

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

Part I: Statement of audited consolidated 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	66.39	72.24	69.85	304.79	308.48
	b) Other income	10.28	1.70	14.41	34.40	84.21
	Total income (a+b)	76.67	73.94	84.26	339.19	392.69
2	Expenses					
	a) Cost of material consumed	5.03	5.17	6.26	20.78	23.28
	b) Maintenance and upkeep services	4.40	6.01	6.24	21.68	18.09
	c) Employee benefit expense	9.04	6.46	8.86	30.67	29.08
	d) Finance costs	26.68	27.49	39.74	172.40	157.72
	e) Depreciation and amortization expense	9.24	9.71	9.01	37.93	38.11
	f) Other expenses	60.04	4.99	156.75	107.64	192.27
	Total expenses (a+b+c+d+e+f)	114.43	59.83	226.86	391.10	458.55
3	Profit/(loss) before exceptional items and tax (1-2)	(37.76)	14.11	(142.60)	(51.91)	(65.86)
4	Exceptional Items	-	-	300.00	-	300.00
5	Profit/(loss) before tax (3+4)	(37.76)	14.11	157.40	(51.91)	234.14
6	Tax expense	9.12	(8.34)	86.04	(17.80)	93.89
7	Profit/(loss) from continuing operations after tax (5-6)	(46.88)	22.45	71.36	(34.11)	140.25
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)	(42.31)	(126.58)	118.84	(172.07)	281.18
	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)	(41.28)	(128.11)	119.24	(171.55)	280.73
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	-	-	-	637.46	966.95
16	Earnings per equity share (not annualised)					
	Continuing operations					
	(a) Basic (Rs)	(3.58)	1.71	5.45	(2.60)	10.70
	(b) Diluted (Rs)	(3.58)	1.71	5.45	(2.60)	10.70
	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)	(3.23)	(9.66)	9.07	(13.13)	21.46
	(b) Diluted (Rs)	(3.23)	(9.66)	9.07	(13.13)	21.46

See accompanying notes to the consolidated financial results

MAC CHARLES (INDIA) LIMITED
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Part II: Segment Information

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Hotel, Office rental, Sale of electricity and others.

Financial information on our consolidated reportable operating segments for the quarter and year ended 31 March 2020 is set out as below:

(Rs in million)						
Sl. No.	Particulars	Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
1	Segment Revenue					
	a. Office rental	36.44	36.35	35.72	145.54	139.14
	b. Sale of electricity	14.16	20.32	16.09	100.18	107.42
	c. Others	11.60	0.29	13.69	34.32	82.78
	d. Hotel (Subsidiary)	14.47	16.98	18.76	59.16	63.35
	Total revenue from continuing operations	76.67	73.94	84.26	339.19	392.69
	Income from Hotel (discontinued operation)	0.15	7.52	161.22	175.45	558.66
2	Segment Results					
	a. Office rental	35.33	35.25	38.96	139.30	135.83
	b. Sale of electricity	11.50	18.06	12.03	90.24	97.30
	c. Hotel (Subsidiary)	1.89	2.66	(0.16)	2.70	2.98
	Total segment results from continuing operations	48.72	55.97	50.83	232.24	236.11
	(Add)/Less					
	- Interest	26.67	27.49	39.74	172.40	157.72
	-Other unallocated expenditure net off unallocated Income	50.59	4.66	144.68	73.83	106.14
	Depreciation	9.23	9.71	9.01	37.93	38.11
	Profit/(loss) before exceptional items and tax from Continuing Operations	(37.76)	14.11	(142.60)	(51.91)	(65.86)
	Exceptional Items	-	-	300.00	-	300.00
	Profit/(loss) before tax	(37.76)	14.11	157.40	(51.91)	234.14
	Results from Hotel (Discontinued operation)	(8.39)	(184.48)	72.62	(178.66)	205.94
	Total Profit Before Tax (Discontinued operations)	(8.39)	(184.48)	72.62	(178.66)	205.94

See accompanying notes to the consolidated financial results

- A) Segment results represents earnings before depreciation/amortization and tax.
B) Since the information about segment assets and liabilities are not reviewed by CODM, the Company has not presented such information as a part of its segment disclosure, which is in accordance with the requirements of Ind AS 108.

