

Le MERIDIEN
BANGALORE

MAC CHARLES (INDIA) LIMITED

32nd Annual Report 2011-12





CORONET



ORCHID

BOARD OF DIRECTORS

Mr. C. B. Pardhanani	Chairman
Mr. P. B. Appiah	Director
Mr. M. R. Prasanna	Director
Mr. M. R. B. Punja (w.e.f. 29.06.2011)	Director
Ms. S. C. Pardhanani	Managing Director

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

28, Sankey Road, Bangalore - 560 052

Tel : 080-2226 2233 / 2228 2828

Fax : 080-2226 7676 / 2226 2050

e-mail : leme.bangalore@lemeridien.com

Visit us at : www.lemeridien-bangalore.com

PRINCIPAL BANKERS

State Bank of India, Bangalore

State Bank of Mysore, Bangalore

AUDITORS

K. B. Nambiar & Associates

101, President Chambers

8, Richmond Road

Bangalore - 560 025

REGISTRARS & SHARE TRANSFER AGENTS

BgSE Financials Limited

(Subsidiary of Bangalore Stock Exchange Ltd.,)

Registrar & Transfer Agent (RTA Division)

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

Bangalore - 560 027.

Tel : 080 - 4132 9661 / 4157 5234

Fax : 080 - 2227 6674

Email : manager_rta@bfsi.co.in

rta_admin@bfsi.co.in

INVESTORS' QUERIES

e-mail : secretarial.bangalore@lemeridien.com

secretarial@lemeridian-bangalore.com

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Thirtysecond Annual General Meeting of MAC CHARLES (INDIA) LTD. will be held on THURSDAY the 6th SEPTEMBER 2012 at Hotel Le Meridien, No. 28, Sankey Road, Bangalore - 560 052 at 3 p.m.

Note:

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

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

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

MAC CHARLES (INDIA) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN TO THE MEMBERS THAT the 32nd Annual General Meeting of MAC CHARLES (INDIA) LIMITED will be held at Hotel Le Meridien, No. 28, Sankey Road, Bangalore – 560 052, on Thursday the 6th September, 2012 at 3 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited accounts of the Company for the year ended 31 March 2012 together with the Directors' and Auditors' report thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. M. R. Prasanna, who retires by rotation, and being eligible, seeks re-election.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board of Directors

Bangalore
24 July 2012

M. S. REDDY
Company Secretary

NOTES

- a) The Register of Members and Share Transfer Book will remain closed from 25th August 2012 to 6th September 2012 for the purpose of payment of dividend, if any, to be declared at this meeting to those members whose names appear on the Company's Register of Members on 24th August, 2012.
- b) A member entitled to attend and vote is entitled to appoint a proxy (whether a member or not) to attend and vote instead of himself but a proxy so appointed has no right to speak at the meeting. Proxy form duly completed and signed by all Members should be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the Meeting. Blank proxy form is annexed hereto.
- c) Members holding shares in multiple folios in Physical category are requested to apply for consolidation to the Registrar and Transfer Agent (R&T Agent)/Company along with relevant Share Certificates.
- d) Members desirous of changing their shareholding from physical category to electronic category (dematerialization) may apply with their respective Depository Participants (DP's). The Company's shares are already admitted with CDSL and NSDL for dematerialization purpose and the ISIN allotted to your Company's equity shares is INE435D01014.
- e) The dividend, if any, in respect of Equity Shares held in electronic category will be paid on basis of beneficial ownership, details of which are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for the said purpose.
- f) For effecting change of Address/Bank details/Electronic Clearing Services (ECS) Mandate, if any, Members are requested to notify

the same to the following :

- (i) If shares are held in Physical category, to the Company/ R&T Agent of the Company, i.e., BgSE Financials Limited, RTA Division, Stock Exchange Tower, No.51, 1st Cross, J.C. Road, Bangalore – 560 027.
 - (ii) If shares are held in electronic category, to their respective Depository Participant (DP). The Company/ R&T Agent will not entertain request for noting change of Address/Bank details/ECS Mandate, if any.
- g) Pursuant to the Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended on 31 March 2005 which remain unclaimed is due for transfer to the Investor Education & Protection Fund (IEPF) on or before 12.01.2013. Members who have so far not encashed the Dividend Warrants for the above mentioned dividend year are advised to submit their claim to the Company's R&T Agents namely BgSE Financials Limited, Bangalore, by quoting their folio number / DP Id & Client Id. On or before 13.12.2012 It may be noted that once the unclaimed dividend amount is transferred to IEPF as aforesaid, no claim shall lie on the Company in respect of such unclaimed dividend amount.
- h) Members are requested to :-
- (i) bring their copy of Annual Report and Attendance Slip at the venue of the meeting.
 - (ii) Quote their folio/DP & Client Id No. in all correspondence with the R&T Agent/Company.
 - (iii) Note that briefcase, mobile phone, bag, eatables and other belongings will not be allowed to be taken inside the venue of the meeting for security purpose and shareholders will be required to take care of their belongings.
 - (iv) As part of the "Green Initiative in Corporate Governance", the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos.17/2011 and 18/2011, dated April 21, 2011 and April 29,2011 respectively, has allowed companies to send official documents to their shareholders electronically considering its legal validity under the Information Technology Act, 2000. Being a Company with strong focus on green initiatives, Mac Charles (India) Limited proposes to send all shareholder communications such as the Notice of General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report, etc., henceforth to shareholders in electronic form to the E-mail Id provided by them and made available to us by the Depositories. Members are requested to register their E-mail Id. with their Depository Participant and inform them of any changes to the same from time to time. However, Members who prefer physical copy to be delivered may write to the Company at its Registered Office or send an E-mail to secretarial.bangalore@lemeridien.com; secretarial@lemeridien-bangalore.com by providing their Folio Number / DP Id and Client Id as reference.
 - (v) Members having specific queries regarding accounts are requested to deposit their queries in writing at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the meeting, so as to make the management to furnish the clarification.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 32nd Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31 March 2012.

FINANCIAL RESULTS

(In Rs.)

Particulars	2011-12	2010-11
Total Income	51,79,25,539	60,71,55,528
Profit before Depreciation, Finance Costs and Tax	16,83,55,790	26,79,26,918
Less : Depreciation	6,00,16,382	5,38,41,295
Less : Finance Costs	6,05,149	7,07,462
Profit before Tax & Exceptional Item	10,77,34,259	21,33,78,164
Add : Exceptional Items	10,18,12,075	13,95,99,356
Profit before Tax	20,95,46,334	35,29,77,520
Less : Provision of Tax	6,00,98,579	7,20,88,574
Profit after Tax	14,94,47,755	28,08,88,946
Add : Balance brought forward from the previous year	11,32,35,061	7,37,29,638
Amount available for Appropriation	26,26,82,816	35,46,18,584
APPROPRIATIONS		
(i) General Reserves	2,00,00,000	15,00,00,000
(ii) Dividend :	7,86,06,312	7,86,06,312
A dividend of 60% i.e., Rs.6/- per equity share was recommended by the Board of Directors on July 24 2012		
iii) Corporate Dividend Tax	1,24,48,292	1,27,77,211
iv) Balance carried to Balance Sheet	15,16,28,212	11,32,35,061
	26,26,82,816	35,46,18,584

HOTEL OPERATIONS

During the year under report, the economy has not recovered from economic recession especially in the developed countries. The Indian economy has also not recovered resulting in lower Hotel room occupancy and average room rate. Hence, sales turn over of the Company has decreased from Rs.6071.56 lakhs to Rs.5179.26 lakhs as compared to the previous year. During the year under report, the hotel business is hit by the entry of new five star hotels in the city of Bangalore resulting in stiff competition. Hence, it will be difficult to improve the working results in current financial year.

FUTURE PROSPECTS

The future of the hotel industry is entirely dependant on the state of the country's economy. The outlook for the Financial Year 2012-13 is tough due to severe competition with added new five star hotels in the city of Bangalore and slowing down of the global & local economy in general. However the Company is taking effective steps to strengthen and promote sales & marketing initiatives.

FINANCE

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

bottomline. The segment performance is furnished elsewhere in this Annual Report. However, the ongoing renovation of the Hotel is consuming the substantial funds of the Company.

DIVIDEND

Your Directors have recommended a dividend of Rs.6/- per Equity Share (last year Rs.12/- per equity share on pre-bonus share capital) for the financial year ended March 31, 2012, amounting to Rs.9,10,54,604/- (inclusive of tax of Rs.1,24,48,292/-). 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 August, 2012.

BONUS SHARES

During the year under report, the Company has issued bonus shares to the existing shareholders in the ratio of 1:1.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures ;
- (ii) it has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for that period ;
- (iii) it has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records; and
- (iv) it has prepared the annual accounts on a going concern basis.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings during the year were Rs.2,225.29 lacs which is 43% of the Hotel Sales Turnover. The Foreign Exchange utilisation during the year was Rs.233.60 lacs.

SUBSIDIARY COMPANIES

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

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

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary Company with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiary and the related detailed information will be made available to any member of the Company/ its subsidiary seeking such information at any point of time and are

MAC CHARLES (INDIA) LIMITED

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

DUES TO SMALL SCALE UNDERTAKINGS

There are no dues payable to small scale undertakings.

CORPORATE GOVERNANCE

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

ENERGY CONSERVATION

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

- During the year under report, placed order for two more Wind Turbine Generators with a capacity of 3.00 MW apart from existing one number of 2.10 MW and two numbers of 1.50 MW each environment friendly Wind Turbine Generators which generate electricity of about 1.15 crore units p.a. of green power which will be utilized partially for captive consumption of the Hotel and the balance units generated is being sold to Govt. of Karnataka/ third party consumers.
- an effective key-tag system is in vogue in all guest rooms to switch off lights & power connections automatically.
- substantially switched over to CFL & LED lamps from conventional lamps with a view to saving energy upto 60% on lighting.
- installed solar panels which are feeding hot water required for the guest rooms.

Employed throughout the year :

Name	Ms. S. C. Pardhanani	Mr. M.S. Reddy*	Mr. G. Vijay
Age	43 Years	58 Years	50 years
Remuneration	Rs.98,02,275/-	Rs.21,85,420/-	Rs.32,21,488/-
Qualification	B.Com., DBM	B.Com.,L.L.B., MBIM., from London, UK, FCA, FCS	B.com.,Diploma in Hotel Mgmt.from Florida, USA, Advance Mgmt. from Cornell University, USA
Experience	9 Years	31 years	25 years
Date of commencement of employment	01.10.2002	13.08.1983	01.10.2005
Last Employment held	Executive Director – Mac Charles (India) Ltd.	Company Secretary & Chief Accounts Officer, Sri Krishna Rajendra Mills Ltd., Mysore	Director of Operation, Harsha Hospitality Management, USA
Designation	Managing Director	Vice President Finance and Company Secretary	Vice President and Director of Development

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

*He retired on 18.06.2012 and he has been reappointed on two year contract basis w.e.f. 01.07.2012 in the same capacity on full time basis.

EMPLOYEES

The relationship with employees has been cordial. The total number of persons employed by the Company is 387 as at 31 March 2012.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. C.B. Pardhanani, Mr. P. B. Appiah, Mr. J. Matthan, who resigned with effect from 28th July, 2011 and Mr. M.R.B. Punja who has been inducted as a member of the Audit Committee with effect from 28th July, 2011. Mr. P.B. Appiah, became Chairman of the Audit Committee with effect from 28th July, 2011. The Audit Committee is discharging its duties and functions in consultation with the Internal and Statutory Auditors: (a) To review the adequacy of the internal control system and internal Audit Reports and their compliance thereof; (b) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; and (c) To review with the management, the financial statements before submission to the Board.

AUDITORS' REPORT ON CORPORATE GOVERNANCE

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

AUDITORS

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

INTERNAL AUDITORS

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

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

DELISTING FROM BANGALORE STOCK EXCHANGE

The Company has delisted the shares of the Company from Bangalore Stock Exchange as there was no trading and does not provide any tangible benefit to the shareholders of the Company for the last several years.

