

**BOARD OF DIRECTORS**

<b>Mr. C. B. Pardhanani</b>	<b>Chairman</b>
<b>Ms. S. C. Pardhanani</b>	<b>Director</b>
<b>Mr. P. B. Appiah</b>	<b>Director</b>
<b>Mr. M. R. B. Punja</b>	<b>Director</b>
<b>Mr. Suresh Vaswani</b>	<b>Director</b>
<b>Ms. Tanya Girdhar John</b> (w.e.f. 21.08.2015)	<b>Director</b>

**VICE PRESIDENT FINANCE & COMPANY SECRETARY**

**Mr. M.S. Reddy**

**MANAGER & VICE PRESIDENT OPERATIONS**

**Mr. Suresh K Badlaney**

**CHIEF FINANCIAL OFFICER (CFO)**

**Mr. Pranasha K Rao**

**REGISTERED OFFICE**

**LEMERIDIEN - BANGALORE**

28, Sankey Road, Bangalore - 560 052

Tel : 080-2226 2233 / 2228 2828

Fax : 080-2226 7676 / 2226 2050

CIN: L55101KA1979PLC003620

website: maccharlesindia.com

e-mail : secretarial@lemeridienbangalore.com

secretarial@lemeridien-bangalore.com

**PRINCIPAL BANKERS**

State Bank of India, Bangalore

State Bank of Mysore, Bangalore

HDFC Bank, Bangalore

**REGISTRARS & SHARE TRANSFER AGENTS**

BgSE Financials Limited

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** B.Com., L.L.B., MBIM, FCA, FCS

Vice President Finance and Company

Secretary- cum - Compliance Officer

Tel : 080-2226 2233 / 2228 2828

Email : investor.relations@maccharles.com

**AUDITORS**

**K. B. Nambiar & Associates**

Chartered Accountants

101, President Chambers

# 8, Richmond Road

Bangalore - 560 025

**CONTENTS**

Directors' Report	2
Auditors' Certificate on Corporate Governance	9
Auditors' Report	10
Balance Sheet	14
Profit & Loss Account	15
Cash Flow Statement	16
Notes to Financial Statements for the year ended March 31, 2015	17
Corporate Governance Report	28
Management Discussion & Analysis Report	33
Consolidated Financial Statements	35
Statement of Subsidiary Company - Form AOC - 1	52

*Thirtyfifth Annual General Meeting of **MAC CHARLES (INDIA) LTD.** will be held on **TUESDAY** the **29th SEPTEMBER 2015** at Hotel Le Meridien, No. 28, Sankey Road, Bangalore - 560 052 at **4.30 p.m.***

*Note:*

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

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

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

# MAC CHARLES (INDIA) LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 35th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2015.

### FINANCIAL RESULTS

(In Rs.)

Particulars	2014-15	2013-14
<b>Segmentwise Turnover/Revenue</b>		
(a) Hotel Sales turnover	<b>42,33,49,874</b>	39,38,81,027
(b) Sale of Electricity	<b>4,04,68,781</b>	3,41,59,115
(c) Interest on Corporate loan/ deposits Received	<b>9,09,80,633</b>	7,22,20,853
(d) Rent Received on Commercial Spaces at Cessna Business Park	<b>11,68,40,412</b>	7,19,34,079
(e) Dividend/ Profit/(Loss) on sale of investments	<b>4,60,29,384</b>	(6,50,02,911)
<b>Total</b>	<b>71,76,69,084</b>	50,71,92,163
<b>Profit before Depreciation, Finance Cost &amp; Tax</b>		
From Hotel Operations	<b>9,28,64,355</b>	9,24,63,600
From Investments other than the Hotel	<b>29,42,95,206</b>	11,33,11,136
	<b>38,71,59,561</b>	20,57,74,736
Less : Depreciation	<b>2,83,44,387</b>	6,51,31,429
Less : Finance Cost	<b>8,12,102</b>	11,03,382
<b>Profit before Tax</b>	<b>35,80,03,072</b>	13,95,39,925
From Hotel Operations	<b>6,37,07,866</b>	2,56,12,192
From Investments other than the Hotel	<b>29,42,95,206</b>	11,39,27,733
	<b>35,80,03,072</b>	13,95,39,925
Provision for tax for the year	<b>10,78,84,414</b>	7,14,25,505
<b>Profit for the year</b>	<b>25,01,18,658</b>	6,81,14,420
Add : Balance brought forward from the previous year	<b>17,17,15,493</b>	20,25,66,528
<b>Amount available for Appropriation</b>	<b>42,18,34,151</b>	27,06,80,948
<b>APPROPRIATIONS</b>		
(i) General Reserves	<b>10,00,00,000</b>	70,00,000
(ii) Dividend :	<b>10,48,08,416</b>	7,86,06,312
iii) Corporate Dividend Tax	<b>2,09,55,517</b>	1,33,59,143
iv) Balance carried to Balance Sheet	<b>19,60,70,218</b>	17,17,15,493

### TRANSFER TO RESERVES

During the financial year 2014-15 an amount of Rs.1000 lacs (Rs. 70 lacs last year) has been transferred to General Reserve out of amount available for appropriations.

### HOTEL OPERATIONS

The Board is pleased to inform that during the financial year 2014-15 the overall revenue of the hotel was higher and with effective cost control & effective working capital management, the Company enhanced its operating performance which has already been highlighted above and in the Management Discussion & Analysis Report.

The Board is pleased to inform you that during the financial year 2014-15 the total revenue of the Company has increased to Rs.7177 lacs as compared to Rs.5052 lacs in the previous year. However, the Hotel revenue has marginally increased. The profit after tax for the year is Rs.2501 lacs during the financial year 2014-15 compared to Rs.681 lacs during financial year 2013-14. This increase has been mainly on account of 'other income' in the previous year. On the whole, the overall performance for the year has been higher with effective cost control, other segments & business and increase in business due to intensive efforts of marketing network. The Company has been able to retain market share through conference on business summits, out-door catering and also continuing in its leading position in wedding related business in the city. This success has been achieved despite new entrants into the hospitality business, and/or expansion in the existing ones. As a result, during the year new supply has hit the market with increasing inventory of rooms thereby reflecting an increase of 30% of inventory in the 5star and 5star deluxe segment in the city and is situated right in the middle of the Company's key corporate catchment areas. To make the matter worse, there has been acute competition due to variable discount factors offered by many of the members of the industry.

### FUTURE PROSPECTS

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

### FINANCE

During the year under report, the financial position of the Company has been strengthened despite the marginal increase in Hotel business. The Company's diversification into electricity generation through Wind Turbine Generators and other sources of income from investments have helped the bottomline and the Company is able to show higher net profit after income tax. The segment performance is furnished elsewhere in the Annual Report.

### DIVIDEND

Your Directors have recommended a dividend of Rs.8 per Equity Share for the financial year ended March 31, 2015, amounting to Rs.10,48,08,416/- (exclusive of tax of Rs.2,09,55,517/-). 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 24th September 2015.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings during the year were Rs.1,365/- lakhs which is 32% of the Hotel Sales Turnover. The Foreign Exchange utilization during the year was Rs.180/- lakhs.

### SUBSIDIARY COMPANIES

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

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

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

## **DUES TO SMALL SCALE UNDERTAKINGS**

There are no dues payable to small scale undertakings.

## **CORPORATE GOVERNANCE**

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

## **ENERGY CONSERVATION**

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

- a) During the year under report, the Company has added two more Wind Turbine Generators with a capacity of 4.20 MW with the investment of Rs.24.50 crores apart from having existing capacity of 5.10MW which will generate green electricity of about 2.25 crore units p.a. of green power which is being utilized partially for captive consumption of the Hotel and the balance units generated is being sold to Govt. of Karnataka / third party consumers.
- b) An effective key-tag system is in vogue in all guest rooms to switch off lights & power connections automatically.
- c) Substantially switched over to LED lamps from conventional lamps with a view to saving energy upto 60% on lighting.
- d) Installed solar panels which are feeding hot water required for the guest rooms.
- e) Imported and installed three highly fuel efficient screw chillers for our AC plant.
- f) Replaced window with double glazed reflective glass with a view to save power an AC consumption.
- g) Installed two on load tap charger transformers for stabilizing voltage fluctuations and thereby to save power and prevent damage to electric motors and other installations.
- h) Thermostatic Controls, Timers and Photo Cell Switches have been installed wherever necessary to control power consumption.
- i) Imported and installed two temperature control systems to reduce power consumption.
- j) Constituted an energy conservation committee to monitor power consumption regularly.

## **TECHNOLOGY ABSORPTION**

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

transport vehicles for complimentary transport of hotel guests, video conferencing facility, latest models of soundfree fridges in guest rooms and various latest hotel operational equipments. Further the Hotel has been conforming to the stringent Le Meridien's International Standards.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors at its meeting held on 24.04.2015 has appointed Mr. Suresh Badlaney as Manager of the Company for a period of three years with effect from 01.04.2015 on the recommendation of Nomination & Remuneration Committee.

Pursuant to Section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with the Stock Exchanges, a Woman Director should be a member of the Board of Directors of the Company. In accordance with the laws, Ms. Tanya Girdhar John has been appointed as an Independent Additional Director of the Company with effect from 21.08.2015 and her candidature for appointment as an Independent Director has been sought from the Members in the ensuing Annual General Meeting of the Company. Brief profile of Ms. Tanya Girdhar John as required under Clause 49(VIII)(E) of the Listing Agreement is provided in the Notice convening the Annual General Meeting.

During the year, as on 31.03.2015, Ms. Sangeeta C. Pardhanani has resigned as Managing Director of the Company due to her pre-occupation elsewhere. The Board expressed its deep appreciation for the valuable services rendered by her and decided not to fill up the vacancy caused by her resignation.

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

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the appointment of Mr. Suresh K Badlaney as Manager and Mr. Pranisha K Rao as CFO were formalized as the Key Managerial Personnel of the Company.

## **BOARD EVALUATION**

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

# MAC CHARLES (INDIA) LIMITED

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## **NOMINATION & REMUNERATION POLICY**

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

## **NOMINATION & REMUNERATION COMMITTEE**

Nomination and Remuneration Committee consists of the following directors namely Mr. C.B. Pardhanani, Chairman, and Mr. P.B. Appiah, Director.

Brief description of terms of reference:

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

## **NOMINATION AND REMUNERATION POLICY**

The objectives of the Policy

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

## **CORPORATE GOVERNANCE**

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

on the compliance of Corporate Governance are annexed and form part of the Annual Report.

## **RISK MANAGEMENT COMMITTEE**

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

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

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

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended March 31, 2015 and states that:

- a) In the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to materials departures, if any;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detection fraud and other irregularities;
- d) The directors have prepared the annual accounts on a going concern basis;
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **PARTICULARS OF EMPLOYEES**

Information as per Rules 5(2) & (3) of the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2015, a statement showing the names and other particulars of the employees drawing

remuneration in excess of the limits set out in the said rules is appended below:

**Employed for the year :**

<b>Name</b>	<b>Ms.S.C.Pardhanani</b>
Age	46 Years
Remuneration	Rs.1,54,94,273/-
Qualification	B.Com., DBM
Experience	12 Years
Date of commencement of employment	01.10.2002
Last Employment held	Executive Director – Mac Charles (India) Ltd.
Designation	Managing Director
Shares held in the Company	Nil
Whether related to any Director	She is daughter of Mr. C.B. Pardhanani, Chairman

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

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

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board can be accessed on the Company's website.

The details of the transactions with related party are provided in the accompanying financial statements.

**AUDITORS' REPORT ON CORPORATE GOVERNANCE**

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

**AUDITORS & AUDITORS' REPORT**

M/s. K.B. Nambiar & Associates, Chartered Accountants, Bangalore Firm (Firm Registration No. 002313S) was appointed as Statutory Auditors of the Company at the last Annual General Meeting held on 22nd September 2014 to hold office upto the conclusion of the fourth consecutive Annual General Meeting subject to ratification by the members at every Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

The notes on accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

**INTERNAL AUDITORS**

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

**SECRETARIAL AUDITOR**

The Board has appointed M/s. VCS & Associates, Bangalore, Practicing Company Secretaries to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2015-16. The Secretarial Audit Report does not contain

any qualification, reservation or adverse remark.

**MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In line with the requirement of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee has been constituted by the Board of Directors of the Company at its meeting held on 22.01.2015. The said Committee comprises of Mr. C.B. Pardhanani Chairman of the Company and Mr. P.B. Appiah the Chairman of the Audit Committee.

As required under Section 135 of the Companies Act, 2013, the Board of Directors at its meeting held on 22.01.2015, has devised a Corporate Social Responsibility Policy which inter alia includes the constitution of the said committee and corporate social responsibility activities to be taken by the Company. The said policy may be referred at the Company's website. The Annual Report on CSR activities is annexed to this Report.

**DISCLOSURES:**

**A) MEETINGS OF THE BOARD**

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

**B) COMPOSITION OF AUDIT COMMITTEE**

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

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

Pursuant to Section 177 of the Companies Act, 2013 read with Clause 49(II)(F) of the Listing Agreement with the Stock Exchanges, the Board of Directors at its meeting held on 22.01.2015 has adopted a vigil mechanism/whistle blower policy of the Company. The policy provides a framework for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

# MAC CHARLES (INDIA) LIMITED

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Protected disclosures can be made by a whistle blower through and email or to the Chairman of the Audit Committee. The vigil mechanism/whistle blower policy can be accessed on the Company's website.

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

The Company has zero tolerance towards sexual harassment at workplace and during the year under review, your Board has constituted an internal Complaints Committee to consider and redress complaints of sexual harassment & also adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2014-15, the Company has received no complaints on sexual harassment.

