MAC CHARLES (INDIA) LIMITED

40th ANNUAL REPORT

2019-2020

BOARD OF DIRECTORS

Mr. P. B. Appiah	**Independent Director**
Mr. Suresh Vaswani	**Independent Director**
Mr. P. R. Ramakrishnan	**Director**
Mr. Aditya Virwani	**Director**
Ms. Tanya John	**Independent Director**
Mr. Sartaj Sewa Singh	**Whole time Director**

COMPANY SECRETARY

Ms. Chandana Naidu

MANAGER & VICE PRESIDENT OPERATIONS

Mr. Suresh K Badlaney

CHIEF FINANCIAL OFFICER

Mr. Pranesha K Rao

REGISTERED OFFICE

#72/4, 1st Floor, Cunningham Road, Bengaluru - 560 052
Tel : 080-49030000
Fax : -
CIN : L55101KA1979PLC003620
website : www.maccharlesindia.com
e-mail : investor.relations@maccharlesindia.com

I N D E X

PRINCIPAL BANKERS

State Bank of India
HDFC Bank Ltd.

REGISTRARS & SHARE TRANSFER AGENTS

BgSE Financials Limited
Registrar & Transfer Agent (RTA Division)
No. 51, 1st Cross, J.C. Road,
Bengaluru - 560 027.
Tel: 080-4132 9661, 4140 5259
Fax: 080-4157 5232
Email: avp_rta@bfsl.co.in

GRIEVANCE REDRESSAL DIVISION:

Ms. Chandana Naidu
Company Secretary and Compliance Officer

Tel : 080-4903 0000
Email: investor.relations@maccharlesindia.com

AUDITORS

B S R & ASSOCIATES LLP
Chartered Accountants
Maruthi Info-Tech Centre
11-12/1, Inner Ring Road
Koramangala
Bengaluru - 560 071

*40th Annual General Meeting of **MAC CHARLES (INDIA) LTD.** will be held on **Wednesday,** the **16th September 2020** at3:30 P.M. via Video Conferencing ("VC") or Other Audio Visual Means("OAVM")*

Note:
In accordance with, the General Circular No. 20/2020 dated May 5, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, the financial statements including Report of Board of Directors, Auditor's report or other documents required to be attached therewith and the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depositories/Depository Participant(s).

NOTICE OF FORTIETH (40th) ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fortieth (40th) Annual General Meeting of the members of M/s. Mac Charles (India) Limited will be held on Wednesday, September, 16, 2020 at 3:30 P.M. through Video Conferencing ("VC") or Other Audio Visual Means("OAVM") organised by the Company to transact following businesses:

ORDINARY BUSINESS:

1. To consider and adopt (a) the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:

   a. "**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   b. "**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint Mr. P.R. Ramakrishnan (DIN 00055416), who retires by rotation and being eligible, offers himself for re-appointment as a Director:

   To consider and if thought fit, to pass the following resolution as an Ordinary resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, Mr. P.R. Ramakrishnan (DIN 00055416), who retires by rotation at this AGM and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."

SPECIAL BUSINESS:

3. **Appointment of Statutory Auditors to fill the casual vacancy:**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. Walker Chandiok & Co. LLP (FRN 001076N/N500013), be and are hereby appointed as Statutory Auditors of the Company w.e.f. 01st August,2020 to fill the casual vacancy caused by the resignation of M/s. B S R & Associates LLP, Chartered accountants (Registration No. 116231W/W-100024) to hold office till the conclusion of this Annual General Meeting, on such remuneration and reimbursement of expenses as may be fixed by the Board of Directors.

"**RESOLVED FURTHER THAT** pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. Walker Chandiok & Co. LLP (FRN 001076N/N500013), be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 40th Annual General Meeting till the conclusion of the 45th Annual General Meeting of the Company to be held in the financial year 2024-25, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolutions, the Board of Directors be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid, without being required to seek any further consent or approval of Members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board of Directors
For **MAC CHARLES (INDIA) LIMITED**

Chandana Naidu
Company Secretary
Membership No.A25570

Place: Bengaluru
Date: 31-07-2020

Registered office & Website site and Email ID
#72/4, 1st Floor, Cunningham Road, Bangalore - 560052
www.maccharlesindia.com
investor.relations@maccharles.com

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, Ministry of Corporate Affairs ("MCA") has vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, (collectively referred to as "MCA Circulars") has made it mandatory for holding of the Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Central Depository Services (India) Limited ('CDSL') has provided the facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. (7) to (12) below and is also available on the website of the Company www.maccharlesindia.com

2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM pursuant to the MCA Circular No 14/2020 dated April 8, 2020 and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting, as provided in Section 113 of the Companies Act, 2013. The said Resolution/Authorization shall be sent by email through its registered email address to investor.relations@maccharlesindia.com with a copy marked to evoting@cdsl.co.in.

4. In accordance with the General Circular No. 20/2020 dated May 5, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, the financial statements including Report of Board of Directors, Auditor's report or other documents required to be attached therewith and the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depositories/Depository Participant(s).

5. **Process for registration of email id for obtaining Annual Report and user id/password for e-voting**: Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Registrar and Transfer Agents of the Company BgSE Financials Limited at avp_rta@bfsl.co.in along with the copy of the signed request letter mentioning the name and address of the Member, scanned copy of the share certificate (front and back), self-attested copy of the PAN card and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members Holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants. In case of any queries/difficulties in registering the e-mail address, Members may write to avp_rta@bfsl.co.in

6. The Notice of AGM along with Annual Report for the financial year 2019-20 is available on the website of the Company at www.maccharlesindia.com and on the website of Stock Exchanges i.e. BSE Limited.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

7. The Members will be able to attend the AGM through VC/OAVM or view the webcast of AGM provided by CDSL at https://www.evoting.cdsl.com by using their remote e-voting login credentials and selecting the EVSN for Company's AGM. The link for VC / OAVM will be available in Members login where the EVSN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice. Further Members can also use the OTP based login for logging into the e-voting system of CDSL.

8. The facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

9. If a member has any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
   Members who need assistance before or during the AGM can contact CDSL on the aforesaid contact numbers and email Ids.

10. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable

Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.maccharlesindia.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com

11. The Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

PROCEDURE TO RAISE QUESTIONS DURING ANNUAL GENERAL MEETING:

12. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, demat account number/folio number, email Id, PAN, mobile number at investor.relations@maccharlesindia.com (company e-mail id) from 13th September,2020 (10:00 A.M. IST) to 15th September,2020 (5:00 P.M. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **at least seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice.

14. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period commences on 13th September, 2020 (10:00 A.M. IST) and ends on 15th September,2020 (5:00 P.M.. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 09th September,2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

15. The Board of Directors has appointed Mr. Umesh P Maskeri (Membership No. 4831 and CP No. 12074) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

16. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

17. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

18. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@cdsl.co.in. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

19. The details of the process and manner for remote e-voting are explained herein below:

(i) The voting period begins on 13th September 2020 at (10.00 A.M. IST) and ends on 15th September 2020 at (5.00 P.M. IST) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 09th September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting”.** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor.relations@maccharlesindia,com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Other information:

20. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.cdsl.com to reset the password.

21. In case of any queries relating to e-voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.cdsl.com or call on toll free no.: 1800-200-5533 or send a request to helpdesk.evoting@cdslindia.com

22. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Executive Director or a person authorised by him in writing, who shall countersign the same.

23. The results of the electronic voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company at www.maccharlesindia.com and on the website of CDSL https://www.evoting.cdsl.com immediately. The Company shall simultaneously forward the results to the BSE Limited, where the shares of the Company are listed.

24. The venue of the meeting shall be deemed to be the Registered Office of the Company at #72/4, 1st Floor, Cunningham Road, Bangalore – 560052.

25. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, upon the request being sent on investor.relations@maccharlesindia.com from 10.00 A.M. on (date after dispatch of notice of AGM) upto 5 PM on 15th September 2020.

26. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 09th September,2020 through email on investor.relations@maccharlesindia.com. The same will be replied by the Company suitably.

27. Members who wish to claim dividends, which had remained unpaid are requested to contact the Registrar and Share Transfer Agents, BgSE Financials Limited. Members are requested to note that the amount of dividend which remains unclaimed for a period of 7 years from the date of such transfer to the unpaid dividend account of the Company, will be transferred along with the underlying shares to the Investor Education and Protection Fund (IEPF) as per Sections 124 and 125 of the Companies Act. Members are requested to claim their unclaimed dividends immediately to avoid transfer of the said dividends and underlying shares to the IEPF. Members may note that the dividend and shares transferred to IEPF could be claimed by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

28. As per the provisions of Section 72 of the Act, and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH.13 with BgSE Financials Limited. In respect of shares held in dematerialize form, the nomination may be filed with the respective Depository Participants. Members who are holding shares in a single name are advised to avail the nomination facility on a priority basis to save the prospective legal heirs from hassles of going through the legal process.

29. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form from April 01, 2019, except in case of transmission and transposition of securities. In view of the same and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form and for ease in portfolio management.

30. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / BgSE Financials Limited.

31. The Register of Members will be closed from September 7, 2020 to September 16, 2020 (both days inclusive).

By Order of the Board of Directors
For MAC CHARLES (INDIA) LIMITED

Chandana Naidu
Company Secretary
Membership No.A25570

Place: Bengaluru
Date: 31-07-2020

Registered office & Website site and Email ID
#72/4, 1st Floor, Cunningham Road, Bangalore-560 052
www.maccharlesindia.com
investor.relations@maccharlesindia.com

Annexure

Details of Directors seeking appointment and re-appointment as Directors at this Annual General Meeting pursuant to the provisions of Regulation 36(3) (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard-2 on General Meetings.

Particulars of the Director seeking re-appointment	
Name	Mr. P.R. Ramakrishnan
DIN	00055416
Date of Birth and Age	19-06-1952, 68 years
Date of appointment	01-12-2016
Brief Resume	He holds a Bachelor's degree in Mathematics from the University of Chennai and is a fellow member of the Institute of Chartered Accountants of India. Prior to joining Embassy Group, he has worked as Deputy Managing Director with TG Kirloskar Automotives. He has over 35 years of experience in various sectors, such as, property development, automobile and technology. He was a member of the Taxation Advisory Panel of the Apparel Export Promotion Council, Karnataka and was a member of the Taxation and Finance Committee of the Confederation of Indian Industry, Karnataka.
Expertise in specific functional areas	Real Estate development, construction and infrastructure. Involved in strategy and operations of Embassy Group and its diversified business
Directorship held in public and private companies (excluding foreign companies)	Mac Charles (India) Limited
	DSRK Holdings (Chennai) Private Limited
	Macpi Trading (India) Private Limited
	Vikas Telecom Private Limited
	Samsara Finance Private Limited
	Embassy Inn Private Limited
	Summit Developments Private Limited
	Wework India Management Private Limited
	GolfLink-Embassy Business Park Management Services Private Limited
	Nam Estates Private Limited
	Stonehill CESY Foundation
Memberships/Chairmanships of companies (only Audit and Stakeholder Relationship Committee)	NIL
Shareholding in the Company	110 shares
Disclosure of Relationship between Directors Inter-se	He is not related to any director of the Company

By Order of the Board of Directors
For **MAC CHARLES (INDIA) LIMITED**

Chandana Naidu
Company Secretary
Membership No. A25570

Place: Bengaluru
Date: 31-07-2020
Registered office & Website site and Email ID
#72/4, 1st Floor, Cunningham Road, Bangalore-560 052
www.maccharlesindia.com
investor.relations@maccharlesindia.com

DIRECTORS' REPORT 2019-20

TO THE MEMBERS
MAC CHARLES (INDIA) LIMITED

Your Directors have pleasure in presenting the 40th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2020.

1. FINANCIAL SUMMARY/HIGHLIGHTS

The summarized standalone performance of the Company for the financial year 2019-20 and 2018-19 are given below:

(Rs.in millions)

PARTICULARS	Financial Year ended 31-03-2020	Financial Year ended 31-03-2019
Segmentwise Turnover/Revenue		
1.Continue Operation		
(a) Sale of Electricity	100.18	107.42
(b) Office rentals	145.54	139.14
(c) Others	34.32	82.78
2.Discontinued Operation		
Hotel sales Turnover	175.45	558.66
Exceptional Income	-	300.00
Total Revenue	**455.49**	**1188.00**
Continue Operation		
Profit/(Loss) before Depreciation and Finance Cost & Tax	156.17	548.96
Less : Depreciation	35.68	35.92
Less : Finance Cost	110.35	107.00
Profit/(Loss) before tax	10.14	406.04
Profit/(Loss) for the year	12.29	299.39
Discontinued Operation		
Profit/(Loss) before tax	(178.66)	205.94
Profit/(Loss) for the year	(137.96)	140.93
Total Profit /Loss for the year	(125.67)	440.32
Total Comprehensive Income/(Loss)	(125.15)	439.87
Earnings per share – basic and diluted–Rs.	(9.59)	33.61

2. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Regulation 33 of the (SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, and applicable provisions of the Companies Act, 2013 read with the rules made thereunder, the Consolidated Financial Statements of the Company for the financial year 2019-20 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements of the Company and its subsidiaries , as approved by the respective Board of Directors.

3. COMPANY'S PERFORMANCE

During the financial year 2019-20, the overall revenue of the Company was INR 455.49 million against the previous year's revenue of INR 1188.00 million, which includes revenue from continued operations of sale of electricity, office space rent and other income and Discontinued operations of Hotel business and exceptional income. The profit for the FY 2019-20 was INR (125.67) million registering a loss of over the Profit of INR 440.32 million for the FY 2018-19 mainly because of the discontinuation of hotel operations during the FY 2019-20.

4. FUTURE PROSPECTS

As reported to the Members of the Company in the Annual Report for financial year 2018-19 , your Company reoriented its strategies during the year 2019-20 and ceased the operations of the Le Meridien Hotel effective 31 October 2019 since it was experiencing lower occupancy and revenue due to increased competition from nearby five star hotels, resulting in declining return on capital employed.

Your Company is proposing to diversify into the real estate & property development business as per amended and approved Main Objects clause of the Memorandum of Association of the Company. We are proposing the construction of a landmark commercial building at the erstwhile site of the Le Meridien hotel to leverage the robust demand for Grade A office space in Central Business District (CBD) Bangalore . This is expected to secure a better return on capital employed & enhance the long-term interests of the shareholders.

5. DIVIDEND

During the year under review, the Board of Directors of your company, have not declared any Dividend for the current financial year due to loss incurred by the Company.

6. TRANSFER TO RESERVES

During the year under review, it has been proposed not to transfer any amount to reserves.

7. HOLDING AND SUBSIDIARY COMPANIES

During the year under review, M/s. Embassy Property Developments Pvt. Ltd., continues to be the Holding Company.

During the year, the Company has 3 wholly owned subsidiaries (WOS), namely, Airport Golfview Hotels & Suites Private Limited., Kochi, Blue Lagoon Real Estate Private Limited and Neptune Real Estate Private Limited, Bangalore which are Non-listed Indian subsidiaries.

A Statement containing the salient features of the financial statement of the WOS in Form AOC-I (pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) is attached to this report.

8. MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE

Report on Management Discussion & Analysis and Corporate Governance and Compliance Certificate on Corporate Governance is attached to this Report.

9. CORPORATE GOVERNANCE

A separate section on Corporate Governance standards followed by your Company, as stipulated under Regulation 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to this Report. The Report on Corporate Governance also contains certain disclosures as required under the Companies Act, 2013.

A Certificate from Mr. Umesh P Maskeri, Practicing Company Secretary, regarding compliance with the conditions of Corporate Governance, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to the Report.

10. MATERIAL CHANGES AND COMMITMENTS:

During the year under review, the Company has discontinued its hotel operations and is under process of demolishing the building of Le Meridien Hotel to rebuild the said space for commercial use.

Except as mentioned above, there are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company i.e. 31st March, 2020 and the date of the Directors' report.

11. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AND OTHER DISCLOSURES

The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 by your Company are furnished below:

- ***ENERGY CONSERVATION***

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

i) The steps taken or impact on conservation of energy;

a) During the year under review , the Company has generated about 1,64,13,714 of units' green power which is being utilized partially for captive consumption of the Hotel & group company and the balance units generated is being sold to GESCOM & HESCOM.

b) An effective key-tag system is in vogue in all guest rooms to switch off lights & power connections automatically till discontinuation of Hotel operations.

c) progressively switched over to LED lamps from conventional lamps with a view to saving energy up to 60% on lighting.

ii) The steps taken by the company for utilizing alternate sources of energy;

a) solar panels which are continuously feeding hot water required for the guest rooms till discontinuation of Hotel operations.

b) three highly fuel-efficient screw chillers for our AC plant are in operation

c) Thermostatic Controls, Timers and Photo Cell Switches have been in operation wherever necessary to control power consumption.

d) energy conservation initiatives are in vogue to monitor power consumption regularly.

iii) The capital investment on energy conservation equipment's: NIL

- ***TECHNOLOGY ABSORPTION***

In the opinion of the Board, the required particulars pertaining to technology absorption under Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are not applicable, as industry in which Company operates does not have any significant manufacturing operations.

- ***FOREIGN EXCHANGE EARNINGS AND OUTGO***

Foreign Exchange Earnings during the year were Rs.46.74 million. There no Foreign Exchange utilization during the year.

12. DIRECTORS AND KEY MANAGERIALPERSONNEL

As on the date of this Report, the Company has Six (6) Directors consisting of three (3) Independent Directors and two (2) Non-Executive Directors and one (1) Executive Director.

a. Disqualification of Directors:

None of the directors of the Company are disqualified pursuant to the provisions of Section 164 of Companies Act, 2013 or debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority. A certificate from a Practicing Company Secretary in this regard is attached to this report.

b. Appointment / Cessation of the Board of Directors:

Mr. Sartaj Sewa Singh (DIN 01820913) was appointed as Whole-time Director of the Company w.e.f. 26th June, 2020 which is under process of shareholders approval via postal ballot, the voting process for which is going to close on August 13, 2020.
Mr. C.B. Pardhanani (DIN 00210179), who was elected as a Director subject to retirement by rotation by the shareholders of the Company through postal ballot on May 18, 2019 could not attend any of the Board Meeting held after his appointment due to his indifferent health and accordingly he ceased to be Director w.e.f. 26th June, 2020.

c. Directors retiring by rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Section 149 of the said Act, at least 2/3rd of the total number of Directors, excluding Independent Directors, shall be liable to retire by rotation and out of the Directors liable to retire by rotation, at least 1/3rd of the Directors shall retire by rotation at every Annual General Meeting.

In view of the above, Mr. P.R. Ramakrishnan, Director (DIN 00055416) who is liable to retire by rotation and being eligible, offers himself for re-appointment, a resolution seeking shareholders 'approval for his re-appointment forms part of the Notice.

d. Declaration by Independent Director:

The Company has received necessary declaration from each of the Independent Directors, under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

e. *Woman Director:*

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has complied with the requirement of having at least one Woman Director on the Board of the Company. Ms. Tanya John, is an Independent and Women Director of the Company.

f. Changes in KMP:

During the year under review, there was no change in the composition of Key Managerial Personnel (KMP).

However, Mr. Sartaj Singh has been appointed as Whole-time Director of the Company w.e.f. 26th June, 2020 which is under process of shareholders approval via postal ballot

Mr. M.S Reddy has resigned from the post of Company Secretary on June 30, 2020 and Ms. Chandana Naidu has been appointed as Company Secretary and Compliance Officer with effect from July 1, 2020.

During the year under review, the non- executive directors of the company had no pecuniary relationship or transactions with the Company, other than sitting fee, reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company and payment of fees for rendering services in professional capacity.

13. BOARD EVALUATION

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

14. NUMBER OF MEETINGS OF THE BOARD

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board/Committee meetings to be held in the forthcoming financial year are circulated to the Directors in advance to enable them to plan their time schedule for effective participation in the meetings.

The Board of Directors met 6(Six) times during the year. The intervening gap between two Meetings was within the period prescribed under the Companies Act, 2013 and Regulations 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015. Detailed information on the meetings of the Board is included in the Report on Corporate Governance, which forms part of this Report.

15. AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit committee has been renamed as Audit and Risk Management Committee w.e.f 26th June,2020.

The Audit and Risk Management Committee met 5(Five) times during the year under review. The details with respect to the composition, powers, roles, terms of reference, etc. of the Audit and Risk Management Committee are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Report.

The details with respect to the composition, powers, roles, terms of reference, etc. of the Committee are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Report.

As part of the risk assessment and minimization procedures, the Company had identified certain risk areas about the operations of the Company and initiated steps, wherever possible, for risk minimization. The Company's Board is conscious of the need to review the risk assessment and minimization procedures on regular intervals. During the year under review the Company has not received any order passed by the regulators/ courts/ tribunals which impacted the going concern status and Company's operation in future.

There are no recommendations of the Audit and Risk Management Committee which have not been accepted by the Board.

16. STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the year under review, the Stakeholders' Relationship Committee met once.

The details with respect to the composition, powers, roles, terms of reference, etc. of the Committee are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Report.

17. NOMINATION & REMUNERATION COMMITTEE

During the year under review, the Nomination and Remuneration Committee met once.

The details with respect to the composition, powers, roles, terms of reference, etc. of the Nomination and Remuneration Committee are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Report.

18. NOMINATION AND REMUNERATION POLICY

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

The said Policy of the Company, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive, Non-Executive and Independent Directors and persons in the Senior Management of the Company, including criteria for determining qualifications, remuneration, positive attributes, independence of a Director and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013. The salient features of the Policy are set out in the Corporate Governance Report which forms part of this Report. The Policy is also available on the website of the Company web-link: https://www.maccharles.com/investor-relations.