DEMATERIALISATION

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Bangalore
24 July 2012

C.B. Pardhanani
Chairman

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
THE MEMBERS OF MESSRS. MAC CHARLES (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by MESSRS.MAC CHARLES (INDIA) LIMITED, for the year ended 31 March 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

We state that no investor grievance is pending for a period exceeding one month as at 31 March 2012, 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
24 July 2012

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

MAC CHARLES (INDIA) LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of MESSRS. MAC CHARLES (INDIA) LIMITED ('the Company') as at 31 March 2012 and also the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, ('the Order') as amended, issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, ('the Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, subject to Note No.29 regarding non-confirmation of balances ;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books ;

- (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ;
- (v) On the basis of written representations received from the Directors, as on 31 March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 ;
- (vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2012 ;
 - (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 Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

Bangalore
24 July 2012

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

ANNEXURE TO THE AUDITORS' REPORT DATED 24 JULY 2012

- (i)
 - (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.
 - (c) Fixed Assets disposed off during the year were not substantial.
- (ii)
 - (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)
 - (a) The Company has granted an unsecured loan to its wholly owned subsidiary. The maximum amount outstanding during the year was Rs.3,58,98,614/- and the year-end balance of the loan is Rs.2,43,01,392/-.
 - (b) Having regard to the fact that the loan granted to its wholly owned subsidiary is interest free and unsecured and also that no agreement/contract is entered into with the subsidiary, the terms and conditions of loan granted to the subsidiary are in our opinion prima facie not prejudicial to the interests of the Company.
 - (c) In the absence of an agreement/contract there is no stipulation as to repayment and as such paragraph 4(iii)(c) of the order is not applicable to the Company in respect of repayment of the principal amount.
 - (d) Since there is no stipulation regarding repayment of principal, paragraph 4(iii)(d) of the order is not applicable to the Company in respect of overdue amount in excess of rupees one lakh.
 - (e) The Company has not taken any loans, secured or unsecured from companies, firms or parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraphs 4(iii)(e) to 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the company's explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations,

there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

- (v) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Companies Act, 1956. Hence paragraphs 4(v)(a) and 4(v)(b) of the order is not applicable to the Company for the year.
- (vi) The Company has not accepted deposits to which the directives issued by Reserve Bank of India and provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder apply.
- (vii) The Company has an internal audit system commensurate with its size and the nature of its business.

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

- (x) The Company has neither accumulated loss as at 31 March 2012 nor has it incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to financial institution or bank.
- (xii) According to the information and explanations given to us, and records examined by us, during the year the company has not granted loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loan during the year.

(viii) As informed to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956, for the Company.

- (ix) (a) According to the records of the Company and the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year.
- (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 :

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued any debenture during the year.
- (xx) The Company has not raised money by public issue during the year.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Bangalore
24 July 2012

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

MAC CHARLES (INDIA) LIMITED

BALANCE SHEET AS AT MARCH 31, 2012

	Note	March 31, 2012 Rupees	March 31, 2011 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	13,10,37,270	6,55,32,010
Reserves and Surplus	3	209,34,01,197	210,05,13,306
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	4	6,29,39,148	7,19,11,648
Other Long Term Liabilities	5	56,31,909	2,11,14,578
Long Term Provisions	6	1,21,83,957	1,18,54,634
Current Liabilities			
Short-Term Borrowings	7	2,33,94,180	1,56,13,240
Trade Payables	8	2,13,66,448	2,39,37,423
Other Current Liabilities	9	5,49,90,658	5,17,91,117
Short-Term Provisions	10	10,25,68,870	9,87,94,750
Total		250,75,13,637	246,10,62,706
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		69,44,78,220	7,135,14,395
Capital work-in-progress		8,13,061	8,13,061
Non-current Investments	12	57,30,90,182	59,35,33,912
Long term loans and advances	13	91,40,99,609	90,59,09,460
Current Assets			
Current Investments	14	11,60,71,313	7,09,81,880
Inventories	15	1,35,22,722	74,59,795
Trade receivables	16	1,21,97,811	2,29,62,890
Cash and Bank Balances	17	4,14,89,323	3,82,37,287
Short-term loans and advances	18	10,46,72,490	7,01,77,230
Other current assets	19	3,70,78,906	3,74,72,796
Total		250,75,13,637	246,10,62,706
Significant Accounting Policies	1		
Notes on Financial Statements	2-40		

In terms of our report of even date

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

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

Bangalore
July 24, 2012

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 24, 2012

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note	For the year ended March 31, 2012 Rupees	For the year ended March 31, 2011 Rupees
REVENUE			
Revenue from Operations	20	47,42,32,116	54,28,37,034
Other Income	21	4,36,93,423	6,43,18,494
Total		51,79,25,539	60,71,55,528
EXPENSES			
Cost of Provisions, Food and Beverages consumed	22	5,11,87,187	5,21,50,308
Employee Benefits Expenses	23	8,57,78,130	7,59,90,736
Maintenance, Upkeep and Services	24	13,17,55,934	12,14,61,097
Financial Costs	25	6,05,149	7,07,462
Depreciation	11	6,00,16,382	5,38,41,295
Other Expenses	26	8,08,48,498	8,96,26,466
Total		41,01,91,280	39,37,77,364
Profit before exceptional and extraordinary items and tax		10,77,34,259	21,33,78,164
Exceptional Items	27	10,18,12,075	13,95,99,356
PROFIT BEFORE TAX		20,95,46,334	35,29,77,520
Tax Expenses			
- Current tax		6,92,00,000	
Less: Excess Provision of earlier years		1,28,921	
- Deferred tax			
		(6,90,71,079)	(6,32,86,830)
		89,72,500	(88,01,744)
NET PROFIT FOR THE YEAR		14,94,47,755	28,08,88,946
Earnings per Share:			
Basic & Diluted (<i>Face Value of Rs.10/- each</i>)	39	11.41	21.44
Significant accounting policies	1		
Notes on financial statements	2-40		

In terms of our report of even date

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

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

Bangalore
July 24, 2012

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 24, 2012

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

MAC CHARLES (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the year ended March 31, 2012 Rupees	For the year ended March 31, 2011 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per Statement of Profit & Loss	20,95,46,334	35,29,77,520
Adjustment for :		
Depreciation	6,00,16,382	5,38,41,295
Profit on sale of Fixed Assets	(89,82,646)	(1,25,68,610)
Profit on sale of Investments	(2,71,80,692)	(2,00,57,702)
Provision for diminution in value of Investments	1,36,87,035	17,78,035
Dividend received	(49,96,639)	(61,13,039)
Interest paid	3,28,254	3,80,886
Interest received on debentures	-	(64,61,027)
Profit from relinquishment of rights in immovable properties	-	(10,38,49,356)
Operating profit before working capital changes	24,24,18,028	25,99,28,002
Adjustment for :		
Trade and other receivables	(2,94,59,474)	(15,37,37,437)
Inventories	(60,62,928)	(14,57,125)
Trade and other payables	(1,57,76,645)	(13,65,15,904)
Cash generated from operations	19,11,18,981	(3,17,82,464)
Direct Taxes (paid) / refund	(6,37,14,418)	(4,35,71,407)
Net cash (used in) / from operating activities	12,74,04,563	(7,53,53,871)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Received from subsidiary/(loan given to subsidiary)	82,97,222	(95,98,614)
Purchase of Fixed Assets	(4,55,39,165)	(6,79,04,762)
Sale of Fixed Assets	1,35,41,604	2,43,63,079
Advance towards investment in immovable property	(1,03,91,246)	(60,00,00,000)
Proceeds from relinquishment of rights in immovable properties	-	54,38,49,356
Purchase of Investments	(36,95,88,660)	(77,95,47,943)
Sale of Investments	35,84,36,614	104,21,22,549
Dividend received	49,96,639	61,13,039
Interest received on debentures	-	64,61,027
Net cash (used in) / from investing activities	(4,02,46,992)	16,58,57,731
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid including Corporate Dividend Tax	(9,13,58,221)	(8,40,23,351)
Interest paid	(3,28,254)	(3,80,886)
Increase / (decrease) in cash credit	77,80,940	(12,23,105)
Net cash (used in)/ from financing activities	(8,39,05,535)	(8,56,27,342)
Net increase in cash and cash equivalent	32,52,036	48,76,518
Cash and cash equivalents at beginning of the period	3,82,37,287	3,33,60,769
Cash and cash equivalents at end of the period (Refer Footnote)	4,14,89,323	3,82,37,287
Footnote :		
Cash and cash equivalents balances include Rs.3,66,24,440/- (Rs.3,24,00,103/-) being amounts lying in the unpaid dividend accounts which are not available for use by the company.		

In terms of our report of even date

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

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

Bangalore
July 24, 2012

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 24, 2012

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES :

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

a. Fixed Assets :

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

b. Depreciation :

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

c. Impairment of Assets :

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

d. Investments :

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

e. Inventories :

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

f. Miscellaneous Expenditure :

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

g. Foreign Currency Transactions :

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

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

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

h. Revenue Recognition :

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

i. Employee Benefits :

- i. Provident Fund :

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

- ii. Gratuity :

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

- iii. Leave Encashment :

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

j. Taxation :

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

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

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

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	March 31, 2012 Rupees	March 31, 2011 Rupees
2. SHARE CAPITAL		
AUTHORISED		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
1,31,01,052 (65,50,526) Equity Shares of Rs.10/- each	13,10,10,520	6,55,05,260
<i>Add</i> : Forfeited Shares	26,750	26,750
	13,10,37,270	6,55,32,010
Footnote :		
a. Reconciliation of number of shares	As at March 31, 2012 No. of Shares	As at March 31, 2011 No. of Shares
Shares outstanding at the beginning of the year	65,50,526	65,50,526
Shares Issued during the year	65,50,526	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,31,01,052	65,50,526
b. Details of shareholders holding more than 5% of shares	Name of the Shareholder	No. of Shares held % No. of Shares held %
	C.B.Pardhanani	89,68,452 68.46 44,84,226 68.46
c. 65,50,526 - Shares out of issued, subscribed and paid up share capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and General Reserves.		
	March 31, 2012 Rupees	March 31, 2011 Rupees
3. RESERVES AND SURPLUS		
a) General Reserve		
Opening Balance	196,97,67,008	181,97,67,008
<i>Add</i> : Current Year Transfer	2,00,00,000	15,00,00,000
<i>Less</i> : Utilised for issue of Bonus Shares	(4,79,94,023)	-
Closing Balance (a)	194,17,72,985	196,97,67,008
b) Securities Premium Account		
Opening Balance	1,75,11,237	1,75,11,237
<i>Less</i> : Utilised for issue of Bonus Shares	1,75,11,237	-
Closing Balance (b)	-	1,75,11,237
c) Surplus		
Opening balance	11,32,35,061	7,37,29,638
<i>Add</i> : Net Profit/(Net Loss) For the current year	14,94,47,755	28,08,88,946
<i>Less</i> : Transfer to Reserves	(2,00,00,000)	(15,00,00,000)
<i>Less</i> : Proposed Dividends	(7,86,06,312)	(7,86,06,312)
<i>Less</i> : Corporate Dividend Tax	(1,24,48,292)	(1,27,77,211)
Closing Balance (c)	15,16,28,212	11,32,35,061
Total	209,34,01,197	210,05,13,306
4. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability:		
Accumulated Depreciation	6,49,87,910	7,31,83,055
Less: Deferred Tax Assets:		
Accrued Expenses Deductible on Payment	20,48,762	12,71,407
Total	6,29,39,148	7,19,11,648

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	March 31, 2012 Rupees	March 31, 2011 Rupees
5. OTHER LONG TERM LIABILITIES		
a) Trade Payables	-	-
b) Others	56,31,909	2,11,14,578
Total	56,31,909	2,11,14,578
6. LONG TERM PROVISIONS		
a) Provision for employee benefits:		
Provision for Leave encashment	52,44,829	46,03,506
b) Others:		
Income tax	11,09,865	11,09,865
Provision for Donations	58,29,263	61,41,263
Total	1,21,83,957	1,18,54,634
7. SHORT TERM BORROWINGS		
Secured		
Cash credit		
From Bank	2,33,94,180	1,56,13,240
<p>(The Cash Credit from Bank are secured by company's immovable property at No. 28, Sankey Road, Bangalore and first charge by way of hypothecation and / or pledge of the company's entire goods, movables and other assets present and future including documents of title to the goods and other assets, such as Book Debts, outstanding monies, receivables, bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments and rights and uncalled capital and all machinery present and future and personal guarantee of one of the Directors of the Company).</p>		
Total	2,33,94,180	1,56,13,240
8. TRADE PAYABLES		
a) Dues to Micro and Small Enterprises	-	-
b) Others	2,13,66,448	2,39,37,423
Total	2,13,66,448	2,39,37,423
Footnote :		
<p>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.</p>		
9. OTHER CURRENT LIABILITIES		
a) Statutory Remittances	54,69,674	63,13,252
b) Unclaimed Dividend	3,66,24,441	3,24,00,103
c) Due to Directors	51,75,771	67,68,150
d) Others	77,20,772	63,09,612
Total	5,49,90,658	5,17,91,117
10. SHORT TERM PROVISIONS		
Provision For Employees Benefit		
a) Salaries and Wages Payable	31,27,022	28,38,195
b) Bonus Payable	24,27,432	38,27,522
c) Ex-gratia Payable	1,70,613	3,11,215
Others		
a) Proposed Dividend	7,86,06,312	7,86,06,312
b) Corporate Dividend Tax	1,27,51,909	1,30,55,526
c) Provision for Income Tax	54,85,582	-
d) Provision for Fringe Benefit Tax	-	155,980
Total	10,25,68,870	9,87,94,750