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

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

## **F) PARTICULARS OF REMUNERATION**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided elsewhere in this report.

## **G) GENERAL**

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

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.

3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts of Tribunals which impact the going concern status and Company's operations in future.

## **DEMATERIALIZATION**

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

## **ACKNOWLEDGEMENTS**

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

For and on behalf of the Board

Bangalore  
21 August 2015

**C.B. Pardhanani**  
*Chairman*

**Annexure A**

**EXTRACT FROM NOMINATION AND REMUNERATION POLICY**

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

**A. Eligibility or Criteria for Appointment**

**Educational Qualification**

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

**Experience**

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

**Integrity**

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

**Age**

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

**Independence**

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

**Limits on Directorship**

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

**Limits on Committee Membership**

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

**B. Term of Office**

**Whole-time Director**

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

**Independent Director(s)**

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

**Key Managerial Personnel and Senior Management**

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

# MAC CHARLES (INDIA) LIMITED

## Annexure B

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

#### 1. Brief Outline of CSR Policy

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

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

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

S1 No.	CSR project or activity identified	Sector in which the activity is covered	Projects or activity (1) Local Area or Other (2) Specify the State and District where Projects/Programme undertaken	Amount Outlay (Budget) project / programs wise	Amount spent on the projects or activity	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency*
1	Promoting Education and Healthcare	including special education and employment enhancing vocation skills especially among children.	Bangalore Karnataka	25,09,773	12,30,000	22,90,000	—

#### 6. Responsibility Statement

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

For and on behalf of the Board

Bangalore  
21 August, 2015

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

**C.B. Pardhanani**  
Chairman

viii. Slum Area Development

ix. Such other areas as may be included in Schedule VII of the Companies Act, 2013 from time to time

The Projects / Programmes may be undertaken by an Implementation Agency or the Company directly provided that such projects / programmes are in line with the activities enumerated in Schedule VII of the Companies Act, 2013.

The detailed Corporate Social Responsibility Policy is available on the website of the Company.

#### 2. Composition of CSR Committee

The Corporate Social Responsibility (CSR) Committee comprises of the following members:

1. Mr. C. B. Pardhanani - Chairman
2. Mr. P.B. Appiah- Director - Member

#### 3. Average Net Profits

The average net profits, i.e. profits before tax of the Company during the three immediately preceding financial years was Rs. 12,54,88,647

#### 4. Prescribed CSR Expenditure

The prescribed CSR expenditure was Rs. 25,09,773, i.e. 2% of the average net profits mentioned in Point 3 above.

#### 5. Details of CSR Spend

- a. Total amount spent for the financial year 2014-15: Rs. 12,30,000/-
- b. Amount unspent: Rs. 12,79,773/-. The reason for unspent money is due to delay in identifying the most deserving trusts for education and health care



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

We certify that:

1. We have reviewed the financial statements and cash flow statement of Mac Charles (India) Limited for the financial year ended March 31, 2015 and to the best of our knowledge and belief;
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are, no transactions entered into by the Company during the financial year ended 31st March 2015, which are fraudulent, illegal or violating the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls over financial reporting and we have evaluated the effectiveness of Internal Control Systems of the Company over financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
4. We have indicated to the auditors and the audit committee:
  - (i) significant changes / improvements in internal controls over financial reporting during the financial year ended 31st March 2015.
  - (ii) significant changes in accounting policies made during the financial year ended March 31, 2015, if any have been disclosed in the notes to the financial statements.
  - (iii) that there are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Bangalore  
21 August, 2015

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

**Suresh K Badlaney**  
Manager (CEO)

**CERTIFICATE**

**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 2015, 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 has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement subject to Whistleblower's policy which is required to be hosted on the company's website under clause 49(II)F.

We state that no Investor Grievance is pending for a period exceeding one month as at 31 March 2015, 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  
21 August 2015

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

# MAC CHARLES (INDIA) LIMITED

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

### Report on the Financial Statements

We have audited the accompanying financial statements of MAC CHARLES (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015 and also the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made thereunder. We conducted our audit in accordance with the Standards on auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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

financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statement of Profit

and Loss and the Cash Flow Statement, comply with the Accounting Standards specified under section 133 of the Act; read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial

statements as referred to in note 35 to the financial statements.

- (ii) The Company did not have any long term contract for which there was any material foreseeable loss.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. However, with regard to the disputed/subjudiced dividends referred to in Note no. 9.1, the dividend warrants thereof (demand drafts) are in custody of the Company.

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

Bangalore  
21 August 2015

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

# MAC CHARLES (INDIA) LIMITED

## ANNEXURE TO THE AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
- (a) 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.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed during such verification.
- (ii) In respect of its inventory:
- (a) Physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) 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.
- (c) 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.
- (a) Having regard to the fact that no agreement/contract is entered into with the subsidiary, there is no stipulation as to repayment and as such paragraph 3(iii)(a) of the order is not applicable to the Company in respect of repayment of principal amount.
- (b) Since there is no stipulation regarding repayment of principal and interest, paragraph 3(iii)(b) of the order is not applicable to the Company in respect of overdue amount in excess of Rupees one lakh.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) The Company has not accepted deposits to which the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder apply.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the Company.
- (vii) In respect of its statutory dues :
- (a) According to the records of the Company and the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year.
- (b) To the best of our knowledge and belief and according to the information and explanations given to us, details of disputed statutory dues which have not been deposited in the case of Income Tax are given in the table below :

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

- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. However, with regard to the disputed/subjudiced dividends referred to in Note no. 9.1, the dividend warrants thereof (demand drafts) are in custody of the Company.
- (viii) The Company has neither accumulated loss as at March 31, 2015 nor has it incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year.

- (ix) The Company has not defaulted in repayment of dues to financial institutions or banks.
- (x) According to the information and explanations given to us, and records examined by us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year, the terms and conditions whereof are prejudicial to the interest of the Company.
- (xi) In our opinion and according to the explanations given to us, the Company has not obtained any term loans during the year.
- (xii) 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  
21 August 2015

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

# MAC CHARLES (INDIA) LIMITED

## BALANCE SHEET AS AT MARCH 31, 2015

	Note	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	13,10,37,270	13,10,37,270
Reserves and Surplus	3	226,08,41,500	213,64,88,479
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	7,19,34,345	4,20,49,931
Other Long Term Liabilities	5	8,93,78,203	8,82,50,271
Long Term Provisions	6	1,99,47,468	1,88,96,898
<b>Current Liabilities</b>			
Short-Term Borrowings	7	-	1,24,68,214
Trade Payables	8	3,04,85,465	1,83,21,069
Other Current Liabilities	9	11,61,40,062	7,34,75,788
Short-Term Provisions	10	14,07,63,343	14,18,04,928
<b>Total</b>		<b>286,05,27,656</b>	<b>266,27,92,848</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	11		
Tangible Assets		82,87,13,133	61,25,12,995
Capital work-in-progress		8,13,061	8,13,061
Non-current Investments	12	117,94,77,755	121,94,10,247
Long term loans and advances	13	18,72,72,419	19,44,96,919
<b>Current Assets</b>			
Current Investments	14	14,92,63,039	6,83,62,790
Inventories	15	1,19,28,988	99,81,772
Trade receivables	16	3,10,55,015	2,12,40,289
Cash and cash equivalents	17	5,24,63,044	4,95,22,889
Short-term loans and advances	18	38,71,15,883	46,93,09,997
Other current assets	19	3,24,25,319	1,71,41,889
<b>Total</b>		<b>286,05,27,656</b>	<b>266,27,92,848</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	2-39		

In terms of our report of even date

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

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

Bangalore  
21 August 2015

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

**Pranisha K Rao**  
Chief Financial Officer

Bangalore  
21 August 2015

On behalf of the Board

**C.B. Pardhanani**  
Chairman

**Appiah**  
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>REVENUE</b>			
Revenue from Operations	20	45,84,41,016	42,13,08,362
Other Income	21	25,92,28,068	8,58,83,801
<b>Total Revenue</b>		<b>71,76,69,084</b>	<b>50,71,92,163</b>
<b>EXPENSES</b>			
Cost of Provisions, Food and Beverages consumed	22	6,02,26,237	5,78,22,699
Employee Benefits Expenses	23	10,65,40,346	9,82,29,866
Maintenance, Upkeep and Services	24	6,63,84,461	6,18,87,129
Financial Costs	25	8,12,102	11,03,382
Depreciation and Amortization Expense	11	2,83,44,387	6,51,31,429
Other Expenses	26	9,73,58,476	8,34,77,732
<b>Total Expenses</b>		<b>35,96,66,009</b>	<b>36,76,52,237</b>
<b>PROFIT BEFORE TAX</b>		<b>35,80,03,075</b>	<b>13,95,39,926</b>
<b>Tax Expenses</b>			
- Current tax		7,80,00,000	8,30,00,000
- Deferred tax		2,98,84,414	(1,15,74,495)
<b>NET PROFIT FOR THE YEAR</b>		<b>25,01,18,661</b>	<b>6,81,14,421</b>
Earnings per equity share:			
Basic & Diluted ( <i>Face Value of Rs. 10/- each</i> )	38	19.09	5.20
<b>Significant accounting policies</b>	1		
<b>Notes to financial statements</b>	2-39		

In terms of our report of even date

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

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

Bangalore  
21 August 2015

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

**Pranisha K Rao**  
Chief Financial Officer

Bangalore  
21 August 2015

On behalf of the Board

**C.B. Pardhanani**  
Chairman

**Appiah**  
Director

# MAC CHARLES (INDIA) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per Statement of Profit and Loss	35,80,03,075	13,95,39,926
Adjustment for :		
Depreciation	2,83,44,387	6,51,31,429
Profit on sale of fixed assets	(1,96,50,313)	(88,82,061)
Loss/(Profit) on sale of investments	(2,35,68,867)	10,21,68,078
Excess Provision for diminution in value of investments written back	(15,53,812)	(1,50,42,771)
Dividend received	(12,02,139)	(1,32,40,335)
Interest Paid	5,07,299	6,25,894
Interest received	(9,09,80,633)	(7,27,38,674)
Rent received	(11,68,40,412)	(7,02,94,931)
<b>Operating profit before working capital changes</b>	<b>13,30,58,585</b>	<b>12,72,66,555</b>
Adjustment for :		
Trade and other receivables	9,17,13,031	(38,71,738)
Inventories	(19,47,216)	37,40,528
Trade and other payables	5,98,85,488	5,45,65,552
Cash generated from operations	28,27,09,888	18,17,00,897
Direct Taxes (paid) / refund	(10,52,06,276)	(5,12,17,568)
<b>Net cash (used in) / from operating activities</b>	<b>17,75,03,612</b>	<b>13,04,83,329</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Received from subsidiary/(loan given to subsidiary)	23,95,945	25,64,292
Loan given to other companies	3,75,00,000	(22,00,00,000)
Loan given to others	(5,00,00,000)	-
Purchase of Fixed Assets	(25,02,81,752)	(1,13,92,470)
Sale of Fixed Assets	2,53,85,834	1,65,65,053
Investment in immovable property	-	(17,10,42,551)
Purchase of investments	(73,61,83,230)	(60,30,98,727)
Sale of investments	69,74,93,288	80,45,97,002
Interest received	9,09,80,633	7,27,38,674
Rent received	11,68,40,412	7,02,94,931
Dividend received	12,02,139	1,32,40,335
<b>Net cash (used in) / from investing activities</b>	<b>(6,46,66,731)</b>	<b>(2,55,33,461)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid including Corporate Dividend Tax	(9,69,21,213)	(9,52,58,659)
Interest paid	(5,07,299)	(6,25,894)
Increase / (decrease) in cash credit	(1,24,68,214)	(31,36,123)
<b>Net cash (used in)/ from financing activities</b>	<b>(10,98,96,726)</b>	<b>(9,90,20,676)</b>
Net increase in cash and cash equivalent	<b>29,40,155</b>	<b>59,29,192</b>
Cash and cash equivalents at beginning of the period	<b>4,95,22,889</b>	<b>4,35,93,697</b>
Cash and cash equivalents at end of the period	<b>5,24,63,044</b>	<b>4,95,22,889</b>

Footnote :

Cash and cash equivalents balances include Rs.3,89,16,507/- (Rs.4,38,72,265/-) being amounts lying in the unpaid dividend accounts which are not available for use by the company.