19. OTHER COMMITTEES OF THE BOARD

The Board of Directors of the Company has dissolved the following Non-mandatory Committees, which had become redundant w.e.f. 30th January,2020 :

Share Transfer Committee
Risk Management Committee
Ethics and Compliance Committee.
Management Committee

20. REVIEW AND UPDATION OF POLICIES:

The following policies were reviewed and updated in line with Companies Act, 2013 and SEBI (LODR) Regulations, 2015 along with all amendments.

1. Policy on preservation and archival of documents
2. Code of Conduct and Ethics
3. Familiarisation Programmes for IDs
4. Policy for Annual Evaluation of Board and its Performance
5. Policy on Anti-Bribery
6. Policy on Diversity of Board
7. Risk Management Policy
8. CSR Policy
9. Policy on materiality of related party transactions
10. Policy on determining material subsidiary
11. Policy on determination of materiality of the disclosure of events and information
12. Nomination and Remuneration Policy
13. Vigil Mechanism Policy
14. Policy of POSH at Workplace
15. Succession Policy for Board and Senior Management.
16. Codes of Practices for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)
17. Policy for determination of 'legitimate purpose' as a part of codes of Fair Disclosure of UPSI
18. Code of Conduct to regulate, monitor and report trading by insiders adopting minimum standards as per Schedule B to the insider trading regulations

21. DIRECTORS'RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended March 31st, 2020 and states that:

a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and there was no material departure;
b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the of the Company at the end of the financial year under review and of the profit or loss of the Company for the financial year ended March 31, 2020:
c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) The directors have prepared the annual accounts on a going concern basis;
e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. PARTICULARS OF EMPLOYEES AND DETAILS PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. The information stipulated under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished below:

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20:
Not applicable since none of the Directors were paid any remuneration and the company has incurred operating losses.

ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year.

There was no increase in remuneration of any Director, CFO, Company Secretary during the financial year.

iii) The percentage increase in the median remuneration of employees in the financial year
There was no increase in remuneration of employees during the year.

iv) The number of permanent employees on the roles of the Company: 8

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the past financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There was no increase in the salaries of employees or other managerial personnel , hence no comparison is possible.

B. There is no employee who is in receipt of remuneration of Rs 1.02 crore per annum or Rs 8.5 lakhs per month and hence information in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable and hence the statement is not applicable.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into a transaction with related parties which are at arm's length and which are not in the ordinary course of business, pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (meeting of the Board and its Powers) Rules, 2014. Accordingly, particulars of the contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contracts or arrangements in **Form AOC-2** are furnished which is attached to this Directors Report". In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Policy on Related Party Transactions which is available on the website of the Company.

Company has entered into transactions with related parties pursuant to the provisions of Regulation 23 of SEBI LODR as under:

- Ratification of agreement to sell entered into on February 8, 2017 together with amendments carried out on June 1, 2017, January 25, 2018, February 26, 2018 and October 26, 2018 with LJ-Victoria Properties Private Limited, a related party, towards the purchase of property for a total consideration of Rs. 205 crore and payment of advance of Rs 198.80 crore thereon and cancellation of the said agreement and obtaining the refund of the advance amount of Rs 198.80 crore along with a lump sum payment of interest of Rs 30 crore thereon
- Extension of tenure of inter corporate deposit of Rs. 35 crores given to Embassy Property Developments Private Limited ("EPDPL") upto march 31, 2020, which is a holding company.
- Investment/acquisition by way of purchase of equity shares representing 100% of the shareholding of Blue Lagoon Real Estate Private Limited and Neptune Real Estate Private Limited, which are related parties, for a consideration not exceeding Rs. 205 crore.

Except the above related party transactions, there were no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

24. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

As per SEBI (LODR) regulation, the Practicing Company Secretary's Certificate on compliance with the conditions of Corporate Governance has been attached to this Report.

25. AUDITORS

- **Statutory Auditors and Auditors' Report**

  M/s. BSR & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) has tendered their resignation and placed before the board on 31st July, 2020 with the reason stating that due to discontinued operations of the Company, the management has proposed substantial reduction in audit fee, resulting in revised fee not being commensurate with the efforts involved.

  The board of directors in the board meeting held on 31st July, 2020 placed the eligibility letters received from M/s. Walker Chandiok & Co. LLP w.r.t their appointment as Statutory auditor for a period of five years i.e. from the conclusion of this Annual General Meeting till the conclusion of 45th Annual General Meeting to be held in the FY 2024-25.

During the period under review, even though there are no audit qualifications or adverse remarks, the notes on accounts referred to in the Auditors' Report are self- explanatory and therefore, do not call for any further comments.

- **Internal Auditors**

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

- **Secretarial Auditor and Secretarial Auditor's Report**

The Board has appointed Mr. Umesh P. Maskeri, Practicing Company Secretary to conduct the Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2019-20. Secretarial Audit Report in Form MR-3 is attached to this Directors' Report. Management response against each of the qualification, reservation or adverse remark or observation made in the Secretarial Audit Report has been furnished thereon and hence does not call for any further comments separately.

- **Cost Auditor and Cost Records**

The provision of Cost audit and maintenance of cost records as per section 148 is not applicable to the Company.

- **Reporting of Frauds by Auditors**

During the year under review, the Statutory Auditors or Secretarial Auditor of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Act, including rules made thereunder.

26. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the CSR Committee met once.

The details with respect to the composition, powers, roles, terms of reference, etc. of the Committee are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Report.

27. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 read with listing Regulations, the Board of Directors at its meeting held on 26.06.2020 has adopted a revised vigil mechanism/whistle blower policy of the Company. The policy provides a framework for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Protected disclosures can be made by a whistle blower through an email or direct access to the Chairman of the Audit Committee. The vigil mechanism/whistle blower policy can be accessed on the Company's website www.maccharlesindia.com

28. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at workplace and during the year under review, your Board has constituted an internal Complaints Committee to consider and redress complaints of sexual harassment & also adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of women at Workplace (prevention, prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the year, no complaints pertaining to sexual harassment were received.

29. PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN, AND SECURITY PROVIDED

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

30. EXTRACT OF THE ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2019-20 is attached in the prescribed Form No. MGT-9, which is a part of this report and the same is also available on our website : **www.maccharlesindia.com**

31. INTERNAL FINANCIAL CONTROL POLICY AND ITS ADEQUACY

The Board has adopted an Internal Financial Control Policy to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically. The observations and comments of the Audit Committee are placed before the Board.

32. DISCLOSURES:

- **Borrowing from banks:**

  During the year under review, there are no borrowings from banks.

- **Dues to small scale undertakings**

  There are no dues payable to small scale undertakings.

- **Green Initiatives**

  Electronic copies of the Annual Report and notice of the ensuring AGM are sent to all the members whose email address are registered with the Company/Depository Participant(s) vide general circular from MCA number 17/2020 dated 14th April,2020. The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the AGM Notice. The instructions for e-voting are provided in the AGM Notice.

- **Other declarations**

  i. Declaration by the Chief Financial Officer affirming compliance with the code of conduct is annexed elsewhere in this Report.

  ii. There are no material changes and commitments made during the financial year except in the change in nature of business as mentioned elsewhere in this report..

  iii. During the financial year, the company has discontinued Hotel Business and continue to carry on the business of Windmill and Real Estates.

  iv. There is a material variation of market capitalization during the financial year.

  v. There is no demat suspense accounts / unclaimed suspense account during the financial year.

  vi. Necessary disclosures of Accounting Treatment have been made in the financial statements.

- **Other Disclosures and reports**

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

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts of Tribunals which impact the going concern status and Company's operations in future.

33. DEMATERIALIZATION

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

34. PROHIBITION OF INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Code of Conduct for Prohibition of Insider Trading (Code), as approved by the Board is in force by the Company. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees, their relatives and other employees from trading in the securities of the Company at the time when there is unpublished price sensitive information.

35. HUMAN RESOURCES:

As the company has closed its hotel operations, company has absorbed 8 employees in various new roles. The company discontinued the services of 300 employees who were associated with the hotel business as their profiles and skills did not match with the changed requirements of real estate industry and emerging business objects. The accounts of all such employees have been settled amicably keeping in mind the provisions of Industrial Disputes Act, 1947.

36. 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 HDFC Bank and State Bank of India 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 / Marriott International. The Directors also acknowledge the dedicated services rendered by the officers and all the staff of the company.

On behalf of the Board of Directors
For Mac Charles (India) Limited

P B Appiah	**P R Ramakrishnan**
Director	**Director**
DIN: 00215646	**DIN:00055416**

Place: Bengaluru
Date: 31-07-2020
Registered office Website site and Email ID:
#72/4, 1st Floor, Cunningham Road, Bangalore-560 052
www.maccharlesindia.com
investor.relation@maccharlesindia.com

AOC-1

(pursuant to first proviso to sub-section (3) of section 29 read with
Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of

Subsidiaries, Associate Companies / Joint Ventures

Part "A": Subsidiaries:

Name	**Airport Golf view Hotels & Suites Pvt. Ltd.., Kochi**	**Blue Lagoon Real Estates Pvt. Ltd.**	**Neptune Real Estates Pvt. Ltd.**
Reporting Period	2019-20	03.07.2019 - 31.03.2020	03.07.2019 - 31.03.2020
Share Capital(In Rupees)	2,99,88,000	5,00,000	5,00,000
Reserves & Surplus	(49,570)	(28,57,030)	(12,17,01,290)
Total Assets	4,92,74,851	26,80,91,190	12,04,49,970
Total Liabilities	1,93,36,421	27,04,48,220	24,16,51,250
Turnover	5,72,11,626	-	-
Profit before taxation	2,79,023	(3,29,36,790)	(2,93,93,660)
Profit after taxation	(16,307)	(2,45,65,650)	(2,18,13,750)
Proposed Dividend	NIL	NIL	NIL
% Share Holding	100%	100%	100%

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

On behalf of the Board of Directors
For Mac Charles (India) Limited

P B Appiah	**P R Ramakrishnan**
Director	**Director**
DIN: 00215646	**DIN: 00055416**

Place : Bengaluru
Date: 31-07-2020

Registered office Website site and Email ID:
#72/4, 1st Floor, Cunningham Road, Bangalore-560 052
www.maccharlesindia.com
investor.relations@maccharlesindia.com

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

SL. No.	Particulars	Details			
a)	Name (s) of the related party & nature of relationship	LJ-Victoria Properties Private Limited (LJ-Victoria is a subsidiary of JV Holding Private Limited, which is the ultimate holding company of Mac Charles (India) Limited)	Embassy Property Developments Private Limited (Holding Company)	Embassy Property Developments Private Limited (Holding Company)	Embassy Property Developments Private Limited (Holding Company)
b)	Nature of contracts/arrangements/ transaction	Advance for purchase of Property	Inter Corporate Loan	Acquisition of Shares of Blue Lagoon Real Estates Pvt. Ltd.	Acquisition of Shares of Neptune Real Estates Pvt. Ltd.
c)	Duration of the contracts/arrangements/ transaction	One-time	One-time	One-time	One-time
d)	Salient terms of the contracts or arrangements or transaction including the value, if any(in millions)	**Location of property:** Corporation No 47, situated at Residency Road, Bangalore-560025 **Description of property:** Land/Building - Victoria Embassy in the Ground, Mezzanine, First and Second Floor and 113 car parking units **Area**-63,300 Square Feet of super built up area. **Consideration** -Rs.2050.00 Mn	Inter corporate deposit of Rs 35 crore was given to EPDPL before they became a related party. This ICD carries a rate of interest of 18% p.a. The tenure has been rolled over after the expiry of the initial term of 12 months. It is now proposed to extend the maturity period upto March 31, 2020.	50,000 equity shares of Rs 10 each and total nominal amount of Rs 5,00,000 at a consideration of Rs. 1531.20 Mn	50,000 equity shares of Rs 10 each and total nominal amount of Rs 5,00,000 at a consideration of Rs. 503.90 Mn
e)	Justification for entering such contracts or arrangements or transactions	Company had identified a property at Bangalore and after conducting negotiations, finalised the transaction at Rs 205 crores and has made an advance payment of a sum of Rs 198.8 crores towards the purchase of property from L. J. Victoria Properties Private Limited which is a related party. Company has entered an agreement to sell for purchase of property from L.J. Victoria Properties Private Limited (" L. J. Victoria") on February 8, 2017 which among other things provided that L J Victoria should hand over possession of the property failing which the agreement will be cancelled and L J Victoria will have to refund the advance amount alongwith payment of interest at 18 % . This agreement to sell was amended on June 1, 2017, January 25, 2018, February 26, 2018 and October 26, 2018 respectively. Since L J Victoria was not in a position to deliver the said property, it has been proposed to cancel the said agreement to sell and obtain the refund of Rs 198 crore paid as advance amount alongwith an interest of Rs 30 crore thereon		As the Company is planning to venture into real estate development and construction, the above said investment can be developed or utilised in construction in the way which will be beneficial and in the best interest of the Company	As the Company is planning to venture into real estate development and construction, the above said investment can be developed or utilised in construction in the way which will be beneficial and in the best interest of the Company
f)	Date of approval by the Board	March 21, 2019	March 21, 2019	March 21, 2019	March 21, 2019
g)	Amount paid as advances, if any	Rs.1988.00 Mn	-	-	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	May 20,2019	May 20,2019	May 20,2019	May 20,2019

2. Details of contracts or arrangements or transactions at Arm's length basis:

Since all Related Party Transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis, therefore, details required to be provided in the hereunder is not applicable to the Company. Necessary disclosures required under the Ind AS 24 have been made in Note No. 38 of the Notes to the Financial Statements for the year ended March 31, 2020.

On behalf of the Board of Directors
For Mac Charles (India) Limited

P B Appiah	**P R Ramakrishnan**
Director	**Director**
DIN: 00215646	**DIN: 00055416**

Place: Bengaluru
Date: 31-07-2020

Registered office Website site and Email ID:
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Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the companies (Management and Administration) Rules, 2014]

I. REGISTRATIONAND OTHER DETAILS:

i. CIN: L55101KA1979PLC003620

ii. Registration Date: September 28, 1979

iii. Name of the company: Mac Charles (India) Limited

iv. Category / sub – category of the company: Company limited by shares / Indian Non- Government Company

v. Address of the Registered office and contact details:

No.28, Sankey Road, Bangalore – 560 052 (old registered office address)

#72/4, 1st Floor, Cunningham Road, Bangalore-560 052 (New registered office address w.e.f. 26.06.2020)

Tel :080-4179 9999
Fax :080-22286912
Email : investor.relations@maccharles.com
Website: www.maccharlesindia.com

vi. Whether listed company: Yes

vii. Name, Address and contact details of registrar and Transfer Agent, if any

BgSE Financials Limited

Registrar &Transfer Agent (RTA Division) No. 51, 1st Cross, J. C. Road,
Bengaluru - 560 027.
Tel :080-41329661
Fax :080-41575232
Email :avp_rta@bfsl.co.in

viii. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC code of the product/ service	% to total turnover of the company
1	Five Star Hotel Business	55101	38.52
2	RENTAL INCOME	99721121	31.95
3	Sale of Wind Power	99833243	22

PARTICULARS OF HOLDING, SUBSIDIARYANDASSOCIATE COMPANIES:

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Airport Golf View Hotels and Suites Private Limited Xi/447viproadmekkad PO Nedumbassery Ernakulam, Kerala, India	U55101KL2003PTC015864	Subsidiary	100	2(87)
2.	Blue Lagoon Real Estates Pvt. ltd. 1st Floor, Embassy Point, 150 Infantry Road, Bangalore – 560001	U70102KA2006PTC041222	Subsidiary	100	2(87)

3.	Neptune Real Estates Pvt. Ltd. 1st Floor, Embassy Point, 150 Infantry Road, Bangalore – 560001	U70102KA2007PTC041412	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i.) Category-wise Share Holding:

Category of shareholders	No .of Shares held at the beginning of the year				No .of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	48,835	-	48,835	0.37	48,835	-	48,835	0.37	-
b) Central Govt.					-	-	-	-	-
c) State Govt(s)					-	-	-	-	-
d) Bodies Corp.	96,16,952	-	96,16,952	73.41	96,16,952	-	96,16,952	73.41	-
e) Banks / FI					-	-	-	-	-
f)Any Other…..					-	-	-	-	-
Sub-total (A) (1) :	96,65,787	-	96,65,787	73.78	96,65,787	-	96,65,787	73.78	-
(2) Foreign									
a) NRIs - Individuals	1,60,000	-	1,60,000	1.22	1,60,000	-	1,60,000	1.22	-
b) Other - Individuals					-	-	-	-	-
c) Bodies Corp					-	-	-	-	-
d) Banks / FI					-	-	-	-	-
e)Any Other					-	-	-	-	-
Sub-total (A) (2):	1,60,000	-	1,60,000	1.22	1,60,000	-	1,60,000	1.22	-
Total Shareholding of Promoter (A)=(A)(1)+(A) (2)	98,25,787	-	98,25,787	75	98,25,787	-	98,25,787	75	-
B. Public Share –holding									
1. Institutions									
a) Mutual Funds					-	-	-	-	-
b) Banks / FI					-	-	-	-	-
c) Central Govt.					-	-	-	-	-
d) State Govt(s)					-	-	-	-	-
e)Venture Capital Funds					-	-	-	-	-
f) Insurance Companies					-	-	-	-	-
g) FIIs	0	3,200	3,200	0.02	176	3,200	3,376	0.03	-
h) Foreign Venture Capital Funds					-	-	-	-	-
i) Others (Specify)	-	-	-		-	-	-	-	-
Sub-total (B)(1):	0	3,200	3,200	0.02	176	3,200	3,376	0.03	0.01

2. Non-Institutions									
a) Bodies Corp.	5,89,398	4,200	5,93,598	4.53	9,77,554	3,700	9,81,254	7.49	2.96
i) Indian					-	-	-	-	-
ii) Overseas					-	-	-	-	-
b) Individuals					-	-	-	-	-
i) Individual share-holders holding nominal share capital up to Rs. 2 lakh	11,22,969	6,06,375	17,29,344	13.20	11,71,449	5,50,555	17,22,004	13.14	0.06
ii) Individual share holders holding nominal share capital in excess of Rs.2 lakh	5,34,805	-	,534,805	4.08	3,35,066	-	3,35,066	2.56	1.52
c) Others (specify)	3,87,418	26,900	4,14,318	3.17	15,20,985	28,900	15,49,885	11.83	8.66
Clearing members/Brokers	3,548	-	3,548		160	-	160	-	-
NRIs/FNs	24,720	26,900	51,620		24,543	25,200	49,743	0.38	-
Trust/HUF	-	-	-	-	1,43,678	-	1,43,678	1.10	-
Investor Education Protection Fund	3,59,150	-	3,59,150		3,75,050	-	3,75,050	2.86	-
Sub-total (B)(2)	26,34,590	6,37,475	32,72,065	25.00	26,92,434	5,79,455	32,71,889		-
Total Public Shareholding (B) = (B)(1) + (B)(2)	26,34,590	6,40,675	32,75,265	25.00	26,92,610	5,82,655	32,75,265	25.00	-
C. Shares held by Custodian for GDRs &ADRs					-	-	-	-	-
Grand Total (A+B+C)	1,24,60,377	6,40,675	1,31,01,052	100	1,24,60,377	6,40,675	1,31,01,052	100	0

ii.) Shareholding of Promoters:

Sl. No.	Share-holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	%of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	No. of Shares	%of total Shares of the Company	%of Shares Pledged/ encumbered To total shares	
1	C B PARDHANANI	1,60,000	1.22	0	1,60,000	1.22	0	0
2	JITENDRA M VIRWANI	48,835	0.37	0	48,835	0.37	0	0
3	EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED	96,16,952	73.41	96,16,952	96,16,952	73.41	96,16,952	0
	Total	98,25,787	75.00	96,16,952	98,25,787	75.00	96,16,952	0

Change in Promoters 'Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	%of total shares of the company	No. of Shares	% of total shares of the company
	No Change				
	Total				

iii.) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year as on 01.04.2019		Cumulative Shareholding end of the year as on 31.03.2020	
		No of Shares	% of total Shares of the Company	No of shares	% of total Shares of the
1	Rajasthan Gum Private Limited	-		650000	4.86
2	Investor Education And Protection Fund	359150	2.74	375050	2.86
3	Kachasa Investments	207200	1.59	207700	1.59
4	Snehlata Rajesh Nuwal	203396	1.55	-	-
5	Edelweis Custodial Services Limited	-	-	122951	0.94
6	Acute Retail Infra Private Limited	200000	1.53	-	-
7	Indianivesh Capital Limited	-	-	66890	0.51
8	Peeyush Makhija	60000	0.46	60000	0.46
9	Indianivesh Limited	60000	0.46	-	-
10	Nikita Makhija	59928	0.46	59928	0.46
11	Balashri Commercial Ltd	59928	0.46	-	-
12	Priti Devi	37000	0.28	37000	0.28
13	Drishti Makhija	-	-	37000	0.28
14	Harish Kumar	-	-	37000	0.28
15	Daulat Bulchand Chabbria	-	-	35717	0.27

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i.) Principal Amount	1226.65	-	87.16	1313.81
ii.) Interest due but not paid	-		-	-
iii.) Interest accrued but not due	4.90		-	4.90
Total (i + ii + iii)	1231.55		87.16	1318.71
Change in Indebted-ness during the financial year	-		-	-
• Addition	-		.29	0.29
• Reduction	18.90		1.26	20.16
Net Change	18.90		.97	19.87
Indebtedness at the end of the financial year	-		-	-
i.) Principal Amount	1207.75		86.19	1293.94
ii.) Interest due but not paid	-		-	-
iii.) Interest accrued but not due	4.50		-	4.50
Total (i + ii + iii)	1212.25		86.19	1298.44

VI. REMUNERATION OFDIRECTORSAND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and or Manager:

Sl. No.	Particulars of Remuneration	Suresh Kumar Badlaney - Manager
1.	Gross Salary:	
	a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	63,00,000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as 0.20% of profit - others, specify	11,78,348 -
5.	Others, please specify	-
	Total (A)	-
	Ceiling as per the Act	74,78,348