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Part III: Consolidated statement of assets and liabilities		
		<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	668.03	731.60
Other Intangible Asset	0.17	0.22
Investment property	1,214.07	1,229.67
Goodwill	71.94	71.94
Financial assets:		
(i) Investments	23.83	41.89
(ii) Loans	11.73	27.23
(iii) Other financial assets	19.40	19.42
Income tax assets, (net)	40.31	1.16
Other non-current assets	56.05	2,311.87
Total non-current assets	2,105.53	4,435.00
Current assets		
Inventories	3.20	11.34
Financial assets		
(i) Investments	3.51	191.20
(ii) Trade receivables	11.08	29.13
(iii) Cash and cash equivalents	44.71	49.39
(iv) Bank balances other than cash and cash equivalents	1.00	1.00
(v) Loans	0.65	351.25
(vi) Other financial assets	0.80	3.63
Other current assets	5.44	14.67
Assets held for sale	35.80	27.75
Assets associated with discontinued operations (refer note 7)	35.85	-
Total current assets	142.04	679.36
Total assets	2,247.57	5,114.36
EQUITY AND LIABILITIES		
Equity		
Equity share capital	131.01	131.01
Other equity	637.46	966.95
Total equity	768.47	1,097.96
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	1,179.21	1,644.04
(ii) Other financial liabilities	0.17	1.15
Non Current provisions	2.08	-
Deferred tax liabilities, (net)	-	56.44
Total non-current liabilities	1,181.46	1,701.63
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	19.04	34.82
(ii) Other financial liabilities	162.58	2,230.91
Provisions	2.33	13.07
Other current liabilities	3.73	17.56
Current tax liabilities, (net)	-	18.41
Liabilities associated with discontinued operations (refer note 7)	109.96	-
Total current liabilities	297.64	2,314.77
Total equity and liabilities	2,247.57	5,114.36

See accompanying notes to the consolidated financial results

MAC CHARLES (INDIA) LIMITED
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Part IV: Statement of Consolidated 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	(51.91)	234.14	
Profit/ (loss) before tax from discontinuing operations	(178.66)	205.94	
Adjustments:			
- Interest income (including fair value change in financial instruments)	(30.05)	(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)	172.28	157.61	
- Depreciation and amortization	44.57	51.90	
- Provision for doubtful advances	(13.00)	121.85	
- Profit on sale of property, plant and equipment	(0.17)	(6.26)	
Operating cash flow before working capital changes	(46.45)	382.37	
Working capital adjustments:			
- Trade receivables	16.91	22.59	
- Inventories	8.14	0.01	
- Current and non-current financial assets	367.45	(2.63)	
- Other current and non-current assets	9.23	19.27	
- Current and non-current financial liabilities	73.83	2.44	
- Other current and non-current liabilities	(27.36)	(0.43)	
- Provisions	(8.66)	(11.32)	
Cash generated from operating activities	393.09	412.30	
Income taxes paid	(39.20)	(182.74)	
Net cash generated from / (used in) operating activities [A]	353.89	229.56	
Cash flows from investing activities			
Acquisition of property, plant and equipment	(17.56)	(101.97)	
Purchase of Investments	(89.00)	(478.43)	
Proceeds from sale of property, plant and equipment	10.47	20.65	
Proceeds from sale of investments	279.83	516.57	
Interest received	30.05	65.11	
Dividend received	-	0.06	
Refund of capital advances	2,258.64	-	
Payment of capital advance for acquisition of property	(2.82)	-	
Acquisition of subsidiaries	(2,035.10)	-	
Net cash generated from investing activities [B]	434.51	21.99	
Cash flows from financing activities			
Dividend paid	(157.94)	(157.94)	
Proceeds from borrowings	-	2.23	
Repayment of borrowings	(521.18)	(13.39)	
Interest paid	(110.41)	(105.39)	
Net cash used in financing activities [C]	(789.53)	(274.49)	
Net decrease in cash and cash equivalents [A+B+C]	(1.13)	(22.94)	
Cash and cash equivalents pertaining to discontinued operations (refer note 7)	-	-	
Cash and cash equivalents at the beginning of the year	45.84	68.78	
Cash and cash equivalents at the end of the year	44.71	45.84	

See accompanying notes to the consolidated financial results

Notes:

- 1 The above consolidated financial results of Mac Charles India Limited ("the Company") and its subsidiaries, Airport Golf View Hotels and Suites Private Limited, Blue Lagoon Real Estate Private Limited and Neptune Real Estate Private Limited (collectively known as "the Group") 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 Standards) Amendment Rules, 2016 and in terms of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

These consolidated financial results are prepared in accordance with requirement of the Indian Accounting Standard 110 "Consolidated Financial Statements" and presented in the format prescribed under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations, 2015").