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

11. FIXED ASSETS

(Amount in Rupees)

	DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		As at 01/04/2011	Additions	Deductions	Total	Upto 01/04/2011	For the year	Deductions	Upto 31/03/2012	As at 31/03/2012	As at 31/03/2011
I	TANGIBLEASSETS										
	Land	33,31,65,755	-	-	33,31,65,755	-	-	-	-	33,31,65,755	33,31,65,755
	Buildings	18,87,77,484	-	25,62,180	18,62,15,304	12,46,33,162	51,57,847	11,11,188	12,86,79,821	5,75,35,483	6,41,44,322
	Plant & Machinery	47,94,56,026	1,65,40,924	82,72,748	48,77,24,202	20,77,98,345	4,05,63,918	51,64,782	24,31,97,481	24,45,26,721	27,16,57,681
	Furniture,Fixtures & Interiors	9,11,65,516	2,72,38,151	2,38,89,354	9,45,14,313	6,08,93,283	99,12,468	2,38,89,354	4,69,16,397	4,75,97,916	3,02,72,233
	Vehicles	2,03,20,475	57,480	-	2,03,77,955	1,22,40,121	26,85,662	-	1,49,25,783	54,52,172	80,80,354
	Office Equipment	16,82,414	44,897	-	17,27,311	12,49,795	93,053	-	13,42,848	3,84,463	4,32,619
	Sanitary Fittings	1,66,21,051	-	-	1,66,21,051	1,19,89,652	7,70,389	-	1,27,60,041	38,61,010	46,31,399
	Computers	1,02,90,474	16,57,713	8,07,129	1,11,41,058	91,60,442	8,33,045	8,07,129	91,86,358	19,54,700	11,30,032
	TOTAL	114,14,79,195	4,55,39,165	3,55,31,411	115,14,86,949	42,79,64,800	6,00,16,382	3,09,72,453	45,70,08,729	69,44,78,220	71,35,14,395
	PREVIOUS YEAR	110,11,78,696	6,79,04,762	2,76,04,263	114,14,79,195	38,99,33,299	5,38,41,295	1,58,09,794	42,79,64,800	71,35,14,395	71,12,45,397
II	CAPITAL WORK-IN-PROGRESS										
	Hotel Project at Cochin	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061
	TOTAL	8,13,061	-	-	8,13,061	-	-	-	-	8,13,061	8,13,061

12. NON-CURRENT INVESTMENTS

	Face Value	March 31, 2012 Rupees	March 31, 2011 Rupees
<i>In Equity Shares of Subsidiary Companies -Unquoted, fully paid up</i>			
29988 Airport Golf View Hotels & Suites Pvt. Ltd. [29988]	1000/-	7,45,00,000	7,45,00,000
<i>In Equity Shares - Unquoted, fully paid up</i>			
600 Electrex (India) Ltd [600]	10/-	25,040	25,040
<i>In Mutual Fund - Unquoted, fully paid up</i>			
123193.673 Franklin Templeton Mutual Fund [123193.673] Index Fund Nifty Plan Growth	10/-	50,00,000	50,00,000
794146.234 Sundaram BNP Paribas Mutual [794146.234] Capex Opportunities Fund - Dividend	10/-	2,01,00,000	2,01,00,000
50984.871 Franklin Templeton Mutual Fund [69273.891] Short Term Income Fund Institutional-Gr.	10/-	7,35,98,971	10,00,00,000
<i>In Portfolio Management Services</i>			
Deutsche Bank Direct Equities		15,49,50,345	16,50,16,539
Credit Suisse		3,15,28,262	3,03,28,927
JM Financial Services		4,30,55,957	4,12,31,470
Morgan Stanley India Financial Services		1,20,83,573	1,17,15,096
<i>In Real Estate Venture Capital Fund</i>			
120.05 Kotak Real Estate Fund [145.07]	1 lac	1,20,05,673	1,45,07,039
463315.00 Pru.ICICI India Advantage Fund-III [481993.00]	100/-	4,63,31,500	4,81,99,300
<i>In Equity Shares - Quoted, fully paid up</i>			
40000 Indian Hotels Company [15000]	1/-	23,48,871	8,05,993
5000 BHEL [2500]	2/-	19,41,451	10,98,282
1000 Bombay Dyeing & Mfg. Company [1000]	10/-	4,69,118	4,69,118
----- Britannia Industries [2155]	2/-	-	7,52,843
10000 Essel Propack [10000]	2/-	8,17,458	8,17,458
30000 GMR Infrastructure [30000]	1/-	19,75,203	19,75,203
500 Great Offshore [500]	10/-	5,23,713	5,23,713
2000 Gujarat Alkalies and Chemicals [2000]	10/-	4,52,181	4,52,181

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

	Face Value	March 31, 2012 Rupees	March 31, 2011 Rupees
<i>In Equity Shares - Quoted, fully paid up</i>			
5000 HOV Services [5000]	10/-	9,95,820	9,95,820
6250 ICICI Bank [8250]	10/-	51,81,204	83,29,668
1000 Industrial Development Finance Corporation [1000]	10/-	2,15,714	2,15,714
5000 Indiabulls Financial Services [5000]	2/-	50,49,787	50,49,787
5000 Indiabulls Securities [5000]	2/-	-	-
1125 Jaiprakash Associates [1125]	2/-	3,26,663	3,26,663
1000 Jindal Steel and Power [1000]	1/-	6,14,970	6,14,970
1994 Lakshmi Overseas Industries [1994]	2/-	5,40,589	5,40,589
1500 Larsen & Tourbro [1000]	2/-	20,11,053	13,45,229
1800 Mastek [1800]	5/-	14,55,550	14,55,550
1149 Mercator [1149]	1/-	1,32,451	1,32,451
152 Nextgen Animation Media [152]	10/-	-	-
25571 NHPC [25571]	10/-	9,20,556	9,20,556
1500 NTPC [1500]	10/-	3,59,027	3,59,027
150000 ONGC [100000]	5/-	1,47,79,177	-
2350 Polaris Financial Technology [2350]	5/-	3,61,800	3,61,800
43651 Purvankara Projects [43651]	5/-	1,02,56,560	1,02,56,560
10000 Radha Madhav Corporation [10000]	10/-	8,51,752	8,51,752
750 Reliance Communications [750]	5/-	5,17,406	5,17,406
79643 Reliance Industries [66643]	10/-	5,29,35,329	3,66,71,990
380 Silverline Technologies Ltd [380]	10/-	14,01,191	14,01,191
26433 Sobha Developers [26433]	10/-	1,37,04,356	1,37,04,356
22000 Sterlite Industries [22000]	1/-	-	-
4000 Subex Azure [4000]	10/-	18,75,529	18,75,529
4000 Tata Steel [2000]	10/-	18,10,485	9,04,964
----- Wockhardt [1000]	5/-	-	4,11,206
<i>In Non Convertible Debentures - Quoted, fully paid up</i>			
431 Britannia Industries [431]	170/-	-	-
		59,80,04,285	60,47,60,980
<i>Less : Provision for diminution in value of Investments</i>		2,49,14,103	1,12,27,068
Total		57,30,90,182	59,35,33,912

Footnote :

Aggregate amount of Company's Quoted Investments is **Rs.12,48,24,964/-** (Rs.9,41,37,570/-)Total Market value of Quoted Investments as on 31 March 2012 is **Rs.13,28,58,734/-** (Rs.13,75,48,332/-)Aggregate amount of Company's Unquoted Investments is **Rs.47,31,79,321/-** (Rs.51,06,23,410/-)

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	March 31, 2012 Rupees	March 31, 2011 Rupees
13. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
a) Capital Advances (Refer Footnote 1*)	86,99,53,412	85,95,62,166
b) Security Deposit	83,29,620	97,83,515
c) Loans and Advances to related parties:		
Loans to Subsidiary Company-Being a Private Limited Company in which Directors of the Company are Directors	2,43,01,392	3,25,98,614
d) Other Loans and Advances	1,15,15,185	39,65,165
Total	91,40,99,609	90,59,09,460
Footnote :		
1*Being advance given for investments in Immovable Properties		
14. CURRENT INVESTMENTS		
<i>In Mutual Fund - Unquoted, fully paid up</i>		
----- Deutsche Asset Management		
[6532173.567] Treasury Fund Cash - Institutional - Growth of Rs. 10/- each	-	7,09,81,880
989229.422 Deutsche Asset Management		
[-----] Treasury Fund Cash - Institutional - Growth of Rs. 100/-each	11,60,71,313	-
Total	11,60,71,313	7,09,81,880
Footnote :		
Aggregate amount of Company's Unquoted Investments is Rs. 11,60,71,313/- (Rs.7,09,81,880/-)		
15. INVENTORIES		
a) Provisions, Food supplies and Beverages	69,36,993	48,06,452
b) Other stores and operational supplies	65,85,729	26,53,343
Total	1,35,22,722	74,59,795
16. TRADE RECEIVABLES		
Unsecured, Considered Good :		
a) Outstanding for more than six months	1,95,123	81,105
b) Others	1,20,02,688	2,28,81,785
Total	1,21,97,811	2,29,62,890
17. CASH AND BANK BALANCES		
a) Cash-on-Hand	16,74,084	12,95,012
b) Balance with banks		
On Current Account (Refer Footnote 2*)	3,88,15,239	3,54,34,275
On Fixed Deposit account (Refer Footnote 3*)	10,00,000	10,00,000
c) Margin Money	-	5,08,000
Total	4,14,89,323	3,82,37,287
Footnote :		
2* Includes Unclaimed Dividend Accounts of Rs.3,66,24,441/- (Rs.3,24,00,103/-)		
3* Comprises of deposit with maturity of more than 12 months		
18. SHORT TERMS LOANS AND ADVANCES		
Others		
Unsecured, Considered Good	10,46,72,490	7,01,77,230
Total	10,46,72,490	7,01,77,230
19. OTHER CURRENT ASSETS		
a) Advance Income Tax	-	75,77,079
b) Prepaid Expenses	74,38,454	46,59,122
c) Others	2,96,40,452	2,52,36,595
Total	3,70,78,906	3,74,72,796

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	Note	For the year ended March 31, 2012 Rupees	For the year ended March 31, 2011 Rupees
20. REVENUE FROM OPERATIONS			
Income from Sale of Services		43,69,43,508	50,82,56,748
Less: Excise Duty (Refer Footnote*)		65,278	57,540
		<u>43,68,78,230</u>	<u>50,81,99,208</u>
Other operating revenues		3,73,53,886	3,46,37,826
Total		<u>47,42,32,116</u>	<u>54,28,37,034</u>
Footnote :			
*Particulars of Income from Services			
Sales Rooms		27,19,71,375	34,42,65,157
Food Beverages and Banquets		12,67,42,946	13,09,63,928
Sale of Electricity		3,81,63,909	3,29,70,123
Total		<u>43,68,78,230</u>	<u>50,81,99,208</u>
21. OTHER INCOME			
Interest received		8,77,510	1,14,53,077
Income Rent		13,61,726	77,85,133
Income Licence Fees		41,13,704	41,01,791
Dividend Income		49,96,639	61,13,039
Profit on sale of Fixed Assets		89,82,646	1,25,68,610
Profit/(loss) on sale of investments - Short term		75,53,508	(2,49,48,440)
- Long term		1,96,27,184	4,50,06,142
Provision for diminution in value of Investments		(1,36,87,035)	(17,78,035)
Liabilities Written Back		97,86,041	38,90,676
Miscellaneous Income		81,500	1,26,501
Total		<u>4,36,93,423</u>	<u>6,43,18,494</u>
22. COST OF CONSUMPTION OF PROVISIONS, FOOD AND BEVERAGES			
Opening Stock		48,06,452	31,09,479
Add: Purchase of Provisions, Food and Beverages		5,33,17,728	5,38,47,281
Less: Closing Stock		69,36,993	48,06,452
Total		<u>5,11,87,187</u>	<u>5,21,50,308</u>
23. EMPLOYEE BENEFITS EXPENSES			
Salaries, Wages and Bonus		7,26,18,132	6,60,96,272
Contribution to provident and other funds		79,35,898	60,64,114
Staff Welfare		52,24,100	38,30,350
Total		<u>8,57,78,130</u>	<u>7,59,90,736</u>
Footnote :			
As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:			
Defined Contribution Plan			
Contribution to Defined Contribution Plan, recognized as expense for the year are as under:			
Employer's Contribution to Provident Fund		40,48,790/-	35,85,257/-
Defined Benefit Plan			
The employee's gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.			

