

Walker Chandlok & Co LLP

Walker Chandlok & Co LLP
5th Floor, No.65/2, Block "A",
Bagmane Tridib, Bagmane
Tech Park, C V Raman Nagar,
Bengaluru 560093
T +91 80 4243 0700
F +91 80 4126 1228

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Mac Charles (India) Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Mac Charles (India) Limited ('the Company') for the quarter ended 30 September 2020 and the year to date results for the period 1 April 2020 to 30 September 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The review of standalone unaudited quarterly financial results for the period ended 30 June 2020, included in the Statement was carried out and reported by B S R & Associates LLP who have expressed unmodified conclusion vide their review report dated 31 July 2020, whose review report has been furnished to us and which has been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

Walker Chandiok & Co LLP

6. The review of standalone unaudited results for the quarter ended 30 September 2019 and the year to date results for the period 1 April 2019 to 30 September 2019 and audit of standalone financial results for the year ended 31 March 2020 included in the Statement was carried out and reported by B S R & Associates LLP who have expressed unmodified conclusion vide their review report dated 12 November 2019 and unmodified opinion vide their audit report dated 26 June 2020, respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Ashish Digitally signed
by Ashish Kedia
Kedia Date: 2020.11.11
19:09:08 +05'30'

Ashish Kedia

Partner

Membership No. 215834

UDIN: 20215834AAAADH5451

Bengaluru

11 November 2020

MAC CHARLES (INDIA) LIMITED
CIN: L55101KA1979PLC003620
Registered office: 72/4, 1st Floor, Cunningham Road, Bangalore - 560052

Part I: Statement of unaudited standalone financial results for the quarter and six months ended 30 September 2020

(₹ in million except per share data)

Sl. No	Particulars	Quarter ended			Six-months ended		Year ended
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	a) Revenue from operations	58.77	54.84	85.51	113.61	138.45	245.72
	b) Other income	4.66	1.34	11.32	6.00	21.45	34.32
	Total income (a+b)	63.43	56.18	96.83	119.61	159.90	280.04
2	Expenses						
	a) Maintenance and upkeep services	5.36	4.07	3.64	9.43	9.10	17.96
	b) Employee benefits expense	4.39	7.14	3.45	11.53	6.90	14.99
	c) Finance costs	26.27	25.72	28.08	51.99	56.29	110.35
	d) Depreciation and amortisation expense	8.64	8.59	8.83	17.23	17.89	35.68
	e) Other expenses	30.11	6.38	19.49	36.49	34.15	90.92
	Total expenses (a+b+c+d+e)	74.77	51.90	63.49	126.67	124.33	269.90
3	Profit/(loss) before exceptional items and tax (1-2)	(11.34)	4.28	33.34	(7.06)	35.57	10.14
4	Exceptional items	-	-	-	-	-	-
5	Profit/(loss) before tax (3+4)	(11.34)	4.28	33.34	(7.06)	35.57	10.14
6	Tax expense	-	-	0.15	-	(2.77)	(2.15)
7	Profit/(loss) from continuing operations after tax (5-6)	(11.34)	4.28	33.19	(7.06)	38.34	12.29
8	Profit/(loss) from discontinued operations	-	(8.15)	(7.31)	(8.15)	14.21	(178.66)
9	Tax expense of discontinued operations	-	-	0.37	-	7.71	(40.70)
10	Profit/(loss) from discontinued operations after tax (8-9)	-	(8.15)	(7.68)	(8.15)	6.50	(137.96)
11	Profit/(loss) for the period (7+10)	(11.34)	(3.87)	25.51	(15.21)	44.84	(125.67)
	Other comprehensive income						
	Items that will not be reclassified to profit or loss, net of tax :						
	Remeasurements of defined benefit liability/(asset)	0.02	0.03	0.35	0.05	0.70	1.98
	Equity instruments through other comprehensive income - net changes in fair value	0.61	0.88	0.56	1.49	0.65	(1.25)
	Income tax relating to items that will not be reclassified to profit or loss	0.26	(0.26)	(0.21)	-	(0.34)	(0.21)
12	Other comprehensive income/(loss) for the period, net of tax	0.89	0.65	0.70	1.54	1.01	0.52
13	Total comprehensive income/(loss) for the period (11+12)	(10.45)	(3.22)	26.21	(13.67)	45.85	(125.15)
14	Paid-up equity share capital (face value of ₹ 10 each)	131.01	131.01	131.01	131.01	131.01	131.01
15	Reserves excluding revaluation reserve	-	-	-	-	-	2,768.73
16	Earnings per equity share (not annualised)						
	Continuing operations						
	(a) Basic (₹)	(0.87)	0.33	2.53	(0.54)	2.93	0.94
	(b) Diluted (₹)	(0.87)	0.33	2.53	(0.54)	2.93	0.94
	Discontinued operations						
	(a) Basic (₹)	-	(0.62)	(0.59)	(0.62)	0.50	(10.53)
	(b) Diluted (₹)	-	(0.62)	(0.59)	(0.62)	0.50	(10.53)
	Continuing and discontinued operations						
	(a) Basic (₹)	(0.87)	(0.30)	1.95	(1.16)	3.42	(9.59)
	(b) Diluted (₹)	(0.87)	(0.30)	1.95	(1.16)	3.42	(9.59)

