,78,66,862	3,08,78,420
<b>Total</b>	<b>2,78,66,862</b>	<b>3,08,78,420</b>
Foot Note:		
9.1 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.		
<b>10. OTHER CURRENT LIABILITIES</b>		
a) Statutory remittances	61,86,908	83,87,868
b) Unclaimed/subjudiced dividend	3,35,39,278	3,89,16,507
c) Due to Directors	32,99,450	90,90,961
d) Advance from customers	81,49,634	1,01,34,135
e) Payables for capital assets	-	3,99,82,362
f) Others	92,74,883	98,30,273
<b>Total</b>	<b>6,04,50,153</b>	<b>11,63,42,106</b>
Foot Note:		
10.1 In respect of unclaimed dividends of Rs.69,37,200/- in excess of the amount reflected in the books of account beyond a period of 7 years (pertaining to financials years 2002-03 to 2006-07) which are subject to litigation in court and are therefore subjudice, the company is holding the dividend warrants (demand drafts) in its custody. The same shall be disbursed in accordance with the outcome of court decisions.		

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>11. SHORT TERM PROVISIONS</b>		
<b>Provision For Employees Benefit</b>		
(a) Salaries & Wages Payable	19,80,141	48,31,760
(b) Bonus Payable	23,33,510	7,38,134
(c) Ex gratia Payable	1,22,761	3,32,858
<b>Others</b>		
(a) Proposed Dividend	-	10,48,08,417
(b) Corporate Dividend Tax	-	2,09,55,517
(c) Provision for Income Tax	2,66,505	30,03,147
(d) Other provisions	64,44,380	72,93,052
<b>Total</b>	<b>1,11,47,297</b>	<b>14,19,62,885</b>

## 12. FIXED ASSETS

(Amount in Rupees)

	DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		As at 01/04/2015	Additions	Deductions	Total	Upto 01/04/2015	For the year	Deductions	Upto 31/03/2016	As at 31/03/2016	As at 31/03/2015
<b>I</b>	<b>TANGIBLE ASSETS</b>										
	Land	34,23,24,776	-	-	34,23,24,776	-	-	-	-	34,23,24,776	34,23,24,776
	Buildings	20,76,37,009	4,03,01,296	1,13,22,471	23,66,15,834	14,75,50,633	21,97,343	25,56,477	14,71,91,499	8,94,24,335	6,00,86,376
	Plant & Machinery	75,69,78,861	28,58,284	-	75,98,37,145	33,80,06,906	2,56,92,581	-	36,36,99,487	39,61,37,658	41,89,71,955
	Furniture, Fixtures & Interiors	9,75,24,162	12,76,573	-	9,88,00,735	6,57,69,946	72,34,982	-	7,30,04,928	2,57,95,807	3,17,54,216
	Vehicles	1,75,51,851	-	9,93,604	1,65,58,247	1,45,57,426	5,88,676	9,93,604	1,41,52,498	24,05,749	29,94,425
	Office Equipment	11,77,080	59,673	-	12,36,753	8,33,236	37,254	-	8,70,490	3,66,263	3,43,844
	Sanitary Fittings	1,59,57,826	-	-	1,59,57,826	1,39,28,060	2,95,474	-	1,42,23,534	17,34,292	20,29,766
	Computers	1,17,22,523	3,61,769	-	1,20,84,292	93,59,073	9,87,273	-	1,03,46,346	17,37,946	23,63,450
	Software	-	1,26,000	-	1,26,000	-	79,582	-	79,582	46,418	-
<b>II</b>	<b>INTANGIBLE ASSETS</b>										
	Good will	7,19,39,681	-	-	7,19,39,681	-	-	-	-	7,19,39,681	7,19,39,681
	<b>TOTAL</b>	1,52,28,13,769	4,49,83,595	1,23,16,075	1,55,54,81,289	59,00,05,280	3,71,13,165	35,50,081	62,35,68,364	93,19,12,925	93,28,08,489
	<b>PREVIOUS YEAR</b>	1,28,36,21,927	25,08,50,639	1,16,58,797	1,52,28,13,769	56,55,48,686	3,03,78,164	59,23,276	59,00,05,280	93,28,08,489	71,80,73,241
<b>III</b>	<b>CAPITAL WORK-IN-PROGRESS</b>										
	Hotel Project at Cochin	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	<b>TOTAL</b>	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061

12.1 Additions to Building for Rs.3,97,11,760/- represents 10 apartments purchased from Purvankara Projects Ltd. Execution of sale deeds and registration of properties in favour of the Company is yet to be done. However these are capitalised based on the possession being given vide letters dated 20 August 2015 and 16 October 2015 and agreement to sell.