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	(in Rupees)			
	Gratuity 2011-12	Gratuity 2010-11	Leave Encashment 2011-12	Leave Encashment 2010-11
I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation				
Defined Benefit obligation at beginning of the year	1,40,34,568	1,46,65,874	46,03,506	54,69,956
Current service Cost	21,70,435	10,24,637	12,03,467	4,01,623
Interest Cost	63,298	11,33,210	1,731	3,99,700
Actuarial (gain)/loss	(1,03,360)	(17,87,650)	(1,32,108)	(7,20,353)
Benefits Paid	(6,15,580)	(10,01,503)	(4,31,767)	(9,47,420)
Defined Benefit obligation at the year end	1,55,49,361	1,40,34,568	52,44,829	46,03,506
II. Reconciliation of Opening and Closing Balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	1,53,53,276	1,37,60,045		
Expected return on plan assets	12,61,036	11,13,832		
Actuarial Gain/(loss)	1,76,755	1,53,695		
Employer Contributions	14,34,920	13,27,207		
Benefits Paid	(6,15,580)	(10,01,503)		
Fair value of plan assets at year end	1,76,10,407	1,53,53,276		
Actual return on plan assets	14,37,791	12,67,527		
III. Reconciliation of fair value of assets and present value of obligation				
Fair value of plan assets	1,76,10,407	1,53,53,276	—	—
Present value of obligation	1,55,49,361	1,40,34,568	52,44,829	46,03,506
Amount recognized in Balance Sheet	—	—	52,44,829	46,03,506
IV. The amounts recognized in the Profit and Loss account are as follows				
Current service Cost	21,70,435	10,24,637	12,03,467	4,01,623
Interest Cost	63,298	11,33,210	1,731	3,99,700
Expected return on plan assets	(12,61,036)	(11,13,832)	—	—
Actuarial Gain/(loss)	(2,80,115)	(19,41,345)	(1,32,108)	(7,20,353)
Net Cost	6,92,582	8,97,330	10,73,090	80,970
	Gratuity (funded) 2011-12	Gratuity (funded) 2010-11	Leave Encashment (Unfunded) 2011-12	Leave Encashment (Unfunded) 2010-11
V. Composition of Plan Assets				
Insurance Managed Funds	1,76,10,407 (100%)	1,53,53,276 (100%)	-	-
VI. Actuarial Assumptions				
Interest rate	8.5%	8%	8.5%	8%
Discount rate (per annum)	8.5%	8%	8.5%	8%
Expected rate of return on plan Assets (per annum)	8%	8%	0%	0%
Rate of escalation in salary (per annum)	8%	8%	8%	8%
Attrition rate	10%	10%	10%	10%
Retirement Age	58	58	58	58

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	Note	For the year ended March 31, 2012 Rupees	For the year ended March 31, 2011 Rupees
24. MAINTENANCE, UPKEEP AND SERVICES			
Guest Accomodation Board and Kitchen		1,16,51,046	93,46,328
Linen, Uniforms and Laundry		96,86,657	89,57,057
Repairs and Maintenance of :-			
i) Building		3,83,64,733	3,31,63,871
ii) Plant and Machinery		1,39,18,414	1,16,51,687
iii) Interiors, Furniture, Furnishings and others		4,87,64,507	5,02,37,290
House-keeping Expenses		38,05,093	41,84,481
Music, Entertainment and Banquet Expenses		55,65,484	39,20,383
Total		13,17,55,934	12,14,61,097
25. FINANCIAL COST			
Interest on Cash Credit		2,39,126	3,48,526
Interest Others		89,128	3,23,60
Other borrowing costs		2,76,895	3,26,576
Total		6,05,149	7,07,462
26. OTHER EXPENSES			
Power and fuel		1,58,00,567	1,58,20,656
Water charges		37,33,852	37,23,759
Commission on Sales and Travel agencies		59,19,140	59,75,497
Postage and Telephones		32,72,464	38,90,812
Printing and Stationery		32,95,164	31,62,571
Sales Promotional Expenses		11,49,199	5,11,789
Administrative and General Expenses		91,05,079	1,08,32,666
Travel and Conveyance		35,34,658	35,44,071
Rent		13,11,372	11,72,559
Rates and Taxes		58,24,395	60,67,530
Insurance		11,47,228	14,19,229
Royalty		1,20,60,220	1,51,90,266
Foreign Currency Fluctuations		22,702	95,119
Freight and Transport		1,94,012	3,21,483
Professional and Consultancy fees		46,09,360	60,35,689
Miscellaneous Expenses		7,35,076	7,21,729
Payment to Auditors (Refer Footnote)		4,51,610	4,10,041
Directors' Sitting Fees		2,35,000	85,000
Commission to Chairman's and Managing Director		77,47,400	92,46,000
Provision for Donations		7,00,000	14,00,000
Total		8,08,48,498	8,96,26,466
Footnote :			
Payment to Auditors			
Audit Fee		2,42,660	2,42,660
Tax Audit Fee		71,100	70,923
Other Services		1,18,960	83,994
Reimbursement of Expenses		18,890	12,464
Total		4,51,610	4,10,041
27. EXCEPTIONAL ITEMS			
Compensation Received (Refer Footnote)		10,18,12,075	3,57,50,000
Profit on Relinquishment of rights in immovable Properties		-	10,38,49,356
Total		10,18,12,075	13,95,99,356
Footnote :			
Represents amount received from Property Developers for delay in handing over the Properties.			
28. Estimated amount of contract remaining to be executed on capital account not provided for Rs.2,34,85,092/- (Rs10,00,70,143/-).			

MAC CHARLES (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	March 31, 2012 Rupees	March 31, 2011 Rupees
29. Confirmation of balances has not been received from parties covered under Trade Receivables, Long term Loans and advances and Trade Payables.		
30. Prior period items debited/ credited to Profit and Loss Account:		
Prior period expenses:		
R & M Building	80,572	—
R & M Plant and Machinery	8,250	—
31. Earnings in Foreign Exchange	22,25,28,788	29,25,72,556
32. Expenditure in Foreign Currency		
Royalty	1,20,60,220	1,51,90,266
Sales Promotion and General Expenses	1,06,01,913	1,03,40,410
Agents Commission for Room Bookings	6,98,142	20,59,989
33. CIF Value of Imports		
Stores, Components and Spare Parts	1,36,80,520	2,87,83,022
Capital Goods	1,01,06,176	2,01,78,599
34. Information as per Order No.46/22/98 CL III Dated 24 February 1998, issued by the Ministry of Finance, Department of Company Affairs:		
a) Income from		
i. Wines and Liquor	1,15,01,157	1,08,44,723
ii. Telephone and Telex	78,75,965	88,19,990
b) Consumption of		
i. Provision, Beverages (excluding Wine and Liquor)	4,60,18,260	4,73,63,207
ii. Wine and Liquor	51,68,927	47,87,101
35. Dividends remitted in Foreign Currency to Non Resident Shareholders Rs.9,60,000 (Rs. 5,02,06,486/-).		
Number of Non Resident Shareholders	Number of Shares held by them on which Dividends remitted	
1 (2)	80,000 (45,64,226)	
36. Contingent Liabilities		
Disputed Income Tax Liability against which Appeals are pending		
Assessment Year 1997-98	9,55,691	9,55,691
Assessment Year 2001-02	-	9,54,168
Assessment Year 2007-08	-	14,90,801
Assessment Year 2008-09	-	27,01,461
37. RELATED PARTY DISCLOSURE		
(A) Related Parties and their Relationships		
(I) Subsidiary		
Airport Golf View Hotels & Suites Private Limited		
(II) Others		
1. Kapi Investment Ink Limited, Mauritius,	Shareholder.	
2. M.K.Trading L.L.C. , Dubai, UAE	a Company in which Chairman of the Company is a shareholder.	
3. C. Pardhanani's Education Trust,	a Trust in which the Chairman of the Company is a Trustee.	
4. Pardhanani International Investments And Holdings Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director } and Managing Director of the Company is a Director and shareholder.	
5. Pardhanani International Properties Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director } and Managing Director of the Company is a Director and shareholder.	
6. Sanko Properties Private Limited	} a Private Limited Company in which the Chairman of the Company is a Director and Managing Director of the Company is a Director and shareholder..	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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 31.3.2012 (Rs.)	Payable (P) OR Receivable (R)
Kapi Investment Ink Limited	Overseas Body Corporate	Dividend	9,60,000 (8,80,000)	Nil (Nil)	Nil (Nil)
Airport Golf View Hotels and Suites Private Limited	Subsidiary	Loan (Given)/ repayment	82,97,222 (95,98,614)	2,43,01,392 (3,25,98,614)	(R) (R)
Mr.C.B.Pardhanani	Chairman	Commission based on profit	19,91,500 (23,11,500)	12,12,953 (20,90,150)	(P) (P)
		Dividend	5,38,10,712 (4,93,26,486)	Nil (Nil)	Nil (Nil)
Ms. S. C. Pardhanani	Managing Director	Dividend	38,91,000 (35,66,750)	Nil (Nil)	Nil (Nil)
		Remuneration	42,01,988 (38,93,301)	Nil (Nil)	Nil (Nil)
		Commission based on profit	57,55,900 (69,34,500)	39,62,818 (46,78,000)	(P) (P)
C Pardhanani's Education Trust	Trust in which Chairman of the Company is a trustee	Donation	8,00,000 (5,50,000)	Nil (Nil)	Nil (Nil)
Mr. M. B. Pardhanani	Related to Director	Dividend	7,22,400 (6,62,200)	50,56,800 (43,34,400)	(P) (Under dispute and subjudice)
Mrs.Uma M. Pardhanani	Related to Director	Dividend	12,30,000 (11,27,500)	86,10,000 (73,80,000)	(P) (Under dispute and subjudice)
Ms. Aarti M Pardhanani	Related to Director	Dividend	3,60,000 (3,30,000)	25,20,000 (21,60,000)	(P) (Under dispute and subjudice)

38. Disclosure as per Accounting Standard 29 :

(In Rupees)

Srl. No.	Particulars	Balance as at 01.04.2011	Additional Provision made during the year	Provision Reversed/utilised during the year	Balance as at 31.03.2012
1.	Provision for Leave Encashment	46,03,506	6,41,323	-	52,44,829
2.	Proposed Dividend	7,86,06,312	7,86,06,312	7,86,06,312	7,86,06,312
3.	Corporate Dividend Tax	1,30,55,526	1,24,48,292	1,27,51,909	1,27,51,909

March 31, 2012	March 31, 2011
Rupees	Rupees

39. Earnings Per Share has been computed as under :

Net Profit	14,94,47,755	28,08,88,946
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)	11.41	21.44

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

MAC CHARLES (INDIA) LIMITED

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the social, legal and economic process by which companies function and are held accountable. 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 Director ships (Public Ltd Companies)	No. of Other Director ships (Private Ltd. Companies)	Number of Shares Held
1.	Mr. C. B. Pardhanani	Non- Executive	3	YES	3	2	NONE	4	8968452
2.	Mr. M. R. B. Punja (Director w.e.f. 29.06.11)	Independent Non- Executive	4	YES	2	NONE	4	1	----
3.	Mr. P. B. Appiah	Independent Non- Executive	6	YES	3	2	1	1	----
4.	Mr. M. R. Prasanna	Independent Non- Executive	2	NO	----	----	3	2	----
5.	Ms. S. C. Pardhanani	Executive	6	YES	1	NONE	NONE	4	648500
6.	Mr. J. Matthan (Resigned on 28.07.2011)	Independent Non- Executive	NIL	NO	3	2	NONE	1	200

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

COMMITTEES OF THE BOARD

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

a) AUDIT COMMITTEE

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

During the year four meetings of the committee were held on 2 June 2011, 28 July 2011, 23 November 2011 and 12 March 2012. The Composition of the Audit Committee as on 31st March 2012 and the attendance of members at the meeting of the Audit Committee held during the financial year 2011-2012 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. J. Matthan - (Resigned on 28.07.2011)	Chairman	Independent - Non-Executive	1

During the year, Mr.J. Matthan, Chairman of Audit Committee, has resigned on 28th July 2011 and Mr. P. B. Appiah, Member of the Audit Committee has been re-designated as Chairman of the Audit Committee with effect from 28th July 2011. During the year, Mr. M.R.B.Punja,

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, Mr. M. R. B. Punja, has been appointed as additional independent Director of the Company with effect from 29th June, 2011 and Mr. J. Matthan, Director of the Company has resigned from the Board on 28th July, 2011.