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Appiah Palecanda Bopanna	Suresh Vaswani	Tanya John	P.R. Ramakrishnan	Aditya Virwani
	1. Independent Directors	Rs.	Rs.	Rs.	Rs.	Rs.
	• Fee for attending board, committee meetings	3,15,000	2,10,000	2,70,000	3,15,000	1,80,000
	• Commission	-	-	-	-	-
	• Others, please specify-Professional Fee	3,60,000	-	-	-	-
	Total (1)	6,75,000	2,10,000	2,70,000	3,15,000	1,80,000
	2. Other Non-Executive Directors					
	• Fee for attending board, committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others -Commission	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	6,75,000	2,10,000	2,70,000	3,15,000	1,80,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-

C. REMUNERATION TO KEYMANAGERIALPERSONNELOTHERTHAN MD/MANAGER/WTD:

Sl. No.	Particulars of Remuneration	Company Secretary	CFO	Total
1.	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	49,89,000	11,02,800	60,91,800
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option			

Sl. No.	Particulars of Remuneration	Company Secretary	CFO	Total
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as 1% of profit - others, specify	58,91,741	-	58,91,741
5.	Others, please specify	-	-	-
	Total	1,08,80,741	11,02,800	1,19,83,541

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-

On behalf of the Board of Directors
For Mac Charles (India) Limited

P B Appiah
Director
DIN: 00215646

P R Ramakrishnan
Director
DIN:00055416

Place :Bengaluru
Date: 31-07-2020

Registered office & Website site and Email ID
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investor.relations@maccharlesindia.com

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2020
Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To
The Members,
Mac Charles (India) Limited
Registered Office, 28, Sankey Road
Bangalore-560052

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mac Charles (India) Limited** (hereinafter called "the Company") incorporated on September 28, 1979 having CIN L55101KA1979PLC003620 and Registered Office at 28, Sankey Road, Bangalore-560052 for the financial year ended on March 31, 2020**.** Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 cording to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from December 1, 2015
(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

I have relied on the representation made by the Company and its officers for the systems and the mechanism formed by the Company for the compliances under the applicable Acts/laws and regulations to the Company. The list of major head/groups of Acts/laws and regulations applicable to the Company is enclosed and marked as **Annexure I**.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India: Applicable with effect from July 1, 2015
(ii) The Listing Agreement entered into by the Company with BSE Limited and the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Shareholders of the Company have passed the resolutions through the postal ballot which concluded on May 18, 2019 in respect of the following aspects:

a) Altered the main objects clause of the Memorandum of Association enabling it to carry on the business of construction, building, development of real estate, acquire land, building and other immovable properties
b) Re-appointment of Mr Suresh Kumar Badlaney as Manager of the Company for a period of two years and payment of remuneration;
c) Ratification of agreement to sell entered into on February 8, 2017 together with amendments carried out on January 1, 2017, January 25, 2018, February 26, 2018 and October 26, 2018 with LJ- Victoria Properties Private Limited, a related party, towards the purchase of property for a total consideration of Rs 205 Crore and payment of advance of Rs 198.80 Crore thereon and cancellation of the said agreement and obtaining the refund of the advance amount of 198.80 Crore alongwith a lump sum payment of Rs 30 crore.
d) Appointment of Mr Chatubhuj Bassarmal Pardhanani (DIN 0210179), who has attained the age of seventy five (75) years as a Non Executive Director
e) Extension of tenure of Inter Corporate Deposit of Rs 35 crore given to Embassy Property Developments Private Limited ("EPDPL") upto March 31, 2020, which is a holding company and a related party.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following:

1. Non-filing of Form No DIR-12 for appointment of Mr. C B Pardhanani as a Non Executive Director

The members of the Company, through a special resolution by means of postal ballot which concluded on May 18, 2019, appointed Mr. C B Pardhanani as a Director with effect from dd/mm/2019. Company was required to file the Form No. DIR-12 within 30 days i.e. Company has not filed the Form DIR-12 as required under Section 170(2) of Companies Act, 2013 read with Rule 18 of Companies (Appointment and Qualification of Directors) Rules, 2014.

Management Response:
Company is awaiting certain documents from Mr. C B Pardhanani in respect of his appointment as Director and at the same time Mr. Pardhanani has expressed his unwillingness to continue on the board due to health issues.

The company is co-ordinating with Mr. Pardhanani to make good of the non-compliance by filing his appointment with Registrar of Companies.

2. Obtaining approval of shareholders for entering into a Material Related Party Transaction:

At the Board Meeting held on November 12, 2019, Company has decided to borrow, in the form of Inter Corporate Deposit a sum of INR 50 crore from Embassy Property Developments Private Limited (EPDPL), which is related party. Since the transaction value exceeds 10 % of the consolidated turnover of the Company for the previous financial year ended FY 2018-19, this constitutes a material related party transaction. Company is yet to obtain the approval from the shareholders as required under Regulation 2(zc), 23(1) and 23(4) of SEBI LODR**.**

Management response:

Company has passed enabling resolution but not received any amount until March 31, 2020 and till date of this report from EPDPL and hence the transaction has not been materialised. The said matter is being placed before the shareholders of the Company for approval through the postal ballot to be launched in June 2020. However the shareholders of the company at the Annual general meeting held on September 25, 2017 had passed necessary resolution fixing borrowing limit as INR 1000 Crores.

3. Failure/delay in publication in Newspapers:

Company has not published the prior intimation of Board Meeting held on in newspapers held on 29-05-2019. Further, the Board of Directors of the Company, approved by the Audited Financial Results for the financial year ended March 31, 2019 at is meeting held on 29-05-2019. The Company was required to publish the said financial results in Kannada newspaper on 31-5-2019 as per Regulation 47(3) (4) of SEBI LODR, whereas the results were published in Kannada newspaper on 1-06-2019 and there was a delay of 1 day. Further, there was a delay of 1 day for English newspaper and 2 days for Kannada newspaper, in publishing the unaudited financial results for the quarter ended September 30, 2019 as provided under Regulation 47 (3)(4) of SEBI (LODR), 2015.

Management response:
Noted. Company has strengthened the compliance mechanism and has ensured that necessary information has been published in the newspapers for the subsequent quarters of the financial year 2019-20.

4. Failure to File Form IEPF 1-A:

Company has not filed From IEPF 1-A with the Ministry of Corporate Affairs in respect of unpaid dividend transferred to IEPF authorities for the financial years 2001-02, 2002-03, 2004-05 and 2009-10 as required under Section 124(6), 125(2)(c) of Companies Act, 2013 and Rule 5(4A) of IEPF Rules, 2016.

Management Response:
Company is trying to trace the relevant bank challans for remittance of unpaid dividend to IEPF and certain old records in this regard. Upon tracing of the said records, Company will be filing the required forms with the Registrar of Companies/IEPF.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors including the woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as per the requirement of the regulations, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through recorded as part of the minutes-All the resolutions were passed unanimously.

I further report that based on review of compliance mechanism established by the Company, I am of the opinion that the Company has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that owing to complete lockdown, curfew and restrictions imposed by the Government of India, Government of Karnataka, Government of Maharashtra and respective Municipal Corporations owing to the spread of COVID 19 pandemic, I have not been able to visit the office of the Company after March 24, 2020 to verify certain physical and original records and under the circumstances, I have relied on the email communications and scanned copies of some of the documents made available to me, during the course of secretarial audit. Company has agreed to make available the original records as soon as the lock down is lifted and normalcy of operations is restored.

UMESH P MASKERI
PRACTICING COMPANY SECRETARY
COP No. 12704 FCS No 4831
UDIN F004831B000385057

(Note: This document has been digitally signed)
Place: Mumbai
Date : June 26, 2020

Note: This report is to be read with our letter of even date which is annexed as **ANNEXURE II** *and forms an integral part of this report***.**

ANNEXURE I
OTHER LAWS APPLICABLE TO COMPANY

1	The Income-tax Act, 1961
2	Goods and Service Tax Act, 2016
3	The Employees Provident Fund Act, 1952
4	The Payment of Gratuity Act, 1972
5	The Karnataka Stamp Act
6	Micro, Small and Medium Enterprises Development Act, 2006
7	Negotiable Instruments Act, 1881
8	Indian Registration Act, 1908
9	Information Technology Act, 1996
10	Prevention of Sexual Harassment of women at Workplace Act,
11	Real Estate (Regulation and Development) Act, 2016
12	The Minimum Wages Act, 1948
13	Weekly Holidays Act, 1942
14	Karnataka Shops and Establishment Act, 1948
15	The Employees State Insurance Act, 1948
16	Karnataka Profession Tax Act,
17	The Maternity Benefit Act, 1961
18	The Contract Labour (Regulation & Abolition) Act, 1971
19	The Trade Marks Act, 1999
20	Payment of Bonus Act, 1965

UMESH P MASKERI
PRACTICING COMPANY SECRETARY
FCS No 4831 COP No. 12704

Place: Mumbai
Date *:* June 26, 2020

ANNEXURE II

To
The Members,
Mac Charles (India) Limited
Registered Office, 28, Sankey Road
Bangalore-560052

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

UMESH P MASKERI
PRACTICING COMPANY SECRETARY
FCS No 4831 COP No. 12704

Place: Mumbai
Date : June 26, 2020

CORPORATE GOVERNANCE REPORT

The Directors of the Company present the Company's Report on Corporate Governance for the financial year ended March 31, 2020, pursuant to the provisions of Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. PHILOSOPHY OF CORPORATE GOVERNANCE

The essence of corporate governance is about maintaining the right balance between economic, social, individual and community goals. Your Company adheres to good corporate governance practices in all its business processes. Your Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations, environment and regulatory compliances. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. In addition to the compliance with regulatory requirements, your Company has a code of conduct for its employees including the Directors and Key Managerial Personnel. The terms of appointment of the Independent Directors of the Company suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 and is also available on the website of the Company.

For your company, good corporate governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a Company to take sound decisions, thus maximizing long term shareholder value without compromising on integrity, social obligations and regulatory compliances. As a company with a strong sense of values and commitment, your company believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. This is an integral part of Mac Charles's business philosophy. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure serve as means for implementing the philosophy of Corporate Governance. These principles guide the Board to make decisions that are independent of the Management. The Company is committed to focus its energies and resources in creating and positively leveraging the shareholder's wealth and, at the same time, safeguarding the interest of all the stakeholders. This is our path to sustainable and profitable existence and growth.

The Company has adopted the requirements of Corporate Governance as specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, the disclosure requirements of which are detailed herein.

2. BOARD OF DIRECTORS

The Board is the focal point and custodian of corporate governance for the Company. The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision of the Company and its subsidiaries. The company recognizes and embraces the benefits of having a diverse board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experiences, background, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible, will be balanced appropriately.

The size and composition of Board as on March 31, 2020 is as under:

Category	Number of Directors	%
Independent Directors (including one woman director)	3	60
Non-Executive Non Independent Directors	2	40
Total	5	100

**Mr. C.B. Pardhanani due to his indifferent health could not attend any of the board meetings held after his appointment date 18th May,2019. Accordingly, he is not being counted for the above size and composition of board.*

The composition of the Board is in compliance with the requirements of Companies Act, 2013 ("Act") and Regulation 17 of the Listing Regulations. The profile of the Directors can be accessed on the Company's website at www.maccharlesindia.com.

The company requires skills, expertise, competencies in the area of strategy , finance, accounting, economics, legal, investment in financial products, regulatory matters and customer servicing, especially in the business of hospitality, real estate and constructions to efficiently carry on its core business such as running five star hotel, investments, wind mill operations, real estate and construction. All the above required skills, expertise, competencies are available with the Board of Directors.

The Board is satisfied that the current composition of Board reflects a judicious mix of knowledge, skills, experience, maturity, expertise, diversity and independence. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its size and composition.

- **The details of each member of the Board as on March 31, 2020 are provided herein below:**

Sl No	Name of the Director	Category of Director ship	No of other Director Ships (1)	No of Committees positions held (2)		No of shares held in the Company	Directors in other listed entities (Category of Director ship)
				Chair Person	Member		
1.	Mr. P B Appiah	Independent Non Executive	1	1	3	Nil	Nil
2.	Mr. Suresh Vaswani	Independent Non Executive	Nil	Nil	1	Nil	Nil
3.	Ms. Tanya John	Independent Non Executive	Nil	Nil	4	Nil	Nil
4.	Mr. P R Ramakrishnan	Independent Non Executive	9	Nil	4	110	Nil
5.	Mr. Aditya Virwani	Independent Non Executive	19	Nil	Nil	Nil	Nil

Notes:

There are no inter se relationship between the Board members

(1) Excludes directorship in Mac Charles (India) Limited and includes all Directorships in private / public companies.
(2) Pertains to membership/Chairmanship of the Board Committees of Indian Companies including Mac Charles (India) Limited.

None of the Directors held directorship in more than 7 listed companies. Further, none of the Independent Directors ("ID") of the Company served as an ID in more than 7 listed companies.

None of the Directors held directorship in more than 20 Indian Companies, with not more than 10 public limited companies.

None of the Directors is a member of more than 10 committees or chairperson or more than 5 committees across all the public limited companies in which he/she is a Director. As per Listing Regulations, only membership of Audit Committee and Stakeholders Relationship Committee have been taken into consideration for the purpose of ascertaining the limit. The Independent Directors (ID) are not related to any of the Non-Executive Directors.

All the IDs have been appointed as per the provisions of the Act and Listing regulations. Formal letters of appointment have been issued to the IDs. In the opinion of the Board, all Independent Directors of the Company are persons of integrity and possess relevant expertise and experience and do not hold any equity share or /voting power in the Company. They are not related to any of the promoters, Directors, holding, subsidiary or associate companies.

The Company has received necessary declaration from each of the Independent Directors, under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The Company does not have a permanent Chairman.

- **Changes in the Board Composition**

During the financial year 2019-20, there have been no changes in the composition of the Board. However:

a. Mr. C.B. Pardhanani due to his indifferent health, was not in a position to attend any of the meetings held after his re-appointment dated 18th May,2019 accordingly he ceased to be a Director effective from 26th June, 2020.

b. Mr. Sartaj Sewa Singh (DIN 01820193) has been appointed by the Board, subject to approval of the shareholders, as a Whole Time Director of the Company effective from 26th June, 2020 on terms and conditions as stated in the postal ballot notice.

- **Term of Board Membership**

Currently the Board comprises of a mix of Executive, Non Executive Directors and Independent Directors. Non-executive directors, who are not independent directors, are subject to retirement by rotation. Independent Directors are appointed for an initial term of five years and they are eligible to be appointed for one more term 5 years, subject to prior approval of the Shareholders by a special resolution. The appointment term of Ms. Tanya John as Independent Director is valid till 20th August, 2020, and she is proposed to be reappointed for a second term of five years which is under process of shareholders approval via postal ballot.

- **Selection and appointment of new director**

The Nomination and Remuneration committee determines the exact skill requirements of the Directors and selects the candidates for this purpose whenever the occasion arises for appointment/renewal of a Director.

- **Meeting of Independent Directors**

During the year under review, Independent directors met once i.e 30th January, 2020, which was attended by all the Independent Directors.

- **Meeting and attendance of Board of Directors**

Attendance of directors at the Annual General Meeting (AGM) and Board Meetings held during FY 2019-20 are furnished below:

Sl No	Name of Director	29.05.19	11.07.19	13.08.19	26.08.19	12.11.19	30.01.20	% of attendance	AGM on 26-08-19
1.	P B Appiah	P	P	P	P	P	P	100	P
2.	Tanya John	P	P	P	P	A	P	83.33	P
3.	Suresh Vaswani	A	P	P	P	P	P	83.33	P
4.	P R Ramakrishnan	P	P	P	P	P	P	100	P
5.	Aditya Virwani	P	P	P	P	P	P	100	P
		P indicates Present and A indicates Absent							

Six Board meetings were held during the year under review and the gap between two meetings did not exceed 120 days.

- **A chart of matrix setting out the list of core skills/expertise/competence identified by the board as required in the context of business and sectors:**

Sl No	Name of Director	Available core skills, expertise and competence as required in the context of business of the Company for each Director
1.	P B Appiah	He is B.Com Graduate and L.L.B Practicing as an Advocate in High Court of Karnataka and other Courts and before Arbitral Tribunals since 1987. Expertise / core competence in Corporate, Commercial, Property, Civil and Family Laws, both as an advocate and as a litigation practitioner.
2.	Tanya John	MBA from St. Joseph's College of Business Admin, India and an MSc in Supply Chain Management from Heriot Watt University, Scotland, UK. An internationalist with a diverse background in marketing and supply chain management. Tanya John, a strategic marketing consultant, has been a consultant with various corporations including companies in hospitality technology, marketing and more. She was a founding Board Member of Tsunami Relief Inc., a charitable corporation created to provide emergency support for the victims of the 2005 tsunamis that devastated parts of Asia. Tsunami Relief Inc has raised over $14 million, for which Tanya was commended by the State of Virginia.
3.	Suresh Vaswani	He is a B.Com graduate and an expert in real estate business both development and marketing in India and abroad.

Sl No	Name of Director	Available core skills, expertise and competence as required in the context of business of the Company for each Director
4.	P R Ramakrishnan	Chartered Accountant by qualification and Executive Director (Finance) of Embassy group of companies. Expertise in Corporate Finance, Investments, Corporate restructuring, merger and amalgamations, taxation having additional domain knowledge and experience in Construction and real estate development
5.	Aditya Virwani	Degree in business administration from the University of Massachusetts, Boston and University of San Francisco Expertise in Real Estate development, construction and infrastructure. Involved in strategy and operations of Embassy Group and its diversified business.
6.	Sartaj Sewa Singh	Bachelor's Degree in Economics from St. Stephen's College, Delhi, and an MBA from the Indian Institute of Management, Ahmedabad. With over 35 years of experience in leading multinationals, Mr. Singh joined Embassy Group, Bangalore as President – Hospitality Business in July 2015 and he has represented the ownership in managing operating assets (Hilton at Embassy Golf Links & Four Seasons Hotel in Bangalore)

- **Confirmation in the opinion of the board, the independent directors fulfill the conditions specified in LODR and are independent of the management.**

The Board confirms that the independent directors fulfil the conditions specified in LODR and are independent of the management.

- **Detailed reasons for resignation by an independent director:**

None of the independent Directors of the Company have resigned during the financial year.

- **Familiarization Program for Independent Directors**

The Board at its meeting held on 26th June, 2020 has adopted a revised Familiarization Program for Independent Directors of the Company. The Program aims to provide insights of the Company to the Independent Directors of the Company by adoption of a structured programme for orientation of Independent Directors enabling them to familiarize with the Company, its operations, business, industry and environment in which the Company functions and the regulatory environment applicable to it.

Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, operations review, quarterly and annual results, budgets, review of internal audit reports, and action taken reports, statutory compliances, updates and amendments to Companies Act, 2013 and SEBI LODR Regulations, 2015, risk management, operations of subsidiaries and business strategy and risks involved. Such presentations and documents provide an opportunity to the Independent Directors to interact with the Senior Management Team of the Company and help them understand the Company's strategy, operations, services, organisation structure, finance, human resources, technology, quality and such other areas as may arise from time to time.

The details of the Familiarisation Programme is available on the website of the Company at www.maccharlesindia.com.

- **Performance evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR Regulations),a Board Evaluation Policy has been re-framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board at their meeting held on 26th June, 2020.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board through structured questionnaire.

The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of Non-Independent Directors was carried out by the Independent Directors.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level. The Board intends to establish and follow "best practices" in Board governance in order to fulfil its fiduciary obligation to the Company.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Directors expressed their satisfaction with the evaluation process.

3. REMUNERATION TO DIRECTORS

- The details of remuneration paid to the Directors for the financial year 2019-20 is furnished below:

Sl No	Name of Director	Sitting fees	Professional fees
1.	Mr. P B Appiah	3,15,000	3,60,000
2.	Mr. Suresh Vaswani	2,10,000	--
3.	Ms. Tanya John	2,70,000	--
4.	Mr. P R Ramakrishnan	3,15,000	--
5.	Mr. Aditya Virwani	1,80,000	--
6.	Mr. C B Pardhanani	--	--
	Total	**12,90,000**	**3,60,000**

- During the year under review, the non- executive directors of the company had no pecuniary relationship or transactions with the Company, other than sitting fee and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company and payment of fees towards the services rendered in professional capacity.

- **Criteria of making payments to non-executive directors:** Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company.

- disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures are being made:

  (i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc; Nil

  (ii) details of fixed component and performance linked incentives, along with the performance criteria; Nil

  (iii) service contracts, notice period, severance fees; Nil

  (iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable. Nil

4. AUDIT & RISK MANGEMENT COMMITTEE

The Audit Committee of the Board is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the scope and terms of reference.

The powers and role of the Audit Committee are also in consonance with Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Audit Committee of the Company was renamed as Audit and Risk Management Committee (Audit Committee) with effect from 26th June, 2020 and comprises of the following Directors as on March 31, 2020:

1. Mr. P. B. Appiah
2. Mr. Suresh Vaswani
3. Ms. Tanya John
4. Mr. P R Ramakrishnan

Brief description of the terms of reference of Audit Committee are as under:

The audit committee shall mandatorily review the following information:

(1) management discussion and analysis of financial condition and results of operations;

(2) statement of significant related party;

(3) management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) internal audit reports relating to internal control weaknesses; and

(5) the appointment, removal and terms of remuneration of the internal auditor.