## 13. NON-CURRENT INVESTMENTS

(In Rupees)

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2016	As at March 31, 2015
<b>Non Trade - Investment in immovable properties</b>				
Block A, ALPHA	Embassy Tech Square, Sarjapur-Marthalli Outer Ring Road		37,26,68,324	37,26,68,324
Block B, DELTA	Embassy Tech Square, Sarjapur-Marthalli Outer Ring Road		56,34,59,051	56,34,59,051
<b>Non Trade-In Equity Shares-Unquoted, fully paid up</b>				
600 (600)	Electrex (India) Ltd.	10/-	25,040	25,040
380 (380)	Silverline Technologies Ltd.	10/-	14,01,191	14,01,191
<b>Non Trade-In Portfolio Management Services</b>				
	Reliance Capital Asset Management		4,40,36,871	12,00,80,693
<b>Non Trade-In Real Estate Venture Capital Fund</b>				
69.478 (69.478)	Kotak Real Estate Fund	1 Lakh	69,47,765	69,47,765
135790 (199802)	Pru. ICICI India Advantage Fund-III	100/-	1,35,79,000	1,99,80,200

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

(In Rupees)

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2016	As at March 31, 2015
<b>Non Trade-In Equity Shares-Quoted, Fully Paid Up</b>				
-	Reliance Industries (5010)	10/-	-	45,06,743
13594 (13594)	Sobha Developers	10/-	46,18,356	46,18,356
10000 (10000)	Global Offshore	10/-	81,06,741	81,06,741
22699 (22699)	Purvankara Projects	5/-	31,83,651	31,83,651
4000 (-)	Cipla Limited	2/-	26,17,831	-
- (2500)	HCL Technolgoies	10/-	-	-
- (6000)	Infosys	10/-	-	-
<b>Total Non- Current Investments</b>			1,02,06,43,821	1,10,49,77,755
<i>Less : Provision for dimunition in value of Investments</i>			30,60,841	-
			1,01,75,82,980	1,10,49,77,755

Footnote :

Investment in Properties is **Rs.93,61,27,375/-** (Rs.93,61,27,375/-)

Aggregate amount of Company's Quoted

Investments is **Rs.1,85,26,579/-** (Rs.2,04,15,491/-)

Total Market value of Quoted Investments

as on 31 March 2016 is **Rs.86,51,584/-** (Rs.3,31,00,387/-)

Aggregate amount of Company's Unquoted

Investments is **Rs.6,59,89,867/-** (Rs.14,84,34,889/-)

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>14. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
a) Capital Advances	9,70,31,516	15,75,36,912
b) Security Deposits	1,06,88,209	93,06,949
c) Other loans and advances	47,19,059	45,19,059
<b>Total</b>	<b>11,24,38,784</b>	<b>17,13,62,920</b>

15. CURRENT INVESTMENTS

Non Trade - In Mutual Fund - Unquoted, fully paid up

8946121.878 Deutsche Asset Management

[4514727.161] Ultra Short bond Fund - Direct Plan- Gr. of Rs.10/- each

**Total**

43,16,01,047	14,92,63,039
<b>43,16,01,047</b>	<b>14,92,63,039</b>

Footnote :

Aggregate amount of Company's unquoted investments is **Rs.43,16,01,047/-**(Rs.14,92,63,039/-).