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 six Board Meetings have taken place on 29 June 2011, 28 July 2011, 05 September 2011, 17 September, 2011, 29 October 2011 and 28 January 2012. As per Clause 49 of the Listing Agreement, the gap between two Board Meetings should not exceed three months.

has been appointed as member of the Audit Committee with effect from 28th July, 2011. The Committee regularly keeps a watch on the adequacy of internal control systems. It reviews the company's financial reporting systems, the monthly and quarterly financial results, half yearly results and ensures that the financial statements prepared by the company give a true and fair view of the affairs of the company.

b) SHARE TRANSFER & SHAREHOLDERS GRIEVANCE COMMITTEE

During the year, Mr. J. Matthan, Director has resigned from the Share Transfer & Shareholders Grievance Committee on 28th July 2011. Ms. S. C. Pardhanani and Mr. P.B. Appiah, have been appointed as Member of the Share Transfer and Shareholders Grievance Committee with effect from 28th July 2011. This committee comprises of Mr. C. B. Pardhanani – Chairman, Ms. S. C. Pardhanani, Managing Director and Mr. P. B. Appiah, who is an independent and Non-executive Director. The committee approves and monitors transfers, transmissions of shares, transposition of names, and investigates and directs redressal of shareholders' grievances. Share transfers are processed in not more than a month's time. 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.

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 TO THE SATISFACTION	NO. OF PENDING COMPLAINTS
With regard to share transfer/ Transmission/ Transposition/ Dividend / Annual Reports / Dematerialization etc.,	Nil	131	131	Nil

c) REMUNERATION COMMITTEE

During the year, Mr. J. Matthan, Chairman of Remuneration Committee, has resigned on 28th July 2011 and Mr. M.R.B.Punja, has been appointed as Member of the Remuneration Committee with effect from 28th July 2011 and Mr. P.B.Appiah, Member of the Remuneration Committee has been re-designated as Chairman of the Remuneration Committee with effect from 28th July 2011. This committee comprises of Mr. P.B.Appiah – Chairman of Remuneration Committee, Mr. C.B. Pardhanani and Mr. M.R.B. Punja as Members of the Committee. No stock option has been offered to the Directors or Executives or Staffs of the Company. The remuneration policy of the Company is based on individual employee's merit and performance in particular and the Company's working results in general.

Details of remuneration disbursed to Directors, during the Financial Year 2011-2012 are as under :

(In Rupees)

Srl.No.	Name of the Director	Sitting Fees	Professional Fees	Remuneration	Commission
1.	Mr. C.B. Pardhanani	-----	-----	-----	19,91,500
2.	Mr. J. Matthan	10,000	-----	-----	-----
3.	Mr. M. R. B. Punja	75,000	-----	-----	-----
4.	Mr. P.B. Appiah	1,25,000	2,44,000	-----	-----
5.	Mr. M. R. Prasanna	25,000	-----	-----	-----
6.	Ms. S. C. Pardhanani	-----	-----	42,01,988	57,55,900
		2,35,000	2,44,000	42,01,988	77,47,400

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 2009	30 July 2009	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	–
31 March 2010	31 August 2010	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	–
31 March 2011	5 September 2011	3:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.	6

MAC CHARLES (INDIA) LIMITED

Special Resolution passed in the previous three AGMs.

- I. In the AGM held on 30th July 2009 ... No Special Resolution.
- II. In the AGM held on 31st August 2009 ... No Special Resolution.
- III. In the AGM held on 05th September 2009 :
 1. Bonus Issue in the ratio of 1:1 ;
 2. Re-appointment of Mr. M.R.Prasanna as Director of the Company ;
 3. Re-appointment of Mr. M.R.B.Punja as Director of the Company ;
 4. Re-appointment of Ms. S.C.Pardhanani as 'Managing Director' and Revision in Remuneration ;
 5. Commission to Chairman of the Company ; and
 6. Pay Commission to Mr.P.B.Appiah.

No Postal Ballot was conducted during the financial year 2011-2012.

A. CODE OF CONDUCT

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

Dear All (or Members)

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

Bangalore
24 July 2012

S. C. Pardhanani
Managing Director

B. CEO CERTIFICATION

As per the requirement of Corporate Governance Code, the Managing Director and Chief Financial Officer have furnished a necessary certificate to the Board of Directors with respect to financial statements and Cash flow statement for the year ended MARCH 31, 2012.

DISCLOSURES

Under related party transactions :

The Company has contributed a sum of Rs.8,00,000/- to C. Pardhanani's Education Trust wherein Mr. C. B. Pardhanani, Chairman is a Trustee.

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDER INFORMATION

a. Date, Time and Venue of Annual General Meeting

Date	Time	Venue
6th September 2012	3 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bangalore – 560 052.

b. Financial Calendar

- | | |
|----------------------------------|----------------------------|
| - Annual General Meeting | 6th September, 2012 |
| - Quarterly Results - 30.06.2012 | 31st July, 2012 |
| - Quarterly Results - 30.09.2012 | Last week of October, 2012 |
| - Quarterly Results - 31.12.2012 | Last week of January, 2012 |
| - Quarterly Results - 31.03.2013 | Last week of April, 2013 |

c. Book Closure dates - Dividend & AGM 25th August 2012 to 6th September 2012 (both days inclusive)

d. Dividend payment date The Dividend will be paid on or before 5th October, 2012

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

f. Scrip ID. / Scrip Code
Bombay Stock Exchange CCCHRLES-B / 507836
Bangalore Stock Exchange MAC

- g. Payment of Listing Fees :** Annual Listing Fee for the year 2012-13 has been paid by the Company to BSE and BgSE.
- h. Delisting :** Your Company's equity shares are delisted voluntarily from Bangalore Stock Exchange Ltd.
- i. Demat ISIN numbers in NSDL & CDSL :** INE435D01014
- j. Payment of Listing Fees :** Annual Depository Fee for the year 2012-13 has been paid by the Company to NSDL and CDSL.
- k. Registrars & Transfer Agents :** BgSE Financials Limited
RTA Division, No.51, 1st Cross, J.C. Road, Bangalore – 560 027.
- l. Transfer of unpaid/unclaimed: amounts to Investor Education and Protection Fund** During the year under review, the Company has credited Rs.12.56 lakhs, lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.
- m. SEBI Complaints Redress System (SCORES)** The investor complaints are processed in a centralized WEB based complaints redress system. The features of this systems are Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and Online viewing by investors of action taken on the Complaint and its current status.
- n. Share Transfer System** In compliance of SEBI requirement, share transfers are entertained, both under demat form and physical form.
Share Transfers in respect of physical shares are normally effected within 10-15 days from the date of receipt.
Demat requests are put through as per NSDL / CDSL guidelines.

o. Stock Market Data on Bombay Stock Exchange :

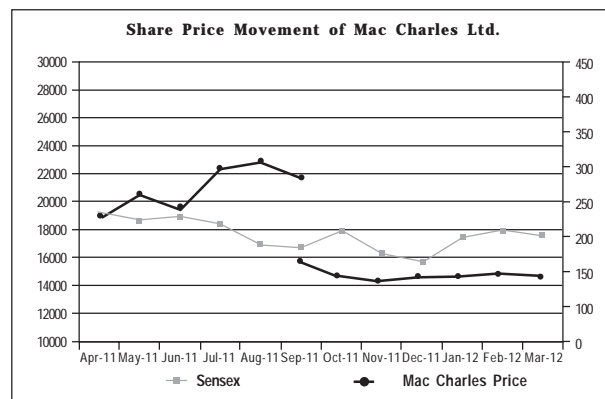
MONTH	MONTHLY HIGH (Rs.)	MONTHLY LOW (Rs.)
Pre Bonus		
APRIL 2011	237.90	215.30
MAY	257.35	226.35
JUNE	244.00	232.25
JULY	302.60	233.70
AUGUST	318.85	265.00
SEPTEMBER	299.25	278.00
Post Bonus		
SEPTEMBER 2011	157.95	132.00
OCTOBER	140.00	127.60
NOVEMBER	135.50	116.00
DECEMBER	125.90	112.10
JANUARY 2012	123.00	112.55
FEBRUARY	131.00	112.15
MARCH	128.50	113.25

No shares are traded on Bangalore Stock Exchange Limited from 01.04.2010 to 31.03.2012

q. Distribution of Shareholding as on 31 March 2012

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to – 500	12360	95.72	17,76,490	13.56
501 – 1000	349	2.70	2,73,280	2.08
1001 – 2000	114	0.88	1,78,780	1.36
2001 – 3000	31	0.24	76,800	0.59
3001 – 4000	22	0.17	80,750	0.62
4001 – 5000	8	0.06	36,100	0.28
5001 – 10000	11	0.08	75,650	0.58
10001 – 50000	12	0.09	1,57,650	1.20
50001 and above	8	0.06	1,04,45,552	79.73
Total	12915	100.00	1,31,01,052	100.00

p. Stock performance Vs BSE Sensex :



MAC CHARLES (INDIA) LIMITED

r. Categories of Shareholders as on 31 March 2012

Category	No. of Share Holders	Total Shares	% of Total Equity
Overseas Corporate Bodies	1	1,60,000	1.22
FI's & Banks	3	3,200	0.02
Bodies Corporate	84	2,51,554	1.92
Non-Resident Public	375	1,39,700	1.07
Directors	2	96,16,952	73.41
Resident Public	12450	29,29,646	22.36
Total	12915	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 2012

	No. of Share holders	No. of Shares	% of shares
No. of Shareholders in Physical Mode	9,681	22,48,750	17.16
No. of Shareholders in Electronic Mode	3,234	1,08,52,302	82.84
Total	12,915	1,31,01,052	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, 2011 to March, 2012. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated on account of various factors such as changes in government regulations, tax regimes, economic developments within India and abroad, exchange rates and interests rates fluctuations, impact of competition, demand and supply constraints.

OVERVIEW OF THE GLOBAL & INDIAN TOURISM INDUSTRY

The international travel and tourism industry is currently on a growth path and is set to cross an all time high of more than 1 billion international travelers in 2012. As per World Travel and Tourism Council (WTTC) estimates, the travel and tourism sector's economic contribution, from both direct and indirect activities combined, was USD 6.3 trillion in GDP, 255 million jobs, USD 743 billion in investment and USD 1.2 trillion in exports, which accounts for 9% of global GDP, 1 in 12 jobs, 5% of investment and 5% of exports. According to the United Nations World Tourism barometer, international tourist arrivals globally were up by 4.4% from 935 million in 2010 to 980 million in 2011.

Emerging economies of South Asia, South-East Asia and South America led the tourism growth in 2011, with 12% increase in international tourist arrivals over 2010, much higher than the global average. In terms of regional performance in the hospitality sector, a healthy RevPAR (Revenue Per Available Room) growth was observed over 2010, across most regions in Asia Pacific (AsPac), Europe, America, and Middle East by Smith Travel Research (STR) Global indicating a recovery from the impact of the financial and economic crisis of the last two years on tourism.

In India, the total direct and indirect economic impact of the industry is 6.4% of the GDP which is expected to grow at 7.8% for the next 10 years according to the WTTC Report. As per statistics updated by the Indian Ministry of Tourism, the foreign tourist arrivals in India for 2011, has been 6.29 million which is an 8.9% increase over 5.8 million tourists of 2010, the growth being higher than the global scenario but less than the overall AsPac region. Foreign Exchange Earnings from tourism increased to Rs.77,591 crores in 2011, from Rs.64,889 crores in 2010, with a growth rate in earnings of 19.6% over 2010. In terms of hospitality industry performance in India, data from STR Reports indicate that the overall rates, occupancies and RevPAR have been stagnant owing to the impact of increased supply in the market and the general recessionary environment.

