

MAC CHARLES (INDIA) LIMITED

33rd Annual Report 2012-13





CORONET



BOARDROOM

BOARD OF DIRECTORS

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

VICE PRESIDENT FINANCE & COMPANY SECRETARYMr. M.S. Reddy *B.Com., L.L.B., MBIM, FCA, FCS***REGISTERED OFFICE****LEMERIDIEN** - BANGALORE

28, Sankey Road, Bangalore - 560 052

Tel : 080-2226 2233 / 2228 2828

Fax : 080-2226 7676 / 2226 2050

website: maccharlesindia.com

e-mail : secretarial.bangalore@lemeridien.com

secretarial@lemeridien-bangalore.com

PRINCIPAL BANKERS

State Bank of India, Bangalore

State Bank of Mysore, Bangalore

AUDITORS

K. B. Nambiar & Associates

Chartered Accountants

101, President Chambers

8, Richmond Road

Bangalore - 560 025

REGISTRARS & SHARE TRANSFER AGENTS

BgSE Financials Limited

(Subsidiary of Bangalore Stock Exchange Ltd.,)

Registrar & Transfer Agent (RTA Division)

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

Bangalore - 560 027.

Tel : 080 - 4132 9661

Fax : 080 - 4157 5232

Email : manager_rta@bfsi.co.in

GRIEVANCE REDRESSAL DIVISION :

Mr. M. S. Reddy

Vice President Finance and Company Secretary

- cum - Compliance Officer

Tel : 080-2226 2233 / 2228 2828

Email : investor.relations@maccharles.com

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Thirtythird Annual General Meeting of MAC CHARLES (INDIA) LTD. will be held on WEDNESDAY the 18th SEPTEMBER 2013 at Hotel Le Meridien, No. 28, Sankey Road, Bangalore - 560 052 at 3 p.m.

Note:

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

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

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

MAC CHARLES (INDIA) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN TO THE MEMBERS THAT the 33rd Annual General Meeting of MAC CHARLES (INDIA) LIMITED will be held at Hotel Le Meridien, No. 28, Sankey Road, Bangalore – 560 052, on Wednesday the 18th September, 2013 at 3 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited accounts of the Company for the year ended 31 March 2013 together with the Directors' and Auditors' report thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. P. B. Appiah, who retires by rotation, and being eligible, seeks re-election.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr. Suresh Vaswani, in respect of whom the Company has received a notice from a Member of the Company proposing his candidature for the Office of a Director, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation”.

By Order of the Board of Directors

Bangalore
30 July 2013

M. S. REDDY
Company Secretary

NOTES

- a) The Register of Members and Share Transfer Book will remain closed from 6th September 2013 to 18th September 2013 for the purpose of payment of dividend, if any, to be declared at this meeting to those members whose names appear on the Company's Register of Members on 5th September, 2013.
- b) A member entitled to attend and vote is entitled to appoint a proxy (whether a member or not) to attend and vote instead of himself but a proxy so appointed has no right to speak at the meeting. Proxy form duly completed and signed by all Members should be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the Meeting. Blank proxy form is annexed hereto.
- c) Members holding shares in multiple folios in Physical category are requested to apply for consolidation to the Registrar and Transfer Agent (R&T Agent)/Company along with relevant Share Certificates.
- d) Members desirous of changing their shareholding from physical category to electronic category (dematerialization) may apply with their respective Depository Participants (DP's). The Company's shares are already admitted with CDSL and NSDL for dematerialization purpose and the ISIN allotted to your Company's equity shares is INE435D01014.
- e) The dividend, if any, in respect of Equity Shares held in electronic category will be paid on basis of beneficial ownership, details of which are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for the said purpose.
- f) For effecting change of Address/Bank details/Electronic Clearing Services (ECS) Mandate, if any, Members are requested to notify the same to the following :
 - (i) If shares are held in Physical category, to the Company/ R&T Agent of the Company, i.e., BgSE Financials Limited, RTA Division, Stock Exchange Tower, No.51, 1st Cross, J.C. Road, Bangalore – 560 027.
 - (ii) If shares are held in electronic electronic, to their respective Depository Participant (DP). The Company/ R&T Agent will not entertain request for noting change of Address/Bank details/ECS Mandate, if any.
- g) Pursuant to the Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended on 31 March 2006 which remain unclaimed is due for transfer to the Investor Education & Protection Fund (IEPF) on or before 01.11.2013. Members who have so far not encashed the Dividend Warrants for the above mentioned dividend year are advised to submit their claim to the Company's R&T Agents namely BgSE Financials Limited, Bangalore, by quoting their folio number / DP Id & Client Id. On or before 01.10.2013 It may be noted that once the unclaimed dividend amount is transferred to IEPF as aforesaid, no claim shall lie on the Company in respect of such unclaimed dividend amount.
- h) Members are requested to :-
 - (i) bring their copy of Annual Report and Attendance Slip at the venue of the meeting.
 - (ii) Quote their folio/DP & Client Id No. in all correspondence with the R&T Agent/Company.
 - (iii) Note that briefcase, mobile phone, bag, eatables and other belongings will not be allowed to be taken inside the venue of the meeting for security purpose and shareholders will be required to take care of their belongings.
 - (iv) As part of the “Green Initiative in Corporate Governance”, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos.17/2011 and 18/2011, dated April 21, 2011 and April 29,2011 respectively, has allowed companies to send official documents to their shareholders electronically considering its legal validity under the Information Technology Act, 2000. Being a Company with strong focus on green initiatives, Mac Charles (India) Limited

proposes to send all shareholder communications such as the Notice of General Meetings, Audited Financial Statements, Director's Report, Auditors' Report, etc., henceforth to shareholders in electronic form to the E-mail Id provided by them and made available to us by the Depositories. Members are requested to register their E-mail Id. with their Depository Participant and inform them of any changes to the same from time to time. However, Members who prefer physical copy to be delivered may

write to the Company at its Registered Office or send an E-mail to secretarial.bangalore@lemeridien.com secretarial@lemeridien-bangalore.com by providing their Folio Number / DP Id and Client Id as reference.

- (v) Members having specific queries regarding accounts are requested to deposit their queries in writing at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the meeting, so as to make the management to furnish the clarification.
-

ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING

ITEM No.3

Mr. P. B. APPIAH

Mr. P. B. Appiah is a practicing Advocate and legal advisor.

Companies/Institutions in which Mr. P. B. Appiah holds Directorship and Committee memberships.

Mac Charles (India) Ltd., Audit Committee – Member

Remuneration Committee – Member

Mac Charles (India) Limited, Director

Integrated Finance Co. Ltd., Director

Audit Committee – Member

Remuneration Committee – Member

Mr. P. B. Appiah does not hold any equity shares of Mac Charles (India) Limited.

ITEM No.5 :

Mr. SURESH VASWANI

Mr. Suresh Vaswani is Honorary Consul-Republic of Benin.

Mr. Suresh Vaswani is an International Property Investments and Advisory consultant.

He is an Advisor for Rage Chocolatier.

He is a Partner in Vandana Saree Sansar.

Mr.Suresh Vaswani does not hold any Directorship and Committee memberships in private/public limited companies.

Mr. Suresh Vaswani does not hold any equity shares of Mac Charles (India) Limited.

EXPLANATORY STATEMENT

pursuant to Sec. 173(2) of the Companies Act, 1956.

The following Explanatory Statement sets out all material facts relating to the items of the accompanying notice of the Annual General Meeting to be held on Wednesday, the 18th September 2013.

ITEM No. 5 :

The Board of Directors of your Company appointed Mr. Suresh Vaswani as an Additional Independent Director on July 30, 2013 as per the provisions of Article 107 of the Article of Association read with Section 260 of the Companies Act, 1956

Your Company is extremely pleased to have a seasoned professional of Mr. Suresh Vaswani's caliber and experience on the Board. His enriched expertise will aid in driving your Company's momentous growth to the desired level while ensuring the highest levels of Corporate Governance.

Mr. Suresh Vaswani holds office until this Annual General Meeting.

As required under 257 of the Companies Act, 1956, a notice alongwith the requisite deposit has been received from a Member signifying his intention to propose Mr. Suresh Vaswani as a candidate for the office of Director at this Annual General Meeting. Mr. Suresh Vaswani's profile has been given in an earlier section of this notice.

None of the Directors of the Company, except Mr. Suresh Vaswani, are in any way concerned or interested in this resolution.

Your Directors, therefore, recommended the resolution to be passed as an Ordinary Resolution by the Members.

MAC CHARLES (INDIA) LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 33rd Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31 March 2013.

FINANCIAL RESULTS

(In Rs.)

Particulars	2012-13	2011-12
Total Income	54,21,62,126	51,79,25,539
Profit before Depreciation, Finance Costs and Tax	22,10,44,883	16,83,55,790
Less : Depreciation	6,31,18,373	6,00,16,382
Less : Finance Costs	9,37,458	6,05,149
Profit before Tax & Exceptional Item	15,69,89,053	10,77,34,259
Add : Exceptional Items	6,75,99,996	10,18,12,075
Profit before Tax	22,45,89,049	20,95,46,334
Less : Provision of Tax	6,56,85,278	6,00,98,579
Profit after Tax	15,89,03,771	14,94,47,755
Add : Balance brought forward from the previous year	15,16,28,212	11,32,35,061
Amount available for Appropriation	31,05,31,983	26,26,82,816
APPROPRIATIONS		
(i) General Reserves	1,60,00,000	2,00,00,000
(ii) Dividend :	7,86,06,312	7,86,06,312
iii) Corporate Dividend Tax	1,33,59,143	1,24,48,292
iv) Balance carried to Balance Sheet	20,25,66,528	15,16,28,212

HOTEL OPERATIONS

During the year under report, the economy in general and Hotel business in particular has not done well especially in the face of sluggish economy and severe competition from the new five star hotels which are taking their share of the existing hotel business which has not grown in pace with the additional new five star hotels opened in Bangalore. As a result the Hotel room occupancy and room tariffs have dropped considerably. In spite of this scenario, the sales turnover of the Company has increased from Rs.5179 lakhs to Rs.5422 lakhs.

FUTURE PROSPECTS

The future of the hotel industry is facing tough times ahead in view of cost cutting measures initiated by the corporate companies in the sluggish economy prevailing worldwide. In addition there is substantial increase in supply side of the five star hotels in Bangalore resulting in low occupancy and undercutting of rates. However, the Company is striving hard to get more business through various marketing initiatives.

FINANCE

During the year under report, the financial position of the Company has further been strong despite the fall in Hotel business. The Company's diversification into electricity generation through Wind Turbine Generators and other sources of income have helped the bottomline. The segment performance is furnished elsewhere in this Annual Report.

DIVIDEND

Your Directors have recommended a dividend of Rs.6/- per Equity Share for the financial year ended March 31, 2013, amounting to Rs.9,19,65,455/- (inclusive of tax of Rs.1,33,59,143/-). The said dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear in the Register of Members as on 5th September, 2013.

DIRECTORS

Mr. M.R.Prasanna resigned from the Board w.e.f. 28th May 2013. The Board has co-opted Mr. Suresh Vaswani as a Director till the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures ;
- it has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for that period;
- it has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records; and
- it has prepared the annual accounts on a going concern basis.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings during the year were Rs.1816 lacs which is 34% of the Hotel Sales Turnover. The Foreign Exchange utilisation during the year was Rs.469 lacs.

SUBSIDIARY COMPANIES

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

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

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary Company with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2013 is included in the Annual Report. The annual accounts of these subsidiary and the related detailed information will be made available to any member of the Company/ its subsidiary seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiary at the registered office of the Company. The annual

accounts of the said subsidiary will also be available for inspection, as above, at the Head Office/Registered Office of the respective subsidiary company. The Company shall furnish a copy of details of annual accounts of subsidiary to any member on demand.

DUES TO SMALL SCALE UNDERTAKINGS

There are no dues payable to small scale undertakings.

CORPORATE GOVERNANCE

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

ENERGY CONSERVATION

Conservation of energy continues to be on top priority of the management. The following energy conservation measures have been taken:

- a) During the year under report, placed order for two more Wind Turbine Generators with a capacity of 4.20 MW apart from having existing capacity of 5.10 MW which generate green electricity of about 1.25 crore units p.a. of green power which is being utilized partially for captive consumption of the Hotel and the balance units generated is being sold to Govt. of Karnataka/ third party consumers.
- b) an effective key-tag system is in vogue in all guest rooms to switch off lights & power connections automatically.
- c) substantially switched over to LED lamps from conventional lamps with a view to saving energy upto 60% on lighting.
- d) installed solar panels which are feeding hot water required for the guest rooms.
- e) imported and installed three highly fuel efficient screw chillers for our AC plant.