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>16. INVENTORIES</b>		
a) Provisions, food supplies and beverages	1,09,95,898	1,05,98,050
b) Other stores and operational supplies	18,56,090	19,24,625
<b>Total</b>	<b>1,28,51,988</b>	<b>1,25,22,675</b>
<b>17. TRADE RECEIVABLES</b>		
<b>Unsecured, Considered Good</b>		
a) Outstanding for more than six months	4,45,972	1,05,457
b) Others	3,79,40,340	3,25,56,607
<b>Total</b>	<b>3,83,86,312</b>	<b>3,26,62,064</b>
<b>18. CASH AND CASH EQUIVALENTS</b>		
a) <b>Cash-in-Hand</b>		
Cash Balance	8,88,413	25,49,615
b) <b>Balance with banks</b>		
On Current Account*	4,48,34,632	5,38,49,580
On Fixed Deposit account**	10,00,000	10,00,000
<b>Total</b>	<b>4,67,23,045</b>	<b>5,73,99,195</b>
Footnote :		
*Includes Unclaimed/subjudiced Dividend of Rs. 3,35,39,278/- (Rs 3,89,16,507/-)		
** Comprises of deposit with maturity of more than 12 months		
<b>19. SHORT TERMS LOANS AND ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
Other than related parties		
a) Loan	24,35,00,000	33,25,00,000
b) Other Advances	5,48,49,901	5,51,03,724
<b>Total</b>	<b>29,83,49,901</b>	<b>38,76,03,724</b>
<b>20. OTHER CURRENT ASSETS</b>		
a) Advance Income Tax	8,28,067	-
b) Prepaid Expenses	45,84,498	33,22,869
c) Other receivables	1,12,33,621	2,93,35,860
<b>Total</b>	<b>1,66,46,186</b>	<b>3,26,58,729</b>
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>21. REVENUE FROM OPERATIONS</b>		
Income from Sale of Services	56,70,51,112	50,59,29,370
Less: Excise Duty	1,05,826	81,222
	<b>56,69,45,286</b>	<b>50,58,48,148</b>
Other operating revenues	2,43,94,026	2,34,45,435
<b>Total</b>	<b>59,13,39,312</b>	<b>52,92,93,583</b>
Footnote :		
<b>21.1</b> Sales Rooms	26,87,14,440	23,10,31,412
Food Beverages and Banquets	23,81,57,376	23,43,47,955
Sale of Electricity	6,00,73,470	4,04,68,781
<b>Total</b>	<b>56,69,45,286</b>	<b>50,58,48,148</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>22. OTHER INCOME</b>		
Interest received	15,96,79,428	9,11,42,092
Income Rent	12,02,43,353	11,70,92,218
Income Licence Fees	46,32,139	45,41,895
Dividend Income	50,51,450	12,02,139
Profit on sale of Fixed Assets	1,42,42,089	1,96,50,313
Profit/(loss) on sale of investments - Short term	2,69,25,569	(2,90,771)
- Long term	65,32,506	2,38,59,639
Provision for diminution in value of investments written back/(provided)	(30,60,841)	15,53,812
Liabilities Written Back	78,40,043	2,42,663
Provision no longer required	-	6,47,333
Foreign Currency Fluctuation	1,51,223	-
<b>Total</b>	<b>34,22,36,959</b>	<b>25,96,41,333</b>
<b>23. COST OF PROVISIONS, FOOD AND BEVERAGES CONSUMED</b>		
Opening stock	1,05,98,050	1,01,45,863
Add: Purchase of provisions, food and beverages	8,15,23,368	9,51,72,379
Less: Closing stock	1,09,95,898	1,05,98,051
<b>Total</b>	<b>8,11,25,520</b>	<b>9,47,20,191</b>
<b>24. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages and bonus	9,78,17,066	9,31,32,963
Contribution to provident and other funds	1,01,09,082	94,02,463
Staff welfare	90,73,792	94,66,009
<b>Total</b>	<b>11,69,99,940</b>	<b>11,20,01,435</b>

Footnote :

- 24.1** 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	67,01,100	63,37,087
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**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 2015-16	Gratuity 2014-15	Leave Encashment 2015-16	Leave Encashment 2014-15
<b>I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation</b>				
Defined Benefit obligation at the beginning of the year	1,68,19,100	1,54,91,539	49,54,052	50,31,101
Current service cost	21,07,415	17,54,063	10,65,328	8,10,653
Interest cost	11,99,508	11,83,697	3,48,864	3,43,836
Actuarial (gain)/loss	13,40,181	(2,19,547)	3,26,730	2,34,765
Benefits paid	(36,50,497)	(13,90,652)	(11,86,503)	(14,66,303)
Defined Benefit obligation at the end of the year	1,78,15,707	1,68,19,100	55,08,471	49,54,052