FUTURE PROSPECTS

The United Nations World Tourism Organisation (UNWTO) expects growth to continue for the tourism sector in 2012, although at a slower rate. It forecasts international tourism arrivals to grow in the range of 3% to 4% in 2012. WTTC indicates that the growth will be moderate as the bounce-back for tourism destinations that faced specific

challenges last year, will be offset by a weaker performance in other countries. Travel & Tourism in China, India, Japan (bounce-back), Latin America and Africa is expected to perform well in 2012. UNWTO, predicts that India will receive 25 million foreign tourists by the year 2015.

Despite the economic and political scenarios worldwide, demand for business travel has remained relatively robust. Companies are likely to increase spends and the multiplier effect of healthy salary increase will drive discretionary spending, especially on leisure travel. The affluent segments plan to spend more on travel in 2012, creating opportunities for the hospitality sector in the luxury space.

According to the STR Global Construction Pipeline Report, the AcPac hotel development pipeline comprises over 1,600 hotels and over 3.6 lakh rooms. India reported the largest expected room growth (+35 percent) if all 60,485 rooms in its total active pipelines are commissioned as per schedule. Among the Chain Scale segments, the Upper Upscale segment accounted for the largest portion of rooms in the total active pipeline with 26%, followed by the Upscale segment at 23% and the Luxury segment at 19%.

REVIEW OF OPERATIONS

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

Hence, sales turnover of the Company has decreased from Rs.6071.56 lakhs to Rs.5179.26 lakhs as compared to the previous year. During the year under report, the hotel business is hit by the entry of new five star hotels in the city of Bangalore resulting in stiff competition. Hence, it will be difficult to improve the working results in current financial year.

SEGMENT WISE PERFORMANCE

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

RENOVATIONS

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

GUEST EXPERIENCE

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

MAC CHARLES (INDIA) LIMITED

SALES & MARKETING INITIATIVES

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

RISK AND CONCERNS

Industry Risk

General Economic Conditions :

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

Socio-Political Risks :

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

Company Specific Risks :

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

RISK MITIGATION INITIATIVES

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

CAUTIONARY STATEMENT

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

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

Name of the Subsidiary Company	Airport Golf View Hotels & Suites Private Limited
Financial Year of the Subsidiary Company ended on	MARCH 31, 2012
Number of Shares in the Subsidiary Company held by Messrs. MAC CHARLES (INDIA) LIMITED, Bangalore, as the above dated	29988
The net aggregate of Profit, less losses, of the Subsidiary Company so far as it concerns the members of Messrs. MAC CHARLES (INDIA) LIMITED	In Rupees
(i) Dealt with in the accounts of Messrs. MAC CHARLES (INDIA) LIMITED, amount to :	
(a) for the subsidiary's financial year ended 31st March 2012	15,68,794/-
(b) for previous financial years of the subsidiary since it became subsidiary of Messrs. MAC CHARLES (INDIA) LIMITED	(45,60,344)
(ii) Not dealt with in the accounts of Messrs. MAC CHARLES (INDIA) LIMITED, amount to :	
(a) for the subsidiary's financial year ended 31st March 2012	Nil
(b) for previous financial years of the subsidiary since it became subsidiary of Messrs. MAC CHARLES (INDIA) LIMITED	Nil
Changes in the interest of Messrs. MAC CHARLES (INDIA) LIMITED, between the end of the subsidiary's financial year ended 31 March 2012 :	N.A.
Number of shares acquired	
Material changes between the end of the subsidiary's financial year ended 31 March 2012	
1. Fixed Assets (net addition)	
2. Investments	N.A.
3. Moneys lent by the subsidiary	
4. Moneys borrowed by the subsidiary company other than for meeting current liabilities	

MAC CHARLES (INDIA) LIMITED

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF M/S. MAC CHARLES (INDIA) LIMITED

We have audited the attached Balance Sheet of MESSRS.MAC CHARLES (INDIA) LIMITED ('the Company') and its Subsidiary (the Company and its subsidiary constitutes 'the Group') as at 31 March 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the Financial Statements of the Subsidiary, whose Financial Statements reflect Total Assets of Rs.4,49,64,392/- and Total Liabilities of Rs.4,41,24,851/- as at 31st March 2012, Total Revenues of Rs.3,36,79,601/- and Total Expenditure of Rs.3,20,30,807/- for the year ended on that date as considered in the Consolidated Financial Statements. The Financial Statements of the Subsidiary is audited by another auditor whose report is furnished to us and our opinion, in so far as it relates to the amounts included in respect of the Subsidiary, is based solely on the reports of other auditor.

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

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

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2012 ;
- (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 the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Bangalore
24 July 2012

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

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	Note	March 31, 2012 Rupees	March 31, 2011 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	13,10,37,270	6,55,32,010
Reserves and Surplus	4	209,04,09,647	209,59,62,962
Non-Current Liabilities			
Long Term Borrowings	5	1,57,53,507	1,58,17,002
Deferred Tax Liabilities (Net)	6	6,29,39,148	7,19,11,648
Other Long Term Liabilities	7	61,81,909	2,11,64,578
Long Term Provisions	8	1,21,83,957	1,18,54,634
Current Liabilities			
Short-Term Borrowings	9	2,33,94,180	1,56,13,240
Trade Payables	10	2,33,90,826	2,45,03,803
Other Current Liabilities	11	5,63,38,236	5,22,98,863
Short-Term Provisions	12	10,27,16,866	9,88,75,728
Total		252,43,45,546	247,35,24,468
ASSETS			
Non-Current Assets			
Fixed Assets	13		
Tangible Assets		73,21,99,988	75,36,07,524
Intangible Assets		7,19,39,681	7,19,39,681
Capital work-in-progress		8,13,061	8,13,061
Non-current investments	14	49,85,90,182	51,90,33,912
Long term loans and advances	15	89,02,16,316	87,81,23,667
Current Assets			
Current investments	16	11,60,71,313	7,09,81,880
Inventories	17	1,46,91,723	75,24,838
Trade receivables	18	1,26,73,358	2,48,84,754
Cash and Bank Balances	19	4,26,50,601	3,85,41,880
Short-term loans and advances	20	10,49,71,159	7,03,92,544
Other current assets	21	3,95,28,164	3,76,80,727
Total		252,43,45,546	247,35,24,468
Significant Accounting Policies	2		
Notes on Financial Statements	3-43		

In terms of our report of even date

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

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

Bangalore
July 24, 2012

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 24, 2012

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

MAC CHARLES (INDIA) LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note	For the year ended March 31, 2012 Rupees	For the year ended March 31, 2011 Rupees
REVENUE			
Revenue from Operations	22	50,76,50,076	55,18,64,678
Other Income	23	4,50,59,023	6,46,15,274
Total		55,27,09,099	61,64,79,952
EXPENSES			
Cost of Provisions, Food and Beverages consumed	24	6,91,49,487	5,39,58,887
Employee Benefits Expenses	25	8,87,62,598	7,77,73,976
Maintenance, Upkeep and Services	26	13,29,02,578	12,27,16,351
Financial Costs	27	6,28,710	7,07,462
Depreciation/Amortisation	13	6,24,49,973	5,63,72,398
Other Expenses	28	8,94,32,700	9,46,36,577
Total		44,33,26,046	40,61,65,651
Profit before exceptional and extraordinary items and tax		10,93,83,053	21,03,14,301
Exceptional Items	29	10,18,12,075	13,95,99,356
PROFIT BEFORE TAX		21,11,95,128	34,99,13,657
Tax Expenses			
- Current tax		6,92,80,000	
Less: Excess Provision of earlier years		1,28,921	
- Deferred tax			
		(6,91,51,079)	(6,32,86,830)
		89,72,500	(88,01,744)
NET PROFIT FOR THE YEAR		15,10,16,549	27,78,25,083
Earnings per Share:			
Basic & Diluted (<i>Face Value of Rs.10/- each</i>)	42	11.53	21.21
Significant Accounting Policies	2		
Notes on Financial Statements	3-43		

In terms of our report of even date

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

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

Bangalore
July 24, 2012

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 24, 2012

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the year ended March 31, 2012 Rupees	For the year ended March 31, 2011 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax as per Statement of Profit & Loss	21,11,95,128	34,99,13,657
Adjustment for :		
Depreciation	6,24,49,973	5,63,72,398
Profit on sale of Fixed Assets	(89,82,646)	(1,25,68,610)
Profit on sale of Investments	(2,71,80,692)	(2,00,57,702)
Provision for diminution in value of Investments	1,36,87,035	17,78,035
Dividend received	(49,96,639)	(61,13,039)
Interest Paid	32,82,54	3,80,886
Interest received on debentures	-	(64,61,027)
Profit from relinquishment of rights in immovable properties	-	(10,38,49,356)
Operating profit before working capital changes	24,65,00,413	25,93,95,242
Adjustment for :		
Trade and other receivables	(2,59,43,118)	(15,78,61,809)
Inventories	(71,66,885)	(14,85,773)
Trade and other payables	(1,29,91,797)	(13,68,68,202)
Cash generated from operations	20,03,98,613	(3,68,20,542)
Direct taxes (paid) / refund	(6,37,14,418)	(4,35,71,407)
Net cash (used in) / from operating activities	13,66,84,195	(8,03,91,949)
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(4,56,89,995)	(7,21,29,386)
Sale of Fixed Assets	1,36,30,204	2,43,63,079
Advance towards Investment in immovable property	(1,03,91,246)	(60,00,00,000)
Proceeds from relinquishment of rights in immovable properties	-	54,38,49,356
Purchase of Investments	(36,95,88,660)	(77,95,47,943)
Sale of Investments	35,84,36,614	104,21,22,549
Dividend received	49,96,639	61,13,039
Interest received on debentures	-	64,61,027
Net cash (used in) / from investing activities	(4,86,06,444)	17,12,31,721
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid including Corporate Dividend Tax	(9,13,58,221)	(8,40,23,351)
Increase / (decrease) in cash credit	77,80,940	(5,63,705)
Decrease in Long term Loans	(63,495)	(13,48,414)
Interest paid	(3,28,254)	(3,80,886)
Net cash (used in) / from financing activities	(8,39,69,030)	(8,63,16,356)
Net increase in cash and cash equivalent	41,08,721	45,23,416
Cash and cash equivalents at beginning of the period	3,85,41,880	3,40,18,464
Cash and cash equivalents at end of the period (Refer Footnote)	4,26,50,601	3,85,41,880

Footnote :

Cash and cash equivalents balances include Rs.3,66,24,440/- (Rs.3,24,00,103/-) being amounts lying in the unpaid dividend accounts which are not available for use by the company.

In terms of our report of even date

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

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

Bangalore
July 24, 2012

M.S. Reddy
Vice President Finance &
Company Secretary

Bangalore
July 24, 2012

On behalf of the Board

C.B. Pardhanani
Chairman

S. C. Pardhanani
Managing Director

P.B. Appiah
Director

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1. BASIS OF CONSOLIDATION :

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

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

Disclosure under Accounting Standard 21 :

List of Subsidiary :

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

2. SIGNIFICANT ACCOUNTING POLICIES :

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

a. Fixed Assets :

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

b. Depreciation :

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

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

c. Impairment of Assets :

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

d. Investments :

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

e. Inventories :

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	March 31, 2012 Rupees	March 31, 2011 Rupees
3. SHARE CAPITAL		
AUTHORISED		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
1,31,01,052 (65,50,526) Equity shares of Rs.10/- each	13,10,10,520	6,55,05,260
Add : Forfeited Shares	26,750	26,750
	13,10,37,270	6,55,32,010
Footnote		
a. Reconciliation of number of shares	As at 31.03.2012	As at 31.03.2011
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	65,50,526	65,50,526
Shares Issued during the year	65,50,526	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,31,01,052	65,50,526
b. Details of shareholders holding more than 5% of shares		
	Name of the Shareholder	No. of Shares held
	C.B.Pardhanani	89,68,452
	%	No. of Shares held
	68.46	44,84,226
		68.46
c. 65,50,526 - Shares out of issued, subscribed and paid up share capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and General Reserves.		
	March 31, 2012 Rupees	March 31, 2011 Rupees
4. RESERVES AND SURPLUS		
a) General Reserve		
Opening Balance	196,97,67,008	181,97,67,008
Add: Current Year Transfer	2,00,00,000	15,00,00,000
Less: Utilised for issue of Bonus Shares	(4,79,94,023)	-
Closing Balance (a)	194,17,72,985	196,97,67,008
b) Securities Premium Account:		
Opening Balance	1,75,11,237	1,75,11,237
Less: Utilised for issue of Bonus Shares	1,75,11,237	-
Closing Balance (b)	-	1,75,11,237
c) Surplus		
Opening balance	10,86,74,717	7,22,33,157
Add: Net Profit/(Net Loss) For the current year	15,10,16,549	27,78,25,083
Less: Transfer to Reserves	(2,00,00,000)	(15,00,00,000)
Less: Proposed Dividends	(7,86,06,312)	(7,86,06,312)
Less: Corporate Dividend Tax	(1,24,48,292)	(1,27,77,211)
Closing Balance (c)	14,86,36,662	10,86,74,717
Total	209,04,09,647	209,59,52,962
5. Long Term Borrowings		
Secured		
From Banks		
Car Loan	28,639	92,134
(Secured by hypothecation of Vehicles)		
Unsecured		
From other than Banks	1,57,24,868	1,57,24,868
Total	1,57,53,507	1,58,17,002