(6) statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The role of audit committee shall be as under:

(7) oversight of financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(8) recommendation for appointment, remuneration and terms of appointment of auditors;

(9) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(10) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(11) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(12) reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

(13) approval or any subsequent modification of transactions with related parties;

(14) scrutiny of inter-corporate loans and investments;

(15) valuation of undertakings or assets, wherever it is necessary;

(16) evaluation of internal financial controls and risk management systems;

(17) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(18) reviewing the adequacy of internal audit function

(19) discussion with internal auditors of any significant findings and follow up there on;

(20) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(21) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(22) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(23) to review the functioning of the whistle blower mechanism;

(24) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(25) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(26) To review the Risk Management Plan / Policy and its deployment within the Company;

(27) To monitor the effectiveness of the Risk Management Plan / Policy;

(28) To decide the maximum risk-taking ability of the Company to guide the Board in making new investments;

(29) To review the major risks of the Company and advise on its mitigation to the Board;

(30) Such other functions as may be delegated by the Board from time to time.

The Committee met 5 times during the year under review which were held on May 29, 2019, July 11, 2019, August 13, 2019, November 12, 2019 and January 30, 2020.

The attendance details of the members of this committee are as under:

Name of Director	No of meetings held during tenure	No of meetings attended	% of attendance
Mr. P B Appiah	5	5	100
Ms. Tanya John	5	4	80
Mr. Suresh Vaswani	5	4	80
Mr. P R Ramakrishnan	5	5	100

All the recommendations made by the Audit committee during the year under review were accepted by the Board.

Mr. P B Appiah, Chairman of the Audit Committee, was present at the last Annual General Meeting held on August 26, 2019.

5. NOMINATION AND REMUNERATION COMMITTEE

As per provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR), the Nomination and Remuneration Committee should consist of 3 or more Non-Executive Directors out of which not less than one half shall be Independent Directors. However, the Chairman of the Company can be a member, even if he is an Executive Director, but shall not Chair the Committee.

The composition of the Nomination and Remuneration committee as on March 31, 2020, was as under:

1. Mr. P. B. Appiah
2. Mr. P R Ramakrishnan
3. Ms. Tanya John

Mr. P B Appiah, Chaired the meeting of this Committee.

On 29th May, 2019, the committee was reconstituted with Mr. P R Ramakrishnan in place of Mr. C B Pardhanani.

Role of committee, inter-alia, includes the following:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) devising a policy on diversity of board of directors;

(4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

(5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(6) recommend to the board, all remuneration, in whatever form, payable to senior management.

The Committee met 1 time during the year under review which was held on January 30, 2020.

The attendance details of the members in respect of the meetings held during the year are as follows:

Name of Director	No of meetings held during the tenure	No of meetings attended	% of attendance
Mr. P B Appiah	1	1	100
Mr. P R Ramakrishnan	1	1	100
Ms. Tanya John	1	1	100

Mr. M S Reddy, Company Secretary of the Company, is the Compliance Officer of the Committee. However, with effect from 26th June, 2020, Ms. Chandana Naidu, Company Secretary of the Company, is the Compliance Officer of the Committee

Performance evaluation criteria for independent Directors:

The performance evaluation criteria for the Independent Directors is determined by the NRC. An indicative list of parameters and factors on which evaluation was carried out includes participation and contribution by the Director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 and Part D of Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including the scope and terms of reference.

The Committee comprises the following members as on March 31, 2020:

a. Mr. P B Appiah
b. Mr. P R Ramakrishnan
c. Ms. Tanya John

There is no permanent chairman for this committee.

On 29th May, 2019, the committee was reconstituted with Mr. P R Ramakrishnan in place of Mr. C B Pardhanani.

Mr. P.R. Ramakrishnan, who chaired the meeting of the committee attended the AGM held on August, 26 2019.

The role of the committee shall *inter-alia* include the following:

i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non- receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
ii. Review of measures taken for effective exercise of voting rights by shareholders.
iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Committee met 1 time during the year under review which was held on January 30, 2020.-

Name of Director	No of meetings held during the tenure	No of meetings attended	% of attendance
Mr. P B Appiah	1	1	100
Mr. P R Ramakrishnan	1	1	100
Ms. Tanya John	1	1	100

The status of total number of complaints received during the year under review is as follows:

Sl No	Description	Total Number of Complaints		
		Received	Resolved	Pending
1	Non-receipt of dividend, KYC updation and transfer /transmission of shares, issue of duplicate share certificate(s)	10	10	Nil

7. RISK MANAGEMENT COMMITTEE ("RMC")

Since your company is not a company which is included in the list of top 500 listed companies determined on the basis of market capitalization as at the end of the immediate previous financial year, the provisions of Regulation 21 of SEBI LODR are not applicable to the Company. The Company had voluntarily constituted the Risk Management Committee to frame, implement and monitor the risk management plan of the Company. However, at the Board Meeting held on 30th January, 2020, your Company dissolved the Committee and thereafter merged its Risk Management Committee with Audit Committee and renamed the Audit Committee as Audit and Risk Management Committee.

8. GENERAL BODY MEETINGS

The details of the last three Annual General Meetings of the Company are as under:

Financial Year ended	Day, Date and Time	Venue	Special Resolutions passed
31-03-2019	Monday, 26th August, 2019	Hotel Le Meridien, 28, Sankey Road, Bengaluru-560052	2
31-03-2018	Monday, 30th July, 2018		Nil
31-03-2017	Monday, 25th September, 2017		3

9. SPECIAL RESOLUTION PASSED DURING THE LAST THREE ANNUAL GENERAL MEETINGS:

A. Special Resolutions passed at the 37th Annual General meeting held on September 25, 2017:

1. Increase in the limits for borrowing under Section 180(1)(c) of Companies Act, 2013 to Rs.1000 Crores
2. Providing security under section 180 (1) (a) of the Companies Act, 2013 in connection with the borrowing of the Company upto a limit of Rs.1000 Crores:
3. Increase in the limits of providing loans, guarantee, security and making investments under Section 186 of the Companies Act 2013 upto a limit of Rs.1000 Crores

B. No Special Resolutions were passed at the 38th Annual General meeting held on July 30, 2018.

C. Special Resolutions passed at the 39th Annual General meeting held on August 26, 2019:

1. To re-appoint Shri Appiah Palecanda Bopanna (DIN: 00215646) as an Independent Director for a second term of five years upto September 21, 2024:
2. To approve and ratification of inter corporate deposit of Rs. 10 crores granted to Embassy Property Developments Private Limited ("EPDPL") which is a Holding Company and a related party.

10. Postal Ballot:

During the year under review, your Company has conducted the postal ballot, which opened on April 19, 2019 and closed on May 18, 2019 and has obtained the approval of the shareholders through postal ballot in respect of the following special resolutions:

1) Alteration to the Main Objects clause of Memorandum of Association
2) Reappointment of Mr. Suresh Kumar Badlaney as Manager of the Company for a period of two years and payment of remuneration
3) Ratification of Agreement to sell with LJ-Victoria Properties Private Limited, a related party towards the purchase of property for a total consideration of INR 205 Crore and payment of advance of INR 198.8 Crore thereon and cancellation of the said agreement and obtaining the refund of the advance amount of INR 198.8 Crore along with a lumpsum payment of interest of INR 30 Crore thereon
4) Appointment of Mr. Chaturbhuj Bassarmal Pardhanani (DIN 0210179) who has crossed the age of 75 years, as a Non-Executive Director
5) Extension of tenure of the Inter corporate Deposit of Rs 35 Crore given to Embassy Property Development Private Limited upto March 2020, which is a holding company.
6) Investment / Acquisition by way of purchase of equity shares representing 100% of the shareholding of Blue Lagoon Real Estate Private Limited and Neptune Real Estate Private Limited, which are related parties, for a consideration not exceeding INR 205 Crore.

Special resolutions through postal ballot during the financial year 2020-21:

Company has conducted the postal ballot during the financial year 2020-21, which opened on 15th July, 2020 and closing on 13th August, 2020 to obtain the approval of the shareholders through postal ballot in respect of the following special resolutions:

1) Borrowing in the form of inter corporate deposit/loan for of a sum not exceeding INR 100 crore (Rupees One Hundred Crore) from Embassy Property Developments Private Limited (EPDPL), a related party and a holding company.
2) Appointment of Mr. Sartaj Sewa Singh as Whole time Director of the Company for a period of two years and payment of remuneration
3) Re-appointment of Ms. Tanya John as Independent Director of the Company for a term of five years upto 19th August, 2025.

Procedure for postal ballot:

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted to receive communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting. The scrutinizer completes his scrutiny and submits his report to the Company, and the consolidated results of the voting are announced by the authorized officer. The results are also displayed on the Company website, www.maccharlesindia.com besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of postal ballot forms or e-voting is the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

Details of voting pattern of the resolutions passed through postal ballot which concluded on May 18, 2019:

Resolution No. 1: Special Resolution

Alteration of Clause III A of the Main Objects clause of the Memorandum of Association:

	Postal Ballot		Remote E-voting		Total		% of
	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	Total Votes
Votes in favour of Resolution	116	9816815	17	862187	133	10679002	99.99
Votes Against Resolution	4	801	1	100	5	901	0.01
Total	120	9817616	18	862287	138	10679903	100
Result: Passed with requisite majority							

Resolution No. 2: Ordinary Resolution

Re-appointment of Mr. Suresh Kumar Badlaney as Manager of the Company for a period of two years and payment of remuneration:

Particulars	Postal Ballot		Remote E-voting		Total		% of
	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	Total Votes
Votes in favour of Resolution	113	9816865	18	862287	131	10679152	99.99
Votes Against Resolution	7	851	0	0	7	851	0.01
Total	120	9817716	18	862287	138	10680003	100
Result: Passed with requisite majority							

Resolution No. 3: Ordinary Resolution

Ratification of Agreement to Sell entered into on February 8, 2017 together with amendments carried out on June 1, 2017, January 25, 2018, February 26, 2018 and October 26, 2018 with LJ-Victoria Properties Private Limited, a related party, towards the purchase of property for a total consideration of Rs 205 crore and payment of advance of Rs 198.80 crore thereon and cancellation of the said agreement and obtaining the refund of the advance amount of Rs. 198.80 crore along with a lump sum payment of interest of Rs. 30 crore thereon:

Particulars	Postal Ballot		Remote E-voting		Total		% of Total Votes
	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	
Votes in favour of Resolution	113	150978	14	861615	127	1012593	99.99
Votes Against Resolution	5	851	4	672	9	1523	0.01
Total	118	151829	18	862287	136	1014116	100
Result: Passed with requisite majority							

Resolution No. 4: Special Resolution

Appointment of Mr. Chaturbhuj Bassarmal Pardhanani (DIN 0210179), who has attained the age of seventy-five years, as a Non-Executive director

Particulars	Postal Ballot		Remote E-voting		Total		% of Total Votes
	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	
Votes in favour of Resolution	110	9816030	16	861887	127	10677917	99.99
Votes Against Resolution	10	1586	2	400	12	1986	0.01
Total	120	9817616	18	862287	19	10679903	100
Result: Passed with requisite majority							

Resolution No. 5: Special Resolution

Extension of tenure of Inter Corporate Deposit of Rs 35 crore given to Embassy Property Developments Private Limited ("EPDPL") upto March 31, 2020, which is a holding company and a related party

Particulars	Postal Ballot		Remote E-voting		Total		% of Total Votes
	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	
Votes in favour of Resolution	106	150544	16	861887	122	1012431	99.99
Votes Against the Resolution	12	1185	2	400	14	1585	0.01
Total	118	151729	18	862287	137	1014016	100
Result: Passed with requisite majority							

Resolution No. 6: Ordinary Resolution

Investment/Acquisition by way of purchase of equity shares representing 100 % of the shareholding of Blue Lagoon Real Estate Private Limited and Neptune Real Estate Private Limited, which are related parties, for a consideration not exceeding Rs 205 crore

Particulars	Postal Ballot		Remote E-voting		Total		% of Total Votes
	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	No. of Ballots	No. of Votes	
Votes in favour of Resolution	111	150878	14	861615	125	1012493	99.99
Votes Against Resolution	7	951	4	672	11	1623	0.01
Total	118	151829	18	862287	136	1014116	100
Result: Passed with requisite majority							

11. MEANS OF COMMUNICATION

- **Quarterly results**

The Company follows April-March as the financial year. The meetings of the Board of Directors for approval of the quarterly financial results for the financial year ended March 31, 2020 were held on the following dates:

Quarter/Period ended	Date of Board meeting
Quarter ended June 30, 2019	13th August, 2019
Quarter/Half year ended September 30, 2019	12th November, 2019
Quarter ended December 31, 2019	30th January, 2020
Quarter/year ended March 31, 2020	26th June, 2020

- **Publication of quarterly financial results**

Quarterly/Half yearly/Annual financial results are published in the widely circulated newspapers, as per details given below:

Name of the newspaper	Language
Financial Express	English
Hosa Digantha	Kannada

- The quarterly financial results are uploaded and displayed on the website of the company at www.maccharlesindia.com
- Annual reports are sent to Members by email/post and are also available on the website of the company at www.maccharlesindia.com
- The company does not release any press releases and company does not have any institutional investors and hence the question of making any presentation to the institutional investors or to the analysts does not arise.
- **SEBI Complaints Redressal System (SCORES)**

A Centralized web-based complaints redressal system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the Concerned Company and online viewing by the investors of actions taken on the complaint and its current status.

12. GENERAL SHAREHOLDERS INFORMATION

1.	CIN	L55101KA1979PLC003620
2.	Address of the registered office	No.28, Sankey Road, Bangalore – 560052 (old registered office address) No. 72/4, 1st Floor, Cunningham Road, Bangalore-560052 (new registered office address effective 26th June 2020)
3.	International Securities Identification Number (ISIN):	INE 435D01014
4.	Stock code at the BSE Limited	507836
5.	Annual general meeting-date, time and venue	40th Annual General Meeting is going to be held on Wednesday, September,16 2020 through Video Conferencing
6.	Financial year	from April 1, 2019 to March 31, 2020
7.	Dividend payment date	N.A
8.	Book closure	The register of members will be closed from September 07, 2020 to September 16, 2020 (both days inclusive) in respect of the equity shares held in physical form.
9.	E voting dates:	The cut off date for the purpose of determining the shareholders eligible for evoting is September, 09, 2020. The evoting commences at 10 AM on Sunday, September 13, 2020 and closes at 5 PM on Tuesday, September 15, 2020.
10.	Name and address of Stock Exchange where the securities are listed	The equity shares of the company are listed on : BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001

11.	Annual Listing Fee	The Company hereby confirms that annual listing fees has been paid to BSE for the financial year ended March 31, 2020 and also for the financial year ending March 31, 2021
12.	Registrar to an Issue and Share Transfer agents	BgSE Financials Limited, RTA Division, 5th Floor, No, 1, J C Road, Bengaluru-560027

- **Market price data- high, low during each month in the last financial year:**

Month wise High, Low and trading volumes of the Company's Equity shares during the last financial year at BSE are given below.

Month	High Rs	Low Rs	No of shares traded
April 2019	333.00	288.00	8,959.00
May 2019	310.00	250.05	33,458.00
June 2019	349.00	275.00	18,770.00
July 2019	349.00	315.00	13,063.00
August 2019	366.95	294.00	22,644.00
September 2019	429.95	352.10	2,28,434.00
October 2019	420.00	362.00	13,787.00
November 2019	429.50	342.05	10,948.00
December 2019	380.35	341.25	13,094.00
January 2020	384.60	341.05	11,548.00
February 2020	451.95	360.05	10,675.00
March 2020	390.00	167.20	6,78,004.00

- **Comparison of the company's share price with BSE Sensex:**

Month	Closing price of Mac Charles at BSE	BSE Sensex
April 2019	288.70	39,031.55
May 2019	295.00	39,714.20
June 2019	333.65	39,394.64
July 2019	325.00	37,481.12
August 2019	365.95	37,332.79
September 2019	387.15	38,667.33
October 2019	383.80	40,129.05
November 2019	370.00	40,793.81
December 2019	370.00	41,253.74
January 2020	370.00	40,723.49
February 2020	373.80	38,297.29
March 2020	214.00	29,468.49

Performance in comparison to broad based indices such as BSE Sensex during the financial year 2019-20 is furnished below:

Company's Share price	BSE closing price Rs	BSE Sensex
As on 01-04-2019	295.50	38,871.87
As on 31-03-2020	214.00	29468.49
Change (%)	(27.58) %	(24.19) %

- **In case securities are suspended from trading, the directors report shall explain the reason thereof:**
  The securities of the Company were not suspended from Trading on BSE Limited.

Share transfer system

As per the requirement of Regulation 40(9) of the Listing Regulations, which deals with transfer and transposition of securities, company has obtained the half yearly certificates, from Mr. Umesh P Maskeri, Practicing Company Secretary for due compliance of share transfer formalities.

Trading in equity shares of the Company through recognized Stock Exchanges is permitted only in dematerialized form. Pursuant to amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

Distribution of shareholding

Distribution of shareholding by category as on March 31, 2020 is as under:

Sl No	No of Equity shares	No of shareholders	% of Shareholders	Number of shares	% of shareholding
1	Up to 500	8683	96.43	1046924	7.99
2	510-1000	190	2.11	144059	1.10
3	1001-2000	75	0.83	115317	0.88
4	2001-3000	17	0.19	41465	0.32
5	3001-4000	8	0.09	29593	0.23
6	4001-5000	2	0.02	9400	0.07
7	5001-10000	8	0.09	55898	0.43
8	10001-50000	13	0.14	338925	2.58
9	50001 and above	9	0.1	11319471	86.40
	Total	**9005**	**100.00**	**13101052**	**100.00**

Categories of shareholders as on March 31, 2020:

Category	No of shareholders	Total number of shares	% of total Paid up Equity share capital
Promoter/ Corporate bodies	2	9665787	73.78
Promoter/NRI	1	160000	1.22
Financial Institutions/Banks/Investors	4	3376	0.03
Bodies Corporate	48	981254	7.49
Resident Public	8949	1915585	17.71
Investor Education and Protection Fund	1	375050	2.86
Total	9005	13101052	100

Dematerialization of shares and liquidity

The Equity shares of the Company have been admitted for dematerialisation with the Central Depository Services (India) Limited (“CDSL”) and National Securities Depository Limited (“NSDL”). The details of number of equity shares of the Company which are in dematerialised and physical form as on March 31, 2020 are given below:

Particulars	Number of shares	% to total number of shares	Number of shareholders	% to total number of shareholders
Dematerialised Form				
CDSL (A)	847559	6.47	1443	16.02
NSDL (B)	11670838	89.08	3353	37.23
Sub total (A)+(B)	12518397	95.55	4796	53.26
Physical form (C)	582655	4.45	4209	46.74
Total (A)+(B)+(C)	13101052	100	9005	100.00

Entire shareholding of promoters and promoter group is held in dematerialised form and Company is in compliance with the provisions of Regulation.

Difference between Issued Capital, Listed Capital and Capital as per Register of Members:

Sl No	Paid up Share Capital as per	Amount Rs	Difference Rs	Reasons for difference
1	Register of Members as per RTA	13,10,10,520	6,000	600 shares of the face value of Rs 10 each being bonus shares have been kept in abeyance on account of orders of Special Court and not listed by the BSE.
2	Listed Capital on BSE	13,10,04,520		

- Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity: The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2020, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.
- **Commodity price risk or foreign exchange risk and hedging activities:** Nil
- **Plant locations Company operates from: Windmill Operations** - Gadag, Bellary
  Rental Income - Embassy Tech Square (Alpha & Delta Building) Bengaluru,
- **Address for correspondence** - #72/4, 1st Floor, Cunningham Road, Bangalore-560 052
- **List of all credit ratings obtained by the entity :** Not applicable

13. OTHER DISCLOSURES

- **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

During FY 2019-20, there were no materially significant transactions entered into between the Company and its promoters, Directors or the Management, Holding Company, Subsidiaries, Associates or relatives that may have potential conflict with the interest of the Company at large except for those mentioned in the Directors' Report. Company has entered into transactions with related parties pursuant to the provisions of Regulation 23 of SEBI LODR as under:

- Ratification of agreement to sell entered into on February 8, 2017 together with amendments carried out on June 1, 2017, January 25, 2018, February 26, 2018 and October 26, 2018 with LJ-Victoria Properties Private Limited, a related party, towards the purchase of property for a total consideration of Rs. 205 crore and payment of advance of Rs 198.80 crore thereon and cancellation of the said agreement and obtaining the refund of the advance amount of Rs 198.80 crore along with a lump sum payment of interest of Rs 30 crore thereon
- Extension of tenure of inter corporate deposit of Rs. 35 crores given to Embassy Property Developments Private Limited ("EPDPL") upto march 31, 2020, which is a holding company.
- Investment/acquisition by way of purchase of equity shares representing 100% of the shareholding of Blue Lagoon Real Estate Private Limited and Neptune Real Estate Private Limited, which are related parties, for a consideration not exceeding Rs. 205 crore.

Further, details of related party transactions form part of notes to accounts of the Annual Report and a policy about same is available on the Company's website www.maccharlesindia.com.

- **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

The Company has complied with all the requirements of regulatory authorities with respect to capital markets during the current financial year. There were no instances of non-compliances by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets during the financial year 2017-18 and 2019-20.

The instances of non-compliances by the Company and penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets during the financial year 2018-19 are furnished below: .

Sl No	1
Action taken by	BSE Limited
Details of violation	Non-compliance with various clauses of LODR like non-payment of annual listing fees, non-submission of financial results in proper format
Details of action taken eg. fines, warning letter, debarment, etc	Shares of the Company were suspended from trading on 28-06-2018. Fine of Rs 26,50,000 towards SOP fine, was imposed for non-compliance with various clauses of LODR
	The shares held by the promoters were restricted from transfer by way freezing (placed under lock-in) from 4-09-2018 to 31-12-2018

Current status	Company has since complied with the requirements and BSE has revoked the suspension with effect from 27-09-2018
	Freeze (lock-in) of the shares held by the promoters was lifted by BSE/depositories with effect from 18-02-2019.