In terms of our report of even date

On behalf of the Board

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

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

**C.B. Pardhanani**  
Chairman

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

**Pranisha K Rao**  
Chief Financial Officer

**Appiah**  
Director

Bangalore  
21 August 2015

Bangalore  
21 August 2015



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES :**

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

**a. Fixed Assets :**

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

**b. Depreciation :**

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

**c. Impairment of Assets :**

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

**d. Investments :**

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

**e. Inventories :**

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

**f. Miscellaneous Expenditure :**

To 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, 2015

	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>2. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>20,00,00,000</b>	20,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,31,01,052 (1,31,01,052) Equity Shares of Rs.10/- each	<b>13,10,10,520</b>	13,10,10,520
<i>Add</i> : Forfeited Shares	<b>26,750</b>	26,750
<b>Total</b>	<b>13,10,37,270</b>	13,10,37,270
<b>2.1 Reconciliation of number of shares</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>Particulars</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares outstanding at the beginning of the year	<b>1,31,01,052</b>	1,31,01,052
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<b>1,31,01,052</b>	1,31,01,052
<b>2.2 Details of shareholders holding more than 5% of shares</b>		
	Name of the Shareholder	No. of Shares held %
	Mr. C.B.Pardhanani	96,16,952 73.41
	No. of Shares held %	No. of Shares held %
	96,16,952 73.41	96,16,952 73.41
<b>2.3</b>	The issued, subscribed and paid up capital includes 65,50,526 shares allotted as bonus shares (by capitalisation of Securities Premium and General Reserve) during the financial year 2011-12.	
<b>3. RESERVES AND SURPLUS</b>		
<b>a) General Reserve</b>		
Opening Balance	<b>196,47,72,985</b>	195,77,72,985
<i>Add</i> : Current Year Transfer	<b>10,00,00,000</b>	70,00,000
Closing Balance	<b>206,47,72,985</b>	196,47,72,985
<b>b) Surplus</b>		
Opening balance	<b>17,17,15,494</b>	20,25,66,528
<i>Add</i> : Net Profit/(Net Loss) For the current year	<b>25,01,18,661</b>	6,81,14,421
<i>Less</i> : Adjustment relating to fixed assets	<b>1,706</b>	-
<i>Less</i> : Transfer to Reserves	<b>10,00,00,000</b>	70,00,000
<i>Less</i> : Proposed Dividends	<b>10,48,08,417</b>	7,86,06,312
<i>Less</i> : Corporate Dividend Tax	<b>2,09,55,517</b>	1,33,59,143
Closing Balance	<b>196,068,515</b>	17,17,15,494
<b>Total</b>	<b>2,260,841,500</b>	213,64,88,479
<b>4. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liability:</b>		
Accumulated Depreciation	<b>7,38,69,120</b>	4,41,21,123
<b>Less: Deferred Tax Assets:</b>		
Accrued expenses deductible on payment	<b>19,34,775</b>	20,71,192
<b>Total</b>	<b>7,19,34,345</b>	4,20,49,931

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>5. OTHER LONG TERM LIABILITIES</b>		
a) Rental Deposits received :		
Diamond District	4,00,000	4,00,000
Vodafone Essar South Ltd	3,00,000	3,00,000
Bharti Airtel Ltd	1,00,000	-
L G Soft India Pvt Ltd	3,99,50,540	3,95,51,616
Inmobi Technology Services Pvt Ltd	4,26,53,952	4,26,53,952
b) Others	59,73,711	53,44,703
<b>Total</b>	<b>8,93,78,203</b>	<b>8,82,50,271</b>
<b>6. LONG TERM PROVISIONS</b>		
a) Provision for employee benefits:		
Provision for leave encashment	49,54,052	50,31,101
b) Others:		
Income tax	91,69,153	85,11,534
Provision for donations	58,24,263	53,54,263
<b>Total</b>	<b>1,99,47,468</b>	<b>1,88,96,898</b>
<b>7. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Cash credit		
From Bank	-	1,24,68,214
<b>Total</b>	<b>-</b>	<b>1,24,68,214</b>
<b>8. TRADE PAYABLES</b>		
a) Dues to Micro and Small Enterprises	-	-
b) Others	3,04,85,465	1,83,21,069
<b>Total</b>	<b>3,04,85,465</b>	<b>1,83,21,069</b>
Footnote :		
<b>8.1.</b> In the absence of information as regard to the status/classification of the relevant enterprises into Micro, Small and Medium enterprises, information as required under Notification No. G.S.R 719[E] dated 16.11.2007 issued by the Department of Company Affairs in respect of the total amount payable at the end of the year to the Micro & Small Enterprises could not be disclosed.		
<b>9. OTHER CURRENT LIABILITES</b>		
a) Statutory remittances	81,85,825	66,18,942
b) Unclaimed / Subjudiced dividend	3,89,16,507	4,38,72,265
c) Due to Directors	90,90,961	62,02,893
d) Advance from Customers	1,01,34,135	51,13,590
e) Payables for capital assets	3,99,82,362	96,07,997
f) Others	98,30,272	20,60,101
<b>Total</b>	<b>11,61,40,062</b>	<b>7,34,75,788</b>
Footnote :		
<b>9.1.</b> In respect of unclaimed dividends of Rs.69,37,200/-in excess of the amount reflected in the books of account beyond a period of 7 years ( pertaining to Financial Years 2002-03 to 2006-07) which are subject to litigation in court and are therefore subjudice, the company is holding the dividend warrants(demand drafts) in its custody. The same shall be disbursed in accordance with the outcome of court decisions.		
<b>10. SHORT TERM PROVISIONS</b>		
Provision For Employees Benefit		
a) Salaries & Wages payable	47,38,103	49,27,261
b) Bonus payable	7,38,134	10,62,430
c) Ex gratia payable	3,32,858	1,64,223
Others		
a) Proposed Dividend	10,48,08,417	7,86,06,312
b) Corporate Dividend Tax	2,09,55,517	1,33,59,143
c) Provision for Income Tax	29,53,257	3,63,73,497
d) Other provisions	62,37,057	73,12,062
<b>Total</b>	<b>14,07,63,343</b>	<b>14,18,04,928</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 11. FIXED ASSETS

(Amount in Rupees)

	DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		As at 01/04/2014	Additions	Deductions	Total	Upto 01/04/2014	For the year	Deductions	Upto 31/03/2015	As at 31/03/2015	As at 31/03/2014
<b>I</b>	<b>TANGIBLEASSETS</b>										
	Land	33,31,65,755	57,60,500	-	33,89,26,255	-	-	-	-	33,89,26,255	33,31,65,755
	Buildings	17,54,66,754	-	91,60,000	16,63,06,754	13,52,65,125	6,74,798	35,32,357	13,24,07,566	3,38,99,188	4,02,01,629
	Plant & Machinery	50,59,79,148	24,37,90,264	8,87,603	74,88,81,809	31,43,00,888	1,86,81,173	8,87,603	33,20,94,458	41,67,87,351	19,16,78,260
	Furniture,Fixtures & Interiors	9,34,97,722	5,11,483	8,27,615	9,31,81,590	5,57,92,545	68,14,844	8,27,615	6,17,79,774	3,14,01,816	3,77,05,177
	Vehicles	1,81,73,020	-	6,21,170	1,75,51,850	1,44,57,419	6,13,299	5,13,292	1,45,57,426	29,94,424	37,15,601
	Office Equipment	10,73,493	1,03,587	-	11,77,080	7,98,561	34,675	-	8,33,236	3,43,844	2,74,932
	Sanitary Fittings	1,61,20,235	-	1,62,409	1,59,57,826	1,37,94,995	2,95,474	1,62,409	1,39,28,060	20,29,766	23,25,240
	Computers 1,706*	1,11,82,145	1,15,918	-	1,12,98,063	77,35,744	12,30,124	-	89,67,574	23,30,489	34,46,401
	<b>TOTAL</b>	115,46,58,272	25,02,81,752	1,16,58,797	139,32,81,227	54,21,45,277	2,83,44,387	59,23,276	56,45,68,094	82,87,13,133	61,25,12,995
	<b>PREVIOUS YEAR</b>	116,45,81,048	1,13,92,470	2,13,15,246	115,46,58,272	49,06,46,102	6,51,31,429	1,36,32,254	54,21,45,277	61,25,12,995	67,39,34,946
<b>II</b>	<b>CAPITALWORK-IN-PROGRESS</b>										
	Hotel Project at Cochin	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	<b>TOTAL</b>	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	<b>PREVIOUS YEAR</b>	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061

11.1 \*Pursuant to the enactment of the Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of fixed assets whose lives have expired as at 01.04.2014 have been adjusted net of tax in the opening balance of profit and loss account amounting to Rs. 1,706/-.

### 12. NON-CURRENT INVESTMENTS

(In Rupees)

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2015	As at March 31, 2014
<b>Non Trade - Investment in immovable properties</b>				
Block A, ALPHA	Embassy Tech Square, Sarjapur-Marathalli OuterRing Road		37,26,68,324	37,26,68,324
Block B, DELTA	Embassy Tech Square, Sarjapur-Marathalli OuterRing Road		56,34,59,051	56,34,59,051
<b>Trade- Investment in subsidiary</b>				
29988 [29988]	Airport Golf View Hotels & Suites Pvt. Ltd.	1000/-	7,45,00,000	7,45,00,000
<b>Non Trade - In Equity Shares - Unquoted, fully paid up</b>				
600 [600]	Electrex (India) Ltd	10/-	25,040	25,040
152 [152]	Nextgen Animation Media	10/-	----	----
380 [380]	Silverline Technologies Ltd	10/-	14,01,191	14,01,191
<b>Non Trade - In Portfolio Management Services</b>				
	Reliance - Capital Asset Management		12,00,80,693	8,00,43,687
<b>Non Trade - In Real Estate Venture Capital Fund</b>				
69.478 [118.350]	Kotak Real Estate Fund	1 lakh	69,47,765	1,18,35,031
199802 [374029]	Pru.ICICI India Advantage Fund-III	100/-	1,99,80,200	3,74,02,900
<b>Non Trade - In Equity Shares - Quoted, fully paid up</b>				
---- [40000]	Indian Hotels Company	1/-	----	23,48,871
---- [3000]	Cairn India Ltd	1/-	----	10,49,715
---- [750]	ICICI Bank	10/-	----	7,13,736
---- [100000]	ONGC	5/-	----	1,47,79,177
5010 [64643]	Reliance Industries	10/-	45,06,743	5,29,35,329

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

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

*(In Rupees)*

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2015	As at March 31, 2014
13594 [13594]	Sobha Developers	10/-	46,18,356	46,18,356
10000 [----]	Global Offshore	10/-	81,06,741	----
22699 [22699]	Purvankara Projects	05/-	31,83,651	31,83,651
2500 [----]	HCL Technologies	10/-	----	----
6000 [----]	Infosys	10/-	----	----
<b>Non Trade - In Debentures - Unquoted, fully paid up</b>				
1.000 [1.000]	Reliance Non Convertible Debentures	10/-	----	----
<b>Total Non-Current Investments</b>			<b>117,94,77,755</b>	<b>122,09,64,059</b>
<b>Less : Provision for diminution in value of Investments</b>			<b>-</b>	<b>15,53,812</b>
			<b>117,94,77,755</b>	<b>121,94,10,247</b>

Footnote :

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

Aggregate amount of Company's Quoted Investments is **Rs.2,04,15,491/-** (Rs.7,96,28,835/-)

Total Market value of Quoted Investments as on March 31, 2015 is **Rs.3,31,00,387/-** (Rs.10,34,14,878/-)

Aggregate amount of Company's Unquoted Investments is **Rs.22,29,34,889/-** (Rs.20,52,07,849/-)

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>13. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
a) Capital Advances	15,75,36,912	15,75,36,912
b) Security Deposit	83,93,704	76,65,914
c) Loans & Advances to related parties:		
Loans to Subsidiary Company-Being a private limited company in which Directors of the company are Directors	1,68,72,744	1,92,68,689
d) Other loans and advances	44,69,059	1,00,25,404
<b>Total</b>	<b>18,72,72,419</b>	<b>19,44,96,919</b>
<b>14. CURRENT INVESTMENTS</b>		
Non Trade - In Mutual Fund - Unquoted, fully paid up		
8946121.878 Deutsche Asset Management		
[4514727.161] Ultra Short bond Fund - Direct Plan- Gr. of Rs.10/- each		
	14,92,63,039	6,83,62,790
<b>Total</b>	<b>14,92,63,039</b>	<b>6,83,62,790</b>
Footnote :		
Aggregate amount of Company's unquoted investments is Rs.14,92,63,039/-(Rs.6,83,62,790/-)		
<b>15. INVENTORIES</b>		
a) Provisions, food supplies and beverages	1,00,04,363	81,07,545
b) Other stores and operational supplies	19,24,625	18,74,227
<b>Total</b>	<b>1,19,28,988</b>	<b>99,81,772</b>
<b>16. TRADE RECEIVABLES</b>		
<b>Unsecured, Considered Good</b>		
a) Outstanding for more than six months	1,05,457	15,524
b) Others	3,09,49,558	2,12,24,765
<b>Total</b>	<b>3,10,55,015</b>	<b>2,12,40,289</b>
<b>17. CASH AND CASH EQUIVALENTS</b>		
a) <b>Balance with banks</b>		
On Current Account*	5,03,61,336	4,70,53,749
On Fixed Deposit account**	10,00,000	10,00,000
b) <b>Cash-on-Hand</b>		
Cash Balance	11,01,708	14,69,140
<b>Total</b>	<b>5,24,63,044</b>	<b>4,95,22,889</b>
Footnote :		
*Includes Unclaimed / Subjudiced Dividend of Rs.3,89,16,507/- (Rs 4,38,72,265/-)		
** Comprises of deposit with maturity of more than 12 months		
<b>18. SHORT TERMS LOANS AND ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
Other than related parties		
a) Inter Corporate Loan/Deposits	33,25,00,000	37,00,00,000
b) Other Advances	5,46,15,883	9,93,09,997
<b>Total</b>	<b>38,71,15,883</b>	<b>46,93,09,997</b>
<b>19. OTHER CURRENT ASSETS</b>		
<b>Others</b>		
a) Prepaid Expenses	30,89,459	33,78,696
b) Other receivables	2,93,35,860	1,37,63,193
<b>Total</b>	<b>3,24,25,319</b>	<b>1,71,41,889</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>20. REVENUE FROM OPERATIONS</b>		
Income from Sale of Services	43,51,49,226	39,97,12,755
Less: Excise Duty	81,222	71,958
	<u>43,50,68,004</u>	<u>39,96,40,797</u>
Other operating revenues	2,33,73,012	2,16,67,565
<b>Total</b>	<u>45,84,41,016</u>	<u>42,13,08,362</u>
Footnote :		
<b>20.1 Particulars of Income from Sale of Services</b>		
Sales Rooms	21,98,83,381	20,67,32,022
Food, Beverages and Banquets	17,47,15,842	15,87,49,660
Sale of Electricity	4,04,68,781	3,41,59,115
<b>Total</b>	<u>43,50,68,004</u>	<u>39,96,40,797</u>
<b>21. OTHER INCOME</b>		
Interest received	9,09,80,633	7,22,20,853
Income Rent	11,68,40,412	7,19,34,079
Income Licence Fees	45,41,895	43,01,715
Dividend Income	12,02,139	1,32,40,335
Profit on sale of Fixed Assets	1,96,50,313	88,82,061
Profit/(loss) on sale of investments - Short term	(2,90,771)	1,07,50,452
- Long term	2,38,59,639	(11,29,18,530)
Provision for diminution in value of investments	15,53,812	1,50,42,771
Liabilities Written Back	2,42,663	24,30,065
Provision no longer required written back	6,47,333	-
<b>Total</b>	<u>25,92,28,068</u>	<u>8,58,83,801</u>
<b>22. COST OF CONSUMPTION OF PROVISIONS, FOOD AND BEVERAGES CONSUMED</b>		
Opening stock	81,07,545	61,68,536
Add: Purchase of provisions, food and beverages	6,21,23,055	5,97,61,708
Less: Closing stock	1,00,04,363	81,07,545
<b>Total</b>	<u>6,02,26,237</u>	<u>5,78,22,699</u>
<b>23. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages and Bonus	8,96,31,852	8,26,93,465
Contribution to provident and other funds	91,97,343	85,75,855
Staff welfare	77,11,151	69,60,546
<b>Total</b>	<u>10,65,40,346</u>	<u>9,82,29,866</u>