- f) replaced windows with double glazed reflective glass with a view to save power on AC consumption.
- g) installed two on load tap charger transformers for stabilising voltage fluctuations and thereby to save power and prevent damage to electric motors and other installations.
- h) thermostatic Controls, Timers and Photo Cell Switches have been installed wherever necessary to control power consumption.
- i) imported and installed two temperature control systems to reduce power consumption.
- j) constituted an energy conservation committee to monitor power consumption regularly.

TECHNOLOGY ABSORPTION

In the opinion of the Board, the required particulars, pertaining to technology absorption in terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable as hotel forms part of the service industry and the Company does not have any significant manufacturing operations. However, the management has been adopting the latest technology like LCD TV systems, high speed internet installed in all the guest rooms, latest high speed computers, modern guest amenities, best audio-video equipment, newest model transport vehicles for complimentary transport of hotel guests, video conferencing facility, latest models of soundfree fridges in guest rooms and various latest hotel operational equipments. Further the Hotel has been conforming to the stringent Le Meridien's International Standards.

PARTICULARS OF EMPLOYEES

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

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

Employed for the year :

Name	Employed part of the year			
	Ms. S. C. Pardhanani	Mr. M.S. Reddy	Mr. G. Vijay	Mr. Rajesh Madan
Age	44 Years	59 Years	51 years	54 years
Remuneration	Rs.92,76,791/-	Rs.21,02,154/-	Rs.30,95,798/-	Rs.19,36,797/-
Qualification	B.Com., DBM	B.Com.,L.L.B., MBIM., from London, UK, FCA, FCS	B.com.,Diploma in Hotel Mgmt.from Florida, USA, Advance Mgmt. from Cornell University, USA	B.Com.
Experience	10 Years	32 years	26 years	28 years
Date of commencement of employment	01.10.2002	13.08.1983	01.10.2005	01.10.2012
Last Employment held	Executive Director – Mac Charles (India) Ltd.	Company Secretary & Chief Accounts Officer, Sri KrishnaRajendra Mills Ltd., Mysore	Director of Operation, Harsha Hospitality Management, USA	General Manager Le Meridien Kochi
Designation	Managing Director	Vice President Finance and Company Secretary	Vice President Operations and Director of Development	Vice President Operations

Note: (1) Ms. S. C. Pardhanani, Managing Director is the daughter of Mr. C.B.Pardhanani, the Chairman of the Company.

(2) Mr. M.S.Reddy, Vice President Finance and Company Secretary retired on 18.06.2012 and he has been reappointed on two year contract basis w.e.f. 01.07.2012 in the same capacity on full time basis.

(3) Mr. G.Vijay, Vice President Operations and Director of Development, resigned from service on 31.08.2012.

(4) Mr. Rajesh Madan, Vice President Operations joined service on 01.10.2012.

MAC CHARLES (INDIA) LIMITED

EMPLOYEES

The relationship with employees has been cordial. The total number of persons employed by the Company is 368 as at 31 March 2013.

AUDIT COMMITTEE

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

AUDITORS' REPORT ON CORPORATE GOVERNANCE

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

AUDITORS

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

INTERNAL AUDITORS

M/s. B.P. Rao & Company, Internal Auditors have been conducting quarterly audits of all operations of the Company and their findings

have been reviewed regularly by the Audit Committee. Your Directors note with satisfaction that no material deviations from the prescribed policy and procedures have been observed.

DEMATERIALISATION

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Bangalore
30 July 2013

C.B. Pardhanani
Chairman

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
THE MEMBERS OF MAC CHARLES (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by MAC CHARLES (INDIA) LIMITED, for the year ended 31 March 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

We state that no investor grievance is pending for a period exceeding one month as at 31 March 2013, as per the records maintained by the Company and as taken on record by the Share Transfer cum Share Holders Grievance Committee.

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

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

Bangalore
30 July 2013

V.V. GABRIEL
Partner (M.No.213936)

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

Report on the Financial Statements

We have audited the accompanying financial statements of MAC CHARLES (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2013 and also the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, complies with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
 - e. on the basis of written representations received from the directors as on 31 March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Bangalore
30 July 2013

V. V. Gabriel
Partner (M.No.213936)

MAC CHARLES (INDIA) LIMITED

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The process of numbering the fixed assets and updating the same into the fixed assets register is in progress.
 - The fixed assets have been physically verified by the Management during the year and no material discrepancies were noticed during such verification. However, fixed assets which are fully depreciated in earlier years and not in use have been written off during the year. Also, refer footnote to schedule 11 in the Notes to financial statements.
 - Fixed Assets disposed off during the year were not substantial.
- (ii) In respect of its inventory:
- Physical verification of inventory has been conducted by the Management at reasonable intervals.
 - In our opinion, the procedures, of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - The Company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of stocks as compared to book records are not material and have been properly dealt with in the books of account.
- (iii) In respect of its loans:
- The Company has granted an unsecured loan to its wholly owned subsidiary. The maximum amount outstanding during the year was Rs.2,43,10,759/- and the year-end balance of the loan is Rs 2,18,32,981/-.
 - Having regard to the fact that the loan granted to its wholly owned subsidiary is interest free and unsecured and also that no agreement/contract is entered into with the subsidiary, the terms and conditions of loan granted to the subsidiary are in our opinion prima facie not prejudicial to the interests of the Company.
 - In the absence of an agreement/contract there is no stipulation as to repayment and as such paragraph 4(iii)(c) of the order is not applicable to the Company in respect of repayment of principal amount.
 - Since there is no stipulation regarding repayment of principal, paragraph 4(iii)(d) of the order is not applicable to the Company in respect of overdue amount in excess of rupees one lakh.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraphs 4(iii)(e) to 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the company's explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Companies Act, 1956. Hence paragraph 4(v)(a) and 4(v)(b) of the order is not applicable to the Company.
- (vi) The Company has not accepted deposits to which the directives issued by Reserve Bank of India and provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
- (vii) The Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) As informed to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956, for the Company.
- (ix) In respect of its statutory dues
- According to the records of the Company and the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year.
 - To the best of our knowledge and belief and according to the information and explanations given to us, details of disputed statutory dues which has not been deposited in the case of Income Tax and are given in the table below :

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

- (x) The Company has neither accumulated loss as at 31 March 2013 nor has it incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to financial institution or bank.
- (xii) According to the information and explanations given to us, and records examined by us, during the year the company has not granted loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued any debenture during the year.
- (xx) The Company has not raised money by public issue during the year.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Bangalore
30 July 2013

V. V. Gabriel
Partner (M.No.213936)

MAC CHARLES (INDIA) LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

	Note	March 31, 2013 Rupees	March 31, 2012 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	13,10,37,270	13,10,37,270
Reserves and Surplus	3	216,03,39,513	209,34,01,197
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	4	5,36,24,426	6,29,39,148
Other Long Term Liabilities	5	4,48,69,080	56,31,909
Long Term Provisions	6	1,23,41,535	1,21,83,957
Current Liabilities			
Short-Term Borrowings	7	1,56,04,337	2,33,94,180
Trade Payables	8	1,92,63,092	2,13,66,448
Other Current Liabilities	9	6,73,37,424	5,49,90,658
Short-Term Provisions	10	11,38,83,043	10,25,68,870
Total		261,82,99,720	250,75,13,637
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		67,39,34,946	69,44,78,220
Capital work-in-progress		8,13,061	8,13,061
Non-current Investments	12	101,29,37,568	57,30,90,182
Long term loans and advances	13	59,14,97,112	91,40,99,609
Current Assets			
Current Investments	14	-	11,60,71,313
Inventories	15	1,37,22,300	1,35,22,722
Trade receivables	16	1,68,11,248	1,21,97,811
Cash and Bank Balances	17	4,35,93,697	4,14,89,323
Short-term loans and advances	18	24,60,42,534	10,46,72,490
Other current assets	19	1,89,47,254	3,70,78,906
Total		261,82,99,720	250,75,13,637
Significant Accounting Policies	1		
Notes on Financial Statements	2-40		

In terms of our report of even date

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

V.V. Gabriel
Partner (M.No. 213936)

Bangalore
July 30, 2013

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 30, 2013

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
REVENUE			
Revenue from Operations	20	43,09,71,788	47,42,32,116
Other Income	21	11,11,90,338	4,36,93,423
Total		<u>54,21,62,126</u>	<u>51,79,25,539</u>
EXPENSES			
Cost of Provisions, Food and Beverages consumed	22	5,16,23,518	5,11,87,187
Employee Benefits Expenses	23	9,30,45,652	8,57,78,130
Maintenance, Upkeep and Services	24	9,35,87,228	13,17,55,934
Financial Costs	25	9,37,458	6,05,149
Depreciation	11	6,31,18,373	6,00,16,382
Other Expenses	26	8,28,60,844	8,08,48,498
Total		<u>38,51,73,073</u>	<u>41,01,91,280</u>
Profit before exceptional and extraordinary items and tax		15,69,89,053	10,77,34,259
Exceptional Items	27	6,75,99,996	10,18,12,075
PROFIT BEFORE TAX		<u>22,45,89,049</u>	<u>20,95,46,334</u>
Tax Expenses			
- Current tax		(7,50,00,000)	(6,90,71,079)
- Deferred tax		93,14,722	89,72,500
NET PROFIT FOR THE YEAR		<u>15,89,03,771</u>	<u>14,94,47,755</u>
Earnings per Share:			
Basic & Diluted (<i>Face Value of Rs.10/- each</i>)	39	12.13	11.41
Significant accounting policies	1		
Notes on financial statements	2-40		

In terms of our report of even date

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

V.V. Gabriel
Partner (*M.No. 213936*)

Bangalore
July 30, 2013

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 30, 2013

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

MAC CHARLES (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per Statement of Profit & Loss	22,45,89,049	20,95,46,334
Adjustment for :		
Depreciation	6,31,18,373	6,00,16,382
Profit on sale of Fixed Assets	(10,63,000)	(89,82,646)
Profit on sale of Investments	(4,52,12,635)	(2,71,80,692)
Provision for dimunition in value of Investments	(13,96,852)	1,36,87,035
Dividend received	(98,95,876)	(49,96,639)
Interest paid	4,71,317	3,28,254
Operating profit before working capital changes	23,06,10,376	24,24,18,028
Adjustment for :		
Trade and other receivables	(12,92,07,524)	(2,94,59,474)
Inventories	(1,99,578)	(60,62,928)
Trade and other payables	5,38,37,946	(1,57,76,645)
Cash generated from operations	15,50,41,220	19,11,18,981
Direct Taxes (paid) / refund	(6,70,03,067)	(6,37,14,418)
Net cash (used in) / from operating activities	8,80,38,153	12,74,04,563
B) CASH FLOW FROM INVESTING ACTIVITIES		
Received from subsidiary/(loan given to subsidiary)	24,68,411	82,97,222
Purchase of Fixed Assets	(4,47,87,324)	(4,55,39,165)
Sale of Fixed Assets	32,75,225	1,35,41,604
Advance towards investment in immovable property	32,00,00,000	(1,03,91,246)
Purchase of Investments	(80,24,57,478)	(36,95,88,660)
Sale of Investments	52,52,90,892	35,84,36,614
Dividend received	98,95,876	49,96,639
Net cash (used in) / from investing activities	1,36,85,602	(4,02,46,992)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid including Corporate Dividend Tax	(9,13,58,221)	(9,13,58,221)
Interest paid	(4,71,317)	(3,28,254)
Increase / (decrease) in cash credit	(77,89,843)	77,80,940
Net cash (used in)/ from financing activities	(9,96,19,381)	(8,39,05,535)
Net increase in cash and cash equivalent	21,04,374	32,52,036
Cash and cash equivalents at beginning of the period	4,14,89,323	3,82,37,287
Cash and cash equivalents at end of the period	4,35,93,697	4,14,89,323

Footnote :

Cash and cash equivalents balances include Rs.3,99,17,645/- (Rs.3,66,24,440/-) being amounts lying in the unpaid dividend accounts which are not available for use by the Company.