Sl No	2
Action taken by	BSE Limited
Details of violation	Public shareholding was reduced to below 25 %, which is not in compliance with Regulation 38 of LODR and Rule 19 and 19-A of Securities Contract (Regulation) Rules, 1957
Details of action taken Eg fines, warning letter, debarment, etc	BSE has imposed a fine of Rs. 44,60,400/-
Current status	The promoters of the Company launched Offer for Sale on February 28, 2019 on the secondary market mechanism of BSE and offloaded the excess quantity of 8,72,900 Equity Shares. Thereafter, the shareholding of the promoters has been brought down to 75 % and Company has thus complied with the MPS norms. Company has submitted a reply explaining the reasons for not being able to launch the OFS owing to suspension of shares and freezing of shares of promoters held by promoters, to BSE on February 15, 2019 and requested it to waive the fine in this regard

- **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee.**

  Company has adopted a revised Whistleblower policy and vigil mechanism for directors, employees and stakeholders to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct. The said policy has been posted on the company's website at www.maccharlesindia.com. The company affirms that no personnel have been denied access to the Audit Committee of the Board.

- **Code for Prevention of Insider Trading Practices**

  During the year under review, the Company revised its Insider Trading policy incorporating policy for determination of Legitimate purposes, mechanism for internal control, mechanism for dealing with suspected leak of unpublished price sensitive information as per the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same was approved and adopted by the Company effective March 2020. The insider trading Policy is also posted on the website of the Company and can be accessed at www.maccharlesindia.com

- **Weblink where policy for determining material subsidiaries is disclosed:** The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The policy on determining the material subsidiary is disclosed on www.maccharlesindia.com. Web link where policy on dealing with related party transactions is disclosed: www.maccharlesindia.com.

- **Commodity price risk or foreign exchange risk and hedging activities:** Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk and therefore no question of hedging. The Company has not entered into foreign currency swap/derivative transactions to cover the risk exposure on account of foreign currency transactions. Your Company follows the Accounting Policy and Disclosure Norms for swap/derivative transactions as prescribed by the relevant Regulatory Authorities and Accounting Standards from time to time. The foreign exchange exposure as on March 31, 2020 is NIL

- Company has not raised any funds through preferential allotment or Qualified Institutional Placement ("QIP") as specified under Regulation 32(7A) and hence the question of disclosure of utilization of funds is not applicable to the company.

- The Company has received a certificate from Mr. Umesh P Maskeri, practicing Company Secretary to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.

- All recommendations of various committees of the Board which is mandatorily required, in the relevant financial year, have been accepted by the Board.

- **During the financial year 2019-20, details of total fees for all services paid/payable by the Company and its subsidiary, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, is furnished below:**

	Amount INR in millions				
Particulars	**By the company**	**By the subsidiary**	**By the subsidiary**	**By the subsidiary**	**Total**
	Mac Charles	**Blue Lagoon**	**Neptune**	**Airport Golf**	
Statutory Audit	4.00	0.125	0.125	0.025	4.275
Taxation & Other Matter	-	-	-	0.225	0.225
Out of pocket expenses	0.27	-	-	-	0.27
Total	**4.27**	**0.125**	**0.125**	**0.250**	**4.77**

- **Disclosure relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

  The Company has always believed in providing a safe and harassment- free workplace for every individual working in the company. The Company has complied with the applicable provisions of the aforesaid act and rules made thereunder, including constitution of Internal Complaint Committee (“ICC”). Company has not received any complaint during the financial year.

14. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

The Company has complied with all the requirements of Corporate Governance.

15. EXTENT TO WHICH DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED

During the year under review, there was no audit qualification in the Auditors’ Report on the Company’s financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements. The Company does not have a Chairman therefore compliance with the requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer does not arise.

Also, Ernst & Young LLP, the Internal Auditors of the Company, make presentations to the audit committee on their reports. The Company has been filing quarterly, half yearly results with stock exchanges within the stipulated timeline and also publishing on our website www.maccharlesindia.com

Company has complied with all the mandatory requirements of Listing Regulations. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the Listing Regulations, is as under:

a. Company has no permanent Chairman hence expenses relating to Chairman’s office will not apply.
b. Company has not sent half yearly declaration of half yearly performance including summary of to the significant event in the last six months to each household of shareholders.
c. The auditors have expressed an unmodified opinion in their report on the financial statements of the Company.
d. The internal auditor reports to the Audit Committee of Directors.

16. POLICY PERTAINING TO DETERMINATION AND DISCLOSURE OF THE MATERIAL EVENTS/INFORMATION

The Board of Directors has adopted a revised policy pertaining to determination and disclosure of the material events/information. Accordingly, any such material events/information will be disclosed to the concerned either by Whole-time Director or Chief Financial Officer or Company Secretary. The policy on determination and disclosure of material events/information is posted in the website of the company.

17. CODE OF CONDUCT:

The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2020. The declaration signed by the CFO in terms of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management is attached to this report.

18. CONFLICT OF INTERESTS

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

19. DECLARATION BY CFO AND MANAGER

In terms of Regulation 17(8) of the Listing Regulations, Chief Financial Officer and Manager has made a certification to the Board of Directors in the prescribed format, which has been reviewed by the Audit Committee and taken on record by the Board. This certificate is attached to this Report.

20. COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Company has obtained the Compliance Certificate from Mr. Umesh P Maskeri, Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 (3) read with Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, which is attached to this Report.

21. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

Sl. No.	Particulars (for the Financial Year 2019-20)	No of Cases	No of Equity Shares
1.	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the beginning of the year;	NIL	NIL
2.	Number of shareholders who approached issuer for transfer of equity shares from suspense account during the year;	NIL	NIL
3.	Number of shareholders to whom equity shares were transferred from suspense account during the year;	NIL	NIL
4.	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the end of the year	NIL	NIL

22. TRANSFER OF UNPAID DIVIDEND AMOUNT AND RESPECTIVE SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, Company has transferred a sum of Rs.35,13,804 towards the unclaimed dividend account in respect of the financial year 2011-12 pursuant to Rule 5(4) of Investor Education and Protection Fund Rules, 2016 ("IEPF Rules) and also transferred 15,900 shares to the Investor Education and Protection Fund in terms of the provisions of Rule 6(5) of IEPF Rules.

On behalf of the Board of Directors
For Mac Charles (India) Limited

P B Appiah
Director
DIN: 00215646

P R Ramakrishnan
Director
DIN: 00055416

Place :Bengaluru
Date: 31-07-2020

Registered office & Website site and Email ID
#72/4, 1st Floor, Cunningham Road, Bangalore-560 052
www.maccharlesindia.com
investor.relations@maccharlesindia.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and sub clause (10) (i) of Para C of Schedule V the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Mac Charles (India) Limited
Bangalore-560052

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Mac Charles (India) Limited having CIN L55101KA1979PLC003620 and having registered office at No 72/4, 1st Floor, Cunningham Road, Bangalore-560052 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub clause 10 (i) of Para-C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate 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.

UMESH P MASKERI
PRACTICING COMPANY SECRETARY
FCS No 4831 COP No. 12704
UDIN F004831B000474531

Place: Mumbai

Date *:* July 20, 2020

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

This is to confirm that the Company has adopted a Code of Conduct for Board of Directors and Senior Management. Code of Conduct is available on the Company's website.
I hereby declare that all the members of Board of Directors and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of the Company.

Pranesha K Rao
Chief Financial Officer
Place: Bengaluru
Date: July 31, 2020

MANAGER AND CHIEF FINANCIAL OFFICER CERTIFICATE
(pursuant to the provisions of LODR)

We certify that :

1. We have received the financial statements and cash flow statement of Mac Charles (India) Limited for the financial year ended March 31, 2020 and to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. To the best of our knowledge and belief, there are, no transactions entered by the Company during the financial year ended March 31, 2020 which are fraudulent, illegal or violating the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls over financial reporting and we have evaluated the effectiveness of Internal Control Systems of the Company over financial reporting and we have disclosed to the auditors and the audit Committee, deficiencies in the design or operation of internal control over financial reporting, if any, of which we are aware and steps we have taken, propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.

4. We have indicated to the auditors and the audit committee:

   i) Significant changes/improvements in internal controls over financial reporting during the financial year ended March 31, 2020

   ii) Significant changes in accounting policies made during the financial year ended March 31, 2020, if any have been disclosed in the notes to the financial statements.

   iii) That there are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Pranesha K Rao	***Suresh K Badlaney***
Chief Financial Officer	***Manager***

Place: Bengaluru
Date: 31-07-2020

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investor.relations@maccharlesindia.com

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

CERTIFICATE OF COMPLIANCE OF CONDITONS OF CORPORATE GOVERNANCE REQUIREMENTS PURSUANT TO REGULATION 34(3) READ WITH PARA E OF SHCEDULE V TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of
Mac Charles (India) Limited
Bangalore-560052

I have examined the compliance of conditions of corporate governance by Mac Charles (India) Limited (" the Company") having its Registered Office at No 72/4, 1st Floor, Cunningham Road, Bangalore-56052 and having Corporate Identity Number as L55101KA1979PLC003620, for the Financial Year ended March 31, 2020 as stipulated in Regulations (17) to (27), clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Compliance with the terms and conditions contained in the corporate governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to explanation given to me and the representations made by the Directors and the management of the Company, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

UMESH P MASKERI
PRACTICING COMPANY SECRETARY
FCS No 4831 COP No. 12704
UDIN F004831B000584036

Place: Mumbai
Date : July 31, 2020

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Brief Outline of CSR Policy**

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

i. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

iii. measures for the benefit of armed forces veterans, war widows and their dependents;

iv. training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

v. contribution to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government for socio- economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

vi. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government

vii. rural development projects

viii. Slum Area Development

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

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

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

2. **Composition of CSR Committee**

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

1. Mr. P R Ramakrishnan -Director- Member
2. Mr. P.B. Appaiah - Director - Member
3. Ms. Tanya John - Director – Member

3. **Average Net Profits**

The average net profits i.e. profit before tax of the Company during the three immediately preceding financial year was: Rs.420.60 million.

4. **Prescribed CSR Expenditure**

The prescribed CSR expenditure was Rs.8.41 millions i.e. 2 % of the average net profits mentioned in Pont 3 above.

5. **Details of CSR Spend**

a. Total amount to be spent for the financial year 2019-20: Rs. 8.41 Millions.
b. Amount spent: Rs. 8.47 Million.
c. Manner in which the amount was spent during the financial year is detailed below:

Sl No.	CSR project or activity identified	Sector in which the activity is covered	Projects or activity 1) Local Area or Other 2) Specify the State and District where Projects/Programmed undertaken	Amount Outlay (Budget) project / programs wise	Amount spent on the projects or activity	Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through implementing agency*
1	Promoting Education and Healthcare	Including special education and employment enhancing vocation skills especially among children	Bengaluru Karnataka	8.41	8.47	8.57	Through various education and health care trust and foundation

6. **Responsibility Statement**

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Our Company has been reporting consolidated results considering the results of its subsidiary. This discussion, therefore, covers the financial results and other developments during April 2019 to March 2020. 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 because of several factors such as changes in government regulations, tax regimes, economic developments within India and abroad, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints.

1. GLOBAL ECONOMY

The global economies are facing a synchronized slowdown, resulting from a variety of factors affecting the world. The outbreak of coronavirus 2019 (COVID19) has globally disrupted people's lives, interrupted businesses and jeopardized decades of development progress . While major economies slowed down with US-China trade strains, the Middle East geopolitical turmoil followed by plummeting crude oil prices. the world witnessed a fresh health challenge in the form of COVID-19 virus. This brought the entire world to a grinding halt, sending both demand and supply side shock waves apart from its unprecedented health implications.

Major research houses and analysts are of the opinion that global economies are headed for a significant shift in economic activities resulting in considerable loss to GDP's growth. India being a developing nation is heavily influenced by activities around the globe. A GDP contraction estimate ranging from 5 to 10 per cent during the FY 2020-21 will leave a permanent mark on the performance of an emerging economy like ours.

Fiscal 2021 will determine the endurance and way forward for all the sectors across the globe. Nations are spending about 10 per cent of their GDP for handholding ailing industries and related support infrastructure impacted by demand-supply constraints witnessed due to this unprecedented health hazard. However, gradual opening up of economic activities in a phased manner is expected to show a positive impact and businesses should be able to shoulder and ease the stress on their operational and financial performances.

According to The World Economic Outlook (WEO) update, global economic growth has been downgraded to 2.4% in 2019, which is its slowest pace since the global financial crisis of 2008. The decline in growth is the outcome of rising trade tensions between large economies, rising uncertainty surrounding trade and geopolitical issues along with individual macroeconomic problems such as low productivity growth in emerging economies and aging population in advanced economies. To add to the existing issues, the pandemic outbreak has worsened the economic environment. The crisis is the result of the needed containment measures that forced policymakers to take extreme steps in the form of huge fiscal stimuli to encourage economic activity. With considerable uncertainty around the world due to the pandemic, its macroeconomic fallout, and the associated impact on financial and commodity markets, the World Economic Outlook has estimated global growth to decline by 5.2% in 2020 before recovering by 4.2% in 2021.

2. INDIAN ECONOMY

As per the Central Statistics Office (CSO), GDP growth for FY20 stood at an 11-year low of 4.2% lower than the government projection of 5.0% in both first and second advance estimates. The country's fiscal deficit worsened to 4.59% of GDP, much beyond the targeted 3.8% of GDP and expected to worsen further with the dip in tax collection and revenue shortage due to the subsequent effects of lockdown on the economy. The core sector contracted by a record 38% in April as the lockdown hit all eight infrastructure sectors. According to the CSO, country's factory output growth contracted to 0.7% in FY20, as against expansion of 3.8% in FY19. Consumer durables output, an indicator of urban demand, contracted by 8.4% in FY20, compared with a growth of 5.5% in FY19.

The COVID 19 pandemic emerged as the biggest societal concern of our times and everything else took a backseat. The Indian government responded by imposing one of the strictest lockdowns globally. Barring essential activities, everything else came to a screeching halt during this lockdown period. We are already in gradual unlocking phases across the country and the government has also announced fiscal stimulus measures to alleviate the economic pain. However, the rising number of COVID-19 cases in the country and re-imposition of a lockdown in some major cities highlights the prolonged pain this pandemic will continue to inflict on lives and livelihoods. In case of India, IMF has already projected a GDP contraction of 4.5% in FY 2021.

3. INDUSTRY INSIGHT -COMMERCIAL REAL ESTATE SECTOR

During the year under review, the Company has discontinued its hotel operations and is under process of demolishing the building to rebuild the said space for leasing as Commercial space. Therefore, industry insight is focused on the Commercial Real Estate Market on which the growth of future of the company is reliant on.

In the prevailing macro & micro-economic scenario, Real Estate is not immune to the COVID-19 impact. We are in early stages of this global business disruption: there is a great deal of uncertainty, and it is difficult to estimate with a reasonable level of certainty as to how long the current challenges will persist.

However, amid this uncertainty, we have a positive view on a number of areas pertaining to the Commercial Real Estate business, in which our Company is investing in the immediate future to build an A Grade Commercial Tower in CBD Bangalore to create an iconic office tower for tenancy to leading global MNCs & other high profile clients.

Firstly, it is clear that, given increased priority to employee wellness, there will be significant reduction in the densities of the workplace, and this will drive demand. Some of this de-densification, but certainly not all, will be offset by more flexible work styles including work from home. The work from home experiment in India has delivered in this crisis but Industry interactions with many corporate occupiers is pointing towards a preliminary assessment that while the industry may see more flexibility in employee work styles, its occupiers and their employees cannot, in India, be fully replaced by solitary work from home changes in our target segments.

A second point of certainty is that our Project is focused on delivering best-in-class office premises and amenities to the best corporations globally and in India. Our targeted customer base operates here in Bangalore because this remains the global hub for technology sectors. This, and the fact that India continues to have a significant employee cost advantage and affordable rentals, has not changed. In fact, again, technology has become even more important to the functioning of the global economy and consequently, many technology companies are prospering in this environment.

Finally, our Project proposes to provide a high quality product offering & total business ecosystem ,with the necessary infrastructure and productive environment , which will remain in demand in a landmark location within Bangalore CBD , further enhancing the resilience of our project in times such as today.

We therefore have a bias to the right location, the right product, the right sector, and the right market in India.

MARKET OUTLOOK

- Bangalore continues with record absorption for Indian commercial office space
- Bengaluru continued as India's leading market with 30% share of historical annual leasing
- Vacancy declined over past five years, primarily driven by technology sector demand
- In the medium-term, high-quality assets to benefit from supply shrinkage and demand from increased technology spends
- Limited impact for existing leases in Grade A properties
- Absorption uncertain – multiple possible outcomes based on lockdown time frame
- Evolving themes such as WFH, de-densification, wellness, industry consolidation, flight to quality
- India office demand well placed given talent pool, cost advantage and depreciating rupee
- Opportunity given industry consolidation, preference for institutional assets and low supply in key micro-market
- Considerable supply shrinkage from Q1 FY 2020 owing to COVID-19 and likely to continue in the medium-term.
- Only well-funded developers to complete projects
- Dramatic liquidity squeeze to disrupt new projects
- Announced supply for next two years expected to drastically shrink
- Supply recovery likely to lag demand recovery
- Comparable and competing supply in next two years is significantly lower

4. OPPORTUNITIES

The Indian real estate sector has been in a consolidation phase from the past few years and picked up pace resulting from several reforms and disruptions in the sector. After the IL&FS default, NBFCs have been mandated by RBI to reduce their exposure to real estate sector, which has created funding issues for smaller real developers who anyway do not have access to bank funding. In such cases, these players face a double whammy – issues in construction funding on one hand and existing deal cancellations due to halt in construction activity on the other hand. This opens up new avenues of growth for organized developers with healthy balance sheets and execution track record to take over the projects of smaller developers at attractive valuations. It allows them to increase their portfolio offering and improve home-buyer confidence. The ongoing consolidation is expected to accelerate further amidst COVID19 and established, well capitalized players stand to gain further market share.

The real estate sector performance is closely linked to the country's economic fundamentals and monetary policies. The Reserve Bank of India cut its benchmark repo rate by 250 bps since February 2019 to 4.0%, which is the lowest ever repo rate in its attempt to support the slowing economy from further deterioration due to COVID19. Monetary easing initiatives are expected to provide an impetus to office demand once the economy revives and encourage customers and real estate developers.

5. THREATS/ CHALLENGES

Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

The sector can be impacted by delays in multiple approval processes which need to be undertaken for every project.

According to a report by property consultant JLL, the lending to real estate developers by NBFCs and HFCs fell by almost half in FY19, triggered by the IL&FS crisis. This NBFC crisis has further deteriorated the liquidity situation for smaller developers who had to resort to alternative funding in absence of long-term loans from banks. While established developers with lean balance sheets continue to have funding access, many developers are facing significant liquidity pressure.

6. **SEGMENT WISE PERFORMANCE AND FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

- **Factors used to identify the entity's reportable segments, including the basis of organization:**

The Company was operating a five-star hotel business by name style as Le Meridien, Bengaluru till October, 2019. 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 GESCOM, HESCOM & Group Captive, and third-party consumers. Further, the Company has considerable earnings on investments.

During the year under review, the Company has discontinued its hotel operations and is under process of demolishing the building to rebuild the said space for commercial use.

For management purposes, the Company has only multiple reportable segments namely, Development of real estate property, Windmill, Rental income and others.

Financial performance of the Company is as under:

PARTICULARS **Segment wise Turnover/Revenue**	**Financial Year ended 31-03-2020**	**Financial Year ended 31-03-2019**
1. Continue Operation		
a) Sale of Electricity	100.18	107.42
b) Office Rentals	145.54	139.14
c) Others	34.32	82.78
2. Discontinue Operation		
Hotel Sales Turnover	175.45	558.66
3. Exceptional Income	-	300.00
Total Revenue	455.49	1,188.00
Continue Operation		
Profit/(Loss) before Depreciation ,Finance Cost & Tax	156.16	548.96
Less Depreciation	35.68	35.92
Less Finance Cost	110.35	107.00
Profit/(Loss) before tax	10.14	406.04
Profit/(Loss) for the year	12.29	299.39
Discontinue Operation		
Profit/(Loss) before tax	(178.66)	205.94
Profit/(Loss) for the year	(137.96)	140.93
Total Profit /Loss for the year	(125.67)	440.32
Total Comprehensive Income	(125.15)	439.87
Earning Per Share - basic & Diluted- Rs	(9.59)	33.61

- **Geographical Information**

The geographic information analyses the Company's revenue and Non-Current Assets by the Company's country of domicile and other countries. As the Company is engaged in Development of Real Estate property in India, Windmill and Rental income, it has only multiple reportable geographical segment.

- **Information about major customers**

Business segment	Customer
Windmill	Vikas Telecom Pvt. ltd.
Rental Income	LG Soft India Pvt. Ltd. and Inmobi Technology Services Pvt. Ltd.

Apart from above no other customers constituted 10% or more of the total revenue of the Company for the years ended March 31, 2020 and March 31, 2019.

7. OUTLOOK

While uncertainties around the impact of COVID 19 pandemic persist, we have highlighted the positive outlook for high grade Commercial Real Estate in our Industry Insight (Section 3) whereby we see an opportunity for well established players in the industry. The start of FY2021 may be muted due to the lockdown and subsequent impact on economy, but we believe that our Commercial Real Estate project, which is expected to be completed by 2023 , by which time we see the uncertainties of the current global & national economic downturn having been overcome to benefit from the positives that will accrue to Companies like ours with healthy operational performance & strong balance sheets.

8. RISKS AND CONCERNS

Industry Risk

The real estate sector in India is heavily regulated by the central, state and local governments. Real estate developers are required to comply with a number of laws and regulations, including policies and procedures established and implemented by local authorities in relation to land acquisition, transfer of property, registration and use of land. These laws often vary from state to state.