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

**Defined Contribution Plan**

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

Employer's Contribution to Provident Fund	61,86,236	47,51,014
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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 an additional unit of employee entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(in Rupees)

	Gratuity 2014-15	Gratuity 2013-14	Leave Encashment 2014-15	Leave Encashment 2013-14
<b>I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation</b>				
Defined Benefit obligation at beginning of the year	1,54,91,539	1,69,81,020	50,31,101	56,97,603
Current service cost	17,54,063	18,25,389	8,10,653	8,90,293
Interest cost	11,83,697	14,78,793	3,43,836	4,64,495
Actuarial (gain)/loss	(2,19,547)	(15,32,376)	2,34,765	(8,12,375)
Benefits paid	(13,90,652)	(32,61,287)	(14,66,303)	(12,08,915)
Defined Benefit obligation at the year	1,68,19,100	1,54,91,539	49,54,052	50,31,101
<b>II. Reconciliation of Opening and Closing Balances of fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year	2,04,83,789	1,87,98,097		
Expected return on plan assets	16,26,722	15,06,151		
Actuarial gain/(loss)	1,92,136	1,21,962		
Employer contributions	10,91,131	15,89,955		
Benefits paid	(13,90,652)	(15,32,376)		
Fair value of plan assets at the end of the year	2,20,03,126	2,04,83,789		
Actual return on plan assets	18,18,858	16,28,113		
<b>III. Reconciliation of fair value of assets and present value of obligation</b>				
Fair value of plan assets	2,20,03,126	2,04,83,789	-	-
Present value of obligation	1,68,19,100	1,54,91,539	49,54,052	50,31,101
Amount recognized in Balance Sheet	-	-	49,54,052	50,31,101
<b>IV. The amounts recognized in the Statement of Profit and Loss are as follows</b>				
Current service Cost	-	-	8,10,653	8,90,293
Interest Cost	-	-	3,43,836	4,64,495
Expected return on plan assets	-	-	-	-
Actuarial (Gain)/loss	-	-	2,34,765	(8,12,375)
Contribution	11,85,524	17,25,771	-	-
Net Cost	11,85,524	17,25,771	13,89,254	5,42,413
<b>V. Composition of Plan Assets</b>				
Insurance managed funds	2,20,03,126 (100%)	2,04,83,789 (100%)	-	-
<b>VI. Actuarial Assumptions</b>				
Interest rate	8.00%	9.12%	8.00%	9.12%
Discount rate (per annum)	8.00%	9.12%	8.00%	9.12%
Expected rate of return on plan Assets (per annum)	8.00%	8.00%	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%
Attrition rate	5.00%	5.00%	5.00%	5.00%
Retirement age	58	58	58	58



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>24. MAINTENANCE, UPKEEP AND SERVICES</b>		
Guest Accomodation Board and Kitchen	86,12,955	89,72,578
Linen, Uniforms and Laundry	98,62,234	98,13,097
Repairs and Maintenance of:		
i) Building	1,06,50,636	1,80,61,552
ii) Plant and Machinery	1,57,64,951	1,54,93,464
iii) Interiors, Furniture, Furnishings and others	1,36,00,492	21,13,748
House-keeping Expenses	32,11,966	33,99,905
Music, Entertainment & Banquet Expenses	46,81,227	40,32,785
<b>Total</b>	<b>6,63,84,461</b>	<b>6,18,87,129</b>
<b>25. FINANCIAL COSTS</b>		
Interest on Cash Credit	5,07,299	6,18,015
Interest Others	-	7,879
Other borrowing costs	3,04,803	4,77,488
<b>Total</b>	<b>8,12,102</b>	<b>11,03,382</b>
<b>26. OTHER EXPENSES</b>		
Power & fuel	1,44,43,693	1,59,48,573
Water charges	34,65,150	39,37,758
Commission on sales	35,83,360	35,82,723
Postage, Telex & Telephones	32,54,439	30,41,857
Printing & Stationery	22,83,471	19,40,321
Sales Promotional Expenses	31,32,132	12,83,519
Administrative & General Expenses	8,071,926	1,07,90,051
Travel & Conveyance	38,80,849	24,54,644
Rent	2,96,930	5,90,231
Rates & Taxes	1,26,75,386	1,05,49,107
Insurance	10,38,682	11,07,871
Royalty	94,81,712	92,89,879
Foreign Currency Fluctuations	3,51,926	10,08,207
Freight & Transport	37,474	71,310
Professional & Consultancy fees	1,50,73,296	64,06,282
Miscellaneous Expenses	3,81,379	3,02,947
Payment to Auditors	6,37,618	4,95,591
Director's Sitting Fees	3,80,000	4,20,000
Commission to Chairman & Managing Director	1,31,89,053	90,36,375
Provision for Donations	17,00,000	11,00,000
Sundry Debit Balances Written off	-	1,20,486
<b>Total</b>	<b>97,358,476</b>	<b>8,34,77,732</b>
Footnote :		
<b>26.1 Payment to Auditors</b>		
Audit Fee	3,44,945	2,72,954
Tax Audit Fee	87,641	83,452
Other Services	1,84,590	1,28,845
Reimbursement of Expenses	20,442	10,340
<b>Total</b>	<b>6,37,618</b>	<b>4,95,591</b>
<b>27. Estimated amount of contract remaining to be executed on capital account not provided for Nil (Rs.3,29,00,000/-).</b>		

# MAC CHARLES (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 Rupees	March 31, 2014 Rupees
28. Confirmation of balances has not been received from parties covered under Trade Receivables, Long term Loans and Advances and Trade Payables.		
<b>29. Prior period items debited/ credited to Statement of Profit and Loss:</b>		
<b>Prior period expenses:</b>		
R & M Windmill	-	30,140
R & M Security Equipment	1,66,278	-
<b>Managerial Remuneration to the 'Chairman' and 'Managing Director'</b>		
Remuneration to the Managing Director	56,02,483	46,43,841
Commission to the Managing Director	98,91,790	67,56,339
Commission to the Chairman	32,97,263	22,80,036
<b>30. Earnings in Foreign Exchange</b>	<b>13,65,20,346</b>	13,87,43,090
<b>31. Expenditure in Foreign Currency</b>		
Royalty	94,81,712	92,89,871
Sales Promotion and General Expenses	86,04,537	84,10,558
Agents Commission for Room Bookings	1,15,056	15,63,882
<b>32. CIF Value of Imports</b>		
Stores, Components and Spare Parts	39,245	32,78,321
Capital Goods	-	20,28,081
<b>33. Information as per Order No.46/22/98 CL III Dated 24 February 1998, issued by the Ministry of Finance, Department of Company Affairs:</b>		
a) Income from		
i. Wines and Liquor	1,77,24,239	1,08,20,718
ii. Telephone and Telex	22,50,293	37,16,829
b) Consumption of		
i. Provision, Beverages (excluding Wine and Liquor)	5,33,66,357	5,28,01,343
ii. Wine and Liquor	68,59,879	50,21,356
<b>34. Dividends remitted in Foreign Currency to Non Resident Shareholder Rs.9,60,000/- (Rs. 9,60,000/-).</b>		
Number of Non Resident Shareholder	Number of Shares held by them on which Dividends remitted	
1 (1)	1,60,000 (1,60,000)	
<b>35. Contingent Liabilities</b>		
<b>Disputed Income Tax Liability against which Appeals are pending</b>		
Assessment Year 1997-98	9,55,691	9,55,691
Assessment Year 2010-11	10,34,668	10,34,668
<b>36. RELATED PARTY DISCLOSURE</b>		
<b>(A) Related Parties and their Relationships</b>		
(I) <b>Subsidiary</b>		
Airport Golf View Hotels & Suites Private Limited		
(II) <b>Others</b>		
1. Kapi Investment Ink Limited, Mauritius,	Shareholder.	
2. M.K.Trading L.L.C. , Dubai, UAE	a Company in which Chairman of the Company is a shareholder.	
3. C. Pardhanani's Education Trust,	a Trust in which the Chairman of the Company is a Trustee.	
4. Pardhanani International Investments And Holdings Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director } and a Director of the Company is a Director and shareholder.	
5. Pardhanani International Properties Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director } and a Director of the Company is a Director and shareholder.	
6. Sanko Properties Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director } and a Director of the Company is a Director and shareholder..	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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 31.3.2015 (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 & Suites Private Limited.	Subsidiary	Loans(Given)/ repayment	23,95,945 (25,64,292)	1,68,72,744 (1,92,68,689)	(R) (R)
Mr.C.B.Pardhanani	Chairman	Commission based on profit	32,97,263 (22,80,036)	23,99,576 (17,28,986)	(P) (P)
		Dividend	5,77,01,712 (5,77,01,712)	Nil (Nil)	Nil (Nil)
Ms. S. C. Pardhanani	Managing Director	Remuneration	56,02,483 (46,43,841)	Nil (Nil)	Nil (Nil)
		Commission based on profit	98,91,790 (67,56,339)	66,91,385 (44,73,907)	(P) (P)
		Loan taken from Director	- (4,60,00,000)	Nil (Nil)	Nil (Nil)
C Pardhanani's Education Trust	Trust in which Chairman of the Company is a trustee	Donation	10,50,000 (10,50,000)	Nil (Nil)	Nil (Nil)
Mr. M. B. Pardhanani	Related to Director	Dividend	7,22,400 (7,22,400)	72,24,000 (65,01,600)	(P) (Under dispute and subjudice)
Mrs.Uma M. Pardhanani	Related to Director	Dividend	12,30,000 (12,30,000)	1,23,00,000 (1,10,70,000)	(P) (Under dispute and subjudice)
Ms. Aarti M Pardhanani	Related to Director	Dividend	3,60,000 (3,60,000)	36,00,000 (32,40,000)	(P) (Under dispute and subjudice)

37. Disclosure as per Accounting Standard 29 :

(In Rupees)

Srl. No.	Particulars	Balance as at 01.04.2014	Additional Provision made during the year	Provision Reversed/utilised during the year	Balance as at 31.03.2015
1.	Provision for Leave Encashment	50,31,101	13,89,254	14,66,303	49,54,052
2.	Proposed Dividend	7,86,06,312	10,48,08,417	7,86,06,312	10,48,08,417
3.	Corporate Dividend Tax	1,33,59,143	2,09,55,517	1,33,59,143	2,09,55,517

March 31, 2015 Rupees	March 31, 2014 Rupees
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38. Earnings Per Share has been computed as under :

Net Profit	25,01,18,661	6,81,14,421
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)	19.09	5.20

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

# MAC CHARLES (INDIA) LIMITED

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

### MEETING OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Companies Act, 2013 and Clause 49(II)(B)(6) of the Listing Agreement, the meeting of the independent directors was held on 29.01.2015 without the attendance of non-independent directors and members of management. All the independent directors of the Company were present at such meeting they reviewed the performance of non-independent directors and the board as a whole and evaluated the performance for the Chairperson of the Company.

### COMMITTEES OF THE BOARD

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

#### a) AUDIT COMMITTEE

The Company has complied with the requirements of 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 30 April 2014, 4 August 2014, 12 November 2014 and 22 January 2015. The Composition of the Audit Committee as on 31st March 2014 and the attendance of members at the meeting of the Audit Committee held during the financial year 2014-2015 are as follows :

Name of the Directors	Designation	Category	No. of meeting attended
Mr. P. B. Appiah	Chairman	Independent - Non-Executive	4
Mr. C. B. Pardhanani	Member	Non – Executive	3
Mr. M. R. B. Punja	Member	Independent - Non-Executive	4

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

### BOARD OF DIRECTORS

The Company has an appropriate mix of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and the executive management. During the year the Board comprised of Chairman, one Managing Director and three Non-Executive Directors of who are independent Directors. During the year Ms. S. C. Pardhanani has resigned from the post of Managing Director on 31st March 2015 and continued as Director on the Board.