- 2 The figures for the quarter ended 31 March 2020 in these consolidated 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 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 The statement of audited consolidated financial results ('the Statement') of the Group 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 their meeting held on 26 June 2020.
- 4 Pursuant to the provisions of Listing Agreement, the Management has decided to avail exemption from publishing 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).
- 5 Additional information on standalone financial results:-

(Rs in million)

Particulars	Quarter ended			Year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
Total income	62.22	57.92	66.48	280.04	329.34
Profit before tax from continuing operations	(39.02)	13.58	292.43	10.14	406.04
Profit before tax from discontinuing operations	(8.39)	(184.48)	72.62	(178.66)	205.94
Profit after tax from continuing operations	(48.05)	21.99	203.32	12.29	299.39
Profit after tax from discontinuing operations	4.57	(149.03)	47.48	(137.96)	140.93
Total comprehensive income	(42.45)	(128.57)	251.20	(125.15)	439.87

- 6 Effective 1 April 2019, the Group 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 consolidated financial results for the quarter and year ended 31 March 2020.

7 Discontinued Operations

- i For commercial reasons management proposed that the Hotel business 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 from the hotel operations of the Mac Charles (India) Limited has been presented separately as 'Discontinued operations' in the statement of profit and loss

- ii The results from Hotel business 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	Unaudited	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	0.00	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	3.45	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 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 from discontinuing operations after tax	4.57	(149.03)	47.48	(137.96)	140.93

Notes (continued)

7 **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

Notes (continued)

- 8 The Company has acquired 100% shareholding in Blue Lagoon Real Estate Private Limited and Neptune Real Estate Private Limited on 3 July 2019. An amount of Rs 2,035 million was paid for the acquisition of these companies. The Company has acquired these subsidiaries from its holding company Embassy Property Developments Private Limited. Pursuant to the requirements of Appendix C of *Ind AS 103- Business Combination*, the acquisitions have been accounted for as a common control transactions. Consequently, the financial information in these financial results in respect of prior periods have been restated as if the business combinations had occurred from the beginning of the preceding period (i.e., 1 April 2018), irrespective of the actual date of the business combinations (i.e., 3 July 2019).

Reported numbers for the comparative periods, along with the adjustments made on account of the common control business combination and the resultant restated comparative numbers presented in these consolidated financial results are as follows :

1. Consolidated statement of assets and liabilities				<i>Rs in millions</i>
Particulars	Amount			
	As previously reported	Adjustments	As restated	
As at 31 March 2019				
Non-current assets				
Investment property	845.41	384.27	1,229.67	
Current assets				
Financial Assets				
- Cash and cash equivalents	49.33	0.06	49.39	
- Other financial assets	3.60	0.03	3.63	
Equity				
Other equity	3,079.23	2,112.28	966.95	
Non-current liabilities				
Financial liabilities				
Borrowings	1,202.24	(441.80)	1,644.04	
Deferred tax liability, net	40.49	(15.95)	56.44	
Current liabilities				
Financial liabilities				
Trade payables	31.28	(3.54)	34.82	
Other financial liabilities	195.79	(2,035.12)	2,230.91	
Provisions	12.85	(0.22)	13.07	
Other current liabilities	17.54	(0.02)	17.56	

2. Statement of consolidated financial results

Rs in millions				
Particulars	Amount			As restated
	As previously reported	Related to Discontinued Operations	Adjustments	
For the year ended 31 March 2019				
Finance cost	107.16	-	50.56	157.72
Other expenses	140.36	(70.38)	122.29	192.27
Tax Expense	171.88	(65.01)	(12.99)	93.89
For the quarter ended 31 March 2019				
Finance cost	27.11	-	12.63	39.74
Other expenses	51.99	(17.19)	121.94	156.74
Tax Expense	114.48	(25.14)	(3.31)	86.04

- 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 Group 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 Group 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 Group earlier this year, which was the single largest segment of the Group's business, the Group 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 Group, continued committed financial support from the holding company and access to lines of credit, Management believes that the Group will not have any challenge in meeting its financial obligations for the next 12 months from the date of the consolidated 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 Group 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