

MAC CHARLES (INDIA) LIMITED
CIN: L55101KA1979PLC003620
Registered office: 28 Sankey Road, P B No.174, Bangalore - 560052

Part I: Statement of audited standalone financial results for the quarter and year ended 31 March 2020

(Rs in million except per share data)

Sl. No.	Particulars	Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	a) Revenue from operations	50.60	56.67	52.52	245.72	246.56
	b) Other income	11.62	1.25	13.96	34.32	82.78
	Total income (a+b)	62.22	57.92	66.48	280.04	329.34
2	Expenses					
	a) Maintenance and upkeep services	4.08	4.79	5.24	17.96	14.56
	b) Employee benefit expense	5.70	2.39	3.40	14.99	13.58
	c) Finance costs	26.63	27.43	27.06	110.35	107.00
	d) Depreciation and amortization expense	8.81	8.98	8.44	35.68	35.92
	e) Other expenses	56.02	0.75	29.91	90.92	52.24
	Total expenses (a+b+c+d+e)	101.24	44.34	74.05	269.90	223.30
3	Profit/(loss) before exceptional items and tax (1-2)	(39.02)	13.58	(7.57)	10.14	106.04
4	Exceptional Items	-	-	300.00	-	300.00
5	Profit/(loss) before tax (3+4)	(39.02)	13.58	292.43	10.14	406.04
6	Tax expense	9.03	(8.41)	89.11	(2.15)	106.65
7	Profit/(loss) from continuing operations after tax (5-6)	(48.05)	21.99	203.32	12.29	299.39
8	Profit/(loss) from discontinued operations	(8.39)	(184.48)	72.62	(178.66)	205.94
9	Tax expense of discontinued operations	(12.96)	(35.45)	25.14	(40.70)	65.01
10	Profit/(loss) from discontinued operations after tax (8-9)	4.57	(149.03)	47.48	(137.96)	140.93
11	Profit/(loss) for the period (7+10)	(43.48)	(127.04)	250.80	(125.67)	440.32
	Other comprehensive income					
	Items that will not be reclassified to profit or loss, net of tax :					
	Remeasurements of defined benefit liability/(asset)	3.39	(2.11)	0.53	1.98	1.41
	Equity instruments through Other Comprehensive Income - net changes in fair value	(1.97)	0.07	0.04	(1.25)	(2.05)
	Income tax relating to items that will not be reclassified to profit or loss	(0.39)	0.51	(0.17)	(0.21)	0.19
12	Other comprehensive income/(loss) for the period, net of tax	1.03	(1.53)	0.40	0.52	(0.45)
13	Total comprehensive income/(loss) for the period (11+12)	(42.45)	(128.57)	251.20	(125.15)	439.87
14	Paid-up equity share capital (face value of Rs.10 each)	131.01	131.01	131.01	131.01	131.01
15	Reserves excluding revaluation reserve	-	-	-	2,768.73	3,051.83
16	Earnings per equity share (not annualised)					
	Continuing operations					
	(a) Basic (Rs)	(3.67)	1.68	15.52	0.94	22.85
	(b) Diluted (Rs)	(3.67)	1.68	15.52	0.94	22.85
	Discontinued Operations					
	(a) Basic (Rs)	0.35	(11.38)	3.62	(10.53)	10.76
	(b) Diluted (Rs)	0.35	(11.38)	3.62	(10.53)	10.76
	Continuing & Discontinued operations					
	(a) Basic (Rs)	(3.32)	(9.70)	19.14	(9.59)	33.61
	(b) Diluted (Rs)	(3.32)	(9.70)	19.14	(9.59)	33.61

See accompanying notes to the financial results

MAC CHARLES (INDIA) LIMITED
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Part II: Statement of Standalone assets and liabilities as at 31 March 2020		
<i>(Rs in million)</i>		
Particulars	As at	As at
	31 March 2020	31 March 2019
	Audited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	631.40	701.82
Investment property	829.81	845.41
Investments in subsidiaries	2,109.60	74.50
Financial assets:		
(i) Investments	23.83	41.89
(ii) Loans	9.93	24.43
(iii) Other financial assets	19.40	19.42
Income tax assets, (net)	39.40	-
Other non-current assets	53.23	2,311.87
Total non-current assets	3,716.60	4,019.34
Current assets		
Inventories	-	9.17
Financial assets		
(i) Investments	3.51	191.20
(ii) Trade receivables	9.73	27.56
(iii) Cash and cash equivalents	42.10	46.21
(iv) Bank balances other than cash and cash equivalents	1.00	1.00
(v) Loans	517.48	357.40
(vi) Other financial assets	0.80	3.60
Other current assets	2.25	11.38
Assets held for sale	35.80	27.75
Assets associated with discontinued operations (refer note 8)	35.85	-
Total current assets	648.52	675.27
Total assets	4,365.12	4,694.61
EQUITY AND LIABILITIES		
Equity		
Equity share capital	131.01	131.01
Other equity	2,768.73	3,051.83
Total equity	2,899.74	3,182.84
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	1,179.21	1,202.24
Non Current provisions	2.08	-
Deferred tax liabilities, (net)	-	40.49
Other financial liabilities	-	0.98
Total non-current liabilities	1,181.29	1,243.71
Current liabilities		
Financial liabilities		
(i) Trade payables		
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues other than to micro enterprises and small enterprises	14.34	28.53
(ii) Other financial liabilities	155.17	192.91
Current tax liabilities, (net)	-	18.42
Provisions	0.92	11.70
Other current liabilities	3.70	16.50
Liabilities associated with discontinued operations (refer note 8)	109.96	-
Total current liabilities	284.09	268.06
Total equity and liabilities	4,365.12	4,694.61