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 30 April 2014, 4 August 2014, 12 November 2014, 17 December 2014 and 22 January 2015. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49 of the Listing Agreement.

**b) SHARE TRANSFER & SHAREHOLDERS GRIEVANCE COMMITTEE**

This committee comprises of Mr. C. B. Pardhanani – Chairman, Ms. S. C. Pardhanani, 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	27	27	Nil

**c) NOMINATION AND 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.

**d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

As per requirement of Section 135 of the Companies Act 2013, Corporate Social Responsibility Committee of the Board has been constituted by the Board of Directors of the Company at its meeting held on 22nd January, 2015. The composition of the Committee is as under:

Name of the Members	Status
Mr. C.B. Pardhanani	Chairman
Mr. P.B. Appiah	Member

Details of remuneration disbursed to Directors, during the Financial Year 2014-2015 are as under :

(In Rupees)

Srl.No.	Name of the Director	Sitting Fees	Professional Fees	Remuneration	Commission
1.	Mr. C.B. Pardhanani	----	----	----	32,97,263
2.	Ms. S. C. Pardhanani	----	----	56,02,483	98,91,790
3.	Mr. M. R. B. Punja	1,40,000	----	----	----
4.	Mr. P.B. Appiah	1,40,000	1,00,000	----	----
5.	Mr. Suresh Vaswani	1,00,000	----	----	----
		<b>3,80,000</b>	<b>1,00,000</b>	<b>56,02,483</b>	<b>1,31,89,053</b>

**NON-MANDATORY REQUIREMENTS**

The Chairman of the Company, who is a Non-Executive Director, is devoting considerable time and energy towards the success of the Company and hence 1% commission based on profit is paid. He is entitled to maintain a Chairman’s Office and is allowed to reimbursement of expenses incurred in performance of his duties.

**GENERAL BODY MEETING**

The Company has held last three AGM’s as per the details furnished below :

Financial Year (ended)	Date	Time	Venue	No. of Special Resolutions passed
31 March 2012	6 September 2012	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	–
31 March 2013	18 September 2013	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	–
31 March 2014	22 September 2014	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	–

# MAC CHARLES (INDIA) LIMITED

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Special Resolution passed in the previous three AGMs.

- I. In the AGM held on 6th September 2012 No Special Resolution
  - II. In the AGM held on 18th September 2013 No Special Resolution
  - III. In the AGM held on 22nd September 2014 No Special Resolution
- No Postal Ballot was conducted during the financial year 2014-2015.

## COMPLIANCE

### 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.

### B. Corporate Governance Compliance

The Company has complied with the requirements as laid down in Clause 49 of the Listing Agreement with the Stock Exchanges for the purpose of Corporate Governance. A certificate has been obtained from M/s. S. S. Kothari Mehta & Co., Chartered Accountants, the Statutory Auditors of the Company.

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

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

Dear All (or Members)

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

Bangalore  
21 August, 2015

C. B. Pardhanani  
*Chairman*

### D. 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 2015.

## DISCLOSURES

- (i) All material transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transactions which has been uploaded on the Company's website.
- (ii) No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.
- (iii) The Company has not adopted a treatment different from that prescribed in accounting standards. While preparing the financial statements of the Company for the year ended 31st March, 2015, the management has ensured that all Accounting Standards have been properly followed and there has been no deviation from this practice.
- (iv) The Company has in place a mechanism to inform the Board members about the risk assessment and mitigation plans and periodical review to ensure that the critical risks are controlled by the executive management through means of a properly defined framework.
- (v) The Company has not come out with any public issue or right issue etc. during the financial year under review.
- (vi) The Company has complied with all the applicable requirements of the Listing Agreement with the stock exchanges. The Company has adopted a suitable reporting system on compliances of all major laws applicable to the Company, which is placed before the Board of Directors of the Company at its periodic meeting.
- (vii) The Company has not adopted the non-mandatory requirements of the Listing Agreement

Under related party transactions :

The Company has contributed a sum of Rs.10,50,000/- to C. Pardhanani's Education Trust wherein Mr. C. B. Pardhanani, Chairman is a Trustee.

## MEANS OF COMMUNICATION

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

## GENERAL SHAREHOLDER INFORMATION

### a. Date, Time and Venue of Annual General Meeting

Date	Time	Venue
29th September 2015	4.30 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.

### b. Financial Calendar

- Annual General Meeting	29th September 2015
- Quarterly Results - 30.06.2014	30th July, 2015
- Quarterly Results - 30.09.2014	on or before 15th November, 2015
- Quarterly Results - 31.12.2014	on or before 15th February, 2016
- Quarterly Results - 31.03.2015	on or before 15th May, 2016

**c. Book Closure dates - Dividend & AGM** 25th September 2015 to 28th September 2015 (both days inclusive)

**d. Dividend payment date** The Dividend will be paid on or before 24th October, 2015

**e. Listing of Equity Shares on the Stock Exchanges at** Your Company's shares are listed in Bombay Stock Exchange .

**f. Scrip ID. / Scrip Code**  
Bombay Stock Exchange MCCHRLES-B / 507836

**g. Payment of Listing Fees :** Annual Listing Fee for the year 2015-16 has been paid by the Company to BSE.

**h. Demat ISIN numbers in NSDL & CDSL :** INE435D01014

**i. Payment of Listing Fees :** Annual Depository Fee for the year 2015-16 has been paid by the Company to NSDL and CDSL.

**j. Registrars & Transfer Agents :** BgSE Financials Limited  
RTA Division, No.51, 1st Cross, J.C. Road, Bangalore – 560 027.

**k. Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund** During the year under review, the Company has credited Rs. 25.57 lakhs, lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

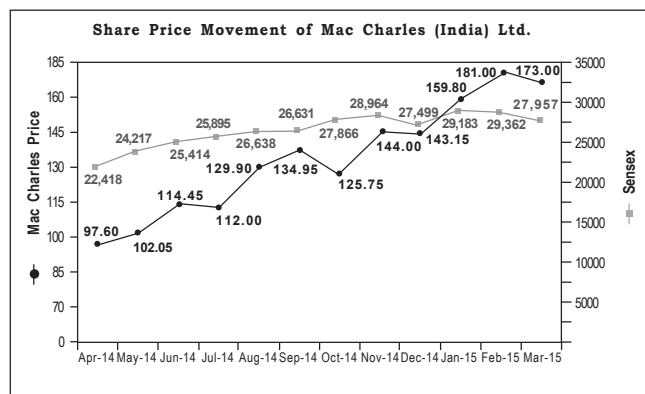
**l. SEBI Complaints Redress System (SCORES)** The investor complaints are processed in a centralized WEB based complaints redress system. The features of this systems are Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and Online viewing by investors of action taken on the Complaint and its current status.

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

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

MONTH	MONTHLY HIGH (Rs.)	MONTHLY LOW (Rs.)
APRIL 2014	97.60	85.00
MAY	102.05	91.00
JUNE	114.45	91.10
JULY	112.00	100.00
AUGUST	129.90	105.00
SEPTEMBER	134.95	116.00
OCTOBER	125.75	111.00
NOVEMBER	144.00	116.40
DECEMBER	143.15	128.15
JANUARY 2015	159.80	133.45
FEBRUARY	181.00	156.00
MARCH	173.00	145.30

### o. Stock performance Vs BSE Sensex :



## MAC CHARLES (INDIA) LIMITED

p. Website : [www.maccharlesindia.com](http://www.maccharlesindia.com)

q. **Distribution of Shareholding as on 31 March 2015**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to – 500	12365	95.61	16,89,975	12.89
501 – 1000	341	2.64	2,65,545	2.03
1001 – 2000	125	0.97	1,93,480	1.48
2001 – 3000	36	0.28	89,895	0.69
3001 – 4000	20	0.15	70,184	0.54
4001 – 5000	10	0.08	45,635	0.35
5001 – 10000	13	0.10	94,448	0.72
10001 – 50000	15	0.12	2,04,238	1.56
50001 and above	7	0.05	1,04,47,652	79.74
Total	12932	100.00	1,31,01,052	100.00

r. **Categories of Shareholders as on 31 March 2015**

Category	No. of Share Holders	Total Shares	% of Total Equity
Promoter/Director	1	96,16,952	73.41
Overseas Corporate Bodies	1	1,60,000	1.22
FI's & Banks	3	3,200	0.02
Bodies Corporate	86	2,45,475	1.87
Non-Resident Public	363	1,25,516	0.96
Resident Public	12488	29,49,909	22.52
Total	12932	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 2015**

	No. of Share holders	No. of Shares	% of shares
No. of Shareholders in Physical Mode	8743	2041900	15.59
No. of Shareholders in Electronic Mode	4189	11059152	84.41
Total	12932	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, 2014 to March, 2015. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated on account of various factors such as changes in government regulations, tax regimes, economic developments within India and abroad, exchange rates and interests rates fluctuations, impact of competition, demand and supply constraints.

### OVERVIEW OF THE GLOBAL & INDIAN TOURISM INDUSTRY

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

In the last few years, the Indian Hotel Industry has been facing weak demand and an excess supply of rooms caused by optimism about the Indian growth story prior to 2008. This has led to new hotel openings by Indian and International hospitality brands. However, due to the economic slowdown, supply outpaced demand, suppressing Average Room Rate (ARR) and reducing occupancy. As we look to the future, the Travel and Tourism industry has globally emerged as one of the fastest growing sectors, contributing significantly to economic growth and development. The World Travel and Tourism Council (WTTC) in its Annual Economic Impact Report 2014 estimates that the contribution of travel and tourism to the Indian GDP will be 7.3% in 2014. This is expected to grow by 7% p.a. reaching INR 14,000 billion by 2024. India has potential to become a preferred tourist destination globally. The long term outlook

for the Indian hospitality industry continues to be buoyant with growth outperforming the general economy. Inbound tourism continues to have modest growth of international tourists arrival and receipts. However, the domestic market will see strong growth with more Indians travelling, resulting in an expected revenue growth of 8.2% in the financial year 2015-2016. The tourism sector in India faces several issues that needs to be addressed for the sector to realize its true potential. Visa on arrival from key markets in Europe and America, safety and security of tourists, specially women, infrastructure development, identification of new tourist destinations and regulatory and policy changes need attention from all stakeholders.

Recently, the Government of India announced a proposal to extend a visa on arrival scheme (VOA) for visitors from 180 countries. A proposal for an electronic travel authorization system will allow foreign travelers to apply for a visa electronically and receive an online confirmation in five working days has also been cleared. Presently, the VOA scheme is available to tourists from eleven countries, mainly from South East Asia and two European countries. Since its introduction, there is a continuous and significant growth of tourists arrivals reconfirming the need to quickly extend this facility to the identified 180 countries. According to a study undertaken by WTTC and UNWTO, these improvements in the Visa regime could result in upto 6 million more international visitors travelling to India resulting in corresponding growth in revenue and creating 1.8 million jobs over three years.

### OPPORTUNITIES, THREATS, RISKS & CONVERNS

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

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

### REVIEW OF OPERATIONS

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

Hence, sales turnover of the Company has increased from Rs.5072 lakhs to Rs.7177 lakhs as compared to the previous year. However,

# MAC CHARLES (INDIA) LIMITED

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the Hotel revenue has marginally increased. During the year under report, the hotel business is hit by the entry of new five star hotels in the city of Bangalore resulting in stiff competition. Hence, it will be difficult to improve the working results in current financial year.

## SEGMENT WISE PERFORMANCE

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

## RENOVATIONS

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

## GUEST EXPERIENCE

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

## SALES & MARKETING INITIATIVES

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

## RISK AND CONCERNS

### Industry Risk

#### General Economic Conditions :

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

#### Socio-Political Risks :

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

#### Company Specific Risks :

The Company specific risks remain by and large the same as mentioned hereinabove. Further, being a single hotel it cannot have an effective marketing leverages. The industry in general has a high operating leverage which has further increased with on-going renovations and product upgrades. However, the Company is by

and large a debt free Company.

## RISK MITIGATION INITIATIVES

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

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

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

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

### Development in Human Resources and industrial relations

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

Industrial relations remained stable throughout the financial year 2014-15.

As on 31st March, 2015 the number of people employed by the Company was 316.

## 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.

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

**Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of MAC CHARLES (INDIA) LIMITED ('the Company') and its Subsidiary (the Company and its Subsidiary constitutes 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in the 'other matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2015 ;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the PROFIT of the Group for the year ended on that date ; and
- (c) in the case of Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's report of the company and its subsidiary, to whom the order applies, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
- 2. As required by section 143(3) of the Act, we report that :
  - a. We/the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion proper books of account as required by law have been kept by the Company and its Subsidiary so far as it appears from our examination of those books and reports of the other auditors;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement, dealt with by this Report are in agreement with the books of account;

## MAC CHARLES (INDIA) LIMITED

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- d. In our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement, comply with the Accounting Standards specified under section 133 of the Act; read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors of the Company as on March 31, 2015, and taken on record by the Board of Directors of the Company and the reports of the auditors who are appointed under section 139 of the Act of its Subsidiary Company, none of the directors of the Group is disqualified as on March 31, 2015, from being appointed as a Director in terms of section 164(2) of the Act;
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company and its Subsidiary has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note 37 to the financial statements.
- (ii) The Company and its Subsidiary did not have any long term contract for which there was any material foreseeable loss.

- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. However, with regard to the disputed/subjudiced dividends referred to in note 11.1, the dividend warrants thereof (demand drafts) are in custody of the company.