General Economic Conditions:

The Real Estate and Construction Industry is prone to impact due to fluctuations in the economy caused by changes in global and domestic economies, changes in local market conditions, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other social factors.

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, connect between nations, threat of terrorist activities, occurrence of infectious diseases, extreme weather conditions and natural calamities, etc., which may affect the demand and supply activity.

Company Specific Risks:

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

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal information systems ensure smooth information 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 on to facilitate monitoring.

10. DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

As the company has closed its hotel operations, company has absorbed 8 employees in various new roles. The company discontinued the services of 300 employees who were associated with the hotel business as their profiles and skills did not match with the changed requirements of real estate industry and emerging business objects. The accounts of all such employees have been settled amicably keeping in mind the provisions of Industrial Disputes Act, 1947.

The Company believes that the quality of the employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skills, enabling them to keep pace with ongoing technological advancements and evolve. Employees are provided opportunity to grow and prosper. In the meantime, all efforts are being made to control cost to maintain present level of profitability. We are also seeking opportunities in different markets and segments to continue diversify our revenue.

11. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

The details of significant changes (i.e. change of 25 % or more as compared to the immediately previous financial year) in key financial ratios, alongwith the explanation, are furnished as under:

Sl.No	Particulars of ratio	Ratio for the FY 2018-19	Ratio for the FY 2019-20	Extent of change over the previous year in %	Explanation for significant change (more than 25 %)
1	Debtors turnover	32.22	41.9	30%	Due to discontinuance of Hotel Operation in Oct'19
2	Inventory turnover	96.84	0	-100%	Due to discontinuance of Hotel Operation in Oct'19
3	Interest coverage	5.72	-0.53	-109%	Due to discontinuance of Hotel Operation in Oct'19
4	Current ratio	2.52	2.28	-10%	-
5	Debt Equity	0.38	0.41	8%	-
6	Operating profit Margin (%)	35.13%	-37%	-205%	Due to discontinuance of Hotel Operation in Oct'19
7	Net profit margin (%)	49.58%	-27.59%	-156%	Due to discontinuance of Hotel Operation in Oct'19

Change in Return on Net Worth

Return on net worth during the financial year 2019-20 is Rs.2899.74 Million as compared to financial year 2018-19 Rs. 3182.84 Million.

12. DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed all relevant Accounting Standards while preparing the Financial Statements.

13. 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 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 because of latest information, future events, or otherwise.

Independent Auditor's Report

To the Members of Mac Charles (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mac Charles (India) Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Key audit matters	**How the matter was addressed in our audit**
Discontinued Operations and assets held for sale (Refer note 43 to the financial statements) Owing to commercial considerations, the Management proposed that the hotel business of the Company be discontinued. This decision was approved by the Board of Directors of the Company on 26 August 2019 and the hotel operations of the Company ceased with effect from 1 November 2019. The hotel business was the largest segment of the Company in terms of revenues, profits and assets deployed. We have identified discontinued operations and assets held for sale as a key audit matter considering the following: - significant judgement involved in classifying a business as a discontinued operation and in valuing the assets held for sale - accounting for significant termination benefits associated with the discontinued operations - extensive disclosure requirements in the financial statements of the Company.	In view of the significance of the matter we applied the following audit procedures in this area, amongst others, to obtain sufficient appropriate audit evidence: ➢ We tested the design of key controls and operating effectiveness of the relevant key controls around the identification, accounting and disclosure of discontinued operations, assets held for sale and termination benefits ➢ We read minutes of the meetings of the Board of Directors of the Company ➢ For assets held for sale and the liabilities directly associated with assets held for sale, we tested the underlying assumptions used by the Management for their assessment of the carrying value of assets and the expected amounts of settlement of the liabilities directly associated with assets held for sale ➢ We tested completeness, existence and accuracy of expenses relating to termination benefits by verifying computations in accordance with the settlement agreement for all eligible employees ➢ We obtained and reviewed the settlement agreements underlying the termination benefits that the Company has accrued ➢ We considered the adequacy and appropriateness of the disclosures in the financial statements relating to the discontinued operations, assets held for sale and termination benefits as required by accounting standards

Key Audit Matters (continued)

Key audit matters	**How the matter was addressed in our audit**
Evaluation of the Going Concern assumption (Refer Note 2 in the financial statements)	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

In the current year, the Company has incurred losses due to the discontinuance of its hotel business and the incidence of certain non-recurring expenses. Although, the net worth of the Company is positive, the Company does not have significant bank balances as at 31 March 2020 and needs to generate cash flows from its continuing operations in order to meet its working capital requirements over the next 12 months. Notwithstanding the above, the financial statements of the Company have been prepared by the management on a going concern basis, based on an assessment of the Company's cash position, free cash flow forecast from its continuing operations and recourse to financing to sustain its operations and continue to operate as a going concern for next 12 months from the date of balance sheet. We have identified the assessment of Company's ability to continue as a going concern as a key audit matter since this assessment is dependent on certain management assumptions and judgments, in particular in relation to future cash flows to be generated from the Company's continuing operations and the ability of the Company to renew or obtain financing facilities as and when necessary. **Impairment assessment of investments in subsidiaries** (Refer to note 6 Investments in subsidiaries) The Company has significant investments in its subsidiaries. As at 31 March 2020, the carrying values of Company's investment in its subsidiaries amounts to Rs. 2,109.6 million.	➢ We obtained and discussed management's assessment of going concern ➢ We obtained an understanding of the key assumptions underpinning the Company's forecasts and assessed whether they are appropriate considering the Company's historical performance and the current market conditions ➢ We reviewed management's sensitivity analysis of the cash flow forecasts and their arithmetical accuracy ➢ We evaluated the availability of sources of funding and access to additional lines of credit ➢ We assessed the recoverability of loans granted the Company to its subsidiaries ➢ Assessed the appropriateness of disclosures in the financial statements of the Company relating to the going concern assumption to check if the disclosures are fair, balanced and appropriate. In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: ➢ We assessed the Company's valuation methodology applied in determining the recoverable amount of the investments

Key audit matters	How the matter was addressed in our audit
Management regularly reviews whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets". For investments where impairment indicators exist, significant judgments are required to determine the key assumptions used in the valuation models. This has been identified as a key audit matter considering the significance of the balance and this being an area involving significant judgment and assumptions.	➢ We obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its investments ➢ We considered the independence, competence and objectivity of the management specialist involved in determination of the valuation ➢ We involved our internal valuation specialists, where required, to assist us in evaluating the assumptions and methodologies used by the Company. ➢ We performed sensitivity analysis of the key assumptions and assessed the adequacy of disclosures in standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   A. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Report on Other Legal and Regulatory Requirements (continued)

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Rushank Muthreja
Partner

Membership No: 211386
UDIN: 20211386AAAABP5817

Bengaluru
26 June 2020

Annexure A to the Independent Auditor's Report

The Annexure A referred to in the Independent Auditor's Report to the Members of Mac Charles (India) Limited ("the Company") on the standalone financial statements for the year ended 31 March 2020, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme, physical verification of fixed assets was carried out during the year and no material discrepancies were noted.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, title deeds of immovable property are held in the name of the company.

(ii) According to the information and explanations given to us and on the basis of our examination of the records, the inventory has been physically verified by the Management at the time of closure of the hotel operations and no material discrepancies were noticed on such verification of inventories between physical stocks and book records.

(iii) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any secured and unsecured loans to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clauses 3(iii) (a), (b), and (c) of the order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given and investments made. Further, there are no guarantees and security given in respect of which provisions of Section 185 and 186 of the Act are applicable.

(v) According to information and explanations given to us, the Company has not accepted any deposits. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanation given to us, the Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered and goods sold by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of excise duty, sales tax, value added tax, service tax and Duty of Customs during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Services tax, Cess and other material statutory dues which have not been deposited by the Company on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company did not have any outstanding borrowings during the year from Government and there are no dues to debenture holders during the year.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public issue or further public offer (including debt instruments) during the year. The term loans obtained during the year were applied for the purpose for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

Annexure A to the Independent Auditor's Report

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Rushank Muthreja
Partner
Membership No: 211386
UDIN - 20211386AAAABP5817

Bengaluru
26 June 2020

Annexure B to the Independent Auditor's Report on the standalone financial statements of Mac Charles (India) Limited for the year ended 31 March 2020

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Opinion

We have audited the internal financial controls with reference to financial statements of Mac Charles (India) Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to standalone financial statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Rushank Muthreja
Partner
Membership No: 211386
UDIN - 20211386AAAABP5817

Bengaluru
26 June 2020

BALANCE SHEET AS AT MARCH 31, 2020 *Rs. in millions*

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	631.40	701.82
Investment property	5	829.81	845.41
Investments in subsidiaries	6	2,109.60	74.50
Financial assets			
- Investments	7	23.83	41.89
- Loans	8	9.93	24.43
- Other financial assets	9	19.40	19.42
Income-tax assets, net	10	39.40	-
Other non-current assets	11	53.23	2,311.87
Total non-current assets		**3,716.60**	**4,019.34**
Current assets			
Inventories	12	-	9.17
Financial assets			
- Investment	13	3.51	191.20
- Trade receivables	14	9.73	27.56
- Cash and cash equivalents	15	42.10	46.21
- Bank balances other than cash and cash equivalents	16	1.00	1.00
- Loans	17	517.48	357.40
- Other financial assets	18	0.80	3.60
Other current assets	19	2.25	11.38
Assets held for sale	44	35.80	27.75
Disposal group - assets held for sale	43	35.85	-
Total current assets		**648.52**	**675.27**
Total assets		**4,365.12**	**4,694.61**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	131.01	131.01
Other equity	21	2,768.73	3,051.83
Total equity		**2,899.74**	**3,182.84**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	22	1,179.21	1,202.24
- Other financial liabilities	23	-	0.98
Non Current provisions	24	2.08	-
Deferred tax liabilities (net)	37	-	40.49
Total non-current liabilities		**1,181.29**	**1,243.71**
Current liabilities			
Financial liabilities			
- Trade payables			
Total outstanding dues to micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	14.34	28.53
- Other financial liabilities	26	155.17	192.91
Current provisions	27	0.92	11.70
Other current liabilities	28	3.70	16.50
Current tax liabilities, net	29	-	18.42
Disposal group - liabilities directly associated with assets held for sale	43	109.96	-
Total current liabilities		**284.09**	**268.06**
Total equity and liabilities		**4,365.12**	**4,694.61**
Significant accounting policies	**3**		
The notes referred to above form an integral part of these standalone financial statements			

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024

Rushank Muthreja
Partner
Membership No. 211386

Place: Bengaluru
Date: 26 June 2020

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

P B Appiah
Director
DIN: 00215646
Date: 26 June 2020

P R Ramakrishnan
Director
DIN: 00055416
Date: 26 June 2020

M S Reddy
Executive Director and Company Secretary
Place: Bengaluru
Date: 26 June 2020

Pranesha K Rao
Chief Financial Officer

Place: Bengaluru
Date: 26 June,2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020 *Rs. in millions*

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	30	245.72	246.56
Other income	31	34.32	82.79
Total income		**280.04**	**329.35**
Expenses			
Maintenance and upkeep services	32	17.96	14.57
Employee benefits expense	33	14.99	13.58
Finance costs	34	110.35	107.00
Depreciation and amortization expense	35	35.68	35.92
Other expenses	36	90.92	52.24
Total expenses		**269.90**	**223.31**
Profit before exceptional items and tax		**10.14**	**106.04**
Exceptional item	11	-	300.00
Profit from continuing operation before tax		**10.14**	**406.04**
Tax expense:			
- Current tax		-	(121.17)
- Taxes pertaining to earlier years (net)		2.15	(10.08)
- Deferred tax		(0.00)	24.60
Profit from continuing operations (after tax)		**12.29**	**299.39**
Discontinued operations:			
Profit/(loss) from discontinued operations	43	**(178.66)**	**205.94**
Tax expense:			
- Current tax		-	(65.01)
- Deferred tax		40.70	-
Profit/ (loss) from discontinued operations (after tax)		(137.96)	140.93
Profit/(loss) for the year		(125.67)	440.32
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability/(asset)		1.98	1.41
Equity instruments through Other Comprehensive Income - net changes in fair value		(1.25)	(2.05)
		0.73	**(0.64)**
Items that will be reclassified to profit or loss			
Deferred tax on items that will not be reclassified to profit or loss		(0.21)	0.19
Other comprehensive income for the year, net of income taxes		**0.52**	**(0.45)**
Total comprehensive income for the year		**(125.15)**	**439.87**
Earnings per equity share (for continuing operations):			
- Basic (Rs.)	21.2	0.94	22.85
- Diluted (Rs.)	21.2	0.94	22.85
Earnings per equity share (for discontinued operations):			
- Basic	21.2	(10.53)	10.76
- Diluted	21.2	(10.53)	10.76
Earnings per equity share (for discontinued and continuing operations):			
- Basic	21.2	(9.59)	33.61
- Diluted	21.2	(9.59)	33.61
Significant accounting policies	**3**		
The notes referred to above form an integral part of these standalone financial statements			

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024

Rushank Muthreja
Partner
Membership No. 211386

Place: Bengaluru
Date: 26 June 2020

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

P B Appiah
Director
DIN: 00215646

Date: 26 June 2020

P R Ramakrishnan
Director
DIN: 00055416

Date: 26 June 2020

M S Reddy
Executive Director and Company Secretary
Place: Bengaluru
Date: 26 June 2020

Pranesha K Rao
Chief Financial Officer

Place: Bengaluru
Date: 26 June 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Rs in millions

	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities		
Profit/ (loss) before tax from continuing operations	10.14	406.04
Profit/ (loss) before tax from discontinuing operations	(178.66)	205.94
Adjustments:		
- Interest income	(29.98)	(65.11)
- Interest income (included in exceptional item)	-	(300.00)
- Dividend income	-	(0.06)
- Financial assets at fair value through statement of profit and loss	14.66	(1.68)
- Profit on sale of investments	(4.17)	(15.93)
- Profit on sale of property, plant and equipment	(0.17)	(6.27)
- Interest expense (including fair value change in financial instruments)	110.26	106.88
- Depreciation and amortization	42.32	49.70
- Provision for doubtful advances	(13.00)	0.32
Operating cash flow before working capital changes	(48.60)	379.83
Working capital adjustments:		
- Trade receivables	16.69	22.63
- Inventories	9.17	1.81
- Current and non-current financial assets	15.72	(3.14)
- Other current and non-current assets	9.13	(0.14)
- Current and non-current financial liabilities	71.43	22.73
- Provisions	(10.78)	2.15
- Other current and non-current liabilities	(24.74)	(15.77)
Cash generated from operation activities	38.02	410.10
Income taxes paid	(37.87)	(182.06)
Net cash generated from operating activities [A]	**0.15**	**228.04**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(8.03)	(100.34)
Purchase of investments	(89.01)	(478.43)
Loan to subsidiaries	(160.08)	-
Acquisition of subsidiaries	(2,035.10)	-
Refund of capital advances	2,258.64	-
Proceeds from sale of property, plant and equipment	10.47	20.65
Proceeds from sale of investments	278.00	516.55
Interest received	29.98	65.11
Dividend received	-	0.06
Net cash generated from investing activities [B]	**284.87**	**23.60**
Cash flows from financing activities		
Dividend paid	(157.94)	(157.94)
Repayment of borrowings	(17.38)	(13.39)
Interest paid	(110.26)	(105.23)
Net cash used in financing activities [C]	**(285.58)**	**(276.56)**
Increase/ (decrease) in cash and cash equivalents [A+B+C]	(0.56)	(24.91)
Cash and cash equivalents at the beginning of the year	42.66	67.57
Cash and cash equivalents at the end of the year	**42.10**	**42.66**
Components of cash and cash equivalents (refer note 15)		
Balances with banks		
- in current accounts	41.88	45.42
- Book overdraft	-	(3.55)
Cash in hand	0.22	0.79
Cash and cash equivalents at the end of the year	**42.10**	**42.66**
The disclosure on reconciliation of movements of liabilities to cash flows arising from financing activities is disclosed in note 22.		
The notes referred to above form an integral part of these standalone financial statements		

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024

Rushank Muthreja
Partner
Membership No. 211386

Place: Bengaluru
Date: 26 June 2020

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

P B Appiah
Director
DIN: 00215646

Date: 26 June 2020

P R Ramakrishnan
Director
DIN: 00055416

Date: 26 June 2020

M S Reddy
Executive Director and Company Secretary
Place: Bengaluru
Date: 26 June 2020

Pranesha K Rao
Chief Financial Officer

Place: Bengaluru
Date: 26 June 2020

STATEMENT OF CHANGES IN EQUITY

(Rs in millions)

		Amount
a	**Equity share capital**	
	Equity shares of Rs. 10 each, issued, subscribed and paid-up capital	
	Balance as at 1 April 2018	131.01
	Changes in equity share capital during the year 2018-19	-
	Balance as at 31 March 2019	**131.01**
	Changes in equity share capital during the year 2019-20	-
	Balance as at 31 March 2020	**131.01**

b Other Equity

For the year ended 31 March 2019 *(Rs in millions)*

Particulars	Reserves and Surplus		Other comprehensive income	Total equity attributable to owners of the Company
	General reserve	Retained Earnings	Fair value of equity instruments	
Balance as at 1 April 2018	2,214.77	556.45	(1.35)	2,769.87
Profit for the year	-	440.32	-	440.32
Other comprehensive income for the year	-	1.00	(1.45)	(0.45)
Transfer to general reserve	30.00	(30.00)	-	-
Dividend distribution	-	(131.01)	-	(131.01)
Corporate dividend tax	-	(26.93)	-	(26.93)
Forfeiture of shares	0.03	-	-	0.03
Balance as at 31 March 2019	**2,244.80**	**809.83**	**(2.80)**	**3,051.83**

For the year ended 31 March 2020 *(Rs in millions)*

Particulars	Reserves and Surplus		Other comprehensive income	Total equity attributable to owners of the Company
	General reserve	Retained Earnings	Fair value of equity instruments	
Balance as at 1 April 2019	2,244.80	809.83	(2.80)	3,051.83
Profit/(loss) for the year	-	(125.67)	-	(125.67)
Other comprehensive income for the year	-	1.40	(0.89)	0.52
Dividend distribution	-	(131.01)	-	(131.01)
Corporate dividend tax	-	(26.93)	-	(26.93)
Balance as at 31 March 2020	**2,244.80**	**527.62**	**(3.69)**	**2,768.73**

Nature and purpose of other reserves:

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

During the year ended 31 March 2019, an amount of Rs 0.03 million has been transferred from equity share capital to general reserve on account of forfeiture of equity shares in an earlier year.

Retained earnings:

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the period, the profit after tax is transferred from the statement of profit and loss to the retained earnings account.

Significant accounting policies **3**

The notes referred to above form an integral part of these standalone financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
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Chief Financial Officer

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. Background

Mac Charles (India) Limited engages in the hotel business in India. The Company operates Le Meridien, a five star hotel with 197 rooms and suites in Bangalore, India. It is also involved in the generation of electricity through wind turbine generators located in Gadag and Bellary Districts and leasing of commercial real estate properties in Embassy Tech Square ('Alpha' and 'Delta') located along Outer Ring Road, Bangalore, Karnataka. The Company was incorporated in the year 1979 and is based in Bengaluru, India. Owing to commercial considerations, the Management proposed that the hotel business of the Company be discontinued. This decision was approved by the Board of Directors of the Company on 26 August 2019 and the hotel operations of the Company creased with effect from 1 November 2019.

2. Basis of preparation

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act 2013, (the 'Act') and other relevant provisions of the Act. The standalone financial statements were authorized for issue by the Company's Board of Directors on 26 June 2020. Details of the Company's accounting policies are included in note 3.

'The Company has consistently applied the following accounting policies to all periods presented in these standalone financial statements, except for the adoption of Ind AS 116 – Leases, which was adopted with effect from 1 April 2019. Refer note 3.1.

In March 2020, the World Health Organisation declared COVID-19 to be 'the pandemic'. This pandemic has resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the government. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company believes that the COVID 19 pandemic will only have a short term impact on its operations and growth plans and after easing of the lockdown restrictions, the business is expected to return to normal.

Further, owing to the discontinuance of the hotel operations of the Company earlier this year, which was the single largest segment of the Company's business, the Company has evaluated its ability to sustain it 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 form the date of the standalone financial statements.

The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial result for the year ended 31 March 2020.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations.

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as included below.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2020 is included in the following notes:

- Note 4 and 5 - Depreciation and amortization method and useful life of items of property, plant and equipment and investment property;
- Note 24, 27 and 41 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 39 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 40 – impairment of financial assets,
- Note 44 - Assets held for sale; determining the fair value less cost to sell of the assets held under sale

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company has an established control framework with respect to the measurement of fair values. The Company engages with external valuers for measurement of fair values in the absence of quoted prices in active markets.

Significant valuation issues are reported to the Company's audit committee. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Financial instruments (note 40)
- Disclosures for valuation methods, significant estimates and assumptions (note 40)
- Quantitative disclosures of fair value measurement hierarchy (note 40)
- Financial instruments (including those carried at amortized cost) (note 40)

3. Significant accounting polices

3.1 Leases

Policy applicable with effect from 1 April 2019

Company as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
- the contract involves the use of an identified asset
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the standalone statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in standalone statement of profit and loss.

When the Company acts as a lessor at the inception, it determines whether each lease is a finance lease or an operating lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short -term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains a lease and non-lease components, the Company applies Ind AS 115-Revenue to allocate the consideration in the contract.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules; 2019 and Companies Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 using the modified retrospective method with the cumulative effect of initially applying the Standard, recognized on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on 1 April 2019.

Company as a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

Policy applicable before 1 April 2019

Refer note 3 Significant accounting policies Leases in annual report of the Company for the year ended 31 March 2019, for the policy as per Ind AS 17, the previous standard on leases.