See accompanying notes to the financial results

MAC CHARLES (INDIA) LIMITED
CIN: L55101KA1979PLC003620
Registered office: 72/4,1st floor, Cunningham Road, Bangalore - 560052

<i>(₹ in million)</i>		
Particulars	As at	
	30-Sep-20	31-Mar-20
	Unaudited	Audited
Part II: Statement of Standalone assets and liabilities		
ASSETS		
Non-current assets		
Property, plant and equipment	618.80	631.40
Capital work-in-progress	26.12	-
Investment property	822.01	829.81
Investments in subsidiaries	2,109.60	2,109.60
Financial assets:		
(i) Investments	-	23.83
(ii) Loans	9.93	9.93
(iii) Other financial assets	19.40	19.40
Income tax assets (net)	25.45	39.40
Other non-current assets	57.73	53.23
Total non-current assets	3,689.04	3,716.60
Current assets		
Financial assets		
(i) Investments	28.44	3.51
(ii) Trade receivables	8.72	9.73
(iii) Cash and cash equivalents	55.80	42.10
(iv) Bank balances other than cash and cash equivalents	1.00	1.00
(v) Loans	518.07	517.48
(vi) Other financial assets	0.64	0.80
Other current assets	11.43	2.25
Assets held for sale	39.05	35.80
Assets associated with discontinued operations (refer note 6)	24.45	35.85
Total current assets	687.60	648.52
Total assets	4,376.64	4,365.12
EQUITY AND LIABILITIES		
Equity		
Equity share capital	131.01	131.01
Other equity	2,755.04	2,768.73
Total equity	2,886.05	2,899.74
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	1,183.67	1,179.21
(ii) Non-current provisions	-	2.08
Total non-current liabilities	1,183.67	1,181.29
Current liabilities		
Financial liabilities		
(i) Trade payables		
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues other than to micro enterprises and small enterprises	9.09	14.34
(ii) Other financial liabilities	176.06	155.17
Provisions	0.65	0.92
Other current liabilities	11.46	3.70
Liabilities associated with discontinued operations (refer note 6)	109.66	109.96
Total current liabilities	306.92	284.09
Total equity and liabilities	4,376.64	4,365.12
See accompanying notes to the financial results		

MAC CHARLES (INDIA) LIMITED
CIN: L55101KA1979PLC003620
Registered office: 72/4, 1st Floor, Cunningham Road, Bangalore - 560052

<i>(₹ in million)</i>		
Part III: Statement of Standalone Cashflows Particulars	Six months ended	Year ended
	30-Sep-20	31-Mar-20
	Unaudited	Audited
Profit/ (loss) before tax from continuing operations	(7.06)	10.14
Profit/ (loss) before tax from discontinuing operations	(8.15)	(178.66)
Adjustments:		
- Interest income (including fair value change in financial instruments)	(1.72)	(29.98)
- Financial assets at fair value through statement of profit and loss	0.09	14.66
- (Profit)/ loss on sale of investments	(0.53)	(4.17)
- Interest expense (including fair value change in financial instruments)	51.94	110.26
- Depreciation and amortization	17.23	42.32
- Provision for doubtful advances	-	(13.00)
- Profit on sale of property, plant and equipment	-	(0.17)
Operating cash flow before working capital changes	51.80	(48.60)
Working capital adjustments:		
- Trade receivables	0.07	16.69
- Inventories	-	9.17
- Current and non-current financial assets	2.55	15.72
- Other current and non-current assets	(13.68)	9.13
- Current and non-current financial liabilities	11.54	71.43
- Other current and non-current liabilities	2.50	(24.74)
- Provisions	(2.35)	(10.78)
Cash (Used in)/generated from operating activities	52.43	38.02
Income taxes paid	13.98	(37.86)
Net cash (Used in)/generated from operating activities [A]	66.41	0.16
Cash flows from investing activities		
Acquisition of property, plant and equipment	(22.47)	(8.03)
Purchase of investments	-	(89.01)
Loans to subsidiaries	-	(160.08)
Proceeds from sale of property, plant and equipment	10.44	10.47
Proceeds from sale of investments	0.89	278.00
Interest received	1.72	29.98
Refund of capital advances	-	2,258.64
Acquisition of subsidiaries	-	(2,035.10)
Net cash generated from investing activities [B]	(9.42)	284.87
Cash flows from financing activities		
Dividend paid	-	(157.94)
Repayment of borrowings	(8.44)	(17.38)
Interest paid	(34.85)	(110.26)
Net cash used in financing activities [C]	(43.29)	(285.58)
Net decrease in cash and cash equivalents [A+B+C]	13.70	(0.55)
Cash and cash equivalents at the beginning of the year	42.10	42.65
Cash and cash equivalents at the end of the year	55.80	42.10
See accompanying notes to the financial results		