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(in Rupees)

	Gratuity 2015-16	Gratuity 2014-15	Leave Encashment 2015-16	Leave Encashment 2014-15
<b>II. Reconciliation of Opening and Closing Balances of fair value of plan assets</b>				
Fair value of plan assets at beginning of the year	2,20,03,126	2,04,83,789	-	-
Expected return on plan assets	16,70,686	16,26,722	-	-
Actuarial gain/(loss)	(19,289)	1,92,136	-	-
Employer contributions	14,11,397	10,91,131	-	-
Benefits paid	(36,50,497)	(13,90,652)	-	-
Fair value of plan assets at year end	2,14,15,423	2,20,03,126	-	-
Actual return on plan assets	16,51,397	18,18,858	-	-
<b>III. Reconciliation of fair value of assets and present value of obligation</b>				
Fair value of plan assets	2,14,15,423	2,20,03,126	-	-
Present value of obligation	1,78,15,707	1,68,19,100	55,08,471	49,54,052
Amount recognized in Balance Sheet	-	-	55,08,471	49,54,052
<b>IV. The amounts recognized in the Statement of Profit and Loss are as follows</b>				
Current service Cost	-	-	10,65,328	8,10,653
Interest Cost	-	-	3,48,864	3,43,836
Expected return on plan assets	-	-	-	-
Actuarial (gain)/loss	-	-	3,26,730	2,34,765
Contribution	15,24,175	11,85,524	-	-
Net Cost	15,24,175	11,85,524	17,40,922	13,89,254
	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Leave Encashment (Unfunded) 2015-16	Leave Encashment (Unfunded) 2014-15
<b>V. Composition of Plan Assets</b>				
Insurance managed funds	2,14,15,423 (100%)	2,20,03,126 (100%)	-	-
<b>VI. Actuarial Assumptions</b>				
Interest rate	8.00%	8.00%	8.00%	8.00%
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan Assets (per annum)	8.00%	8.00%	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%
Attrition rate	5.00%	5.00%	5.00%	5.00%
Retirement age	58	58	58	58
			<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
			<b>Rupees</b>	<b>Rupees</b>
<b>25. MAINTENANCE, UPKEEP AND SERVICES</b>				
Guest Accomodation Board and Kitchen			94,37,154	86,12,955
Linen, Uniforms and Laundry			1,29,42,643	98,62,234
Repairs and Maintenance of:				
i) Building			1,36,56,143	1,21,97,007
ii) Plant & Machinery			1,60,76,787	1,61,77,546
iii) Interiors, Furniture, Furnishings and others			71,16,087	1,42,85,492
House-keeping Expenses			53,61,232	36,81,383
Music, Entertainment and Banquet Expenses			55,18,800	48,64,737
<b>Total</b>			<b>7,01,08,846</b>	<b>6,96,81,354</b>
<b>26. FINANCIAL COST</b>				
Interest on Cash Credit			1,96,532	5,07,299
Interest Others			-	-
Other borrowing costs			4,73,683	4,34,769
<b>Total</b>			<b>6,70,215</b>	<b>9,42,068</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	<b>For the year ended March 31, 2016 Rupees</b>	For the year ended March 31, 2015 Rupees
<b>27. OTHER EXPENSES</b>		
Power & fuel	1,80,18,178	1,89,57,159
Water charges	57,21,491	34,65,150
Commission on sale & Travel agencies	49,95,081	35,83,360
Postage, Telex & Telephones	42,90,205	34,45,388
Printing & Stationery	27,54,600	24,83,202
Sales Promotional Expenses	28,55,076	36,52,261
Administrative & General Expenses	91,65,094	83,78,608
Travel & Conveyance	44,67,865	46,91,345
Rent	14,65,438	2,96,930
Rates & Taxes	1,52,24,962	2,06,74,386
Insurance	10,42,547	11,76,690
Royalty	1,16,04,073	94,81,712
Foreign Currency Fluctuations	-	3,51,926
Freight & Transport	2,18,706	37,474
Professional & Consultancy fees	2,15,42,465	1,55,15,023
Miscellaneous Expenses	10,58,077	16,73,462
Payment to Auditors	8,25,157	8,34,618
Director's Sitting Fees	3,40,000	3,80,000
Commission to Chairman & Managing Director	47,51,424	1,31,89,053
Provision for Donations	31,80,000	17,00,000
<b>Total</b>	<b>11,35,20,439</b>	<b>11,39,67,747</b>
Footnote :		
<b>27.1</b> Payment to Auditors		
Audit Fee	5,51,602	5,41,945
Tax Audit Fee	98,040	87,641
Other Services	1,54,340	1,84,590
Reimbursement of Expenses	21,175	20,442
Total	<b>8,25,157</b>	<b>8,34,618</b>
<b>28.</b> Estimated amount of contract remaining to be executed on capital account not provided for Nil (Nil).		
<b>29.</b> Confirmation of balances has not been received from parties covered under Trade Receivables and Trade Payables.		
<b>30. Prior period items debited/ credited to Profit and Loss Account</b>		
<b>Prior period expenses</b>		
R & M Security Equipment	-	1,66,278
S & C Kitchen Equipment	9,832	-
R & M Building	5,46,726	-
Vehicle Maintenance	2,285	-
<b>31. Earnings in Foreign Exchange</b>	<b>13,33,87,469</b>	<b>13,65,20,346</b>
<b>32. Expenditure in Foreign Currency</b>		
Royalty	1,16,04,073	94,81,712
Sales Promotion and General Expenses	91,57,500	86,04,537
Agents Commission for Room Bookings	58,658	1,15,056