In terms of our report of even date

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

V.V. Gabriel
Partner (M.No. 213936)

Bangalore
July 30, 2013

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 30, 2013

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES :

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

a. Fixed Assets :

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

b. Depreciation :

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

c. Impairment of Assets :

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

d. Investments :

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

e. Inventories :

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

f. Miscellaneous Expenditure :

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

g. Foreign Currency Transactions :

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

date of the Balance Sheet at the convertible rate of exchange prevailing on that date.

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

h. Revenue Recognition :

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

i. Employee Benefits :

- i. Provident Fund :

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

- ii. Gratuity :

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

- iii. Leave Encashment :

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

j. Taxation :

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

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

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

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
2. SHARE CAPITAL		
AUTHORISED		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
1,31,01,052 (1,31,01,052) Equity Shares of Rs.10/- each	13,10,10,520	13,10,10,520
Add: Forfeited Shares	26,750	26,750
	13,10,37,270	13,10,37,270
Footnote :		
a. Reconciliation of number of shares	As at March 31, 2013 No. of Shares	As at March 31, 2012 No. of Shares
Shares outstanding at the beginning of the year	13,101,052	6,550,526
Shares Issued during the year (Bonus Issue)	-	6,550,526
Shares bought back during the year	-	-
Shares outstanding at the end of the year	13,101,052	13,101,052
b. Details of shareholders holding more than 5% of shares		
	No. of Shares held	No. of Shares held
	%	%
Name of the Shareholder		
Mr. C.B.Pardhanani	96,16,952	89,68,452
	73.41	68.46
	March 31, 2013 Rupees	March 31, 2012 Rupees
3. RESERVES AND SURPLUS		
a) General Reserve		
Opening Balance	194,17,72,985	196,97,67,008
Add: Current Year Transfer	1,60,00,000	2,00,00,000
Less: Utilised for issue of Bonus Shares	-	4,79,94,023
Closing Balance (a)	195,77,72,985	194,17,72,985
b) Securities Premium Account		
Opening Balance	-	1,75,11,237
Less: Utilised for issue of Bonus Shares	-	1,75,11,237
Closing Balance (b)	-	-
c) Surplus		
Opening balance	15,16,28,212	11,32,35,061
Add: Net Profit/(Net Loss) For the current year	15,89,03,771	14,94,47,755
Less: Transfer to Reserves	1,60,00,000	2,00,00,000
Less: Proposed Dividends	7,86,06,312	7,86,06,312
Less: Corporate Dividend Tax	1,33,59,143	1,24,48,292
Closing Balance (c)	20,25,66,528	15,16,28,212
Total	216,03,39,513	209,34,01,197
4. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability:		
Accumulated Depreciation	5,53,22,713	6,49,87,910
Less: Deferred Tax Assets:		
Accrued expenses deductible on payment	16,98,287	20,48,762
Total	5,36,24,426	6,29,39,148

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
5. OTHER LONG TERM LIABILITIES		
a) Rental deposits received from L G Soft India Pvt Ltd.	3,95,51,616	-
Others	7,00,000	6,20,000
(b) Others	46,17,464	50,11,909
Total	4,48,69,080	56,31,909
6. LONG TERM PROVISIONS		
a) Provision for employee benefits: Provision for leave encashment	56,97,603	52,44,829
b) Others: Income tax	11,09,669	11,09,865
Provision for donations	55,34,263	58,29,263
Total	1,23,41,535	1,21,83,957
7. SHORT TERM BORROWINGS		
Secured		
Cash credit		
From Bank	1,56,04,337	2,33,94,180
(The Cash Credit from Bank is secured by Company's immovable property at No. 28, Sankey Road, Bangalore and first charge by way of hypothecation and / or pledge of the Company's entire goods, movables and other assets present and future including documents of title to the goods and other assets, such as Book Debts, outstanding monies, receivables, bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments and rights and uncalled capital and all machinery present and future of the Company.)		
Total	1,56,04,337	2,33,94,180
8. TRADE PAYABLES		
a) Dues to Micro and Small Enterprises	-	-
b) Others	1,92,63,092	1,52,84,289
Total	1,92,63,092	1,52,84,289
Footnote :		
In the absence of information as regard to the status/classification of the Relevant enterprises into Micro, Small and Medium enterprises, information as required under Notification No. G.S.R 719[E] dated 16.11.2007 issued by the Department of Company Affairs in respect of the total amount payable at the end of the year to the Micro & Small Enterprises could not be disclosed.		
9. OTHER CURRENT LIABILITIES		
a) Statutory remittances	51,72,042	54,69,674
b) Unclaimed / Subjudiced dividend	3,99,17,645	3,66,24,441
c) Due to Directors	44,43,953	51,75,771
d) Payables for capital assets	1,15,67,725	-
e) Others	62,36,059	77,20,772
Total	6,73,37,424	5,49,90,658
10. SHORT TERM PROVISIONS		
Provision For Employees Benefit		
a) Salaries & Wages payable	38,93,808	31,27,022
b) Bonus payable	11,54,899	24,27,432
c) Ex gratia payable	1,41,051	1,70,613
Others		
a) Proposed Dividend	7,86,06,312	7,86,06,312
b) Corporate Dividend Tax	1,33,59,143	1,27,51,909
c) Provision for Income Tax	1,19,92,930	54,85,582
d) Other provisions	47,34,900	60,82,159
Total	11,38,83,043	10,25,68,870

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

11. FIXED ASSETS

(Amount in Rupees)

	DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		As at 01/04/2012	Additions	Deductions	Total	Upto 01/04/2012	For the year	Deductions	Upto 31/03/2013	As at 31/03/2013	As at 31/03/2012
I	TANGIBLEASSETS										
	Land	33,31,65,755	-	-	33,31,65,755	-	-	-	-	33,31,65,755	33,31,65,755
	Buildings	18,62,15,304	-	-	18,62,15,304	12,86,79,821	50,48,974	-	13,37,28,795	5,24,86,509	5,75,35,483
	Plant & Machinery	48,77,24,202	2,76,38,317	1,15,30,612	50,38,31,907	24,31,97,481	4,08,91,211	93,57,846	27,47,30,846	22,91,01,061	24,45,26,721
	Furniture,Fixtures & Interiors	9,45,14,313	1,57,60,910	1,51,57,225	9,51,17,998	4,69,16,397	1,25,78,801	1,51,57,225	4,43,37,973	5,07,80,025	4,75,97,916
	Vehicles	2,03,77,955	-	4,32,480	1,99,45,475	1,49,25,783	26,68,933	3,93,021	1,72,01,695	27,43,780	54,52,172
	Office Equipment	17,27,311	79,800	7,23,618	10,83,493	13,42,848	99,763	7,23,618	7,18,993	3,64,500	3,84,463
	Sanitary Fittings	1,66,21,051	-	3,44,262	1,62,76,789	1,27,60,041	7,69,212	3,44,262	1,31,84,991	30,91,798	38,61,010
	Computers	1,11,41,058	13,08,297	35,05,028	89,44,327	91,86,358	10,61,479	35,05,028	67,42,809	22,01,518	19,54,700
	TOTAL	115,14,86,949	4,47,87,324	3,16,93,225	116,45,81,048	45,70,08,729	6,31,18,373	2,94,81,000	49,06,46,102	67,39,34,946	69,44,78,220
	PREVIOUS YEAR	114,14,79,195	4,55,39,165	3,55,31,411	115,14,86,949	42,79,64,800	6,00,16,382	3,09,72,453	45,70,08,729	69,44,78,220	71,35,14,395
II	CAPITALWORK-IN-PROGRESS										
	Hotel Project at Cochin	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	TOTAL	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	PREVIOUS YEAR	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061

Footnote : The amount of deductions from gross block and accumulated depreciation includes Rs.1,58,35,354/- of assets fully depreciated in earlier years and not in use during the year.

12. NON-CURRENT INVESTMENTS

(In Rupees)

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2013	As at March 31, 2012
Investment in Properties	Block A, ALPHA Embassy Tech Square, Sarjapur-Marathalli OuterRing Road		37,26,68,324	-----
In Equity Shares of Subsidiary Companies -Unquoted, fully paid up	29988 Airport Golf View Hotels & Suites Pvt. Ltd. [29988]	1000/-	7,45,00,000	7,45,00,000
In Equity Shares - Unquoted, fully paid up	600 Electrex (India) Ltd [600]	10/-	25,040	25,040
	152 Nextgen Animation Media [152]	10/-	0	0
	380 Silverline Technologies Ltd. [380]	10/-	14,01,191	14,01,191
In Mutual Fund - Unquoted, fully paid up	----- Franklin Templeton Mutual Fund [123193.673] Index Fund Nifty Plan Growth 794146.234 Sundaram BNP Paribas Mutual [794146.234] Capex Opportunities Fund - Dividend ----- Franklin Templeton Mutual Fund [50984.871] Short Term Income Fund Institutional-Gr.	10/- 10/- 10/-	----- ----- 2,01,00,000 -----	50,00,000 2,01,00,000 7,35,98,971
In Portfolio Management Services	Deutsche Bank Direct Equities Credit Suisse JM Financial Services Morgan Stanley India Financial Services		14,98,04,979 1,67,11,088 2,16,01,529 44,64,798	15,49,50,345 3,15,28,262 4,30,55,957 1,20,83,573
In Real Estate Venture Capital Fund	118.350 Kotak Real Estate Fund [120.050] 415566.000 Pru.ICICI India Advantage Fund-III [463315.000]	1 lac 100/-	1,18,35,031 4,15,56,600	1,20,05,673 4,63,31,500
In Equity Shares - Quoted, fully paid up	40000 Indian Hotels Company [40000] 5000 BHEL [5000] ----- Bombay Dyeing & Mfg. Company [1000] 5000 Essel Propack [10000] 30000 GMR Infrastructure [30000] 500 Great Offshore [500]	1/- 2/- 10/- 2/- 10/-	23,48,871 19,41,451 ----- 4,08,729 19,75,203 5,23,713	23,48,871 19,41,451 4,69,118 8,17,458 19,75,203 5,23,713

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2013	As at March 31, 2012
In Equity Shares - Quoted, fully paid up				
----- [2000]	Gujarat Alkalies and Chemicals	10/-	-----	4,52,181
5000 [5000]	HOV Services	10/-	9,95,820	9,95,820
1250 [6250]	ICICI Bank	10/-	10,65,856	51,81,204
1000 [1000]	Industrial Development Finance Corporation	10/-	2,15,714	2,15,714
----- [5000]	Indiabulls Financial Services	2/-	-----	50,49,787
----- [5000]	Indiabulls Securities	2/-	-----	0
375 [1125]	Jaiprakash Associates	2/-	-----	3,26,663
----- [1000]	Jindal Steel and Power	1/-	-----	6,14,970
----- [1994]	Lakshmi Overseas Industries	2/-	-----	5,40,589
1500 [1500]	Larsen & Tourbro	2/-	20,11,053	20,11,053
1800 [1800]	Mastek	5/-	14,55,550	14,55,550
1149 [1149]	Mercator	1/-	1,32,451	1,32,451
----- [25571]	NHPC	10/-	-----	9,20,556
----- [1500]	NTPC	10/-	-----	3,59,027
100000 [150000]	ONGC	5/-	1,47,79,177	1,47,79,177
2350 [2350]	Polaris Financial Technology	5/-	3,61,800	3,61,800
33651 [43651]	Purvankara Projects	5/-	67,98,326	1,02,56,560
10000 [10000]	Radha Madhav Corporation	10/-	8,51,752	8,51,752
----- [750]	Reliance Communications	5/-	-----	5,17,406
74643 [79643]	Reliance Industries	10/-	5,29,35,329	5,29,35,329
26433 [26433]	Sobha Developers	10/-	1,37,04,356	1,37,04,356
----- [22000]	Sterlite Industries	1/-	-----	0
4000 [4000]	Subex Azure	10/-	18,75,529	18,75,529
----- [4000]	Tata Steel	10/-	-----	18,10,485
10000 [----]	HDFC Bank	10/-	62,95,317	-----
In Mutual Fund - Unquoted, fully paid up				
15131794.314 [----]	Franklin Templeton Mutual Fund UltraShort Bond Fund - Weekly Dividend Re-invest	10/-	15,29,12,091	-----
3356778.805 [----]	Franklin Templeton Mutual Fund UltraShort Bond Fund - Growth	10/-	5,12,77,483	-----
In Non Convertible Debentures - Quoted, fully paid up				
----- [431]	Britannia Industries	170/-	-----	-----
Total Non-Current Investments			102,95,34,151	59,80,04,285
Less : Provision for diminution in value of Investments			1,65,96,583	2,49,14,103
			101,29,37,568	57,30,90,182