3.2 Property, plant and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

2. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognized in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful lives
Building	30 – 60 years
Leasehold improvements	Lease term or estimated useful life, whichever is lower
Plant and machinery	15 years
Office equipment	5 years
Furniture and fixtures	10 years
Computers	3 years
Vehicles	8 years
Leasehold land	Lease term

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

3.3 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Based on technical evaluation and consequent advice, the management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over a period of 60 years on a straight-line basis. The useful

life estimate of 60 years is different from the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 30 years. Any gain or loss on disposal of an investment property is recognized in profit or loss.
The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognized as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

3.4 Impairment of assets

1. Impairment of financial instruments

The Company recognizes allowances for expected credit losses on financial assets measured at amortized cost.
At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for the financial assets measured at amortized cost are deducted from the gross carrying amount of assets. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due. The Company considers a financial asset to be in default when: (i) the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or (ii) the financial asset is 365 days or past due.

Measurement of expected credit losses
Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).
Presentation of allowance for expected credit losses in the balance sheet
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.
Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.
The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

2. Impairment of non-financial assets

The Company's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents smallest group of assets that generates cash inflows that are largely independent of the cash inflows or other assets or CGUs.
The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).
An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists.
An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extend that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

3.5 Inventories

Inventories are valued at the lower of cost and net realizable value. 'Cost' comprises purchase cost and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Nature of inventory	Method of valuation
Inventories of provisions, food supplies, crockery, cutlery, glassware, beverage, stores and operational supplies	Cost on weighted average method. (Cost includes freight and other incidental expenses)s or net realizable value, whichever is lower.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Stores and operational supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
The comparison of cost and net realizable value is made on an item by item basis. The Company periodically assesses the inventory for obsolescence and slow moving stocks.

3.6 Revenue recognition

The Company derives its revenue primarily from running and/or managing hotels, sale of electricity, rental income and interest income.

The Company has initially applied Ind AS 115 - 'Revenue from contracts with Customers' from 1 April 2018. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced Ind AS 18 - Revenue and Ind AS 11 Construction Contracts and Guidance Notes.

The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of the initial application i.e., 1 April 2018. Accordingly, the information presented for the year ended 31 March 2018 is not restated, i.e., it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind As 115 have not generally been applied to comparative information. There is no impact due to adoption of Ind AS 115.

Revenue from different sources is recognized as below:

- Income from hotel:

Income from operations of hotel primarily comprises of revenue from room rentals and sale of food and beverage charges. Such service income is recognized when the related services are rendered unless significant future contingencies exist.

Revenue is recognized when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of an asset. Service income is recognized when the related services are rendered unless significant future contingencies exist.

Sales are disclosed net of sales tax, service tax, trade discount and quality claims. Advances received from the customers are reported as liabilities until all conditions for revenue recognition are met and is recognized as revenue once the related services are rendered.

- Sale of electricity generated from Wind Turbine Generators is:

Recognized on the basis of electricity units metered and invoiced.

- Rental income

Rental income from property leased under operating lease is recognized in the statement of profit and loss on an actual basis over the term of the lease since the rentals are in line with the expected general inflation. Lease incentives granted are recognized as an integral part of the total rental income.

- Interest income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of a financial asset; or
- the amortized cost of financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

- Dividend income:

Dividends are recognized in profit or loss on the date on which the Company's right to receive payment is established.

3.7 Financials instruments

1. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

2. Classification and subsequent measurement

A. Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- Fair Value Through statement of Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

− the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

− the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

B. Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

− the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Company's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

C. Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

− contingent events that would change the amount or timing of cash flows;

− terms that may adjust the contractual coupon rate, including variable interest rate features;

− prepayment and extension features; and

− terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

D. Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.
Debt investments at FVTPL	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in statement of profit and loss.

E. Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3. Derecognition

A. Financial assets :

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

B. Financial liabilities:

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and amortized cost.

At initial recognition, the Company measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Amortized cost

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

4. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.8 Employee benefits

1. Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

2. Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive income in the period in which they occur.

Gratuity scheme is administered through a trust called Mac Charles (India) Limited Employees Gratuity Fund Trust affiliated with the Life Insurance Corporation of India and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

3. Short-term benefit plans

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized and measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Compensated absence, which is a short term defined benefit, is accrued based on a full liability method based on current salaries at the balance sheet date for unexpired portion of leave.

3.9 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.10 Income taxes

Income tax comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to an item directly recognized in equity or in other comprehensive income.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.11 Provisions and contingent liabilities

Provisions (other than for employee benefits)

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

3.12 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

'Deposits with maturity more than three months but less than twelve months have been disclosed as 'Bank balances other than cash and cash equivalents'.

3.13 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owner's of the company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

3.14 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.15 Discontinued Operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Company and which represents a separate major line of business or geographical area of operations and

- is a part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or

- is a subsidiary acquired exclusively with a view to re-sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

3.16 Recent Indian Accounting Standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

3.17 Estimation of uncertainity relating to COVID-19 outbreak

The Company has considered internal and external sources of information, economic forecasts and industry reports, up to the date of approval of the financial statements, in determining the impact of COVID-19 pandemic on various elements of its business operations and financial statements. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to recover the carrying amount of its current and non-current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements depending on how long the pandemic lasts and time period taken for the economic activities to return to normalcy.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

4 Property, plant and equipment and capital work-in-progress

Particulars	Land	Buildings	Plant and Machinery	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
Balance as at 1 April 2018	338.93	33.70	426.68	0.40	31.98	4.55	5.47	**841.71**
Additions	1.72	-	0.17	-	-	0.34	-	**2.23**
Reclassification to asset held for sale	-	-	-	-	-	-	-	-
Disposals	-	7.60	-	-	-	-	-	**7.60**
Balance as at 31 March 2019	**340.65**	**26.10**	**426.85**	**0.40**	**31.98**	**4.89**	**5.47**	**836.34**
Balance as at 1 April 2019	340.65	26.10	426.85	0.40	31.98	4.89	5.47	**836.34**
Additions	-	-	-	-	-	-	-	-
Reclassification to asset held for sale	-	4.67	82.57	0.40	31.98	4.89	-	**124.51**
Disposals	-	-	-	-	-	-	0.25	**0.25**
Balance as at 31 March 2020	**340.65**	**21.43**	**344.28**	**0.00**	**(0.00)**	**(0.00)**	**5.22**	**711.58**
Accumulated depreciation								
Balance as at 1 April 2018	-	1.34	73.77	0.04	20.95	3.22	1.78	**101.10**
Charge for the year	-	0.58	25.06	-	6.48	1.22	0.76	**34.10**
Transfer to assets held for sale	-	-	-	-	-	-	-	-
Disposals	-	0.67	-	-	-	-	-	**0.67**
Balance as at 31 March 2019	-	**1.25**	**98.83**	**0.04**	**27.43**	**4.44**	**2.54**	**134.53**
Balance as at 1 April 2019	-	1.25	98.83	0.04	27.43	4.44	2.54	**134.53**
Charge for the year	-	0.52	22.61	-	2.40	0.51	0.68	**26.72**
Transfer to assets held for sale	-	0.40	45.60	0.04	29.83	4.95	-	**80.81**
Disposals	-	-	-	-	-	-	0.25	**0.25**
Balance as at 31 March 2020	-	**1.37**	**75.84**	**(0.00)**	-	**0.00**	**2.96**	**80.18**
Carrying amount:								
As at 31 March 2020	***340.65***	***20.06***	***268.44***	***0.01***	***(0.00)***	***(0.00)***	***2.26***	***631.40***
As at 31 March 2019	***340.65***	***24.85***	***328.02***	***0.37***	***4.55***	***0.45***	***2.93***	***701.82***

Notes:

(i) Contractual obligations

The Company has not entered into any contracts to purchase, construct or develop property plant and equipment or for its repairs, maintenance or enhancements exceeding a period of one year.

(ii) Significant estimates

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life, if any. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

5 Investment property *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Cost or deemed cost (Gross carrying amount)		
Opening balance	936.13	936.13
Additions	-	-
Deletions	-	-
Closing balance	**936.13**	**936.13**
Accumulated depreciation		
Opening balance	(90.72)	(75.12)
Charge for the year	(15.60)	(15.60)
Deletions	-	-
Closing balance	**(106.32)**	**(90.72)**
Net carrying amount	**829.81**	**845.41**

Notes:
Investment property comprises of a commercial property that is leased to third parties. The lease contains an initial non-cancellable period. Subsequent renewals are negotiated with the lessee and historically the average renewal period is five to nine years.
Investment property comprises of property of two buildings namely 'Delta' and 'Alpha' held by the Company in Cessna Business Park, Bangalore. These properties have been given as a colaterall for the term loan from bank.

i) Amounts recognized in profit and loss for investment properties

Particulars	As at 31 March 2020	As at 31 March 2019
Rental income derived from investment properties	145.54	139.14
Direct operating expenses (including repairs and maintenance) generating rental income	6.24	4.12
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	139.30	135.02
Less: Depreciation	15.60	15.60
Profit arising from investment properties before indirect expenses	**123.70**	**119.42**

ii) Fair value
Fair value hierarchy
The fair value of investment property has been determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.
The fair value measurement for the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation techniques
Investment property comprises commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

Fair value:	**Rs in million**
As at 31 March 2019	2390.40
As at 31 March 2020	2484.58

The fair value of the investment property is determined based on the current market prices in an active market for properties of different nature adjusted to reflect those changes.
Significant estimates
The charge in respect of periodic depreciation on investment property is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life, if any. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
Note :
Para 97 of Ind AS 113 'Fair value measurements' states that for each class of assets and liabilities not measured at fair value in the balance sheet but for which the fair value is disclosed, an entity shall disclose the information required by paragraph 93(b), (d) and (i). However, the said paragraph states that an entity is not required to provide the quantitative disclosures about significant unobservable inputs used in fair value measurements categorized within Level 3 of the fair value hierarchy required by paragraph 93(d). Therefore, no disclosure in relation to sensitivity analysis of significant unobservable inputs used in fair value measurements of Investment property.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

6 Investments in subsidiaries (Rs.in Millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Unquoted equity shares		
Investments in subsidiaries accounted at cost		
29,988 equity shares of Airport Golf View Hotels and Suites Private Limited (31 March 2019: 29,988 shares)	74.50	74.50
49,999 equity shares of Blue Lagoon Real Estate Private Limited (31 March 2019: Nil)	1,531.20	-
49,999 equity shares of Neptune Real Estate Private Limited (31 March 2019: Nil)	503.90	-
Total	**2,109.60**	**74.50**

7 Investments

Non-Current Investments (Rs.in Millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Unquoted		
Other investments at fair value through profit and loss (fully paid-up)		
Investment in mutual funds		
Pru.ICICI India Advantage Fund-III	3.30	5.02
Reliance Capital Asset Management	20.53	36.87
Total	**23.83**	**41.89**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	23.83	41.89
Aggregate amount of impairment in the value of investments	-	-

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 40

8 Loans (Rs.in Millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	9.93	24.43
	9.93	**24.43**

9 Other financial assets (Rs.in Millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Bank deposits	19.40	19.42
	19.40	**19.42**

Fixed deposit with bank includes an amount of Rs 19.40 million (previous year: Rs 19.42 million) which is held as debt service reserve account (DSRA).

10 Income-tax assets, net (Rs.in Millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance tax, net of provision for tax	39.40	-
	39.40	-

11 Other non-current assets (Rs.in Millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances		
- Advance paid for purchase of investment property (refer note below)	53.23	2,311.87
	53.23	**2,311.87**

Note:

The Company had made an advance payment of a sum of Rs.1,988.60 million in earlier years towards the purchase of property from LJ-Victoria Properties Private Limited. The Board of Directors of the Company at its meeting held on 21 March 2019 resolved to terminate the aforesaid property purchase agreement for non-fulfillment of certain conditions, which was approved by the shareholders of the Company vide a special resolution dated 18 May 2019. Consequently, the Company has received the advance of Rs.1,968.80 million from LJ-Victoria Properties Private Limited which excludes tax deducted at source (of 1%) amounting to Rs.19.8 million. The Company has filed a refund claim for such TDS with the Income Tax authorities. Interest of Rs.300 million on such termination has been presented such an exceptional item in the statement of profit and loss account for the year ended 31 March 2019.

Capital advance as at 31 March 2020 pertains to amount paid to Legacy Global to acquire a property in Allalsandra village, Yelahanka Hobli, Bangalore North. The property is under construction and possession is expected to be received by 31 March 2021.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

12 Inventories *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	-	8.20
Stores and spares	-	0.97
	-	**9.17**

13 Current investments (Rs.in Millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Quoted equity shares		
- Equity investments at fair value through other comprehensive income (fully paid-up)		
10,000 equity shares of Global Offshore Services Limited (31 March 2019: 10,000 shares)	0.03	0.12
22,699 equity shares of Puravankara Limited (31 March 2019: 22,699 shares)	0.82	1.68
4,000 equity shares of Cipla Limited (31 March 2019: 4,000 shares)	1.80	2.10
Investments in mutual funds		
Unquoted		
Measured at Fair value through profit and loss		
28,057 units of Ultra Short Bond Fund Direct Plan of Franklin India (31 March 2019: 7.09 million units)	0.78	187.22
Reliance Mutual Fund (ETF Liquid BGSE)	0.08	0.08
	3.51	**191.20**
Aggregate amount of quoted investments and market value thereof	2.65	3.90
Aggregate amount of unquoted investments	0.86	187.30
Aggregate amount of impairment in the value of investments	-	-

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in note 40.

Equity shares designated as at fair value through other comprehensive income (FVOCI)

At 1 April 2015, the Company designated the investments presented below as equity shares at FVOCI because these equity shares represent investments that the Company intends to hold for long-term.

Fair value *(Rs in millions)*

Particulars	Dividend income for 18-19	Fair Value as at 31 March 2019	Dividend income for 19-20	Fair Value as at 31 March 2020
Investment in equity shares of Global Offshore Services Limited		0.12	-	0.03
Investment in equity shares of Puravankara Limited		1.68	-	0.82
Investment in equity shares of Cipla Limited	0.06	2.10	-	1.80
	0.06	**3.90**	**-**	**2.65**

14 Trade receivables (Rs.in Millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables considered good - secured	-	-
Trade receivables which have significant increase in credit risk	-	-
Credit impaired	-	-
Unsecured, considered good	9.73	27.56
	9.73	**27.56**

Of the above, trade receivables from related parties are as follows :-

(Rs in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Total trade receivables from related parties	8.06	3.82
Loss allowance	-	-
	8.06	**3.82**

For terms and conditions relating to related party receivables, refer note 38.
The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 40.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

15 Cash and cash equivalents *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- in current accounts*	41.88	45.42
Cash on hand	0.22	0.79
	42.10	**46.21**

* includes unclaimed dividend of Rs. 29.93 million as at 31 March 2020 (31 March 2019: Rs.35.68 million)

16 Bank balances other than cash and cash equivalents *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- in fixed deposit accounts with banks	1.00	1.00
	1.00	**1.00**

17 Loans *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
- Inter-corporate loans	0.65	351.25
Loans to related parties:		
- Airport Golfview Hotels and Suites Private Limited	8.62	6.15
- Blue Lagoon Real Estate Private Limited	267.05	-
- Neptune Real Estate Private Limited	241.16	-
Unsecured, credit impaired		
- Inter-corporate loans	24.00	37.00
Less: Expected credit loss for loans	(24.00)	(37.00)
	517.48	**357.40**

For terms and conditions relating to related party loans, refer note 38.
The Company's exposure to credit and currency risks and loss allowances related to loans are disclosed in note 40.

18 Other financial assets *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Other receivables	0.80	3.60
	0.80	**3.60**

19 Other current assets *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	1.91	10.94
Other advances	0.34	0.44
	2.25	**11.38**

20 Share capital *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
20,000,000 (31 March 2019: 20,000,000) equity shares of Rs 10 each	200.00	200.00
	200.00	**200.00**
Issued, subscribed and fully paid up		
13,101,052 (31 March 2019: 13,101,052) equity shares of Rs 10 each	131.01	131.01
	131.01	**131.01**

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

	As at 31 March 2020		As at 31 March 2019	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	13,101,052	131.01	13,103,727	131.04
Add: Shares issued during the year				
Less: Forfeiture of shares during the year			2,675	0.03
Number of shares outstanding at the end of the year	**13,101,052**	**131.01**	**13,101,052**	**131.01**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(b) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts if any, in proportion to their shareholding.

(c) Equity shareholders holding more than 5% of equity shares along with the number of equity preference shares held at the beginning and at the end of the year is as given below: -

(Rs in millions)

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	% of holding	No of shares	% of holding	No of shares
Embassy Property Developments Private Limited (Holding company)	**73.41**	**96,16,952**	**73.41**	**96,16,952**

(d) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

(e) Particulars of each class of shares held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company: *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Embassy Property Developments Private Limited, Holding company	96.17	96.17

21 Other equity *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
General reserve		
At the commencement of the year	2,244.80	2,214.77
Add: transferred from statement of profit and loss for the year	-	30.00
Forfeiture of shares	-	0.03
At the close of the year	**2,244.80**	**2,244.80**
Retained earnings		
At the commencement of the year	809.83	556.45
Add: Net profit/(loss) for the year	(125.67)	440.32
Add: Other comprehensive income	1.40	1.00
Transfer to general reserve	-	(30.00)
Dividend distribution	(131.01)	(131.01)
Corporate dividend tax	(26.93)	(26.93)
At the end of the year	**527.62**	**809.83**
Fair value of equity instruments		
At the commencement of the year	(2.80)	(1.35)
Add: Net fair value gain/(loss) on investments in equity instruments at FVOCI, net of tax	(0.89)	(1.45)
Realised profits of equity instruments measured at FVOCI	-	-
At the end of the year	**(3.69)**	**(2.80)**
	2.768.73	**3,051.83**

21.1 Capital management

For the purpose of the Company’s capital management, capital includes issued equity share capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company’s capital management is to maximise the shareholder value.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity. The Company's adjusted net debt to equity ratio is as follows: *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Total liabilities	**1,465.38**	1,511.76
Less: Cash and cash equivalents	42.10	46.21
Adjusted net debt	**1,423.28**	**1,465.55**
Total equity	2,899.74	3,182.83
Adjusted net debt to adjusted equity ratio	**0.49**	**0.46**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

21.2 Earnings per share (EPS)

Computation of earnings per share is as follows: *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Profit after tax for the year, attributable to equity holders (continuing operations)	12.29	299.39
Profit after tax for the year, attributable to equity holders (discontinued operations)	(137.96)	140.93
Profit after tax for the year, attributable to equity holders (continuing and discontinued operations)	(125.67)	440.32

Reconciliation of basic and diluted shares used in computing earnings per share *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	13,101,052	13,101,052
Effect of dilutive potential equity shares	-	-
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	13,101,052	13,101,052

Earnings per share: *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Continuing operations		
(a) Basic (Rs)	0.94	22.85
(b) Diluted (Rs)	0.94	22.85
Discontinued Operations		
(a) Basic (Rs)	(10.53)	10.76
(b) Diluted (Rs)	(10.53)	10.76
Continuing & Discontinued operations		
(a) Basic (Rs)	(9.59)	33.61
(b) Diluted (Rs)	(9.59)	33.61

22 Borrowings *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
From bank (refer note A(i) below)	1,178.34	1,200.97
From others (refer note A(ii) below)	0.87	1.27
	1,179.21	**1,202.24**

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 40.

Notes:

A. Terms and repayment schedule

(i) From HDFC Bank Limited, amounting to Rs. 1,206.47 million (31 March 2019: Rs 1,223.82 million)

Secured by:

- Assignment of receivables by way of rent from LG Soft India Private Limited and Inmobi Technology Services Private Limited.
- 121,176 sq.ft. and 202 car parks of the Delta building, 84,512 sq.ft. and 169 car parks of the Alpha building, including undivided share of land, are secured against the term loan from bank.
- Loan from HDFC Bank Limited carries interest rate of MCLR Plus 30 bps, and is repayable in 180 installments. The repayment of principal and interest commenced from April 2017.
- There is no undrawn facility in respect of this loan.

(ii) From Toyota Financial Services Private Limited, amounting to Rs 1.26 million (31 March 2019: Rs 1.64 million)

- Secured by way of hypothecation of the vehicle Toyota Altis as first charge to the lender
- The loan carries an interest rate of 8.25% p.a fixed and loan is repayable in 60 equal installments. The repayment commenced from February 2018
- There is no undrawn facility in respect of this loan.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liability	Equity				
	Loans	Share capital	General reserves	Retained earnings	Fair value of equity instruments	Total
Balance as at 31 March 2019	**1,225.10**	**131.01**	**2,244.80**	**809.83**	**(2.80)**	**4,407.94**
Transaction costs related to borrowings	-	-	-	-	-	-
Repayment of borrowings	(17.38)	-	-	-	-	(17.38)
Dividend paid	-	-	-	(157.94)	-	(157.94)
Total changes from financing activities	**(17.38)**	-	-	**(157.94)**	-	**(175.32)**
Other changes:-						
Liability-related						
Interest expense	109.79	-	-	-	-	109.79
Interest paid	(109.79)	-	-	-	-	(109.79)
Total liability related other changes	-	-	-	-	-	-
Total equity related other changes	-	-	-	**(124.27)**	**(0.89)**	**(125.16)**
Balance as at 31 March 2020	**1,207.73**	**131.01**	**2,244.80**	**527.62**	**(3.69)**	**4,107.46**

23 Other financial liabilities *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Other liabilities	(0.00)	0.98
	-	**0.98**

24 Non Current provisions *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
- Leave encashment	1.86	-
- Gratuity	0.22	-
	2.08	-

25 Trade payables *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Dues to micro and small enterprises	-	-
Dues to other than micro and small enterprises	14.34	28.53
	14.34	**28.53**

All trade payables are 'current'.
The Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 40.