### Other matters

We did not audit the financial statements of the Subsidiary, whose financial statements reflect Total Assets of Rs 4,22,47,830/- and Total Liabilities of Rs. 2,88,92,263/- as at 31st March 2015, Total Revenues of Rs 7,12,65,831/- and Total Expenditure of Rs.6,20,24,950/- and Net cash inflow of Rs.35,09,910/- for the year ended on that date as considered in the Consolidated Financial Statements. The financial statements of the subsidiary are audited by another auditor whose report is furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the reports of other auditor.

Our report is not qualified in respect of other matters.

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

Bangalore  
21 August 2015

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

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## 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)

With respect to Mac Charles(India) Limited, ('the Holding Company') and its Subsidiary to whom the order applies('Subsidiary'), we report as follows:

- (i) In respect of its fixed assets:
- (a) The Group 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.
- (b) The fixed assets of the Holding Company have been physically verified by the management during the year. However, in case of the fixed assets of the subsidiary, based on the report given by the other auditors all the assets have not been physically verified but there is a regular programme of verification which in the opinion of the other auditors is reasonable having regard to the size of the subsidiary and the nature of the assets. No material discrepancies were noticed during such verification.
- (ii) In respect of its inventory:
- (a) The management of the Group and Subsidiary has conducted physical verification of inventory at reasonable intervals during the year.
- (b) In our opinion, and based on the opinion of the other auditors, the procedures of physical verification of inventories followed by the group's management are reasonable and adequate in relation to the size of the Group and Subsidiary and the nature of its business.
- (c) The Group 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 Holding Company has granted an unsecured loan to its wholly owned subsidiary.
- (a) Having regard to the fact that no agreement/contract is entered into with the subsidiary, there is no stipulation as to repayment and as such paragraph 3(iii)(a) of the order is not applicable to the Company in respect of repayment of principal amount.
- (b) Since there is no stipulation regarding repayment of

principal and interest, paragraph 3(iii)(b) of the order is not applicable to the Company in respect of overdue amount in excess of Rupees one lakh.

- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Subsidiary, there is an adequate internal control system commensurate with the size of the Group and the Subsidiary 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 and as reported by the other auditors who audited the financial statements of the Subsidiary, we have not observed any major weakness in such internal control system.
- (v) The Group has not accepted deposits to which the directives issued by Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder apply.
- (vi) As informed to us, and as the reported by the other auditors

who audited the financial statements of the Subsidiary, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the Holding Company and the Subsidiary.

- (vii) In respect of its statutory dues :
  - (a) According to the records of the Holding Company and the information and explanations given to us and as the reported by the other auditors who audited the financial statements of the Subsidiary, the Group, have been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year.
  - (b) To the best of our knowledge and belief and according to the information and explanations given to us, details of disputed statutory dues which has not been deposited in the case of Income Tax are given in the table below :

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

- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group. However, with regard to the disputed/subjudiced dividends referred to in note 11.1, the dividend warrants thereof(demand drafts) are in custody of the holding company.
- (viii) The Holding Company has neither accumulated loss as at March 31 2015 nor has it incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year. The Subsidiary has an accumulated loss of Rs.1,88,86,823/- as at March 31 2015, has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- (ix) The Group has not defaulted in repayment of dues to financial institutions or banks.
- (x) According to the information and explanations given to us, and records examined by us, and based on the reports of the other auditor who audited the financial statements of the Subsidiary

of the group, the Group have not given any guarantee for loans taken by others from bank or financial institutions during the year, the terms and conditions whereof are prejudicial to the interest of the Group.

- (xi) In our opinion and according to the explanations given to us and based on the reports of the other auditors who audited the financial statements of the Subsidiary, the Group has not obtained any term loans during the year.
- (xii) In our opinion and according or the information and explanations given to us and based on the reports of the other auditors who audited the financial statements of the Subsidiary, no fraud on or by the Group has been noticed or reported during the year.

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

Bangalore  
21 August 2015

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

# MAC CHARLES (INDIA) LIMITED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Note	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	13,10,37,270	13,10,37,270
Reserves and Surplus	4	227,03,16,086	213,67,72,073
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	1,02,24,868	1,57,24,868
Deferred Tax Liabilities (Net)	6	7,19,34,345	4,20,49,931
Other Long Term Liabilities	7	8,94,28,203	8,97,28,863
Long Term Provisions	8	1,99,47,468	1,88,96,898
<b>Current Liabilities</b>			
Short-Term Borrowings	9	-	1,24,68,214
Trade Payables	10	3,08,78,420	1,93,08,826
Other Current Liabilities	11	11,63,42,106	7,42,45,642
Short-Term Provisions	12	14,19,62,885	14,23,34,836
<b>Total</b>		<b>288,20,71,651</b>	<b>268,25,67,421</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	13		
Tangible Assets		86,08,68,808	64,61,33,560
Intangible Assets		7,19,39,681	7,19,39,681
Capital work-in-progress		8,13,061	8,13,061
Non-current investments	14	110,49,77,755	114,49,10,247
Long term loans and advances	15	17,13,62,920	17,61,31,475
<b>Current Assets</b>			
Current investments	16	14,92,63,039	6,83,62,790
Inventories	17	1,25,22,675	1,20,20,090
Trade receivables	18	3,26,62,064	2,17,19,958
Cash and Bank Balances	19	5,73,99,195	5,09,49,140
Short-term loans and advances	20	38,76,03,724	46,93,82,201
Other current assets	21	3,26,58,729	2,02,05,218
<b>Total</b>		<b>288,20,71,651</b>	<b>268,25,67,421</b>
<b>Significant Accounting Policies</b>	2		
<b>Notes to Financial Statements</b>	3-42		

In terms of our report of even date

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

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

Bangalore  
21 August 2015

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

**Pranisha K Rao**  
Chief Financial Officer

Bangalore  
21 August 2015

On behalf of the Board

**C.B. Pardhanani**  
Chairman

**Appiah**  
Director

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

	Note	<b>For the year ended March 31, 2015 Rupees</b>	For the year ended March 31, 2014 Rupees
<b>REVENUE</b>			
Revenue from Operations	22	<b>52,92,93,583</b>	45,48,67,529
Other Income	23	<b>25,96,41,333</b>	8,61,37,340
<b>Total Revenue</b>		<b>78,89,34,916</b>	54,10,04,869
<b>EXPENSES</b>			
Cost of Provisions, Food and Beverages consumed	24	<b>9,47,20,191</b>	7,50,30,491
Employee Benefits Expenses	25	<b>11,20,01,435</b>	10,17,53,259
Maintenance, Upkeep and Services	26	<b>6,96,81,354</b>	6,25,52,572
Financial Costs	27	<b>9,42,068</b>	11,62,396
Depreciation and Amortization Expense	13	<b>3,03,78,164</b>	6,71,07,545
Other Expenses	28	<b>11,39,67,747</b>	9,24,72,499
<b>Total Expenses</b>		<b>42,16,90,959</b>	40,00,78,762
<b>Profit before tax</b>		<b>36,72,43,957</b>	14,09,26,107
<b>Tax Expenses:</b>			
- Current tax		<b>7,80,49,890</b>	8,30,11,200
- Deferred tax		<b>2,98,84,414</b>	(1,15,74,495)
<b>NET PROFIT FOR THE YEAR</b>		<b>25,93,09,653</b>	6,94,89,402
Earnings per equity share:			
Basic & Diluted ( <i>Face Value of Rs.10/- each</i> )	41	<b>19.79</b>	5.30
<b>Significant Accounting Policies</b>	2		
<b>Notes to Consolidated Financial Statements</b>	3-42		

In terms of our report of even date

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

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

Bangalore  
21 August 2015

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

**Pranisha K Rao**  
Chief Financial Officer

Bangalore  
21 August 2015

On behalf of the Board

**C.B. Pardhanani**  
Chairman

**Appiah**  
Director

# MAC CHARLES (INDIA) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax as per Statement of Profit & Loss	36,72,43,957	14,09,26,107
Adjustment for :		
Depreciation	3,03,78,164	6,71,07,545
Profit on sale of fixed assets	(1,96,50,313)	(88,82,061)
Loss/(Profit) on sale of investments	(2,35,68,868)	10,21,68,078
Excess Provision for diminution in value of investments written back	(15,53,812)	(1,50,42,771)
Dividend received	(12,02,139)	(1,32,40,335)
Interest Paid	5,07,299	6,25,894
Interest received	(9,11,42,092)	(7,27,38,674)
Rent received	(11,70,92,218)	(7,02,94,931)
<b>Operating profit before working capital changes</b>	<b>14,39,19,978</b>	<b>13,06,28,852</b>
Adjustment for :		
Trade and other receivables	9,29,89,932	(37,23,864)
Inventories	(5,02,585)	39,21,161
Trade and other payables	5,79,25,229	5,44,66,827
Cash generated from operations	29,43,32,554	18,52,92,976
Direct taxes (paid) / refund	(10,52,67,476)	(5,18,78,497)
<b>Net cash (used in) / from operating activities</b>	<b>18,90,65,078</b>	<b>13,34,14,479</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Loan to other companies	3,75,00,000	(22,00,00,000)
Loan to others	(5,00,00,000)	-
Purchase of fixed assets	(25,08,50,639)	(1,15,16,052)
Sale of Fixed Assets	2,53,85,834	1,65,65,053
Investment in immovable property	-	(17,10,42,551)
Purchase of investments	(73,61,83,230)	(60,30,98,728)
Sale of investments	69,74,93,289	80,45,97,002
Dividend received	12,02,139	1,32,40,335
Interest received	9,11,42,092	7,27,38,674
Rent received	11,70,92,218	7,02,94,931
<b>Net cash (used in) / from investing activities</b>	<b>(6,72,18,297)</b>	<b>(2,82,21,336)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid including Corporate Dividend Tax	(9,69,21,213)	(9,52,58,659)
Increase / (decrease) in cash credit	(1,24,68,214)	(31,36,123)
Increase/(decrease) in long term borrowings	(55,00,000)	-
Interest paid	(5,07,299)	(6,25,894)
<b>Net cash (used in) / from financing activities</b>	<b>(11,53,96,726)</b>	<b>(9,90,20,676)</b>
Net increase in cash and cash equivalents	<b>64,50,055</b>	<b>61,72,467</b>
Cash and cash equivalents at beginning of the period	<b>5,09,49,140</b>	<b>4,47,76,673</b>
Cash and cash equivalents at end of the period	<b>5,73,99,195</b>	<b>5,09,49,140</b>

Footnote :

Cash and cash equivalents balances include Rs.3,89,16,507/- (Rs.4,38,72,265/-) being amounts lying in the unpaid dividend accounts which are not available for use by the company.

In terms of our report of even date

On behalf of the Board

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

Chartered Accountants  
(Firm Regn. No. 002313S)

**Raj Kumar K**

Partner (M.No. 208039)

Bangalore

21 August 2015

**M.S. Reddy**

Vice President Finance &  
Company Secretary

**Pranisha K Rao**

Chief Financial Officer

Bangalore

21 August 2015

**C.B. Pardhanani**

Chairman

**Appiah**

Director



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**1. BASIS OF CONSOLIDATION :**

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

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

**Disclosure under Accounting Standard 21 :****List of Subsidiary :**

- (a) Name : Airport Golf View Hotels and Suites Private Limited
- (b) Country of Incorporation : India
- (c) Proportion of Ownership : 100%

**2. SIGNIFICANT ACCOUNTING POLICIES :**

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

**a. Fixed Assets :**

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

**b. Depreciation :**

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

**c. Impairment of Assets :**

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

**d. Investments :**

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

**e. Inventories :**

- i. To value inventories of provisions, food supplies, crockery,

cutlery, glassware, beverage, stores and operational supplies at cost on Weighted Average Method. Cost includes freight and other incidental expenses.

- ii. To charge to revenue the value of crockery, cutlery and glassware at the time of first issue.