Footnote :

Investment in properties is **Rs.37,26,68,324/-** (Rs.Nil)Aggregate amount of Company's Quoted Investments is **Rs.11,06,75,997/-** (Rs.12,48,24,964/-)Total Market value of Quoted Investments as on 31 March 2013 is **Rs.7,47,28,525/-** (Rs.13,28,58,734/-)Aggregate amount of Company's Unquoted Investments is **Rs. 54,61,89,830/-** (Rs.47,31,79,321/-)

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
13. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
a) Capital Advances*	54,99,53,412	86,99,53,412
b) Security Deposit	83,10,315	83,29,620
c) Loans & Advances to related parties: Loans to Subsidiary Company-Being a private limited company in which Directors of the Company are Directors	2,18,32,981	2,43,01,392
d) Other loans and advances	1,14,00,404	1,15,15,185
Total	59,14,97,112	91,40,99,609
Footnote :		
*Being advance given for investments in Immovable Properties		
14. CURRENT INVESTMENTS		
<i>In Mutual Fund - Unquoted, fully paid up</i>		
--- Deutsche Asset Management [989229.422] Treasury Fund Cash - Institutional - Growth of Rs. 100/- each	-	11,60,71,313
Total	-	11,60,71,313
Footnote :		
Aggregate amount of Company's Unquoted Investments is Rs.Nil (Rs. 11,60,71,313/-)		
15. INVENTORIES		
a) Provisions, food supplies and beverages	61,68,536	69,36,993
b) Other stores and operational supplies	75,53,764	65,85,729
Total	1,37,22,300	1,35,22,722
16. TRADE RECEIVABLES		
Unsecured, Considered Good		
a) Outstanding for more than six months	6,29,416	1,95,123
b) Others	1,61,81,832	1,20,02,688
Total	1,68,11,248	1,21,97,811
17. CASH AND BANK BALANCES		
a) Cash-on-Hand		
Cash Balance	12,30,277	16,74,084
b) Balance with banks		
On Current Account*	4,13,63,420	3,88,15,239
On Fixed Deposit account**	10,00,000	10,00,000
Total	4,35,93,697	4,14,89,323
Footnote :		
*Includes Unclaimed / Subjudged Dividend of Rs. 3,99,17,645/- (Rs 3,66,24,441/-)		
** Comprises of deposit with maturity of more than 12 months		
18. SHORT TERMS LOANS AND ADVANCES		
Unsecured, Considered Good		
Other than related parties		
a) Loan	15,00,00,000	-
b) Other Advances	9,60,42,534	10,46,72,490
Total	24,60,42,534	10,46,72,490
19. OTHER CURRENT ASSETS		
a) Prepaid Expenses	77,98,818	74,38,454
b) Others	1,11,48,436	2,96,40,452
Total	1,89,47,254	3,70,78,906

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
20. REVENUE FROM OPERATIONS		
Income from Sale of Services	40,70,89,013	43,69,43,508
Less: Excise Duty (Refer Footnote*)	76,084	65,278
	<u>40,70,12,929</u>	<u>43,68,78,230</u>
Other operating revenues	2,39,58,859	3,73,53,886
Total	<u>43,09,71,788</u>	<u>47,42,32,116</u>
Footnote :		
*Particulars of Income from Sale of Services		
Sales Rooms	23,62,99,007	27,19,71,375
Food Beverages and Banquets	13,48,76,278	12,67,42,946
Sale of Electricity	3,58,37,644	3,81,63,909
Total	<u>40,70,12,929</u>	<u>43,68,78,230</u>
21. OTHER INCOME		
Interest	2,14,10,706	8,77,510
Rent	2,20,51,763	13,61,726
Licence Fees	42,89,735	41,13,704
Dividend Income	98,95,876	49,96,639
Profit on sale of Fixed Assets	10,63,000	89,82,646
Profit/(loss) on sale of investments - Short term	1,05,17,264	75,53,508
- Long term	3,46,95,371	1,96,27,184
Provision for diminution in value of Investments	13,96,852	(1,36,87,035)
Liabilities Written Back	28,24,728	97,86,041
Foreign Currency Fluctuations	1,22,460	-
Miscellaneous Income	29,22,583	81,500
Total	<u>11,11,90,338</u>	<u>4,36,93,423</u>
22. COST OF CONSUMPTION OF PROVISIONS, FOOD AND BEVERAGES		
Opening stock	69,36,993	48,06,452
Add: Purchase of provisions, food and beverages	5,08,55,061	5,33,17,728
Less: Closing stock	61,68,536	69,36,993
Total	<u>5,16,23,518</u>	<u>5,11,87,187</u>
23. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	7,72,56,519	7,26,18,132
Contribution to provident and other funds	79,82,469	79,35,898
Staff welfare	78,06,664	52,24,100
Total	<u>9,30,45,652</u>	<u>8,57,78,130</u>
Footnote :		
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	43,38,893	40,48,790
Defined Benefit Plan		
The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.		

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	(in Rupees)			
	Gratuity 2012-13	Gratuity 2011-12	Leave Encashment 2012-13	Leave Encashment 2011-12
I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation				
Defined Benefit obligation at beginning of the year	1,55,49,361	1,40,34,568	52,44,829	46,03,506
Current service cost	20,64,513	21,70,435	10,78,253	12,03,467
Interest cost	12,12,842	63,298	3,77,180	1,731
Actuarial (gain)/loss	(1,49,208)	(1,03,360)	3,43,253	(1,32,108)
Benefits paid	16,96,488	(6,15,580)	13,45,912	(4,31,767)
Defined Benefit obligation at the year end	1,69,81,020	1,55,49,361	56,97,603	52,44,829
II. Reconciliation of Opening and Closing Balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	1,76,10,407	1,53,53,276		
Expected return on plan assets	13,92,381	12,61,036		
Actuarial gain/(loss)	2,06,607	1,76,755		
Employer contributions	12,85,190	14,34,920		
Benefits paid	(16,96,488)	(6,15,580)		
Fair value of plan assets at year end	1,87,98,097	1,76,10,407		
Actual return on plan assets	15,98,988	14,37,791		
III. Reconciliation of fair value of assets and present value of obligation				
Fair value of plan assets	1,87,98,097	1,76,10,407	—	—
Present value of obligation	1,69,81,020	1,55,49,361	56,97,603	52,44,829
Amount recognized in Balance Sheet	—	—	56,97,603	52,44,829
IV. The amounts recognized in the Statement of Profit and Loss account are as follows				
Current service Cost	20,64,513	21,70,435	10,78,253	12,03,467
Interest Cost	12,12,842	63,298	3,77,180	1,731
Expected return on plan assets	(13,92,381)	(12,61,036)	—	—
Actuarial Gain/(loss)	(3,55,815)	(2,80,115)	3,43,253	(1,32,108)
Net Cost	15,29,159	6,92,582	17,98,686	10,73,090
	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12
V. Composition of Plan Assets				
Insurance managed funds	1,87,98,097 (100%)	1,76,10,407 (100%)	-	-
VI. Actuarial Assumptions				
Interest rate	8.25%	8.5%	8.25%	8.5%
Discount rate (per annum)	8.25%	8.5%	8.25%	8.5%
Expected rate of return on plan Assets (per annum)	8%	8%	0%	0%
Rate of escalation in salary (per annum)	6%	8%	8%	8%
Attrition rate	5%	10%	10%	10%
Retirement age	58	58	58	58

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
24. MAINTENANCE, UPKEEP AND SERVICES		
Guest Accomodation Board and Kitchen	74,21,094	1,16,51,046
Linen, Uniforms and Laundry	1,14,17,687	96,86,657
Repairs and Maintenance of:		
i) Building	1,89,15,339	3,83,64,733
ii) Plant and Machinery	1,35,76,213	1,39,18,414
iii) Interiors, Furniture, Furnishings and others	3,40,78,514	4,87,64,507
House-keeping Expenses	38,19,499	38,05,093
Banquet Expenses	43,58,882	55,65,484
Total	9,35,87,228	13,17,55,934
25. FINANCIAL COST		
Interest on Cash Credit	4,71,317	2,39,126
Interest Others	-	89,128
Other borrowing costs	4,66,141	2,76,895
Total	9,37,458	6,05,149
26. OTHER EXPENSES		
Power & fuel	1,44,32,662	1,58,00,567
Water charges	39,47,776	37,33,852
Commission on sales	48,59,938	59,19,140
Postage, Telex & Telephones	29,71,745	32,72,464
Printing & Stationery	26,49,896	32,95,164
Sales Promotional Expenses	9,67,308	11,49,199
Administrative & General Expenses	87,06,789	91,05,079
Travel & Conveyance	31,74,363	35,34,658
Rent	13,30,560	13,11,372
Rates & Taxes	1,42,30,469	58,24,395
Insurance	11,09,243	11,47,228
Royalty	1,06,20,223	1,20,60,220
Foreign Currency Fluctuations	-	22,702
Freight & Transport	92,946	1,94,012
Professional & Consultancy fees	51,05,980	46,09,360
Miscellaneous Expenses	2,99,092	7,35,076
Payment to Auditors	4,92,860	4,51,610
Director's Sitting Fees	3,80,000	2,35,000
Commission to Chairman's & Managing Director	66,06,109	77,47,400
Provision for Donations	8,00,000	7,00,000
Sundry Debit Balances Written off	82,885	-
Total	8,28,60,844	8,08,48,498
Footnote :		
Payment to Auditors		
Audit Fee	2,66,960	2,42,660
Tax Audit Fee	78,200	71,100
Other Services	1,28,100	1,18,960
Reimbursement of Expenses	19,600	18,890
Total	4,92,860	4,51,610
27. EXCEPTIONAL ITEMS		
Compensation received (Refer Footnote)	6,75,99,996	10,18,12,075
Total	6,75,99,996	10,18,12,075
Footnote :		
Represents amount received from property developers for delay in handing over the properties.		
28. Estimated amount of contract remaining to be executed on capital account not provided for Rs.3,29,00,000/- (Rs.2,34,85,092/-).		