MAC CHARLES (INDIA) LIMITED
CIN: L55101KA1979PLC003620
Registered office: 72/4, 1st Floor, Cunningham Road, Bangalore - 560052

Notes:

- 1 The Statement of unaudited standalone financial results ('the Statement') of Mac Charles (India) Limited ('the Company') for the quarter and six months ended 30 September 2020 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in its meeting held on 11 November 2020.
- 2 The financial results for the quarter and six months ended 30 September 2020 was subjected to 'Limited Review' by the statutory auditors of the Company and they have issued an unmodified report. The review report of the statutory auditors is being filed with Bombay Stock Exchange and is also available on the Company's website www.maccharlesindia.com.
- 3 Pursuant to the provisions of Listing Agreement, the management has decided to publish unaudited standalone and consolidated financial results in the newspapers. The said financial results of the Company will also be made available on the Company's website www.maccharlesindia.com and also on the website of BSE (www.bseindia.com).
- 4 The unaudited standalone financial results of the Company have been prepared in accordance with Indian Accounting Standard ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 and in terms of Regulation 33 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5 In accordance with Ind AS 108, Operating Segments, segment information has been provided in the unaudited consolidated financial results of the Company and therefore no separate disclosure on segment information is given in these standalone financial results.
- 6 **Discontinued operations**
 - i For commercial reasons management proposed that the Hotel operations of the Company be discontinued. In the meeting of the Board of Directors held on 26 August 2019, approval was granted for the discontinuation of the hotel business. Consequently, pursuant to the requirements of Ind AS 105 - *Non Current Assets Held for Sale and Discontinued Operations*, the Company has classified the assets and liabilities pertaining to the Hotel business for the current and prior periods as 'Assets/ liabilities associated with discontinued operations' and measured them at lower of cost and fair value as at 30 September 2020.

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

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

Particulars	Quarter ended			Six-months ended		Year ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income						
a) Revenue from operations	-	-	72.38	-	165.77	173.36
b) Other income	-	-	0.92	-	2.01	2.09
Total income (a+b)	-	-	73.30	-	167.78	175.45
Expenses						
a) Cost of material consumed	-	-	12.00	-	26.51	28.86
b) Maintenance and upkeep services	-	-	7.04	-	14.80	17.51
c) Employee benefits expense	-	8.15	45.35	8.15	79.55	257.30
d) Depreciation and amortisation expense	-	-	2.86	-	5.72	6.65
e) Other expenses	-	-	13.36	-	26.99	43.79
Total expenses (a+b+c+d+e)	-	8.15	80.61	8.15	153.57	354.11
Profit/(loss) before tax	-	(8.15)	(7.31)	(8.15)	14.21	(178.66)
Tax expense	-	-	0.37	-	7.71	(40.70)
Profit/(loss) from discontinued operations after tax	-	(8.15)	(7.68)	(8.15)	6.50	(137.96)

(₹ in million)

Notes (continued)

6 Discontinued operations (continued)

iii The assets and liabilities from Hotel business are as follows : (₹ in million)

Particulars	As at	As at
	30-Sep-20	31-Mar-20
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	22.77	33.21
Financial assets		
- Loans	-	0.02
Current assets		
Financial assets		
- Trade receivables	0.20	1.14
- Other financial assets	1.48	1.48
Other current assets		
Assets associated with discontinued business	24.45	35.85
LIABILITIES		
Non-current liabilities		
Financial liabilities		
- Other financial liabilities	0.60	0.60
Current liabilities		
Financial liabilities		
- Other financial liabilities	106.81	106.81
Advance from customers	1.65	1.65
Security deposits	0.60	0.90
Liabilities associated with discontinued operations	109.66	109.96

iv The net cash flows from Hotel business is as follows : (₹ in million)

Particulars	Six-months ended	Year ended 31-
	30-Sep-20	Mar-20
	Unaudited	Audited
Profit/ (loss) before tax from discontinuing operations	(8.15)	(178.66)
Adjustments:		
- Profit on sale of property, plant and equipment		
- Depreciation and amortization	-	6.65
	(8.15)	(172.01)
<i>Working capital adjustments:</i>		
- Trade receivables	0.94	(1.14)
- Current and non-current financial assets	0.02	(1.50)
- Current and non-current financial liabilities	-	107.71
- Other current and non-current liabilities	(0.30)	2.25
Cash generated from operation activities	(7.49)	(64.69)
Income taxes paid	-	
Net cash generated from operating activities [A]	(7.49)	(64.69)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	10.44	
Net cash used in investing activities [B]	10.44	-
Net cash used in financing activities [C]	-	-
	2.95	(64.69)
Increase/(Decrease) in cash and cash equivalents [A+B+C]		

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

For and on behalf of Board of Directors of
Mac Charles (India) Limited

SARTAJ
 SEWA SINGH

Digitally signed by
 SARTAJ SEWA SINGH
 Date: 2020.11.11
 18:39:06 +05'30'

Sartaj Sewa Singh
Whole-time Director
 Place : Bengaluru
 Date: 11 November 2020