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	March 31, 2012 Rupees	March 31, 2011 Rupees
6. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability:		
Accumulated Depreciation	6,49,87,910	7,31,83,055
<i>Less:</i> Deferred Tax Assets:		
Accrued Expenses Deductible on Payment	20,48,762	12,71,407
Total	6,29,39,148	7,19,11,648
7. OTHER LONG TERM LIABILITIES		
a) Trade Payables	-	-
b) Others	61,81,909	2,11,64,578
Total	61,81,909	2,11,64,578
8. LONG TERM PROVISIONS		
a) Provision for employee benefits:		
Provision for Leave encashment	52,44,829	46,03,506
b) Others:		
Income tax	11,09,865	11,09,865
Provision for Donations	58,29,263	61,41,263
Total	1,21,83,957	1,18,54,634
9. SHORT TERM BORROWINGS		
Secured		
Cash credit		
From Bank	2,33,94,180	1,56,13,240
(The Cash Credit from Bank are secured by company's immovable property at No. 28, Sankey Road, Bangalore and first charge by way of hypothecation and / or pledge of the company's entire goods, movables and other assets present and future including documents of title to the goods and other assets, such as Book Debts, outstanding monies, receivables, bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments and rights and uncalled capital and all machinery present and future and personal guarantee of one of the Directors of the Company).		
Total	2,33,94,180	1,56,13,240
10. TRADE PAYABLES		
(a) Dues to Micro and Small Enterprises	-	-
(b) Others	2,33,90,826	2,45,03,803
Total	2,33,90,826	2,45,03,803
Foot Note:		
In the absence of information as regard to the status/classification of the Relevant enterprises into Micro, Small and Medium enterprises, information as required under Notification No. G.S.R 719[E] dated 16.11.2007 issued by the Department of Company Affairs in respect of the total amount payable at the end of the year to the Micro & Small Enterprises could not be disclosed.		
11. OTHER CURRENT LIABILITIES		
a) Statutory Remittances	59,38,980	63,91,574
b) Unclaimed Dividend	3,66,24,441	3,24,00,103
c) Due to Directors	51,75,771	67,68,150
d) Others	85,99,044	67,39,036
Total	5,63,38,236	5,22,98,863

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	March 31, 2012 Rupees	March 31, 2011 Rupees
12. SHORT TERM PROVISIONS		
Provision For Employees Benefit		
a) Salaries and Wages Payable	31,95,018	29,19,173
b) Bonus Payable	24,27,432	38,27,522
c) Ex-gratia Payable	1,70,613	3,11,215
Others		
a) Proposed Dividend	7,86,06,312	7,86,06,312
b) Corporate Dividend Tax	1,27,51,909	1,30,55,526
c) Provision for Income Tax	55,65,582	-
d) Provision for Fringe Benefit Tax	-	1,55,980
Total	10,27,16,866	9,88,75,728

13. FIXED ASSETS

(Amount in Rupees)

	DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 01/04/2011	Additions	Deductions	Total	Upto 01/04/2011	For the year	Deductions	Upto 31/03/2012	As at 31/03/2012	As at 31/03/2011
I	TANGIBLE ASSETS										
	Land	33,65,64,276	-	-	33,65,64,276	-	-	-	-	33,65,64,276	33,65,64,276
	Buildings	22,99,16,724	1,05,670	25,62,180	22,74,60,214	13,38,60,849	67,58,708	11,11,188	13,95,08,369	8,79,51,845	9,60,55,875
	Plant & Machinery	48,69,81,648	1,65,72,424	82,72,748	49,52,81,324	21,20,16,798	4,10,28,327	51,64,782	24,78,80,343	24,74,00,981	27,49,64,850
	Furniture, Fixtures & Interiors	9,54,88,946	2,72,51,811	2,39,76,954	9,87,63,803	6,40,72,154	1,01,89,652	2,38,89,354	5,03,72,452	4,83,91,351	3,14,16,792
	Vehicles	2,10,56,675	57,480	-	2,11,14,155	1,26,85,996	27,60,798	-	1,54,46,794	56,67,361	83,70,679
	Office Equipment	16,82,414	44,897	-	17,27,311	12,49,795	93,053	-	13,42,848	3,84,463	4,32,619
	Sanitary Fittings	1,66,21,051	-	-	1,66,21,051	1,19,89,652	7,70,389	-	1,27,60,041	38,61,010	46,31,399
	Computers	1,06,28,812	16,57,713	8,08,129	1,14,78,396	94,57,778	8,49,046	8,07,129	94,99,695	19,78,701	11,71,034
II	INTANGIBLE ASSETS										
	Good will	7,19,39,681	-	-	7,19,39,681	-	-	-	-	7,19,39,681	7,19,39,681
	TOTAL	127,08,80,227	4,56,89,995	3,56,20,011	128,09,50,211	44,53,33,022	6,24,49,973	3,09,72,453	47,68,10,542	80,41,39,669	82,55,47,205
	PREVIOUS YEAR	122,63,55,104	7,21,29,386	2,76,04,263	127,08,80,227	40,47,70,418	5,63,72,398	1,58,09,794	44,53,33,022	82,55,47,205	82,15,84,686
III	CAPITAL WORK-IN-PROGRESS										
	Hotel Project at Cochin	8,13,061	-	-	813,061	-	-	-	-	8,13,061	8,13,061
	TOTAL	8,13,061	-	-	813,061	-	-	-	-	8,13,061	8,13,061

	March 31, 2012 Rupees	March 31, 2011 Rupees
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14. NON CURRENT INVESTMENTS

a) Aggregate amount of quoted investments	12,48,24,964	9,41,37,570
b) Aggregate amount of un-quoted investments	39,86,79,321	43,61,23,410
	52,35,04,285	53,02,60,980
Less: Provision for diminution in value of Investments	2,49,14,103	1,12,27,068
Total	49,85,90,182	51,90,33,912

15. LONG TERM LOANS AND ADVANCES

Unsecured, considered good		
a) Capital Advances (Refer Footnote 1*)	86,99,53,412	85,95,62,166
b) Security Deposits	87,47,719	1,45,96,336
c) Other loans and advances	1,15,15,185	39,65,165
Total	89,02,16,316	87,81,23,667

Footnote :

1* Being advance given for Investments in immovable properties.

16. CURRENT INVESTMENTS

Aggregate amount of un-quoted investments	11,60,71,313	7,09,81,880
Total	11,60,71,313	7,09,81,880

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	March 31, 2012 Rupees	March 31, 2011 Rupees
17. INVENTORIES		
a) Provisions, Food supplies and Beverages	81,05,994	48,71,495
b) Other stores and operational supplies	65,85,729	26,53,343
Total	<u>1,46,91,723</u>	<u>75,24,838</u>
18. TRADE RECEIVABLES		
Unsecured, Considered Good :		
a) Outstanding for more than six months	1,95,123	81,105
b) Others	1,24,78,235	2,48,03,649
Total	<u>1,26,73,358</u>	<u>2,48,84,754</u>
19. CASH AND BANK BALANCES		
a) Cash-on-Hand	17,77,781	13,28,685
b) Balance with banks:		
On Current Account (Refer Footnote 1*)	3,98,72,820	3,57,05,195
On Fixed Deposit account (Refer Footnote2*)	10,00,000	10,00,000
c) Margin Money	-	5,08,000
Total	<u>4,26,50,601</u>	<u>3,85,41,880</u>
1* Includes Unclaimed Dividend Accounts of Rs.3,66,24,441/- (Rs.3,24,00,103/-)		
2* Comprises of deposit with maturity of more than 12 months		
20. SHORT TERMS LOANS AND ADVANCES		
Others:		
Unsecured, Considered Good	10,49,71,159	7,03,92,544
Total	<u>10,49,71,159</u>	<u>7,03,92,544</u>
21. OTHER CURRENT ASSETS		
Others:		
a) Advance Income Tax	-	75,77,079
b) Prepaid Expenses	98,87,712	48,67,053
c) Others	2,96,40,452	2,52,36,595
Total	<u>3,95,28,164</u>	<u>3,76,80,727</u>
22. REVENUE FROM OPERATIONS		
Income from Sale of Services	46,97,16,080	51,67,96,883
Less: Excise Duty	(65,278)	(57,540)
(Refer Footnote)	46,96,50,802	51,67,39,343
Other operating revenues	3,79,99,274	3,51,25,335
Total	<u>50,76,50,076</u>	<u>55,18,64,678</u>
Footnote :		
Sales Rooms	27,96,67,241	35,03,36,372
Food Beverages and Banquets	15,18,19,652	1,33,43,28,48
Sale of Electricity	3,81,63,909	3,29,70,123
Total	<u>46,96,50,802</u>	<u>51,67,39,343</u>

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	For the year ended March 31, 2012 Rupees	For the year ended March 31, 2011 Rupees
23. OTHER INCOME		
Interest received	9,00,762	1,14,68,056
Income Rent	14,27,726	78,51,133
Income Licence Fees	41,13,704	41,01,791
Dividend Income	49,96,639	61,13,039
Profit on sale of Fixed Assets	89,82,646	1,25,68,610
Profit/(loss) on sale of investments - Short term	75,53,508	(2,49,48,440)
- Long term	1,96,27,184	4,50,06,142
Provision for diminution in value of investments	(1,36,87,035)	(17,78,035)
Liabilities Written Back	97,86,041	38,90,676
Miscellaneous Income	13,57,848	3,42,302
Total	4,50,59,023	6,46,15,274
24. COST OF CONSUMPTION OF PROVISIONS, FOOD AND BEVERAGES		
Opening Stock	48,06,452	31,09,479
Add: Purchase of Provisions, Food and Beverages	7,12,80,028	5,56,55,860
Less: Closing Stock	69,36,993	48,06,452
Total	6,91,49,487	5,39,58,887
25. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	7,45,13,692	6,75,37,607
Contribution to provident and other funds	81,34,928	62,83,757
Staff welfare	61,13,978	39,52,612
Total	8,87,62,598	7,77,73,976

Footnote :

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

Defined Contribution Plan

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

Employer's Contribution to Provident Fund	40,48,790/-	35,85,257/-
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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 2011-12	Gratuity 2010-11	Leave Encashment 2011-12	Leave Encashment 2010-11
I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation				
Defined Benefit obligation at beginning of the year	1,40,34,568	1,46,65,874	46,03,506	54,69,956
Current service Cost	21,70,435	10,24,637	12,03,467	4,01,623
Interest Cost	63,298	11,33,210	1,731	3,99,700
Actuarial (gain)/loss	(1,03,360)	(17,87,650)	(1,32,108)	(7,20,353)
Benefits Paid	(6,15,580)	(10,01,503)	(4,31,767)	(9,47,420)
Defined Benefit obligation at the year end	1,55,49,361	1,40,34,568	52,44,829	46,03,506

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(in Rupees)