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
29. Confirmation of balances has not been received from parties covered under Trade Receivables, Long term Loans and Advances and Trade Payables.		
30. Prior period items debited/ credited to Profit and Loss Account:		
Prior period expenses:		
R & M Building	-	80,572
R & M Plant and Machinery	-	8,250
T.V. Software Maintenance Charges	30,884	-
Guest Supplies	6,839	-
31. Earnings in Foreign Exchange	18,16,40,568	22,25,28,788
32. Expenditure in Foreign Currency		
Royalty	1,06,20,223	1,20,60,220
Sales Promotion and General Expenses	1,20,76,790	1,06,01,913
Agents Commission for Room Bookings	7,91,199	6,98,142
33. CIF Value of Imports		
Stores, Components and Spare Parts	21,83,345	1,36,80,520
Capital Goods	2,12,53,888	1,01,06,176
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:		
a) Income from		
i. Wines and Liquor	99,68,435	1,15,01,157
ii. Telephone and Telex	62,85,502	78,75,965
b) Consumption of		
i. Provision, Beverages (excluding Wine and Liquor)	4,63,31,811	4,60,18,260
ii. Wine and Liquor	52,91,707	51,68,927
35. Dividends remitted in Foreign Currency to Non Resident Shareholder Rs.9,60,000/- (Rs. 9,60,000/-).		
Number of Non Resident Shareholder	Number of Shares held by them on which Dividends remitted	
1 (1)	1,60,000 (1,60,000)	
36. Contingent Liabilities		
Disputed Income Tax Liability against which Appeals are pending		
Assessment Year 1997-98	9,55,691	9,55,691
Assessment Year 2010-11	10,34,668	-
37. RELATED PARTY DISCLOSURE		
(A) Related Parties and their Relationships		
(I) Subsidiary		
Airport Golf View Hotels & Suites Private Limited		
(II) Others		
1. Kapi Investment Ink Limited, Mauritius,	Shareholder.	
2. M.K.Trading L.L.C. , Dubai, UAE	a Company in which Chairman of the Company is a shareholder.	
3. C. Pardhanani's Education Trust,	a Trust in which the Chairman of the Company is a Trustee.	
4. Pardhanani International Investments And Holdings Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director } and Managing Director of the Company is a Director and shareholder.	
5. Pardhanani International Properties Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director } and Managing Director of the Company is a Director and shareholder.	
6. Sanko Properties Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director } and Managing Director of the Company is a Director and shareholder..	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 31.3.2013 (Rs.)	Payable (P) OR Receivable (R)
Kapi Investment Ink Limited	Overseas Body Corporate	Dividend	9,60,000 (9,60,000)	Nil (Nil)	Nil (Nil)
Airport Golf View Hotels and Suites Private Limited	Subsidiary	Loan (Given)/ repayment	15,57,562 (82,97,222)	2,18,32,981 (2,43,01,392)	(R) (R)
Mr.C.B.Pardhanani	Chairman	Commission based on profit	18,82,091 (19,91,500)	14,26,455 (12,12,953)	(P) (P)
		Dividend	5,38,10,712 (5,38,10,712)	Nil (Nil)	Nil (Nil)
Ms. S. C. Pardhanani	Managing Director	Dividend	38,91,000 (38,91,000)	Nil (Nil)	Nil (Nil)
		Remuneration	46,86,437 (42,01,988)	Nil (Nil)	Nil (Nil)
		Commission based on profit	47,24,018 (57,55,900)	30,17,498 (39,62,818)	(P) (P)
C Pardhanani's Education Trust	Trust in which Chairman of the Company is a trustee	Donation	9,00,000 (8,00,000)	Nil (Nil)	Nil (Nil)
Mr. M. B. Pardhanani	Related to Director	Dividend	7,22,400 (7,22,400)	57,79,200 (50,56,800)	(P) (Under dispute and subjudice)
Mrs.Uma M. Pardhanani	Related to Director	Dividend	12,30,000 (12,30,000)	98,40,000 (86,10,000)	(P) (Under dispute and subjudice)
Ms. Aarti M Pardhanani	Related to Director	Dividend	3,60,000 (3,60,000)	28,80,000 (25,20,000)	(P) (Under dispute and subjudice)

38. Disclosure as per Accounting Standard 29 :

(In Rupees)

Srl. No.	Particulars	Balance as at 01.04.2012	Additional Provision made during the year	Provision Reversed/utilised during the year	Balance as at 31.03.2013
1.	Provision for Leave Encashment	52,44,829	17,98,686	13,45,912	56,97,603
2.	Proposed Dividend	7,86,06,312	7,86,06,312	7,86,06,312	7,86,06,312
3.	Corporate Dividend Tax	1,27,51,909	1,33,59,143	1,27,51,909	1,33,59,143

March 31, 2013	March 31, 2012
Rupees	Rupees

39. Earnings Per Share has been computed as under :

Net Profit	15,89,03,771	14,94,47,755
Weighted Average Number of Equity Shares Outstanding	1,31,01,052	1,31,01,052
Earnings Per Share in Rupees- Basic And Diluted (Face Value of Rs. 10/- each)	12.13	11.41

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

MAC CHARLES (INDIA) LIMITED

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

BOARD OF DIRECTORS

The Company has an appropriate mix of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and the executive management. During the year the Board comprised of Chairman, one Managing Director and three Non-Executive Directors of who are independent Directors.

Board Meetings are scheduled well in advance. Agenda papers along with explanatory notes are distributed in a timely manner to Board members. The Board meets at least once in every quarter to review the quarterly financial results and discuss issues of import. During the year under review five Board Meetings have taken place on 26 April 2012, 24 July 2012, 06 September 2012, 27 October 2012 and 25 January 2013. As per Clause 49 of the Listing Agreement, the gap between two Board Meetings should not exceed three months.

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

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

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

COMMITTEES OF THE BOARD

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

a) AUDIT COMMITTEE

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

During the year four meetings of the committee were held on 26 April 2012, 23 July 2012, 27 October 2012 and 25 January 2013. The Composition of the Audit Committee as on 31st March 2013 and the attendance of members at the meeting of the Audit Committee held during the financial year 2012-2013 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	1
Mr. M. R. B. Punja	Member	Independent - Non-Executive	4

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

b) SHARE TRANSFER & SHAREHOLDERS GRIEVANCE COMMITTEE

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

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

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

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

NATURE OF COMPLAINT	OPENING BALANCE OF COMPLAINTS	NO. OF COMPLAINTS RECEIVED DURING THE YEAR	NO. OF COMPLAINTS RESOLVED	NO. OF PENDING COMPLAINTS
With regard to share transfer/ Transmission/ Transposition/ Dividend / Annual Reports / Dematerialization etc.,	Nil	84	84	Nil

c) REMUNERATION COMMITTEE

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

Details of remuneration disbursed to Directors, during the Financial Year 2012-2013 are as under :

(In Rupees)

Srl.No.	Name of the Director	Sitting Fees	Professional Fees	Remuneration	Commission
1.	Mr. C.B. Pardhanani	----	----	----	18,82,091
2.	Ms. S. C. Pardhanani	----	----	46,86,437	47,24,018
3.	Mr. M. R. B. Punja	1,40,000	----	----	----
4.	Mr. P.B. Appiah	1,40,000	1,53,000	----	----
5.	Mr. M. R. Prasanna	1,00,000	----	----	----
		3,80,000	1,53,000	46,86,437	66,06,109

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 2010	31 August 2010	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	–
31 March 2011	5 September 2011	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	3
31 March 2012	6 September 2012	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	–

Special Resolution passed in the previous three AGMs.

I. In the AGM held on 31st August 2010 ... No Special Resolution.

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

1. Re-appointment of Ms. S.C.Pardhanani as ‘Managing Director’ and Revision in Remuneration ;
2. Commission to Chairman of the Company ; and
3. Pay professional fee to Mr.P.B.Appiah.

III. In the AGM held on 6th September 2012 ... No Special Resolution

No Postal Ballot was conducted during the financial year 2012-2013.

MAC CHARLES (INDIA) LIMITED

A. CODE OF CONDUCT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, all listed Companies are required to adopt a Code of Conduct for Board of Directors and members of the Senior Management. Accordingly, the Board of Directors of the Company has laid down a Code of Conduct applicable to all the Board Members and Senior Management Personnel. All those governed by the said Code of Conduct have made the following declaration with respect to adoption of the Code of Conduct.

Dear All (or Members)

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

Bangalore
30 July 2013

S. C. Pardhanani
Managing Director

B. CEO CERTIFICATION

As per the requirement of Corporate Governance Code, the Managing Director and Chief Financial Officer have furnished a necessary certificate to the Board of Directors with respect to financial statements and cash flow statement for the year ended 31 MARCH 2013.

DISCLOSURES

Under related party transactions :

The Company has contributed a sum of Rs.9,00,000/- to C. Pardhanani's Education Trust wherein Mr. C. B. Pardhanani, Chairman is a Trustee.

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDER INFORMATION

a. Date, Time and Venue of Annual General Meeting

Date	Time	Venue
18th September 2013	3 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.

b. Financial Calendar

- | | |
|----------------------------------|----------------------------------|
| - Annual General Meeting | 18th September 2013 |
| - Quarterly Results - 30.06.2013 | 30th July, 2013 |
| - Quarterly Results - 30.09.2013 | on or before 15th November, 2013 |
| - Quarterly Results - 31.12.2013 | on or before 15th February, 2014 |
| - Quarterly Results - 31.03.2014 | on or before 15th May, 2014 |
- c. Book Closure dates - Dividend & AGM** 6th September 2013 to 18th September 2013 (both days inclusive)
- d. Dividend payment date** The Dividend will be paid on or before 10th October, 2013
- 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** MCCHRLES-B / 507836
Bombay Stock Exchange
- g. Payment of Listing Fees :** Annual Listing Fee for the year 2013-14 has been paid by the Company to BSE.
- h. Delisting :** Your Company's equity shares were delisted voluntarily from Bangalore Stock Exchange Ltd.
- i. Demat ISIN numbers in NSDL & CDSL :** INE435D01014
- j. Payment of Depository Fees :** Annual Depository Fee for the year 2013-14 has been paid by the Company to NSDL and CDSL.
- k. Registrars & Transfer Agents :** BgSE Financials Limited
RTA Division, No.51, 1st Cross, J.C. Road, Bangalore – 560 027.

l. Transfer of unpaid/unclaimed: amounts to Investor Education and Protection Fund

During the year under review, the Company has credited Rs.12.56 lakhs, lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

m. 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.

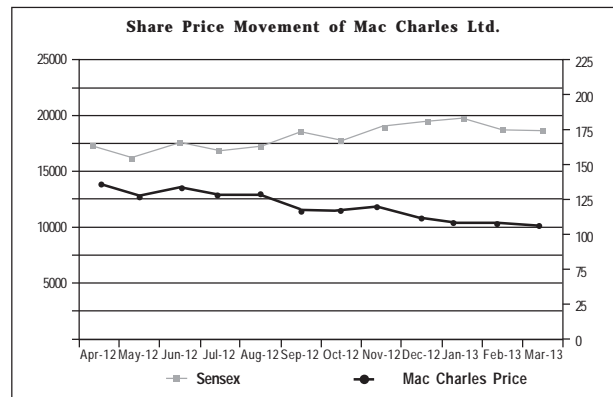
n. Share Transfer System

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.

o. Stock Market Data on Bombay Stock Exchange :

MONTH	MONTHLY HIGH (Rs.)	MONTHLY LOW (Rs.)
APRIL 2012	128.80	112.15
MAY	121.00	110.10
JUNE	123.75	112.25
JULY	124.95	115.65
AUGUST	125.00	108.05
SEPTEMBER	119.90	105.05
OCTOBER	121.00	109.15
NOVEMBER	123.00	111.05
DECEMBER	119.70	111.10
JANUARY 2013	117.95	111.00
FEBRUARY	114.00	100.25
MARCH	106.00	96.05

p. Stock performance Vs BSE Sensex :



q. Distribution of Shareholding as on 31 March 2013

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to – 500	12435	95.81	17,49,679	13.36
501 – 1000	331	2.55	2,58,275	1.97
1001 – 2000	117	0.90	1,82,976	1.39
2001 – 3000	31	0.24	76,597	0.58
3001 – 4000	22	0.17	79,650	0.61
4001 – 5000	10	0.08	45,191	0.35
5001 – 10000	12	0.09	77,114	0.59
10001 – 50000	14	0.11	1,89,918	1.45
50001 and above	7	0.05	1,04,41,652	79.70
Total	12979	100.00	1,31,01,052	100.00

r. Categories of Shareholders as on 31 March 2013

Category	No. of Share Holders	Total Shares	% of Total Equity
Overseas Corporate Bodies	1	1,60,000	1.22
FI's & Banks	3	3,200	0.02
Bodies Corporate	81	2,51,010	1.92
Non-Resident Public	372	1,48,715	1.13
Directors	1	96,16,952	73.41
Resident Public	12521	29,21,175	22.30
Total	12979	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 2013

	No. of Share holders	No. of Shares	% of shares
No. of Shareholders in Physical Mode	9329	2168000	16.55
No. of Shareholders in Electronic Mode	3650	10933052	83.45
Total	12979	13101052	100

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Company has been reporting consolidated results taking into account the results of its subsidiary. This discussion, therefore, covers the financial results and other developments during April, 2012 to March, 2013. 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 international travel and tourism industry continues to show moderate growth and as per United Nations World Tourism Organisation (UNWTO) International Tourist Arrivals, Worldwide, grew by 4% in 2012 to reach 1.035 billion from 996 million in 2011. As per World Travel and Tourism Council (WTTC) estimates, travel and tourism sector's importance to the global economy continued to grow. Its economic contribution, from both direct and indirect activities combined, was US\$6.6 trillion in Gross Domestic Product (GDP), 260 million jobs, US\$764 billion in investment and US\$ 1.2 trillion in exports. Thus, travel and tourism sector accounts for 9.3% of global GDP, 1 in 11 jobs, 5% of investment and 5% of exports.