**f. Miscellaneous Expenditure :**

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

**g. Foreign Currency Transactions :**

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

**h. Revenue Recognition :**

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

**i. Employee Benefits :**

- i. Provident Fund :

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

- ii. Gratuity :

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

- iii. Leave Encashment :

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

**j. Taxation :**

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

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods. Deferred Tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>3. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>20,00,00,000</b>	20,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,31,01,052 (1,31,01,052) Equity Shares of Rs.10/- each	<b>13,10,10,520</b>	13,10,10,520
<i>Add</i> : Forfeited Shares	<b>26,750</b>	26,750
<b>Total</b>	<b>13,10,37,270</b>	13,10,37,270
<b>3.1 Reconciliation of number of shares</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>Particulars</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares outstanding at the beginning of the year	<b>1,31,01,052</b>	1,31,01,052
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<b>1,31,01,052</b>	1,31,01,052
<b>3.2 Details of shareholders holding more than 5% of shares</b>		
	Name of the Shareholder	No. of Shares held %
	Mr. C.B.Pardhanani	96,16,952 73.41
<b>3.3</b>	The issued, subscribed and paid up capital includes 65,50,526 shares allotted as bonus shares (by capitalisation of Securities Premium and General Reserve) during the financial year 2011-12.	
<b>4. RESERVES AND SURPLUS</b>		
<b>a) General Reserve</b>		
Opening Balance	<b>196,47,72,985</b>	195,77,72,985
<i>Add</i> : Current Year Transfer	<b>10,00,00,000</b>	70,00,000
Closing Balance (a)	<b>206,47,72,985</b>	196,47,72,985
<b>b) Surplus</b>		
Opening balance	<b>17,19,99,088</b>	20,14,75,141
<i>Add</i> : Net Profit/(Net Loss) For the current year	<b>25,93,09,653</b>	6,94,89,402
<i>Less</i> : Adjustment relating to fixed assets	<b>1,706</b>	-
<i>Less</i> : Transfer to Reserves	<b>10,00,00,000</b>	70,00,000
<i>Less</i> : Proposed Dividends	<b>10,48,08,417</b>	7,86,06,312
<i>Less</i> : Corporate Dividend Tax	<b>2,09,55,517</b>	1,33,59,143
Closing Balance (b)	<b>205,543,101</b>	17,19,99,088
<b>Total</b>	<b>2,270,316,086</b>	213,67,72,073
<b>5. Long Term Borrowings</b>		
<b>Unsecured</b>		
From other than banks	<b>1,02,24,868</b>	1,57,24,868
<b>Total</b>	<b>1,02,24,868</b>	1,57,24,868

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>6. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liability</b>		
Accumulated Depreciation	7,38,69,120	4,41,21,123
<b>Less: Deferred Tax Assets:</b>		
Accrued expenses deductible on payment	19,34,775	20,71,192
<b>Total</b>	<b>7,19,34,345</b>	<b>4,20,49,931</b>
<b>7. OTHER LONG TERM LIABILITIES</b>		
a) Rental Deposits received :		
Diamond District	4,00,000	4,00,000
Vodafone Essar South Ltd	3,00,000	3,00,000
Bharti Airtel Ltd	1,00,000	-
L G Soft India Pvt Ltd	3,99,50,540	3,95,51,616
Inmobi Technology Services Pvt Ltd	4,26,53,952	4,26,53,952
b) Others	60,23,711	68,23,295
<b>Total</b>	<b>8,94,28,203</b>	<b>8,97,28,863</b>
<b>8. LONG TERM PROVISIONS</b>		
a) Provision for employee benefits		
Provision for leave encashment	49,54,052	50,31,101
b) Others		
Income tax	91,69,153	85,11,534
Provision for donations	58,24,263	53,54,263
<b>Total</b>	<b>1,99,47,468</b>	<b>1,88,96,898</b>
<b>9. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Cash credit		
From bank	-	1,24,68,214
<b>Total</b>	<b>-</b>	<b>1,24,68,214</b>
<b>10. TRADE PAYABLES</b>		
(a) Dues to Micro and Small Enterprises	-	-
(b) Others	3,08,78,420	1,93,08,826
<b>Total</b>	<b>3,08,78,420</b>	<b>1,93,08,826</b>
Foot Note:		
10.1 In the absence of information as regard to the status/classification of the Relevant enterprises into Micro, Small and Medium enterprises, information as required under Notification No. G.S.R 719[E] dated 16.11.2007 issued by the Department of Company Affairs in respect of the total amount payable at the end of the year to the Micro & Small Enterprises could not be disclosed.		
<b>11. OTHER CURRENT LIABILITIES</b>		
a) Statutory remittances	83,87,868	69,26,478
b) Unclaimed/subjudiced dividend	3,89,16,507	4,38,72,265
c) Due to Directors	90,90,961	62,02,893
d) Advance from customers	1,01,34,135	51,13,590
e) Payables for capital assets	3,99,82,362	96,07,997
f) Others	98,30,272	25,22,419
<b>Total</b>	<b>11,63,42,106</b>	<b>7,42,45,642</b>
Foot Note:		
11.1 In respect of unclaimed dividends of Rs.69,37,200/-in excess of the amount reflected in the books of account beyond a period of 7 years (pertaining to financial years 2002-03 to 2006-07) which are subject to litigation in court and are therefore subjudice, the company is holding the dividend warrants (demand drafts) in its custody. The same shall be disbursed in accordance with the outcome of court decisions.		

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>12. SHORT TERM PROVISIONS</b>		
<b>Provision For Employees Benefit</b>		
(a) Salaries & Wages Payable	48,31,760	50,04,461
(b) Bonus Payable	7,38,134	10,62,430
(c) Ex gratia Payable	3,32,858	1,64,223
<b>Others</b>		
(a) Proposed Dividend	10,48,08,417	7,86,06,312
(b) Corporate Dividend Tax	2,09,55,517	1,33,59,143
(c) Provision for Income Tax	30,03,147	3,63,84,697
(d) Other provisions	72,93,052	77,53,570
<b>Total</b>	<b>14,19,62,885</b>	<b>14,23,34,836</b>

### 13. FIXED ASSETS

(Amount in Rupees)

	DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		As at 01/04/2014	Additions	Deductions	Total	Upto 01/04/2014	For the year	Deductions	Upto 31/03/2015	As at 31/03/2015	As at 31/03/2014
<b>I</b>	<b>TANGIBLEASSETS</b>										
	Land	33,65,64,276	57,60,500		34,23,24,776	-	-	-	-	34,23,24,776	33,65,64,276
	Buildings	21,67,97,009		91,60,000	20,76,37,009	14,90,67,589	20,15,401	35,32,357	14,75,50,633	6,00,86,376	6,77,29,420
	Plant & Machinery	51,35,70,985	24,42,95,479	8,87,603	75,69,78,861	31,97,33,429	1,91,61,080	8,87,603	33,80,06,906	41,89,71,955	19,38,37,556
	Furniture,Fixtures & Interiors	9,78,40,294	5,11,483	8,27,615	9,75,24,162	5,96,22,683	69,74,878	8,27,615	6,57,69,946	3,17,54,216	3,82,17,611
	Vehicles	1,81,73,021		6,21,170	1,75,51,851	1,44,57,419	6,13,299	5,13,292	1,45,57,426	29,94,425	37,15,602
	Office Equipment	10,73,493	1,03,587		11,77,080	7,98,561	34,675		8,33,236	3,43,844	2,74,932
	Sanitary Fittings	1,61,20,235		1,62,409	1,59,57,826	1,37,94,995	2,95,474	1,62,409	1,39,28,060	20,29,766	23,25,240
	Computers 1,706*	1,15,42,933	1,79,590		1,17,22,523	80,74,010	12,83,357		93,59,073	23,63,450	34,68,923
<b>II</b>	<b>INTANGIBLEASSETS</b>										
	Good will	7,19,39,681			7,19,39,681	-	-	-	-	7,19,39,681	7,19,39,681
	<b>TOTAL</b>	128,36,21,927	25,08,50,639	1,16,58,797	152,28,13,769	56,55,48,686	3,03,78,164	59,23,276	59,00,05,280	93,28,08,489	71,80,73,241
	<b>PREVIOUS YEAR</b>	129,34,21,121	1,15,16,052	2,13,15,246	128,36,21,927	51,20,73,395	6,71,07,545	1,36,32,254	56,55,48,686	71,80,73,241	78,13,47,726
<b>III</b>	<b>CAPITAL WORK-IN-PROGRESS</b>										
	Hotel Project at Cochin	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	<b>TOTAL</b>	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061

13.1 \*Pursuant to the enactment of the Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of fixed assets whose lives have expired as at 01.04.2014 have been adjusted net of tax in the opening balance of profit and loss account amounting to Rs. 1,706/-.

### 14. NON-CURRENT INVESTMENTS

(In Rupees)

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2015	As at March 31, 2014
<b>Non Trade - Investment in immovable properties</b>				
Block A, ALPHA	Embassy Tech Square, Sarjapur-Marathalli OuterRing Road		37,26,68,324	37,26,68,324
Block B, DELTA	Embassy Tech Square, Sarjapur-Marathalli OuterRing Road		56,34,59,051	56,34,59,051
<b>Non Trade - In Equity Shares - Unquoted, fully paid up</b>				
600	Electrex (India) Ltd	10/-	25,040	25,040
[600]				
152	Nextgen Animation Media	10/-	----	----
[152]				
380	Silverline Technologies Ltd	10/-	14,01,191	14,01,191
[380]				
<b>Non Trade - In Portfolio Management Services</b>				
	Reliance - Capital Asset Management		12,00,80,693	8,00,43,687
<b>Non Trade - In Real Estate Venture Capital Fund</b>				
69.478	Kotak Real Estate Fund	1 lakh	69,47,765	1,18,35,031
[118.350]				
199802	Pru.ICICI India Advantage Fund-III	100/-	1,99,80,200	3,74,02,900
[374029]				

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

(In Rupees)

Holding (Previous year Holding)	Particulars	Face Value	As at March 31, 2015	As at March 31, 2014
<b>Non Trade - In Equity Shares - Quoted, fully paid up</b>				
----	Indian Hotels Company	1/-	----	23,48,871
[40000]				
----	Cairn India Ltd	1/-	----	10,49,715
[3000]				
----	ICICI Bank	10/-	----	7,13,736
[750]				
----	ONGC	5/-	----	1,47,79,177
[100000]				
5010	Reliance Industries	10/-	<b>45,06,743</b>	5,29,35,329
[64643]				
13594	Sobha Developers	10/-	<b>46,18,356</b>	46,18,356
[13594]				
10000	Global Offshore	10/-	<b>81,06,741</b>	----
[----]				
22699	Purvankara Projects	05/-	<b>31,83,651</b>	31,83,651
[22699]				
2500	HCL Technologies	10/-	----	----
[----]				
6000	Infosys	10/-	----	----
[----]				
<b>Non Trade - In Debentures - Unquoted, fully paid up</b>				
1.000	Reliance			
[1.000]	Non Convertible Debentures	10/-	----	----
<b>Total Non-Current Investments</b>			<b>110,49,77,755</b>	114,64,64,059
Less : Provision for diminution in value of Investments			-	15,53,812
			<b>110,49,77,755</b>	114,49,10,247

Footnote :

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

Aggregate amount of Company's Quoted Investments is **Rs.2,04,15,491/-** (Rs.7.96.28.835/-)

Total Market value of Quoted Investments as on 31 March 2015 is **Rs.3,31,00,387/-** (Rs.10,34,14,878/-)

Aggregate amount of Company's Unquoted Investments is **Rs.14,84,34,889/-** (Rs.13,07,07,849/-)

	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>15. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
a) Capital Advances	<b>15,75,36,912</b>	15,75,36,912
b) Security Deposits	<b>93,06,949</b>	85,69,159
c) Other loans and advances	<b>45,19,059</b>	1,00,25,404
<b>Total</b>	<b>17,13,62,920</b>	17,61,31,475
<b>16. CURRENT INVESTMENTS</b>		
Non Trade - In Mutual Fund - Unquoted, fully paid up		
8946121.878 Deutsche Asset Management		
[4514727.161] Ultra Short bond Fund - Direct Plan- Gr. of Rs.10/- each	<b>14,92,63,039</b>	6,83,62,790
<b>Total</b>	<b>14,92,63,039</b>	6,83,62,790

Aggregate amount of Company's unquoted investments is **Rs.14,92,63,039/-**(Rs.6,83,62,790/-).

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>17. INVENTORIES</b>		
a) Provisions, food supplies and beverages	1,05,98,051	1,01,45,863
b) Other stores and operational supplies	19,24,625	18,74,227
<b>Total</b>	<b>1,25,22,675</b>	<b>1,20,20,090</b>
<b>18. TRADE RECEIVABLES</b>		
<b>Unsecured, Considered Good</b>		
a) Outstanding for more than six months	1,05,457	15,525
b) Others	3,25,56,607	2,17,04,433
<b>Total</b>	<b>3,26,62,064</b>	<b>2,17,19,958</b>
<b>19. CASH AND CASH EQUIVALENTS</b>		
a) <b>Cash-in-Hand</b>		
Cash Balance	25,49,615	26,60,181
b) <b>Balance with banks</b>		
On Current Account*	5,38,49,580	4,72,88,959
On Fixed Deposit account**	10,00,000	10,00,000
<b>Total</b>	<b>5,73,99,195</b>	<b>5,09,49,140</b>
Footnote :		
*Includes Unclaimed/subjudiced Dividend of Rs. 3,89,16,507/- (Rs 4,38,72,265/-)		
** Comprises of deposit with maturity of more than 12 months		
<b>20. SHORT TERMS LOANS AND ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
Other than related parties		
a) Loan	33,25,00,000	37,00,00,000
b) Other Advances	5,51,03,724	9,93,82,201
<b>Total</b>	<b>38,76,03,724</b>	<b>46,93,82,201</b>
<b>21. OTHER CURRENT ASSETS</b>		
a) Advance Income Tax	-	6,30,929
b) Prepaid Expenses	33,22,869	58,11,096
c) Other receivables	2,93,35,860	1,37,63,193
<b>Total</b>	<b>3,26,58,729</b>	<b>2,02,05,218</b>
	<b>For the year ended March 31, 2015 Rupees</b>	<b>For the year ended March 31, 2014 Rupees</b>
<b>22. REVENUE FROM OPERATIONS</b>		
Income from Sale of Services	50,59,29,370	43,29,83,918
Less: Excise Duty	81,222	71,958
	<b>50,58,48,148</b>	<b>43,29,11,960</b>
Other operating revenues	2,34,45,435	2,19,55,569
<b>Total</b>	<b>52,92,93,583</b>	<b>45,48,67,529</b>
Footnote :		
<b>22.1</b> Sales Rooms	<b>23,10,31,412</b>	<b>21,42,61,798</b>
Food Beverages and Banquets	23,43,47,955	18,44,91,047
Sale of Electricity	4,04,68,781	3,41,59,115
<b>Total</b>	<b>50,58,48,148</b>	<b>43,29,11,960</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>23. OTHER INCOME</b>		
Interest received	9,11,42,092	7,22,56,894
Income Rent	11,70,92,218	7,21,51,577
Income Licence Fees	45,41,895	43,01,715
Dividend Income	12,02,139	1,32,40,335
Profit on sale of Fixed Assets	1,96,50,313	88,82,061
Profit/(loss) on sale of investments - Short term	(2,90,771)	1,07,50,452
- Long term	2,38,59,639	(11,29,18,530)
Provision for diminution in value of investments	15,53,812	1,50,42,771
Liabilities Written Back	2,42,663	24,30,065
Provision no longer required	6,47,333	-
<b>Total</b>	<b>25,96,41,333</b>	<b>8,61,37,340</b>
<b>24. COST OF PROVISIONS, FOOD AND BEVERAGES CONSUMED</b>		
Opening stock	1,01,45,863	83,87,487
Add: Purchase of provisions, food and beverages	9,51,72,379	7,67,88,867
Less: Closing stock	1,05,98,051	1,01,45,863
<b>Total</b>	<b>9,47,20,191</b>	<b>7,50,30,491</b>
<b>25. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages and bonus	9,31,32,963	8,52,08,660
Contribution to provident and other funds	94,02,463	87,99,798
Staff welfare	94,66,009	77,44,801
<b>Total</b>	<b>11,20,01,435</b>	<b>10,17,53,259</b>