	Gratuity 2011-12	Gratuity 2010-11	Leave Encashment 2011-12	Leave Encashment 2010-11
II. Reconciliation of Opening and Closing Balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	1,53,53,276	1,37,60,045		
Expected return on plan assets	12,61,036	11,13,832		
Actuarial Gain/(loss)	1,76,755	1,53,695		
Employer Contributions	14,34,920	13,27,207		
Benefits Paid	(6,15,580)	(10,01,503)		
Fair value of plan assets at year end	1,76,10,407	1,53,53,276		
Actual return on plan assets	14,37,791	12,67,527		
III. Reconciliation of fair value of assets and present value of obligation				
Fair value of plan assets	1,76,10,407	1,53,53,276	—	—
Present value of obligation	1,55,49,361	1,40,34,568	52,44,829	46,03,506
Amount recognized in Balance Sheet	—	—	52,44,829	46,03,506
IV. The amounts recognized in the Profit and Loss account are as follows				
Current service Cost	21,70,435	10,24,637	12,03,467	4,01,623
Interest Cost	63,298	11,33,210	1,731	3,99,700
Expected return on plan assets	(12,61,036)	(11,13,832)	—	—
Actuarial Gain/(loss)	(2,80,115)	(19,41,345)	(1,32,108)	(7,20,353)
Net Cost	6,92,582	8,97,330	10,73,090	80,970
	Gratuity (funded) 2011-12	Gratuity (funded) 2010-11	Leave Encashment (Unfunded) 2011-12	Leave Encashment (Unfunded) 2010-11
V. Composition of Plan Assets				
Insurance Managed Funds	1,76,10,407 (100%)	1,53,53,276 (100%)	-	-
VI. Actuarial Assumptions				
Interest rate	8.5%	8%	8.5%	8%
Discount rate (per annum)	8.5%	8%	8.5%	8%
Expected rate of return on plan Assets (per annum)	8%	8%	0%	0%
Rate of escalation in salary (per annum)	8%	8%	8%	8%
Attrition rate	10%	10%	10%	10%
Retirement Age	58	58	58	58
			For the year ended March 31, 2012	For the year ended March 31, 2011
			Rupees	Rupees
26. MAINTENANCE, UPKEEP AND SERVICES				
Guest Accomodation Board and Kitchen			1,16,51,046	93,46,328
Linen, Uniforms and Laundry			1,00,67,095	91,25,344
Repairs and Maintenance of :-				
i) Building			3,90,31,886	3,40,11,075
ii) Plant & Machinery			1,39,63,467	1,18,22,950
iii) Interiors, Furniture, Furnishings and others			4,87,64,507	5,02,37,290
House-keeping Expenses			38,59,093	42,52,981
Music, Entertainment and Banquet Expenses			55,65,484	39,20,383
Total			13,29,02,578	12,27,16,351
27. FINANCIAL COST				
Interest on Cash Credit			2,39,126	3,48,526
Interest Others			89,128	32,360
Other borrowing costs			3,00,456	3,26,576
Total			6,28,710	7,07,462

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	For the year ended March 31, 2012 Rupees	For the year ended March 31, 2011 Rupees
28. OTHER EXPENSES		
Power and fuel	1,89,62,773	1,83,36,036
Water charges	37,33,852	37,23,759
Commission on Sales and Travel agencies	59,19,140	59,75,497
Postage, Telex and Telephones	34,33,319	40,96,310
Printing and Stationery	34,74,602	33,18,692
Sales Promotional Expenses	23,12,131	9,90,492
Administrative and General Expenses	91,27,520	1,08,32,666
Travel and Conveyance	42,80,338	42,53,660
Rent	13,19,936	11,72,559
Rates and Taxes	81,98,641	61,07,214
Insurance	12,66,846	15,11,641
Royalty	1,20,60,220	1,51,90,266
Foreign Currency Fluctuations	22,702	95,119
Freight and Transport	2,55,012	3,46,637
Professional and Consultancy fees	47,91,708	61,21,889
Miscellaneous Expenses	11,19,950	14,23,099
Payment to Auditors (Refer Footnote*)	4,71,610	410,041
Directors' Sitting Fees	2,35,000	85,000
Commission to Chairman's and Managing Director	77,47,400	92,46,000
Provision for Donations	7,00,000	14,00,000
Total	8,94,32,700	9,46,36,577
Footnote :		
*Payment to Auditors		
Audit Fee	2,62,660	2,42,660
Tax Audit Fee	71,100	70,923
Other Services	1,18,960	83,994
Reimbursement of Expenses	18,890	12,464
Total	4,71,610	4,10,041
29. EXCEPTIONAL ITEMS		
Compensation Received (Refer Footnote)	10,18,12,075	3,57,50,000
Profit on Relinquishment of rights in immovable Properties	-	10,38,49,356
Total	10,18,12,075	13,95,99,356
Footnote :		
Represents amount received from Property Developers for delay in handing over the Properties		
30. Estimated amount of contract remaining to be executed on capital account not provided for Rs.2,34,85,092/- (Rs.10,00,70,143/-)		
31. Confirmation of balances has not been received from parties covered under Trade Receivables, Long term Loans and advances and Trade Payables.		
32. Prior period items debited/ credited to Profit and Loss Account		
Prior period expenses		
R & M Building	80,572	—
R & M Plant and Machinery	8,250	—
33. Earnings in Foreign Exchange	22,25,28,788	29,25,72,556
34. Expenditure in Foreign Currency		
Royalty	1,20,60,220	1,51,90,266
Sales Promotion and General Expenses	1,06,01,913	1,03,40,410
Agents Commission for Room Bookings	6,98,142	20,59,989

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	March 31, 2012 Rupees	March 31, 2011 Rupees
35. CIF Value of Imports		
Stores, Components and Spare Parts	1,36,80,520	2,87,83,022
Capital Goods	1,01,06,176	2,01,78,599
36. Information as per Order No.46/22/98 CL III Dated 24 February 1998, issued by the Ministry of Finance, Department of Company Affairs:		
a) Income from		
i. Wines and Liquor	1,15,01,157	1,08,44,723
ii. Telephone and Telex	78,75,965	88,19,990
b) Consumption of		
i. Provision, Beverages (excluding Wine and Liquor)	4,60,18,260	4,73,63,207
ii. Wine and Liquor	51,68,927	47,87,101
37. Dividends remitted in Foreign Currency to Non Resident Shareholders Rs.9,60,000 (Rs.5,02,06,486/-).		
Number of Non Resident Shareholders	Number of Share held by them on which Dividends remitted	
1 (2)	80,000 (45,64,226)	
38. Contingent Liabilities		
Disputed Income Tax Liability against which Appeals are pending		
Assessment Year 1997-98	9,55,691	9,55,691
Assessment Year 2001-02	-	9,54,168
Assessment Year 2007-08	-	14,90,801
Assessment Year 2008-09	-	27,01,461

39. RELATED PARTY DISCLOSURE

(A) Related Parties and their Relationships

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

MAC CHARLES (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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 31.3.2012 (Rs.)	Payable (P) OR Receivable (R)
Kapi Investment Ink Limited	Overseas Body Corporate	Dividend	9,60,000 (8,80,000)	Nil (Nil)	Nil (Nil)
Mr.C.B.Pardhanani	Chairman	Commission based on profit	19,91,500 (23,11,500)	12,12,953 (20,90,150)	(P) (P)
		Dividend	5,38,10,712 (4,93,26,486)	Nil (Nil)	Nil (Nil)
Ms. S. C. Pardhanani	Managing Director	Dividend	38,91,000 (35,66,750)	Nil (Nil)	Nil (Nil)
		Remuneration	42,01,988 (38,93,301)	Nil (Nil)	Nil (Nil)
		Commission based on profit	57,55,900 (69,34,500)	39,62,818 (46,78,000)	(P) (P)
C Pardhanani's Education Trust	Trust in which Chairman of the Company is a trustee	Donation	8,00,000 (5,50,000)	Nil (Nil)	Nil (Nil)
Mr. M. B. Pardhanani	Related to Director	Dividend	7,22,400 (6,62,200)	50,56,800 (43,34,400)	(P) (Under dispute and subjudice)
Mrs.Uma M. Pardhanani	Related to Director	Dividend	12,30,000 (11,27,500)	86,10,000 (73,80,000)	(P) (Under dispute and subjudice)
Ms. Aarti M Pardhanani	Related to Director	Dividend	3,60,000 (3,30,000)	25,20,000 (21,60,000)	(P) (Under dispute and subjudice)

40. AS 17 SEGMENT REPORTING

	AS AT March 31, 2012			AS AT March 31, 2011		
	HOTEL	ELECTRICITY	TOTAL	HOTEL	ELECTRICITY	TOTAL
REVENUE NET SALES						
External Sales	49,51,54,132	3,81,63,909	53,33,18,041	54,76,49,067	3,29,70,123	58,06,19,190
Other Income			1,93,91,058			3,58,60,762
TOTAL REVENUE			55,27,09,099			61,64,79,952
RESULT						
Segment Result	9,82,77,454	65,90,591	10,48,68,045	18,86,82,286	17,13,838	19,03,96,124
Add: Unallocated Income [Other than Interest Income]			1,84,90,296			24,392,706
Add: Interest Income			9,00,762			1,14,68,056
Less: Unallocated Expenses [Other than Interest Expenses]			(1,42,47,340)			(1,52,35,123)
Less: Interest Expenses			(6,28,710)			(7,07,462)
PROFIT BEFORE TAX			10,93,83,053			21,03,14,301
Add: Exceptional Items			10,18,12,075			13,95,99,356
Less: Income Tax			(6,91,51,079)			(6,32,86,830)
Add: Deferred Tax			89,72,500			(88,01,744)
NET PROFIT			15,10,16,549			27,78,25,083
OTHER INFORMATION						
Segment Assets	67,47,43,431	28,02,31,057	95,49,74,488	71,96,60,317	25,88,81,550	97,85,41,867
Unallocated Assets			1,56,93,71,058			1,49,49,82,601
TOTAL ASSETS			2,52,43,45,546			2,47,35,24,468
Segment Liabilities	5,35,46,457	-	5,35,46,457	20,58,30,378	-	20,58,30,378
Unallocated Liabilities			24,93,52,172			10,62,09,118
TOTAL LIABILITIES			30,28,98,629			31,20,39,496
Capital Expenditure	4,56,89,995	-	4,56,89,995	7,19,39,681	-	7,19,39,681
Unallocated Capital Expenditure	-	-	-	-	-	-
TOTAL			4,56,89,995			7,19,39,681

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

41. Disclosure as per Accounting Standard 29 :

(In Rupees)

Srl. No.	Particulars	Balance as at 01.04.2011	Additional Provision made during the year	Provision Reversed/utilised during the year	Balance as at 31.03.2012
1.	Provision for Leave Encashment	46,03,506	6,41,323	-	52,44,829
2.	Proposed Dividend	7,86,06,312	7,86,06,312	7,86,06,312	7,86,06,312
3.	Corporate Dividend Tax	1,30,55,526	1,24,48,292	1,27,51,909	1,27,51,909

	March 31, 2012	March 31, 2011
	Rupees	Rupees

42. Earnings Per Share has been computed as under :

Net Profit	15,10,16,549	27,78,25,083
Weighted Average Number of Equity Shares Outstanding	1,31,01,052	1,31,01,052
Earnings Per Share in Rupees- Basic And Diluted (<i>Face Value of Rs. 10/- each</i>)	11.53	21.21

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

Date :

To,

BgSE Financials Limited
(Subsidiary of Bangalore Stock Exchange Ltd.)
Registrar & Transfer Agent (RTA Division)
No. 51, 1st Cross, J.C. Road,
Bangalore - 560 027.
Tel : 080 - 4132 9661 / 4157 5234
Fax : 080 - 2227 6674
Email : manager_rta@bfsl.co.in
rt_admin@bfsl.co.in

Dear Sir,

Subject : Green Initiative - registration of email address

Reference : Folio No.

I/we hereby give my / our consent to register the following email address (es) to receive documents such as, notice calling annual general meeting, annual report comprising of balance sheet, profit and loss account, cash flow statement, directors' report, auditors' report, etc. or to receive any other document prescribed under any law, through electronic mode.

Email Address :

Thanking you,

Yours faithfully,

Name : Signature of First shareholder	Name : Signature of Second shareholder	Name : Signature of Third shareholder
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MAC CHARLES (INDIA) LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the THIRTYSECOND ANNUAL GENERAL MEETING of the Company held at the Hotel Le Meridien No. 28, Sankey Road, Bangalore - 560 052 on **Thursday the 6th September, 2012 at 3 p.m.**

Full Name of Member (in Block Letters)

Reg. Folio No. No. of Shares held

Full Name of Proxy (in Block Letters)

Member's /Proxy's Signature

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



MAC CHARLES (INDIA) LIMITED

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

PROXY FORM

I/We

of

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

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

vote for me/us on my/our behalf at the THIRTYSECOND ANNUAL GENERAL MEETING of the Company to be held on **Thursday the 6th September, 2012 at 3 p.m.**

Reg. Folio No.

No. of Shares Signed this

Affix
Re. 1/-
Revenue
Stamp

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



EXECUTIVE SUITE



JASHN

STANDARD TWIN BEDDED ROOM



GOLF VIEW HOTELS & SUITES COCHIN

BOOK-POST

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