Emerging economies (representing 47% of global arrivals) grew at 4.1% in volumes over 2011 which was higher than developed economies (representing 53% of global arrivals) which grew at 3.6% in volumes, which has been a long term trend now in the industry. Demand held well throughout the year across regions, with a strong fourth quarter. Asia Pacific continued to lead the regions with a 7% growth, much higher than the global average.

In terms of regional performance in the hospitality sector, a RevPAR (Revenue Per Available Room) growth of about 4% to 6% was observed in 2012 in America, Middle East and South East Asia by Smith Travel Research Global (STR). Europe and the Indian subcontinent however, saw a decline in RevPARs of 4% and 12% respectively. Supply-Demand mismatch in the Indian Subcontinent and economic volatility in the Eurozone are the primary reasons for this performance trend.

As per WTTC, in India, the total direct and indirect economic impact of the travel and tourism industry was Rs.6,385 billion, being 6.6% of the GDP and over 39 million jobs. As per statistics updated by the Industry Ministry of Tourism, the Foreign Tourist Arrivals in India for 2012 has been 6.65 million which is a 5.4% increase over 6.31 million tourists of 2011 – there has been a considerable slowdown in the growth rate as compared to the 9.2% growth in 2011, although it is at par with the global scenario. Foreign Exchange Earnings from tourism increased to Rs.94,487 crores in 2012 from Rs.77,591 crores in 2011, with a growth rate in earnings of 21.8% over 2011.

In Terms of hospitality industry performance in India, data from STR reports indicate that the overall rates, occupancies and RevPAR have seen a decline in 2012, owing to the impact of increased supply in the

marketplace and this trend is expected to continue for the next few years, given the gestation period for new hotel supply. The overall RevPAR for the industry is at Rs.3,625 which is still 10% lower than the peak RevPAR seen 2008.

FUTURE PROSPECTS

The UNWTO expects growth to continue in 2013 at 3%, in line with UNWTO long term forecast. While Asia Pacific and America will lead the growth, Europe and Middle East are expected to remain under pressure.

As per WTTC, Foreign Tourist Arrivals to India are forecasted to grow at a rate 8% - 9% in the next few years and predict that India will receive 14 million tourists by 2023.

While key source markets of America and Europe are expected to continue to be the largest contributors to tourism, domestic short haul travel across Asia Pacific continues to be a growing trend, with Asia Pacific being the growth driver for outbound tourism. The Domestic Indian traveler has emerged in 2012 and increasing discretionary spends continue to propel domestic travel and tourism.

According to the STR Global Construction Pipeline Report, as of March 2013, the Asia Pacific hotel development pipeline comprises over 1,700 hotels and over 3.8 lakhs rooms. India report an expected room growth of 29% with 54,478 rooms in its total active pipeline open. The Upscale segment accounts for the largest portion of rooms in the total active pipeline with 26% followed by the Upper Upscale segment at 23% and the Luxury segment at 18%.

REVIEW OF OPERATIONS

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

In spite of the above, sales turnover of the Company has increased from Rs.5179 lakhs to Rs.5422 lakhs as compared to the previous year. During the year under report, the hotel business is hit by the entry of new five star hotels in the city of Bangalore resulting in stiff competition. Hence, it will be difficult to improve the working results in current financial year.

SEGMENT WISE PERFORMANCE

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

RENOVATIONS

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

GUEST EXPERIENCE

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

SALES & MARKETING INITIATIVES

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

RISK AND CONCERNS

Industry Risk

General Economic Conditions :

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

Socio-Political Risks :

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

Company Specific Risks :

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

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

RISK MITIGATION INITIATIVES

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

CAUTIONARY STATEMENT

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

MAC CHARLES (INDIA) LIMITED

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

Name of the Subsidiary Company	Airport Golf View Hotels & Suites Private Limited
Financial Year of the Subsidiary Company ended on	MARCH 31, 2013
Number of Shares in the Subsidiary Company held by MAC CHARLES (INDIA) LIMITED, Bangalore, as the above dated	29988
The net aggregate of Profit, less losses, of the Subsidiary Company so far as it concerns the members of MAC CHARLES (INDIA) LIMITED (i) Dealt with in the accounts of MAC CHARLES (INDIA) LIMITED, amount to : (a) for the subsidiary's financial year ended 31st March 2013 (b) for previous financial years of the subsidiary since it became subsidiary of MAC CHARLES (INDIA) LIMITED (ii) Not dealt with in the accounts of MAC CHARLES (INDIA) LIMITED, amount to : (a) for the subsidiary's financial year ended 31st March 2013 (b) for previous financial years of the subsidiary since it became subsidiary of MAC CHARLES (INDIA) LIMITED	In Rupees 19,00,164/- (29,91,550) Nil Nil
Changes in the interest of MAC CHARLES (INDIA) LIMITED, between the end of the subsidiary's financial year ended 31 March 2013 : Number of shares acquired	N.A.
Material changes between the end of the subsidiary's financial year ended 31 March 2013 1. Fixed Assets (net addition) 2. Investments 3. Moneys lent by the subsidiary 4. Moneys borrowed by the subsidiary company other than for meeting current liabilities	N.A.

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

Report on the Consolidated Financial Statements

We have audited the accompanying 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 31 March, 2013, the Consolidated Statement of Profit and Loss and Consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position and financial performance of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the Financial Statements 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 Management, as well as evaluating the overall presentation of the financial statements.

We did not audit the financial statements of the Subsidiary, whose financial statements reflect Total Assets of Rs.4,41,81,191/- and Total Liabilities of Rs.4,14,41,486/- as at 31 March 2013, Total Revenues of Rs.3,82,83,497/- and Total Expenditure of Rs.3,63,53,333/- 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.

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

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

Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Bangalore
30 July 2013

V. V. Gabriel
Partner (M.No.213936)

MAC CHARLES (INDIA) LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Note	March 31, 2013 Rupees	March 31, 2012 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	13,10,37,270	13,10,37,270
Reserves and Surplus	4	215,92,48,126	209,04,09,647
Non-Current Liabilities			
Long Term Borrowings	5	1,57,24,868	1,57,53,507
Deferred Tax Liabilities (Net)	6	5,36,24,426	6,29,39,148
Other Long Term Liabilities	7	4,54,19,080	61,81,909
Long Term Provisions	8	1,23,41,535	1,21,83,957
Current Liabilities			
Short-Term Borrowings	9	1,56,04,337	2,33,94,180
Trade Payables	10	2,08,85,200	1,73,08,667
Other Current Liabilities	11	6,83,32,128	5,63,38,236
Short-Term Provisions	12	11,45,99,868	10,87,99,025
Total		263,68,16,838	252,43,45,546
ASSETS			
Non-Current Assets			
Fixed Assets	13		
Tangible Assets		70,94,08,045	73,21,99,988
Intangible Assets		7,19,39,681	7,19,39,681
Capital work-in-progress		8,13,061	813,061
Non-current investments	14	93,84,37,568	49,85,90,182
Long term loans and advances	15	57,03,21,805	89,02,16,316
Current Assets			
Current investments	16	-	11,60,71,313
Inventories	17	1,59,41,251	1,46,91,723
Trade receivables	18	1,72,63,933	1,26,73,358
Cash and Bank Balances	19	4,47,76,673	4,26,50,601
Short-term loans and advances	20	24,65,59,126	10,49,71,159
Other current assets	21	2,13,55,695	3,95,28,164
Total		263,68,16,838	252,43,45,546
Significant Accounting Policies	2		
Notes on Financial Statements	3-43		

In terms of our report of even date

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

V.V. Gabriel
Partner (M.No. 213936)

Bangalore
July 30, 2013

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 30, 2013

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
REVENUE			
Revenue from Operations	22	46,90,56,033	50,76,50,076
Other Income	23	11,13,89,021	4,50,59,023
Total		58,04,45,054	55,27,09,099
EXPENSES			
Cost of Provisions, Food and Beverages consumed	24	7,24,36,119	6,91,49,487
Employee Benefits Expenses	25	9,67,03,470	8,87,62,598
Maintenance, Upkeep and Services	26	9,42,63,764	13,29,02,578
Financial Costs	27	10,03,671	6,28,710
Depreciation	13	6,52,64,864	6,24,49,973
Other Expenses	28	9,18,53,950	8,94,32,700
Total		42,15,25,838	44,33,26,046
Profit before exceptional and extraordinary items and tax		15,89,19,216	10,93,83,053
Exceptional Items	29	6,75,99,996	10,18,12,075
PROFIT BEFORE TAX		22,65,19,212	21,11,95,128
Tax Expenses:			
- Current tax		(7,50,30,000)	(6,91,51,079)
- Deferred tax		93,14,722	89,72,500
NET PROFIT FOR THE YEAR		16,08,03,934	15,10,16,549
Earnings per Share:			
Basic & Diluted (<i>Face Value of Rs.10/- each</i>)	42	12.27	11.53
Significant Accounting Policies	2		
Notes on Financial Statements	3-43		

In terms of our report of even date

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

V.V. Gabriel
Partner (M.No. 213936)

Bangalore
July 30, 2013

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 30, 2013

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

MAC CHARLES (INDIA) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per Statement of Profit & Loss	22,65,19,212	21,11,95,128
Adjustment for :		
Depreciation	6,52,64,864	6,24,49,973
Profit on sale of Fixed Assets	(11,22,812)	(89,82,646)
Profit on sale of Investments	(4,52,12,636)	(2,71,80,692)
Provision for diminution in value of Investments	(13,96,852)	1,36,87,035
Dividend received	(98,95,876)	(49,96,639)
Interest Paid	4,91,956	3,28,254
Operating profit before working capital changes	23,46,47,856	24,65,00,413
Adjustment for :		
Trade and other receivables	(12,96,01,344)	(2,59,43,118)
Inventories	(12,49,528)	(71,66,885)
Trade and other payables	5,37,01,632	(1,29,91,797)
Cash generated from operations	15,74,98,616	20,03,98,613
Direct taxes (paid) / refund	(6,70,83,067)	(6,37,14,418)
Net cash (used in) / from operating activities	9,04,15,549	13,66,84,195
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,49,00,334)	(4,56,89,995)
Sale of Fixed Assets	35,50,226	1,36,30,204
Advance towards Investment in immovable property	32,00,00,000	(1,03,91,246)
Purchase of Investments	(80,24,57,478)	(36,95,88,660)
Sale of Investments	52,52,90,892	35,84,36,614
Dividend received	98,95,876	49,96,639
Net cash (used in) / from investing activities	1,13,79,182	(4,86,06,444)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid including Corporate Dividend Tax	(9,13,58,221)	(9,13,58,221)
Increase / (decrease) in cash credit	(77,89,843)	77,80,940
Decrease in Long term Loans	(28,639)	(63,495)
Interest paid	(4,91,956)	(3,28,254)
Net cash (used in) / from financing activities	(9,96,68,659)	(8,39,69,030)
Net increase in cash and cash equivalent	21,26,072	41,08,721
Cash and cash equivalents at beginning of the period	4,26,50,601	3,85,41,880
Cash and cash equivalents at end of the period (Refer Footnote)	4,47,76,673	4,26,50,601

Footnote :

Cash and cash equivalents balances include Rs.3,99,17,645/- (Rs.3,66,24,440/-) being amounts lying in the unpaid dividend accounts which are not available for use by the Company.