See accompanying notes to the financial results

MAC CHARLES (INDIA) LIMITED
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Part III: Statement of Standalone Cashflows for the year ended 31 March 2020			<i>(Rs in million)</i>
Particulars	Year ended		
	31 March 2020	31 March 2019	
	Audited	Audited	
Profit/ (loss) before tax from continuing operations	10.14	406.04	
Profit/ (loss) before tax from discontinuing operations	(178.66)	205.94	
Adjustments:			
- Interest income (including fair value change in financial instruments)	(29.98)	(65.11)	
- Interest income (included in exceptional item)	-	(300.00)	
- Dividend income	-	(0.06)	
- Financial assets at fair value through statement of profit and loss	14.66	(1.68)	
- (Profit)/ loss on sale of investments	(4.17)	(15.93)	
- Interest expense (including fair value change in financial instruments)	110.26	106.88	
- Depreciation and amortization	42.32	49.70	
- Provision for doubtful advances	(13.00)	0.32	
- Profit on sale of property, plant and equipment	(0.17)	(6.27)	
Operating cash flow before working capital changes	(48.60)	379.83	
Working capital adjustments:			
- Trade receivables	16.69	22.63	
- Inventories	9.17	1.81	
- Current and non-current financial assets	15.72	(3.14)	
- Other current and non-current assets	9.13	(0.14)	
- Current and non-current financial liabilities	71.43	22.73	
- Other current and non-current liabilities	(24.74)	(15.77)	
- Provisions	(10.78)	2.15	
Cash (Used in)/generated from operating activities	38.03	410.10	
Income taxes paid	(37.87)	(182.06)	
Net cash (Used in)/generated from operating activities [A]	0.16	228.04	
Cash flows from investing activities			
Acquisition of property, plant and equipment	(8.03)	(100.34)	
Purchase of Investments	(89.01)	(478.43)	
Loans to subsidiaries	(160.08)	-	
Proceeds from sale of property, plant and equipment	10.47	20.65	
Proceeds from sale of investments	278.00	516.55	
Interest received	29.98	65.11	
Dividend received	-	0.06	
Refund of capital advances	2,258.64	-	
Acquisition of subsidiaries	(2,035.10)	-	
Net cash generated from investing activities [B]	284.87	23.60	
Cash flows from financing activities			
Dividend paid	(157.94)	(157.94)	
Repayment of borrowings	(17.38)	(13.39)	
Interest paid	(110.26)	(105.23)	
Net cash used in financing activities [C]	(285.58)	(276.56)	
Net decrease in cash and cash equivalents [A+B+C]	(0.55)	(24.92)	
Cash and cash equivalents at the beginning of the year	42.65	67.57	
Cash and cash equivalents at the end of the year	42.10	42.65	

See accompanying notes to the financial results

Notes:

- 1 The Statement of audited standalone financial results ('the Statement') of Mac Charles (India) Limited ('the Company') for the quarter and year ended 31 March 2020 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in its meeting held on 26 June 2020.
- 2 The figures for the quarter ended 31 March 2020 and the corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figures between audited figures in respect of full financial year and the published year to date figures up to the end of third quarter of the relevant financial year. Also the figures up to the end of the third quarter of the respective financial year have only been reviewed and not subjected to audit. The Audit report of the Statutory Auditors is being filed with Bombay Stock Exchange and is also available on the Company's website www.maccharlesindia.com.
- 3 Pursuant to the provisions of Listing Agreement, the Management has decided to avail exemption from publishing of audited standalone & consolidated financial results in the newspapers. However, the audited standalone & consolidated financial results of the Company will be made available on the Company's website www.maccharlesindia.com and also on the website of BSE (www.bseindia.com).
- 4 These financial results have been prepared in accordance with Indian Accounting Standard ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 and in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5 In accordance with Ind AS 108, Operating segments, segment information has been provided in the audited consolidated financial results of the Company and therefore no separate disclosure on segment information is given in these standalone financial results.
- 6 Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and has evaluated all the existing lease contracts as on 1 April 2019 and has noted that the effect of this adoption did not have a material impact on the financial results for the quarter and year ended 31 March 2020.
- 7 During the current year on 3rd July 2019 the Company has acquired 100% shareholding in two entities namely Blue Lagoon Real Estate Private Limited and Neptune Real Estate Private Limited. An amount of Rs 2,035 million was paid for the acquisition of these companies.
- 8 **Discontinued Operations**
 - i For commercial reasons management proposed that the Hotel operations of the Company be discontinued. In the meeting of the Board of Directors held on 26 August 2019, approval was granted for the discontinuation of the hotel business. Consequently, pursuant to the requirements of Ind AS 105 - *Non Current Assets Held for Sale and Discontinued Operations*, the Company has classified the assets and liabilities pertaining to the Hotel business for the current and prior periods presented as 'Assets/liabilities associated with discontinued operations' and measured them at lower of cost and fair value as at 31 March 2020.

The net profit/(loss) from the hotel operations of the Mac Charles (India) Limited has been presented separately as 'Discontinued operations' in the statement of profit/(loss).

- ii The results from Hotel operations of the Company are as follows :

(Rs in million)

Particulars	Quarter ended			Year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Unaudited	Audited	Audited	Audited
Income					
a) Revenue from operations	0.13	7.46	141.89	173.36	535.79
b) Other income	0.02	0.06	19.33	2.09	22.87
Total income (a+b)	0.15	7.52	161.22	175.45	558.66
Expenses					
a) Cost of material consumed	-	2.35	18.41	28.86	74.39
b) Maintenance and upkeep services	0.37	2.34	10.51	17.51	45.68
c) Employee benefit expense	6.52	171.22	39.05	257.30	148.49
d) Depreciation and amortization expense	-	0.92	3.44	6.65	13.78
e) Other expenses	1.65	15.17	17.19	43.79	70.38
Total expenses (a+b+c+d+e)	8.54	192.00	88.60	354.11	352.72
Profit/(loss) before tax	(8.39)	(184.48)	72.62	(178.66)	205.94
Tax expense	(12.96)	(35.45)	25.14	(40.70)	65.01
Profit/(loss) from discontinued operations after tax	4.57	(149.03)	47.48	(137.96)	140.93

Notes (continued)

8 Discontinued Operations (continued)

iii The assets and liabilities from Hotel business are as follows :

(Rs in million)

Particulars	As at
	31 March 2020
	Audited
ASSETS	
Non-current assets	
Property, plant and equipment	33.21
Financial assets	
- Loans	0.02
Current assets	
Financial assets	
- Trade receivables	1.14
- Other financial assets	1.48
Assets associated with discontinued business	35.85
LIABILITIES	
Non-current liabilities	
Financial liabilities	
- Other financial liabilities	0.60
Current liabilities	
Financial liabilities	
- Other financial liabilities	106.81
Advance from customers	1.65
Security deposits	0.90
Liabilities associated with discontinued operations	109.96

iv The net cash flows from Hotel business is as follows :

(Rs in million)

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
	Audited	Audited
Profit/ (loss) before tax from discontinuing operations	(178.66)	205.94
Adjustments:		
- Depreciation and amortization	6.65	13.78
	(172.01)	219.72
<i>Working capital adjustments:</i>		
- Trade receivables	(1.14)	-
- Current and non-current financial assets	(1.50)	-
- Current and non-current financial liabilities	107.71	-
- Other current and non-current liabilities	2.25	-
Cash generated from operation activities	(64.69)	219.72
Income taxes paid	-	-
Net cash generated from operating activities [A]	(64.69)	219.72
Net cash used in investing activities [B]	-	-
Net cash used in financing activities [C]	-	-
(Decrease)/ (increase) in cash and cash equivalents [A+B+C]	(64.69)	219.72

9 In March 2020, the World Health Organisation declared COVID-19 to be 'the pandemic'. This pandemic has resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the government. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company believes that the COVID 19 pandemic will only have a short term impact on its operations and growth plans and after easing of the lockdown restrictions, the business is expected to return to normal

Further, owing to the discontinuance of the hotel operations of the Company earlier this year, which was the single largest segment of the Company's business, the Company has evaluated its ability to sustain its operations in the foreseeable future. Considering net positive cash flows projected from continuing operations in the foreseeable future, market value of the land owned by the Company, continued committed financial support from the holding company and access to lines of credit, Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months from the date of the standalone financial statements / results.

The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial result for the year ended 31 March 2020.

for and on behalf of Board of Directors of

Mac Charles (India) Limited

P.B. Appiah

Director

Place : Bengaluru

Date: 26 June 2020