Footnote :

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

**Defined Contribution Plan**

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

Employer's Contribution to Provident Fund	63,37,087	49,08,667
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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 2014-15	Gratuity 2013-14	Leave Encashment 2014-15	Leave Encashment 2013-14
<b>I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation</b>				
Defined Benefit obligation at the beginning of the year	1,54,91,539	1,69,81,020	50,31,101	56,97,603
Current service cost	17,54,063	18,25,389	8,10,653	8,90,293
Interest cost	11,83,697	14,78,793	3,43,836	4,64,495
Actuarial (gain)/loss	(2,19,547)	(15,32,376)	2,34,765	(8,12,375)
Benefits paid	(13,90,652)	(32,61,287)	(14,66,303)	(12,08,915)
Defined Benefit obligation at the end of the year	1,68,19,100	1,54,91,539	49,54,052	50,31,101

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(in Rupees)

	Gratuity 2014-15	Gratuity 2013-14	Leave Encashment 2014-15	Leave Encashment 2013-14
<b>II. Reconciliation of Opening and Closing Balances of fair value of plan assets</b>				
Fair value of plan assets at beginning of the year	2,04,83,789	1,87,98,097	-	-
Expected return on plan assets	16,26,722	15,06,151	-	-
Actuarial gain/(loss)	1,92,136	1,21,962	-	-
Employer contributions	10,91,131	15,89,955	-	-
Benefits paid	(13,90,652)	(15,32,376)	-	-
Fair value of plan assets at year end	2,20,03,126	2,04,83,789	-	-
Actual return on plan assets	18,18,858	16,28,113	-	-
<b>III. Reconciliation of fair value of assets and present value of obligation</b>				
Fair value of plan assets	2,20,03,126	2,04,83,789	-	-
Present value of obligation	1,68,19,100	1,54,91,539	49,54,052	50,31,101
Amount recognized in Balance Sheet	-	-	49,54,052	50,31,101
<b>IV. The amounts recognized in the Statement of Profit and Loss are as follows</b>				
Current service Cost	-	-	8,10,653	8,90,293
Interest Cost	-	-	3,43,836	4,64,495
Expected return on plan assets	-	-	-	-
Actuarial (gain)/loss	-	-	2,34,765	(8,12,375)
Contribution	11,85,524	17,25,771	-	-
Net Cost	11,85,524	17,25,771	13,89,254	5,42,413
	Gratuity (Funded) 2014-15	Gratuity (Funded) 2013-14	Leave Encashment (Unfunded) 2014-15	Leave Encashment (Unfunded) 2013-14
<b>V. Composition of Plan Assets</b>				
Insurance managed funds	2,20,03,126 (100%)	2,04,83,789 (100%)	-	-
<b>VI. Actuarial Assumptions</b>				
Interest rate	8.00%	9.12%	8.00%	9.12%
Discount rate (per annum)	8.00%	9.12%	8.00%	9.12%
Expected rate of return on plan Assets (per annum)	8.00%	8.00%	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%
Attrition rate	5.00%	5.00%	5.00%	5.00%
Retirement age	58	58	58	58
			<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
			<b>Rupees</b>	<b>Rupees</b>
<b>26. MAINTENANCE, UPKEEP AND SERVICES</b>				
Guest Accommodation Board and Kitchen			86,12,955	89,72,578
Linen, Uniforms and Laundry			98,62,234	98,13,097
Repairs and Maintenance of:				
i) Building			1,21,97,007	1,81,60,383
ii) Plant & Machinery			1,61,77,546	1,58,10,978
iii) Interiors, Furniture, Furnishings and others			1,42,85,492	21,13,748
House-keeping Expenses			36,81,383	35,52,953
Music, Entertainment and Banquet Expenses			48,64,737	41,28,835
<b>Total</b>			<b>6,96,81,354</b>	<b>6,25,52,572</b>
<b>27. FINANCIAL COST</b>				
Interest on Cash Credit			5,07,299	6,18,015
Interest Others			-	7,879
Other borrowing costs			4,34,769	5,36,502
<b>Total</b>			<b>9,42,068</b>	<b>11,62,396</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>28. OTHER EXPENSES</b>		
Power & fuel	1,89,57,159	2,04,83,054
Water charges	34,65,150	39,37,758
Commission on sale & travel agents	35,83,360	35,82,723
Postage, Telex & Telephones	34,45,388	31,43,211
Printing & Stationery	24,83,202	20,49,599
Sales Promotional Expenses	36,52,261	14,19,198
Administrative & General Expenses	83,78,608	1,12,13,326
Travel & Conveyance	46,91,345	29,48,923
Rent	2,96,930	6,03,729
Rates & Taxes	2,06,74,386	1,30,90,082
Insurance	11,76,690	12,07,379
Royalty	94,81,712	92,89,879
Foreign Currency Fluctuations	3,51,926	10,08,207
Freight & Transport	37,474	71,310
Professional & Consultancy fees	1,55,15,023	66,48,525
Miscellaneous Expenses	16,73,462	5,78,144
Payment to Auditors	8,34,618	5,20,591
Director's Sitting Fees	3,80,000	4,20,000
Commission to Chairman & Managing Director	1,31,89,053	90,36,375
Provision for Donations	17,00,000	11,00,000
Sundry Debit Balances Written off	-	1,20,486
<b>Total</b>	<b>11,39,67,747</b>	<b>9,24,72,499</b>
Footnote :		
<b>28.1</b> Payment to Auditors		
Audit Fee	5,41,945	3,27,740
Tax Audit Fee	87,641	83,452
Other Services	1,84,590	92,282
Reimbursement of Expenses	20,442	17,117
Total	<b>8,34,618</b>	<b>5,20,591</b>
<b>29.</b> Estimated amount of contract remaining to be executed on capital account not provided for Nil/- (Rs.3,29,00,000/-).		
<b>30.</b> Confirmation of balances has not been received from parties covered under Trade Receivables, Long term Loans and Advances and Trade Payables.		
<b>31. Prior period items debited/ credited to Profit and Loss Account</b>		
<b>Prior period expenses</b>		
R & M Wind Mill	-	30,140
R & M Security Equipment	1,66,278	-
<b>32. Earnings in Foreign Exchange</b>	<b>13,65,20,346</b>	<b>13,87,43,090</b>
<b>33. Expenditure in Foreign Currency</b>		
Royalty	94,81,712	92,89,871
Sales Promotion and General Expenses	86,04,537	84,10,558
Agents Commission for Room Bookings	1,15,056	15,63,882
<b>34. CIF Value of Imports</b>		
Stores, Components and Spare Parts	39,245	32,78,321
Capital Goods	-	20,28,081

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>35. Information as per Order No.46/22/98 CL III Dated 24 February 1998, issued by the Ministry of Finance, Department of Company Affairs:</b>		
a) Income from		
i. Wines and Liquor	1,77,24,239	1,08,20,718
ii. Telephone and Telex	22,50,293	37,16,829
b) Consumption of		
i. Provision, Beverages (excluding Wine and Liquor)	5,33,66,357	5,28,01,343
ii. Wine and Liquor	68,59,879	50,21,356
<b>36. Dividends remitted in Foreign Currency to Non Resident Shareholder Rs.9,60,000 (Rs.9,60,000/-).</b>		
Number of Non Resident Shareholder	Number of Share held by them on which Dividends remitted	
1 (1)	1,60,000 (1,60,000)	
<b>37. Contingent Liabilities</b>		
<b>Disputed Income Tax Liability against which Appeals are pending</b>		
Assessment Year 1997-98	9,55,691	9,55,691
Assessment Year 2010-11	10,34,668	10,34,668

### 38. RELATED PARTY DISCLOSURE

#### (A) Related Parties and their Relationships

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 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 31.3.2015 (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	32,97,263 (22,80,036)	23,99,576 (17,28,986)	P (P)
Ms. S. C. Pardhanani	Managing Director	Dividend	5,77,01,712 (5,77,01,712)	Nil (Nil)	Nil (Nil)
		Remuneration	56,02,483 (46,43,841)	Nil (Nil)	Nil (Nil)
		Commission based on profit	98,91,790 (67,56,339)	66,91,385 (44,73,907)	P (P)
		Loan taken from Director	- (4,60,00,000)	Nil (Nil)	(Nil) (Nil)
C Pardhanani's Education Trust	Trust in which Chairman of the Company is a trustee	Donation	10,50,000 (10,50,000)	Nil (Nil)	Nil (Nil)
Mr. M. B. Pardhanani	Related to Director	Dividend	7,22,400 (7,22,400)	72,24,000 (65,01,600)	(P) (Under dispute and subjudice)
Mrs.Uma M. Pardhanani	Related to Director	Dividend	12,30,000 (12,30,000)	1,23,00,000 (1,10,70,000)	(P) (Under dispute and subjudice)
Ms. Aarti M Pardhanani	Related to Director	Dividend	3,60,000 (3,60,000)	36,00,000 (32,40,000)	(P) (Under dispute and subjudice)

## 39. AS 17 SEGMENT REPORTING

	As at March 31, 2015				As at March 31, 2014			
	HOTEL	ELECTRICITY	UNALLOCABLE	TOTAL	HOTEL	ELECTRICITY	UNALLOCABLE	TOTAL
<b>REVENUE NET SALES</b>								
External Sales	51,52,53,198	4,04,68,781		55,57,21,979	43,81,78,900	3,41,59,115		47,23,38,015
Internal Sales		3,55,75,328				2,36,40,710		
<b>TOTAL REVENUE</b>				<b>55,57,21,979</b>				<b>47,23,38,015</b>
<b>RESULT</b>								
Segment Result	15,23,46,752	1,82,85,444	10,64,11,737	27,70,43,933	7,31,32,492	2,33,19,282	(2,66,20,165)	6,98,31,609
Add:Interest Income			9,11,42,092	9,11,42,092				7,22,56,894
Less:Interest Expenses			9,42,068	9,42,068				11,62,396
<b>PROFIT BEFORE TAX</b>				<b>36,72,43,957</b>				<b>14,09,26,107</b>
Less:Income Tax				7,80,49,890				8,30,11,200
Less :Deferred Tax				2,98,84,414				(1,15,74,495)
<b>NET PROFIT</b>				<b>25,93,09,653</b>				<b>6,94,89,402</b>
<b>OTHER INFORMATION</b>								
Segment Assets	103,04,84,624	37,40,53,395	147,75,33,632	288,20,71,651	106,60,30,138	22,51,51,409	139,13,85,874	26,82,56,7421
<b>TOTAL ASSETS</b>				<b>288,20,71,651</b>				<b>268,25,67,421</b>
Segment Liabilities	15,71,70,286	3,00,00,000	18,88,40,118	37,60,10,404	31,20,96,028	51,43,250	9,75,18,800	41,47,58,078
<b>TOTAL LIABILITIES</b>				<b>37,60,10,404</b>				<b>41,47,58,078</b>
Capital Expenditure	85,70,359	24,22,80,280		25,08,50,639	1,15,16,052			1,15,16,052
<b>TOTAL</b>				<b>25,08,50,639</b>				<b>1,15,16,052</b>

# MAC CHARLES (INDIA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

(In Rupees)

Srl. No.	Particulars	Balance as at 01.04.2014	Additional Provision made during the year	Provision Reversed/utilised during the year	Balance as at 31.03.2015
1.	Provision for Leave Encashment	50,31,101	13,89,254	14,66,303	<b>49,54,052</b>
2.	Proposed Dividend	7,86,06,312	10,48,08,417	7,86,06,312	<b>10,48,08,417</b>
3.	Corporate Dividend Tax	1,33,59,143	2,09,55,517	1,33,59,143	<b>2,09,55,517</b>

March 31, 2015 Rupees	March 31, 2014 Rupees
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### 41. Earnings Per Share has been computed as under :

Net Profit	<b>25,93,09,653</b>	69,489,402
Weighted Average Number of Equity Shares Outstanding	<b>1,31,01,052</b>	13,101,052
Earnings Per Share in Rupees- Basic And Diluted ( <i>Face Value of Rs. 10/- each</i> )	<b>19.79</b>	5.30

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

## Form AOC – 1

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

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

#### Part "A": Subsidiaries

Name	:	Airport Golf view Hotels & Suites Pvt. Ltd., Kochi
Reporting Period	:	2014-15
Share Capital	:	2,99,88,000
Reserve & Surplus	:	(1,66,82,323)
Total Assets	:	4,22,47,830
Total Liabilities	:	2,88,92,263
Turnover	:	7,12,65,831
Profit before taxation	:	91,90,991
Profit after taxation	:	91,90,991
Proposed Dividend	:	Nil
% Share Holding	:	100%

Part "B": Associates and Joint Ventures : Not Applicable.