In terms of our report of even date

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

V.V. Gabriel
Partner (M.No. 213936)

Bangalore
July 30, 2013

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 30, 2013

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. BASIS OF CONSOLIDATION :

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

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

Disclosure under Accounting Standard 21 :

List of Subsidiary :

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

2. SIGNIFICANT ACCOUNTING POLICIES :

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

a. Fixed Assets :

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

b. Depreciation :

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

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

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

c. Impairment of Assets :

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

d. Investments :

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

e. Inventories :

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

f. Miscellaneous Expenditure :

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

g. Foreign Currency Transactions :

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

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

h. Revenue Recognition :

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

i. Employee Benefits :

- i. Provident Fund :

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

- ii. Gratuity :

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

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

- iii. Leave Encashment :

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

j. Taxation :

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
3. SHARE CAPITAL		
AUTHORISED CAPITAL		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
1,31,01,052 (1,31,01,052) Equity shares of Rs.10/- each	13,10,10,520	13,10,10,520
Add : Forfeited Shares	26,750	26,750
	13,10,37,270	13,10,37,270
Footnote :		
a. Reconciliation of number of shares	As at 31.03.2013	As at 31.03.2012
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	1,31,01,052	65,50,526
Shares Issued during the year	-	65,50,526
Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,31,01,052	1,31,01,052
b. Details of shareholders holding more than 5% of shares		
	Name of the Shareholder	No. of Shares held %
	Mr. C.B.Pardhanani	89,68,452 68.46
	March 31, 2013 Rupees	March 31, 2012 Rupees
4. RESERVES AND SURPLUS		
a) General Reserve		
Opening Balance	194,17,72,985	196,97,67,008
Add: Current Year Transfer	1,60,00,000	2,00,00,000
Less: Utilised for issue of Bonus Shares	-	4,79,94,023
Closing Balance (a)	195,77,72,985	194,17,72,985
b) Securities Premium Account		
Opening Balance	-	1,75,11,237
Less: Utilised for issue of Bonus Shares	-	1,75,11,237
Closing Balance (b)	-	-
c) Surplus		
Opening balance	14,86,36,662	10,86,74,717
Add: Net Profit/(Net Loss) For the current year	16,08,03,934	15,10,16,549
Less: Transfer to Reserves	1,60,00,000	2,00,00,000
Less: Proposed Dividends	7,86,06,312	7,86,06,312
Less: Corporate Dividend Tax	1,33,59,143	1,24,48,292
Closing Balance (c)	20,14,75,141	14,86,36,662
Total	215,92,48,126	209,04,09,647
5. Long Term Borrowings		
Secured		
From Banks		
Car Loan (Secured by hypothecation of vehicles)	-	28,639
Unsecured		
From other than banks	1,57,24,868	1,57,24,868
Total	1,57,24,868	1,57,53,507

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
6. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Accumulated Depreciation	5,53,22,713	6,49,87,910
<i>Less:</i> Deferred Tax Assets:		
Accrued expenses deductible on payment	<u>16,98,287</u>	<u>20,48,762</u>
Total	<u>5,36,24,426</u>	<u>6,29,39,148</u>
7. OTHER LONG TERM LIABILITIES		
a) Rental deposits received from LG Soft India Pvt. Ltd	3,95,51,616	-
Others	7,00,000	6,20,000
b) Others	<u>51,67,464</u>	<u>55,61,909</u>
Total	<u>4,54,19,080</u>	<u>61,81,909</u>
8. LONG TERM PROVISIONS		
a) Provision for employee benefits		
Provision for leave encashment	56,97,603	52,44,829
b) Others		
Income tax	11,09,669	11,09,865
Provision for donations	<u>55,34,263</u>	<u>58,29,263</u>
Total	<u>1,23,41,535</u>	<u>1,21,83,957</u>
9. SHORT TERM BORROWINGS		
Secured		
Cash credit		
From bank	1,56,04,337	2,33,94,180
(The Cash credit from bank is secured by Company's immovable property at No. 28, Sankey Road, Bangalore and first charge by way of hypothecation and / or pledge of the Company's entire goods, movables and other assets present and future including documents of title to the goods and other assets, such as Book Debts, outstanding monies, receivables, bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments and rights and uncalled capital and all machinery present and future of the Company).		
Total	<u>1,56,04,337</u>	<u>2,33,94,180</u>
10. TRADE PAYABLES		
(a) Dues to Micro and Small Enterprises	-	-
(b) Others	<u>2,08,85,200</u>	<u>1,73,08,667</u>
Total	<u>2,08,85,200</u>	<u>1,73,08,667</u>
Foot Note:		
In the absence of information as regard to the status/classification of the Relevant enterprises into Micro, Small and Medium enterprises, information as required under Notification No. G.S.R 719[E] dated 16.11.2007 issued by the Department of Company Affairs in respect of the total amount payable at the end of the year to the Micro & Small Enterprises could not be disclosed.		
11. OTHER CURRENT LIABILITIES		
a) Statutory remittances	57,62,481	59,38,980
b) Unclaimed / Subjudiced dividend	3,99,17,645	3,66,24,441
c) Due to Directors	44,43,953	51,75,771
d) Payables for capital assets	1,15,67,725	-
e) Others	<u>66,40,324</u>	<u>85,99,044</u>
Total	<u>6,83,32,128</u>	<u>5,63,38,236</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
12. SHORT TERM PROVISIONS		
Provision For Employees Benefit		
(a) Salaries & Wages Payable	39,87,830	31,95,018
(b) Bonus Payable	11,54,899	24,27,432
(c) Ex gratia Payable	1,41,051	1,70,613
Others		
(a) Proposed Dividend	7,86,06,312	7,86,06,312
(b) Corporate Dividend Tax	1,33,59,143	1,27,51,909
(c) Provision for Income Tax	1,20,22,930	55,65,582
(d) Other provisions	53,27,703	60,82,159
Total	11,45,99,868	10,87,99,025

13. FIXED ASSETS

(Amount in Rupees)

	DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 01/04/2012	Additions	Deductions	Total	Upto 01/04/2012	For the year	Deductions	Upto 31/03/2013	As at 31/03/2013	As at 31/03/2012
I	TANGIBLEASSETS										
	Land	33,65,64,276	-	-	33,65,64,276	-	-	-	-	33,65,64,276	33,65,64,276
	Buildings	22,74,60,214	85,345	-	22,75,45,559	13,95,08,369	65,74,059	-	14,60,82,428	8,14,63,131	8,79,51,845
	Plant & Machinery	49,52,81,324	2,76,55,532	1,15,30,612	51,14,06,244	24,78,80,343	4,12,93,415	93,57,846	27,98,15,912	23,15,90,332	24,74,00,981
	Furniture,Fixtures & Interiors	9,87,63,803	1,57,60,910	1,51,57,225	9,93,67,488	5,03,72,452	1,27,84,222	1,51,57,225	4,79,99,449	5,13,68,039	4,83,91,351
	Vehicles	2,11,14,155	-	11,68,679	1,99,45,476	1,54,46,794	26,68,933	9,14,032	1,72,01,695	27,43,781	56,67,361
	Office Equipment	17,27,311	79,800	7,23,618	10,83,493	13,42,848	99,763	7,23,618	7,18,993	3,64,500	3,84,463
	Sanitary Fittings	1,66,21,051	-	3,44,262	1,62,76,789	1,27,60,041	7,69,212	3,44,262	1,31,84,991	30,91,798	38,61,010
	Computers	1,14,78,396	13,18,747	35,05,028	92,92,115	94,99,695	10,75,260	35,05,028	70,69,927	22,22,188	19,78,701
II	INTANGIBLEASSETS										
	Good will	7,19,39,681	-	-	7,19,39,681	-	-	-	-	7,19,39,681	7,19,39,681
	TOTAL	128,09,50,211	4,49,00,334	3,24,29,424	129,34,21,121	47,68,10,542	6,52,64,864	3,00,02,011	51,20,73,395	78,13,47,726	80,41,39,669
	PREVIOUS YEAR	127,08,80,227	4,56,89,995	3,56,20,011	128,09,50,211	44,53,33,022	6,24,49,973	3,09,72,453	47,68,10,542	80,41,39,669	82,55,47,205
III	CAPITAL WORK-IN-PROGRESS										
	Hotel Project at Cochin	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	TOTAL	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	PREVIOUS YEAR	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061

Footnote : The amount of deductions from gross block and accumulated depreciation includes Rs.1,58,35,354/- of assets fully depreciated in earlier years and not in use during the year.

	March 31, 2013 Rupees	March 31, 2012 Rupees
14. NON CURRENT INVESTMENTS		
a) Investment in properties	37,26,68,324	-
b) Aggregate amount of quoted investments	11,06,75,997	12,48,24,964
c) Aggregate amount of un-quoted investments	47,16,89,830	39,86,79,321
	95,50,34,151	52,35,04,285
<i>Less: Provision for diminution in value of Investments</i>	1,65,96,583	2,49,14,103
Total	93,84,37,568	49,85,90,182
15. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
a) Capital Advances (Refer Footnote *)	54,99,53,412	86,99,53,412
b) Security Deposits	89,67,989	87,47,719
c) Other loans and advances	1,14,00,404	1,15,15,185
Total	57,03,21,805	89,02,16,316

Footnote :

* Being advance given for investments in immovable properties.

16. CURRENT INVESTMENTS

In Mutual Fund - Unquoted, fully paid up		
--- Deutsche Asset Management	-	11,60,71,313
[989229.422] Treasury Fund Cash - Institutional - Gr. of Rs.100/- each	-	-
Total	-	11,60,71,313
Aggregate amount of Company's Unquoted Investments is Rs.Nil (Rs.11,60,71,313/-)	-	-

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
17. INVENTORIES		
a) Provisions, food supplies and beverages	83,87,487	81,05,994
b) Other stores and operational supplies	75,53,764	65,85,729
Total	1,59,41,251	1,46,91,723
18. TRADE RECEIVABLES		
Unsecured, Considered Good		
a) Outstanding for more than six months	6,29,416	1,95,123
b) Others	1,66,34,517	1,24,78,235
Total	1,72,63,933	1,26,73,358
19. CASH AND BANK BALANCES		
a) Cash-on-Hand		
Cash Balance	20,59,349	17,77,781
b) Balance with banks		
On Current Account*	4,17,17,324	3,98,72,820
On Fixed Deposit account**	10,00,000	10,00,000
Total	4,47,76,673	4,26,50,601
Footnote :		
*Includes Unclaimed / Subjudiced Dividend of Rs.3,99,17,645/- (Rs 3,66,24,441/-)		
** Comprises of deposit with maturity of more than 12 months		
20. SHORT TERMS LOANS AND ADVANCES		
Unsecured, Considered Good		
Other than related parties		
a) Loan	15,00,00,000	-
b) Other Advances	9,65,59,126	10,49,71,159
Total	24,65,59,126	10,49,71,159
21. OTHER CURRENT ASSETS		
Others		
a) Prepaid Expenses	1,02,07,259	98,87,712
b) Others	1,11,48,436	2,96,40,452
Total	2,13,55,695	3,95,28,164
	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
22. REVENUE FROM OPERATIONS		
Income from Sale of Services	44,46,66,132	46,97,16,080
Less: Excise Duty	76,084	65,278
(Refer Footnote)	44,45,90,048	46,96,50,802
Other operating revenues	2,44,65,985	3,79,99,274
Total	46,90,56,033	50,76,50,076
Footnote :		
Sales Rooms	24,20,73,976	27,96,67,241
Food Beverages and Banquets	16,66,78,428	15,18,19,652
Sale of Electricity	3,58,37,644	3,81,63,909
Total	44,45,90,048	46,96,50,802

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
23. OTHER INCOME		
Interest	2,14,31,520	9,00,762
Rent	2,21,69,819	14,27,726
Licence Fees	42,89,735	41,13,704
Dividend Income	98,95,876	49,96,639
Profit on sale of Fixed Assets	11,22,812	89,82,646
Profit/(loss) on sale of investments - Short term	1,05,17,264	75,53,508
- Long term	3,46,95,372	1,96,27,184
Provision for dimunition in value of investments	13,96,852	(1,36,87,035)
Liabilities Written Back	28,24,728	97,86,041
Foreign Currency Fluctuations	1,22,460	-
Miscellaneous Income	29,22,583	13,57,848
Total	11,13,89,021	4,50,59,023
24. COST OF CONSUMPTION OF PROVISIONS, FOOD AND BEVERAGES		
Opening stock	81,05,994	48,06,452
Add: Purchase of provisions, food and beverages	7,27,17,612	7,12,80,028
Less: Closing stock	83,87,487	69,36,993
Total	7,24,36,119	6,91,49,487
25. EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and bonus	7,97,81,203	7,45,13,692
Contribution to provident and other funds	82,07,324	81,34,928
Staff welfare	87,14,943	61,13,978
Total	9,67,03,470	8,87,62,598

Footnote :

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	43,38,893	40,48,790
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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 2012-13	Gratuity 2011-12	Leave Encashment 2012-13	Leave Encashment 2011-12
I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation				
Defined Benefit obligation at beginning of the year	1,55,49,361	1,40,34,568	52,44,829	46,03,506
Current service cost	20,64,513	21,70,435	10,78,253	12,03,467
Interest cost	12,12,842	63,298	3,77,180	1,731
Actuarial (gain)/loss	(1,49,208)	(1,03,360)	3,43,253	(1,32,108)
Benefits paid	16,96,488	(6,15,580)	13,45,912	(4,31,767)
Defined Benefit obligation at the year end	1,69,81,020	1,55,49,361	56,97,603	52,44,829