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>33. CIF Value of Imports</b>		
Stores, Components and Spare Parts	18,71,648	39,245
Capital Goods	-	-
<b>34. Information as per Order No.46/22/98 CL III Dated 24 February 1998, issued by the Ministry of Finance, Department of Company Affairs:</b>		
a) Income from		
i. Wines and Liquor	1,63,01,909	1,77,24,239
ii. Telephone and Telex	8,56,165	22,50,293
b) Consumption of		
i. Provision, Beverages (excluding Wine and Liquor)	5,53,22,233	5,33,66,357
ii. Wine and Liquor	1,40,01,898	68,59,879
<b>35. Dividends remitted in Foreign Currency to Non Resident Shareholder Rs.17,59,85,136/- (Rs.9,60,000/-).</b>		
Number of Non Resident Shareholder	Number of Share held by them on which Dividends remitted	
2 (1)	97,76,952 (1,60,000)	
<b>36. Contingent Liabilities</b>		
<b>Disputed Income Tax Liability against which Appeals are pending</b>		
Assessment Year 1997-98	9,55,691	9,55,691
Assessment Year 2010-11	10,34,668	10,34,668
<b>37. RELATED PARTY DISCLOSURE</b>		
<b>(A) Related Parties and their Relationships</b>		
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 } Private Limited }	a Private Limited Company in which the Chairman of the Company is a Director and a 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 a 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 a Director of the Company is a Director and shareholder.	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 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 31.3.2016 (Rs.)	Payable (P) OR Receivable (R)
Kapi Investment Ink Limited	Overseas Body Corporate	Dividend	28,80,000 (9,60,000)	Nil (Nil)	Nil (Nil)
Mr.C.B.Pardhanani	Chairman	Commission based on profit	47,51,424 (32,97,263)	<b>31,07,051</b> <b>(23,99,576)</b>	(P) (P)
		Dividend	17,31,05,136 (5,77,01,712)	Nil (Nil)	Nil (Nil)
		Sale of Electricity	18,24,000 (Nil)	<b>17,87,520</b> (Nil)	(R) (Nil)
Ms. S. C. Pardhanani	Director	Remuneration	Nil (56,02,483)	Nil (Nil)	Nil (Nil)
		Commission based on profit	Nil (98,91,790)	Nil <b>(66,91,385)</b>	Nil (P)
C Pardhanani's Education Trust	Trust in which Chairman of the Company is a trustee	Donation	16,00,000 (10,50,000)	Nil (Nil)	Nil (Nil)
Mr. M. B. Pardhanani	Related to Director	Dividend	21,67,200 (7,22,400)	<b>84,28,000</b> <b>(72,24,000)</b>	(P) (Under dispute and subjudice)
Mrs.Uma M. Pardhanani	Related to Director	Dividend	36,90,000 (12,30,000)	<b>1,43,50,000</b> <b>(1,23,00,000)</b>	(P) (Under dispute and subjudice)
Ms. Aarti M Pardhanani	Related to Director	Dividend	10,80,000 (3,60,000)	<b>42,00,000</b> <b>(36,00,000)</b>	(P) (Under dispute and subjudice)