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(in Rupees)

	Gratuity 2012-13	Gratuity 2011-12	Leave Encashment 2012-13	Leave Encashment 2011-12
II. Reconciliation of Opening and Closing Balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	1,76,10,407	1,53,53,276		
Expected return on plan assets	13,92,381	12,61,036		
Actuarial gain/(loss)	2,06,607	1,76,755		
Employer contributions	12,85,190	14,34,920		
Benefits paid	(16,96,488)	(6,15,580)		
Fair value of plan assets at year end	1,87,98,097	1,76,10,407		
Actual return on plan assets	15,98,988	14,37,791		
III. Reconciliation of fair value of assets and present value of obligation				
Fair value of plan assets	1,87,98,097	1,76,10,407	—	—
Present value of obligation	1,69,81,020	1,55,49,361	56,97,603	52,44,829
Amount recognized in Balance Sheet	—	—	56,97,603	52,44,829
IV. The amounts recognized in the Profit and Loss account are as follows				
Current service Cost	20,64,513	21,70,435	10,78,253	12,03,467
Interest Cost	12,12,842	63,298	3,77,180	1,731
Expected return on plan assets	(13,92,381)	(12,61,036)	—	—
Actuarial gain/(loss)	(3,55,815)	(2,80,115)	3,43,253	(1,32,108)
Net Cost	15,29,159	6,92,582	17,98,686	10,73,090
	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12
V. Composition of Plan Assets				
Insurance managed funds	1,87,98,097 (100%)	1,76,10,407 (100%)	-	-
VI. Actuarial Assumptions				
Interest rate	8.25%	8.5%	8.25%	8.5%
Discount rate (per annum)	8.25%	8.5%	8.25%	8.5%
Expected rate of return on plan Assets (per annum)	8%	8%	0%	0%
Rate of escalation in salary (per annum)	6%	8%	8%	8%
Attrition rate	5%	10%	10%	10%
Retirement age	58	58	58	58
			For the year ended March 31, 2013	For the year ended March 31, 2012
			Rupees	Rupees
26. MAINTENANCE, UPKEEP AND SERVICES				
Guest Accomodation Board and Kitchen			74,21,094	1,16,51,046
Linen, Uniforms and Laundry			1,14,17,687	1,00,67,095
Repairs and Maintenance of :				
i) Building			1,92,48,071	3,90,31,886
ii) Plant & Machinery			1,39,13,931	1,39,63,467
iii) Interiors, Furniture, Furnishings and others			3,40,78,514	4,87,64,507
House-keeping Expenses			38,25,585	38,59,093
Music, Entertainment and Banquet Expenses			43,58,882	55,65,484
Total			9,42,63,764	13,29,02,578
27. FINANCIAL COST				
Interest on Cash Credit			4,71,317	2,39,126
Interest Others			20,639	89,128
Other borrowing costs			5,11,715	3,00,456
Total			10,03,671	6,28,710

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
28. OTHER EXPENSES		
Power & fuel	1,85,96,970	1,89,62,773
Water charges	40,60,650	37,33,852
Commission on sale & Travel agencies	48,59,938	59,19,140
Postage, Telex & Telephones	31,86,012	34,33,319
Printing & Stationery	27,62,425	34,74,602
Sales Promotional Expenses	14,45,304	23,12,131
Administrative & General Expenses	90,81,630	91,27,520
Travel & Conveyance	36,90,634	42,80,338
Rent	13,41,735	13,19,936
Rates & Taxes	1,66,47,925	81,98,641
Insurance	12,25,720	12,66,846
Royalty	1,06,20,223	1,20,60,220
Foreign Currency Fluctuations	-	22,702
Freight & Transport	92,946	2,55,012
Professional & Consultancy fees	52,68,330	47,91,708
Miscellaneous Expenses	5,91,654	11,19,950
Payment to Auditors (Refer Footnote*)	5,12,860	4,71,610
Director's Sitting Fees	3,80,000	2,35,000
Commission to Chairman's & Managing Director	66,06,109	77,47,400
Provision for Donations	8,00,000	7,00,000
Sundry Debit Balances Written off	82,885	-
Total	9,18,53,950	8,94,32,700
Footnote :		
*Payment to Auditors		
Audit Fee	2,86,960	2,62,660
Tax Audit Fee	78,200	71,100
Other Services	1,28,100	1,18,960
Reimbursement of Expenses	19,600	18,890
Total	5,12,860	4,71,610
29. EXCEPTIONAL ITEMS		
Compensation received (Refer Footnote)	6,75,99,996	10,18,12,075
Total	6,75,99,996	10,18,12,075
Footnote :		
Represents amount received from property developers for delay in handing over the properties		
30. Estimated amount of contract remaining to be executed on capital account not provided for Rs.3,29,00,000/- (Rs.2,34,85,092./-).		
31. Confirmation of balances has not been received from parties covered under Trade Receivables, Long term Loans and Advances and Trade Payables.		
32. Prior period items debited/ credited to Profit and Loss Account		
Prior period expenses		
R & M Building	-	80,572
R & M Plant and Machinery	-	8,250
T.V. Software Maintenance Charges	30,884	-
Guest Supplies	6,839	-

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
33. Earnings in Foreign Exchange	18,16,40,568	22,25,28,788
34. Expenditure in Foreign Currency		
Royalty	1,06,20,223	1,20,60,220
Sales Promotion and General Expenses	1,20,76,790	1,06,01,913
Agents Commission for Room Bookings	7,91,199	6,98,142
35. CIF Value of Imports		
Stores, Components and Spare Parts	21,83,345	1,36,80,520
Capital Goods	2,12,53,888	1,01,06,176
36. Information as per Order No.46/22/98 CL III Dated 24 February 1998, issued by the Ministry of Finance, Department of Company Affairs:		
a) Income from		
i. Wines and Liquor	99,68,435	1,15,01,157
ii. Telephone and Telex	62,85,502	78,75,965
b) Consumption of		
i. Provision, Beverages (excluding Wine and Liquor)	4,63,31,811	4,60,18,260
ii. Wine and Liquor	52,91,707	51,68,927
37. Dividends remitted in Foreign Currency to Non Resident Shareholder Rs.9,60,000 (Rs.9,60,000/-).		
Number of Non Resident Shareholder	Number of Share held by them on which Dividends remitted	
1 (1)	1,60,000 (1,60,000)	
38. Contingent Liabilities		
Disputed Income Tax Liability against which Appeals are pending		
Assessment Year 1997-98	9,55,691	9,55,691
Assessment Year 2010-11	10,34,668	-

39. RELATED PARTY DISCLOSURE

(A) Related Parties and their Relationships

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 31.3.2013 (Rs.)	Payable (P) OR Receivable (R)
Kapi Investment Ink Limited	Overseas Body Corporate	Dividend	9,60,000 (9,60,000)	Nil (Nil)	Nil (Nil)
Mr.C.B.Pardhanani	Chairman	Commission based on profit	18,82,091 (19,91,500)	14,26,455 (12,12,953)	(P) (P)
		Dividend	5,38,10,712 (5,38,10,712)	Nil (Nil)	Nil (Nil)
Ms. S. C. Pardhanani	Managing Director	Dividend	38,91,000 (38,91,000)	Nil (Nil)	Nil (Nil)
		Remuneration	46,86,437 (42,01,988)	Nil (Nil)	Nil (Nil)
		Commission based on profit	47,24,018 (57,55,900)	30,17,498 (39,62,818)	(P) (P)
C Pardhanani's Education Trust	Trust in which Chairman of the Company is a trustee	Donation	9,00,000 (8,00,000)	Nil (Nil)	Nil (Nil)
Mr. M. B. Pardhanani	Related to Director	Dividend	7,22,400 (7,22,400)	57,79,200 (50,56,800)	(P) (Under dispute and subjudice)
Mrs.Uma M. Pardhanani	Related to Director	Dividend	12,30,000 (12,30,000)	98,40,000 (86,10,000)	(P) (Under dispute and subjudice)
Ms. Aarti M Pardhanani	Related to Director	Dividend	3,60,000 (3,60,000)	28,80,000 (25,20,000)	(P) (Under dispute and subjudice)

40. AS 17 SEGMENT REPORTING

	AS AT March 31, 2013			AS AT March 31, 2012		
	HOTEL	ELECTRICITY	TOTAL	HOTEL	ELECTRICITY	TOTAL
REVENUE NET SALES						
External Sales	46,80,75,558	3,58,37,644	50,39,13,202	49,51,54,132	3,81,63,909	53,33,18,041
Other Income			7,65,40,032			1,93,91,058
TOTAL REVENUE			58,04,53,234			55,27,09,099
RESULT						
Segment Result	9,58,57,083	17,37,330	9,75,94,413	9,82,77,454	65,90,591	10,48,68,045
Add: Unallocated Income [Other than Interest Income]			5,51,08,511			1,84,90,296
Add: Interest Income			2,14,31,520			9,00,762
Less: Unallocated Expenses [Other than Interest Expenses]			1,42,11,557			1,42,47,340
Less: Interest Expenses			10,03,671			6,28,710
PROFIT BEFORE TAX			15,89,19,216			10,93,83,053
Add: Exceptional Items			6,75,99,996			10,18,12,075
Less: Income Tax			7,50,30,000			6,91,51,079
Add: Deferred Tax			93,14,722			89,72,500
NET PROFIT			16,08,03,934			15,10,16,549
OTHER INFORMATION						
Segment Assets	83,27,45,996	25,07,00,167	108,34,46,163	67,47,43,431	28,02,31,057	95,49,74,488
Unallocated Assets			155,33,70,675			1,56,93,71,058
TOTAL ASSETS			263,68,16,838			2,52,43,45,546
Segment Liabilities	10,66,14,965	-	10,66,14,965	5,35,46,457	-	5,35,46,457
Unallocated Liabilities			23,99,16,477			24,93,52,172
TOTAL LIABILITIES			34,65,31,442			30,28,98,629
Capital Expenditure	4,49,00,334	-	4,49,00,334	4,56,89,995	-	4,56,89,995
Unallocated Capital Expenditure	-	-	-	-	-	-
TOTAL			4,49,00,334			4,56,89,995

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

41. Disclosure as per Accounting Standard 29 :

(In Rupees)

Srl. No.	Particulars	Balance as at 01.04.2012	Additional Provision made during the year	Provision Reversed/utilised during the year	Balance as at 31.03.2013
1.	Provision for Leave Encashment	52,44,829	17,98,686	13,45,912	56,97,603
2.	Proposed Dividend	7,86,06,312	7,86,06,312	7,86,06,312	7,86,06,312
3.	Corporate Dividend Tax	1,27,51,909	1,33,59,143	1,27,51,909	1,33,59,143

March 31, 2013 Rupees	March 31, 2012 Rupees
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42. Earnings Per Share has been computed as under :

Net Profit	16,08,03,934	15,10,16,549
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>)	12.27	11.53

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

MAC CHARLES (INDIA) LIMITED

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

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

I hereby record my presence at the THIRTYTHIRD ANNUAL GENERAL MEETING of the Company held at the Hotel Le Meridien No. 28, Sankey Road, Bangalore - 560 052 on **Wednesday the 18th September, 2013 at 3 p.m.**

Full Name of Member (in Block Letters)

Reg. Folio No. No. of Shares held

Full Name of Proxy (in Block Letters)

Member's /Proxy's Signature

NOTE: Shareholders are requested to bring this slip to the Meeting duly filled up including Folio Number & Number of Shares held.



MAC CHARLES (INDIA) LIMITED

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

PROXY FORM

I/We

of

being a Member / Members of Mac Charles (India) Limited hereby appoint

of or failing him/her of as my/our proxy of

vote for me/us on my/our behalf at the THIRTYTHIRD ANNUAL GENERAL MEETING of the Company to be held on **Wednesday the 18th September, 2013 at 3 p.m.**

Reg. Folio No.

No. of Shares Signed this

Affix
Re. 1/-
Revenue
Stamp

NOTE: This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before Meeting.



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ROYAL CLUB SUITE



AIRPORT GOLF VIEW HOTELS & SUITES COCHIN

BOOK-POST

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