### 38. AS 17 SEGMENT REPORTING

	As at March 31, 2016				As at March 31, 2015			
	HOTEL	ELECTRICITY	UNALLOCABLE	TOTAL	HOTEL	ELECTRICITY	UNALLOCABLE	TOTAL
<b>REVENUE NET SALES</b>								
External Sales	56,03,09,616	6,00,73,470	-	<b>62,03,83,086</b>	51,52,53,198	4,04,68,781	-	55,57,21,979
Internal Sales	-	-	-	-	-	3,55,75,328	-	-
<b>TOTAL REVENUE</b>				<b>62,03,83,086</b>				<b>55,57,21,979</b>
<b>RESULT</b>								
Segment Result	19,27,19,156	3,25,49,831	12,97,59,946	<b>35,50,28,933</b>	15,23,46,752	1,82,85,444	10,64,11,737	27,70,43,933
Add:Interest Income	-	-	15,96,79,428	<b>15,96,79,428</b>	-	-	9,11,42,092	9,11,42,092
Less:Interest Expenses	-	-	6,70,215	<b>6,70,215</b>	-	-	9,42,068	9,42,068
<b>PROFIT BEFORE TAX</b>				<b>51,40,38,146</b>				<b>36,72,43,957</b>
Add: Exceptional Items	-	-	-	-	-	-	-	-
Less:Income Tax	-	-	-	<b>13,52,16,615</b>	-	-	-	7,80,49,890
Less :Deferred Tax	-	-	-	<b>4,07,26,579</b>	-	-	-	2,98,84,414
<b>NET PROFIT</b>				<b>33,80,94,952</b>				<b>25,93,09,653</b>
<b>OTHER INFORMATION</b>								
Segment Assets	92,70,73,109	37,38,26,252	1,60,64,06,868	<b>2,90,73,06,229</b>	1,03,04,84,624	37,40,53,395	1,47,75,33,632	2,88,20,71,651
<b>TOTAL ASSETS</b>				<b>2,90,73,06,229</b>				<b>2,88,20,71,651</b>
Segment Liabilities	13,35,66,131	1,29,37,721	17,90,35,248	<b>32,55,39,100</b>	15,71,70,286	3,00,00,000	18,88,40,118	37,60,10,404
<b>TOTAL LIABILITIES</b>				<b>32,55,39,100</b>				<b>37,60,10,404</b>
Capital Expenditure	4,49,83,595	-	-	<b>4,49,83,595</b>	85,70,359	24,22,80,280	-	25,08,50,639
<b>TOTAL</b>				<b>4,49,83,595</b>				<b>25,08,50,639</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 39. Disclosure as per Accounting Standard 29 :

(In Rupees)

Srl. No.	Particulars	Balance as at 01.04.2015	Additional Provision made during the year	Provision Reversed/utilised during the year	Balance as at 31.03.2016
1.	Provision for Leave Encashment	49,54,052	17,40,922	11,86,503	55,08,471
2.	Proposed Dividend	10,48,08,417	-	10,48,08,417	-
3.	Corporate Dividend Tax	2,09,55,517	2,66,70,659	4,76,26,176	-

March 31, 2016 Rupees	March 31, 2015 Rupees
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### 40. Earnings Per Share has been computed as under :

Net Profit	33,80,94,952	25,93,09,653
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> )	25.81	19.79

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

# MAC CHARLES (INDIA) LIMITED

Corporate Identification No. (CIN): L55101KA1979PLC003620

Registered Office : 28, Sankey Road, Bengaluru - 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:

EMAIL ID

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

I hereby record my presence at the **Thirty-Sixth Annual General Meeting** of the Company to be held at Hotel Le Meridien No. 28, Sankey Road, Bengaluru - 560 052 on Thursday the 29th September, 2016 at 4.00 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.