Dues to Micro, small and medium enterprises

The Management has identified enterprises which have provided goods and services to the company and which qualify under the definition of micro and small enterprises as defined under Micro, small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest if any that may be payable in accordance with the provisions of the Act is not expected to be material.

(Rs in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
(a) (i) Principal	-	-
(ii) Interest	-	-
(b) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the year*;		
(i) Interest	-	-
(ii) Payment	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

26 Other current financial liabilities *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturity of long term borrowings from banks (refer note 22)	22.49	22.86
Current maturity of finance lease obligation (refer note 22)	0.40	0.37
Interest accrued but not due	4.49	-
Book overdraft	-	3.55
Security deposits	85.30	87.16
Capital creditors	10.25	10.25
Accrued salaries and bonus	1.78	16.99
Unpaid/unclaimed dividends	29.93	35.68
Due to directors	-	0.58
Accrued expenses	0.52	14.84
Others	-	0.63
	155.17	**192.91**

27 Current provisions *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
- Leave encashment	0.09	9.52
- Gratuity	0.83	2.18
	0.92	**11.70**

28 Other current liabilities *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues	3.70	9.22
Advance from customers	-	7.28
	3.70	**16.50**

29 Current tax liability, net *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax		
Opening balance	18.42	14.31
Provisions made during the year	-	186.17
Income-tax paid	(18.42)	(182.06)
Closing balance	-	**18.42**

30 Revenue from operations *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Other operating revenue		
Rental income	145.54	139.14
Sale of services		
Income from sale of electricity	100.18	107.42
	245.72	**246.56**

31 Other Income *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Interest income	29.98	65.12
Fair value changes in financial assets measured at fair value through statement of profit and loss	-	1.68
Dividend income	-	0.06
Profit on sale of fixed assets	0.17	-
Profit on sale of investments	4.17	15.93
	34.32	**82.79**

32 Maintenance and upkeep services *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Repairs and maintenance of :-		
i) Building	8.02	4.45
ii) Plant & machinery	9.94	10.12
	17.96	**14.57**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

33 Employee benefits expense *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Salaries and wages	14.99	13.58
	14.99	**13.58**

34 Finance costs *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Interest expense on financial liabilities measured at amortized cost	110.23	106.89
Other bank charges	0.12	0.11
	110.35	**107.00**

35 Depreciation and amortization expense *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Depreciation of property, plant and equipment	20.08	20.32
Depreciation on investment properties	15.60	15.60
	35.68	**35.92**

36 Other expenses *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Legal, professional and consultancy charges	43.16	18.49
Fair value changes in financial assets measured at fair value through statement of profit and loss	14.66	-
Rates and taxes (refer note 39)	29.99	14.13
Power and fuel	2.08	7.06
Corporate social responsibility (refer note (ii) below)	8.47	7.47
Payment to auditors (refer note (i) below)	4.27	4.07
Director's sitting fees	1.29	1.02
Provision for doubtful advances (refer note (iii) below)	(13.00)	-
	90.92	**52.24**

Note:

(i) Auditor's remuneration *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor		
- for statutory audit	4.00	4.00
Reimbursement of expenses	0.27	0.07
	4.27	**4.07**

(ii) Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds are allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

(Rs in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Amount required to be spent by the Company during the year	8.41	7.37
(b) Amount spent during the year for:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	8.47	7.47

(iii) Provision created in an earlier years against certain advances considered doubtful of recovery, has now been reversed based on recovery of the advance.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

37 Income tax

(a) Major components of income tax expense for the years ended 31 March 2020 and 31 March 2019: *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current income tax:		
Current income tax charge	-	(121.17)
Taxes pertaining to earlier years (net)	2.15	(10.08)
Deferred tax:		
Attributable to-		
Origination and reversal of temporary differences	(0.00)	24.60
Tax (expense)/credit of continuing operations	**2.15**	**(106.65)**
Tax expense of continuing operations does not include the following:		
Current income tax charge from discontinued operations	-	(65.01)
Origination and reversal of temporary differences from discontinued operations	40.70	-
Tax (expense)/credit of discontinued operations	**40.70**	**(65.01)**
Income tax (expense)/credit reported in the statement of profit or loss	**42.85**	**(171.66)**

(b) Deferred tax related to items recognised in Other Comprehensive income (OCI) during the year: *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Equity instruments through Other Comprehensive Income - net changes in fair value	(0.36)	0.60
Remeasurement of defined benefit liability/ (assets)	0.58	(0.41)
Income tax charged to OCI	**0.21**	**0.19**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate: *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax from operations	(168.52)	611.98
Tax at the Indian tax rate of 29.12% (31 March 2019: 29.12%)	-	178.21
Effect of:		
Deferred tax asset on carry forward loss	(30.18)	-
Non-deductible expenses	0.04	5.61
Standard deduction for income from house property	(12.71)	(12.16)
Income tax expense	**(42.85)**	**171.66**

(d) Deferred tax

Deferred tax assets have been recognised only to the extent of existing deferred tax liabilities, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate: *(Rs in millions)*

Particulars	Balance as at 31 March 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Balance as at 31 March 2020
Property, plant and equipment and investment property	56.59	(9.38)	-	47.21
Investments in equity shares	1.16	(5.27)	(0.36)	(4.48)
Employee benefits	(6.85)	5.40	0.58	(0.88)
Provision for doubtful advances	(10.87)	3.79	-	(7.08)
Fair value of investments in mutual funds	0.46	(5.06)	-	(4.60)
Income tax loss carry forward	-	(30.18)	-	(30.18)
	40.49	**(40.70)**	**0.21**	**(0.00)**

Note: The Group has unrecognised deferred tax asset of Rs. 1.6 million on carry forward losses. The unabsorbed loss can be carried forward till FY 2027-28.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

38 Related party disclosures

Related parties with whom transactions have taken place during the year

A. Holding company

Embassy Property Developments Private Limited

B. Subsidiaries

Airport Golfview Hotels and Suites Private Limited
Blue Lagoon Real Estate Private Limited
Neptune Real Estate Private Limited

C. Fellow subsidiaries

Vikas Telecom Private Limited
Vikas Telecom Private Limited
L.J Victoria Properties Private Limited
Technique Control Facility Management Private Limited

D. Key management personnel

P. B. Appiah (Director)
Suresh Vaswani (Director)
Tanya John (Director)
Aditya Virwani (Director)
P. R. Ramakrishnan (Director)
M.S Reddy (Company Secretary)
Pranesh K Rao (CFO)

E. Enterprises significantly influenced by the Company/ key managerial personnel

C. Pardhanani's Education Trust

F. Post employment benefit entities

Mac Charles (India) Limited Employees Gratuity Fund Trust

G. A firm in which the relatives of director is a manager or partner

Lounge Hospitality LLP

H. The following is a summary of related party transactions *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inter corporate loan repaid		
Airport Golfview Hotels and Suites Private Limited	2.54	4.03
Embassy Property Development Private Limited	450.00	-
Inter corporate loan given		
Airport Golfview Hotels and Suites Private Limited	5.00	7.51
Blue Lagoon Real Estate Private Limited	267.05	-
Neptune Real Estate Private Limited	241.16	-
Embassy Property Development Private Limited	100.00	-
Investment in Equity Shares Blue Lagoon Real Estate Private Limited		
Embassy Property Development Private Limited	1,531.20	-
Investment in Equity Shares Neptune Real Estate Private Limited		
Embassy Property Development Private Limited	503.90	-
Capital advance given		
L.J Victoria Properties Private Limited	-	150.00
Capital advance repaid		
L.J Victoria Properties Private Limited	2,258.64	-
Interest Income		
L.J Victoria Properties Private Limited	-	300.00
Dividend paid		
Embassy Property Developments Private Limited	96.17	104.51
Electricity income		
Vikas Telecom Private Limited	87.93	91.06
Donation paid		
C. Pardhanani's Education Trust	3.00	2.40
Interest received		
Embassy Property Developments Private Limited	27.92	63.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

38

H. The following is a summary of related party transactions

Sale of Furniture & Fixture		
Airport Golfview Hotels and Suites Private Limited	0.23	-
Lounge Hospitality LLP	0.64	-
Contribution to gratuity fund		
Mac Charles Gratuity Fund trust	2.00	0.02
Outsource Manpower		
Technique Control Facility Management Pvt Ltd	5.15	-
Asset Management fee		
Embassy Property Developments Private Limited	4.38	4.12

I. The following is a summary of balances receivable from related parties: *(Rs in millions)*

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Inter-corporate loans given		
Airport Golfview Hotels and Suites Private Limited	8.61	6.15
Blue Lagoon Real Estate Private Limited	267.05	-
Neptune Real Estate Private Limited	241.16	-
Inter-corporate loans given		
Embassy Property Developments Private Limited	-	350.00
Capital advances		
L.J Victoria Properties Private Limited	-	2,258.64
Trade receivables		
Embassy Property Developments Private Limited	0.05	0.39
Vikas Telecom Private Limited	8.06	3.43
Lounge Hospitality LLP	0.75	-
Trade Payable		
Technique Control Facility Management Pvt Ltd	1.89	-

J. Compensation of key management personnel of the Company:

(i) The remuneration of directors and other members of key management personnel during the year was as follows: *(Rs in millions)*

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Short-term employee benefits	18.43	14.64
	18.43	**14.64**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Post-employment benefit comprising gratuity and compensated absences are not disclosed as these are determined for the Company as a whole.

K. Details of inter-corporate loans given

(a) Terms and conditions on which inter-corporate loans have been given

Party name	**Interest rate**	**Repayment terms**	**Purpose**
Airport Golfview Hotels and Suites Private Limited (Subsidiary)	0%	Repayable on demand	General
Blue Lagoon Real Estate Private (Subsidiary)	0%	Repayable on demand	General
Neptune Real Estate Private Limited (Subsidiary)	0%	Repayable on demand	General
Embassy Property Developments Private Limited	18%	Repayable on demand	General

(b) Reconciliation of inter-company loans given as at the beginning and as at the end of the year: *(Rs in millions)*

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Subsidiary		
Airport Golfview Hotels and Suites Private Limited		
At the commencement of the year	6.15	2.67
Add: given during the year	5.00	7.51
Less: repaid during the year	(2.54)	(4.03)
At the end of the year	8.61	6.15

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(b) Reconciliation of inter-company loans given as at the beginning and as at the end of the year: *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Blue Lagoon Real Estate Private Limited		
At the commencement of the year	-	-
Add: given during the year	267.05	-
Less: repaid during the year	-	-
At the end of the year	267.05	-
Neptune Real Estate Private Limited		
At the commencement of the year	-	-
Add: given during the year	241.16	-
Less: repaid during the year	-	-
At the end of the year	241.16	-
Holding company		
Embassy Property Developments Private Limited		
At the commencement of the year	350.00	350.00
Add: given during the year	100.00	-
Less: repaid during the year	(450.00)	-
At the end of the year	-	350.00

39 Contingent liabilities *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contingent liabilities:		
Demand from BESCOM (Bangalore Electricity Supply Company)	-	50.68

a) The Company received an order dated 18 September 2017 for payment of cross subsidy charges amounting to Rs. 50.68. The Company had filed an appeal against the same on 26 April 2018 and paid a deposit of Rs. 13.40 million. On 5 November 2019 the Company received a revised order with a reduced demand of Rs. 15.86 million. The Company adjusted the deposit paid against the original demand and paid Rs.2.3 million to settle the litigation

b) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position

40 A Financial instruments - fair value measurement and risk management *(Rs in millions)*

Accounting classification and fair value

Particulars	Carrying value as at 31 March 2020	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost:					
Non current financial assets					
- Loans	9.93	-	-	-	-
- Other Non-Current financial asset	19.40	-	-	-	-
Current financial assets					
- Trade receivables	9.73	-	-	-	-
- Cash and cash equivalents	42.10	-	-	-	-
- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
- Loans	517.48	-	-	-	-
- Other current financial assets	0.80	-	-	-	-
Financial assets measured at fair value through other comprehensive income:					
Investments					
Non-current	-	-	-	-	-
Current	2.65	2.65	-	-	2.65
Financial assets measured at fair value through profit and loss:					
Investments					
Non-current	23.83	23.83	-	-	23.83
Current	0.86	0.86	-	-	0.86
Total	**627.78**	**27.34**	**-**	**-**	**27.34**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40 A Financial instruments – fair value measurement and risk management

Accounting classification and fair value

(Rs in millions)

Particulars	Carrying value as at 31 March 2020	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost:					
Non current financial assets					
- Loans	1,179.21	-	-	-	-
- Other Non-Current financial asset	-	-	-	-	-
Current financial assets					
- Trade receivables	14.34	-	-	-	-
- Other financial liabilities	155.17	-	-	-	-
Total	**1,348.72**	-	-	-	-

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, bank balances, other non-current financial assets other than other current financial assets, loans, borrowings, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

(Rs in millions)

Particulars	Carrying value as at 31 March 2019	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost:					
Non current financial assets					
- Loans	24.43	-	-	-	-
- Other Non-Current financial asset	19.42	-	-	-	-
Current financial assets					
- Trade receivables	27.56	-	-	-	-
- Cash and cash equivalents	46.21	-	-	-	-
- Loans	357.40	-	-	-	-
- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
- Other current financial assets	3.60	-	-	-	-
Financial assets measured at fair value through other comprehensive income:					
Investments					
Non-current	-	-	-	-	-
Current	3.90	3.90	-	-	3.90
Financial assets measured at fair value through profit and loss:					
Investments					
Non-current	41.89	41.89	-	-	41.89
Current	187.30	187.30	-	-	187.30
Total	**712.71**	**233.09**	**-**	**-**	**233.09**
Financial liabilities measured at amortised cost:					
Non current financial liabilities					
- Borrowings	1,202.24	-	-	-	-
- Other financial liabilities	0.98	-	-	-	-
Current financial liabilities					
- Trade payables	28.53	-	-	-	-
- Other financial liabilities	192.91	-	-	-	-
Total	**1,424.66**	-	-	-	-

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, bank balances, other non-current financial assets other than other current financial assets, loans, borrowings, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40 B Financial instruments - fair value measurement and risk management (continued)

Measurement of fair values

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognized and measured at fair value
b) measured at amortized cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
The Company has elected to measure all financial instruments, except investments, at amortized cost.
Investments fall under the 'Level 1' hierarchy and are measured using quoted prices on the respective reporting dates.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

C Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- credit risk (refer note ii below)
- liquidity risk (refer note iii below)
- market risk (refer note iv below)

(i) Risk management framework

The Company’s Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

The Company’s Audit Committee oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, inter-corporate deposits and other financial instruments.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivable and loans

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Company has credit policies in place and exposure to the credit risk is monitored on an ongoing basis. A majority of Company's income is from the corporate customers by way of advance receipts and revenue from related parties. Credit evaluations are performed on all customers requiring credit over a certain amount and there is no concentration of credit risk. Due from related parties are considered recoverable by the management. Risk assessment is done for each corporate to whom the inter -corporate deposits are provided. Cash is placed with reputable banks and the risk of default is considered remote. Under the current economic conditions, management has assessed the recoverability of its trade receivables as at the reporting date and consider them to be recoverable.

Due to this factor, management believes that no additional credit risk is inherent in the Company’s receivables. At the balance sheet date, there were no significant concentrations of credit risk.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40 Financial instruments - fair value measurement and risk management (continued)

The following table provides information about the exposure to credit risk and the expected credit loss for trade receivables:

(Rs in millions)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying amount	Provision amount	Carrying amount	Provision amount
Less than 180 days	9.73	-	27.56	-
More than 180 days	-	-	-	-
	9.73	**-**	**27.56**	**-**

Loans and other financial asset:

Expected credit loss for loans and other financial assets is as follows:

Particulars		Period ended	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-20	Security deposits	9.93	-	-	9.93
			Other financial asset	20.20	-	-	20.20
			Loan	541.48	-	24.00	517.48
		31-Mar-19	Security deposits	24.43	-	-	24.43
			Other financial asset	23.02	-	-	23.02
			Other loans	394.40	-	37.00	357.40

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets. Usually the excess of funds is invested in short term mutual funds and fixed deposits. This is generally carried out in accordance with practice and limits set by the Company. These limits vary to take into account the liquidity of the market in which the Company operates.

The Cash flow with respect to project finances will be funded through internal accrual, loan from holding company and from Bank.

Particulars	31 March 2020	31 March 2019
Expiring within one year:-		
Bank Loans	-	-

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments.

As at 31 March 2020 *(Rs in millions)*

Particulars	Carrying amount	Total	6 months or less	6–12 months	1–2 years	More than 2 years
Borrowings	1,201.70	2,140.54	65.28	67.09	137.79	1,870.38
Other non current financial liabilities	-	-	-	-	-	-
Trade payables	14.34	14.34	14.34	-	-	-
Other current financial liabilities	132.68	132.68	132.68	-	-	-
	1,348.72	**2,287.56**	**212.30**	**67.09**	**137.79**	**1,870.38**

As at 31 March 2019 *(Rs in millions)*

Particulars	Carrying amount	Total	6 months or less	6–12 months	1–2 years	More than 2 years
Borrowings	1,225.10	2,194.95	60.92	60.92	124.57	1,948.54
Other non current financial liabilities	0.98	0.98	-	-	0.98	-
Trade payables	28.53	28.53	28.53	-	-	-
Other current financial liabilities	170.05	170.05	170.05	-	-	-
	1,424.66	**2,394.51**	**259.50**	**60.92**	**125.55**	**1,948.54**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40 Financial instruments - fair value measurement and risk management (continued)

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of transacting parties. The functional currency of the Company is INR. Since the company does not have any unhedged foreign currency exposure at the year end, it is not exposed to currency risk.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates.

(iv) Market risk (continued)

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate at the end of the reporting period are as follows :- *(Rs in millions)*

	31 March 2020	31 March 2019
Floating rate borrowings		
Borrowings	1,179.21	1,202.24
Current maturities of long term debt	22.89	23.22
Investments in debt based mutual funds	0.78	187.22
Term deposits under bank balances other than cash and cash equivalents	1.00	1.00

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(Rs in millions)

Particulars	Impact on profit or loss		Impact on other components of equity	
	31 March 2020	31 March 2019	31 March 2019	31 March 2018
Increase by 50 base points	6.13	6.19	-	-
Decrease by 50 base points	(6.13)	(6.19)	-	-

Price risk

The Company's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company. The majority of the company's equity investments are publicly traded and are included in the BSE and NSE index.

Sensitivity analysis – Equity price risk

Maturities of financial liabilities *(Rs in millions)*

Particulars	Impact on other components of equity	
	31 March 2020	31 March 2019
Increase by 10% (2019: 10%)	2.66	4.59
Decrease by 10% (2019: 10%)	(2.66)	(4.59)

41 Employee benefits obligations

A. Defined contribution plan

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

The defined benefit plan for gratuity is administered by a single gratuity fund that is legally separate from the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

B. Reconciliation of the net defined benefit (asset) liability

Reconciliation of present value of defined benefit obligation *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	26.69	23.31
Service cost		
- Current service cost	0.27	2.29
Interest Cost	0.85	1.75
Benefits paid	(26.97)	(1.48)
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	1.59	0.90
- experience adjustments	0.02	(0.08)
Balance at the year end	**2.45**	**26.69**

Reconciliation of the present value of plan assets *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	24.51	21.77
Expected return on plan assets	0.82	1.71
Contributions paid into the plan	2.20	2.00
Employer Direct benefit payments	1.21	-
Benefits paid	(26.97)	(1.48)
Return on plan assets recognised in other comprehensive income	0.39	0.51
Balance at the year end	**2.16**	**24.51**

C.(i) Expense recognised in profit or loss *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Current service cost	0.27	2.29
Interest cost	0.85	1.75
Expected return on plan assets	(0.82)	(1.71)
	0.30	**2.33**

C. (ii) Remeasurements recognised in other comprehensive income *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Actuarial (gain) loss on defined benefit obligation	1.59	0.90
Return on plan assets excluding interest income	0.39	0.51
	1.98	**1.41**

D. Plan assets

Plan assets comprise of the following: *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Fair value of plan assets	2.16	24.51
	2.16	**24.51**

E. Defined benefit obligations

(i) Actuarial assumptions *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assumptions		
Discount rate	6.41%	7.75%
Future salary growth	6%	6.00%
Attrition rate	5.00%	5.00%
Demographic assumptions		
Withdrawal rate	5.00%	5.00%
Retirement age	60	58

At 31 March 2020, the weighted-average duration of the defined benefit obligation was 8.66 years (31 March 2019: 11.62 years).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have reflected the defined benefit obligation as the amounts shown below.

(Rs in millions)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	2.42	2.44	25.38	27.99
Future salary growth (100 basis points movement)	2.44	2.42	27.97	25.37
Attrition rate (100 basis points movement)	2.43	2.43	26.64	26.57

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

42 **Details of inter-corporate loans (other than related party)**

(a) Terms and conditions on which inter-corporate loans have been given

Party name	Interest rate	Repayment terms	Purpose
IDS Nest Business Solutions Private Limited	15%	Repayable on demand	General
Thrishul Developers	18%	Repayable on demand	General
Marickar Plantation Private Limited	18%	Repayable on demand	General

Reconciliation of inter-corporate loans given as at the beginning and as at the end of the year (apart from related party loans):

Particulars	As at 31 March 2020	As at 31 March 2019
IDS Nest Business Solutions Private Limited		
At the commencement of the year	1.00	1.00
Add: given during the year	-	-
Less: repaid during the year	(0.50)	-
At the end of the year	0.50	1.00
Thrishul Developers		
At the commencement of the year	30.00	30.00
Add: given during the year	-	-
Less: repaid during the year	(13.00)	-
At the end of the year	17.00	30.00
Provision created	(17.00)	(30.00)
Marickar Plantation Private Limited		
At the commencement of the year	7.00	7.00
Add: given during the year	-	-
Less: repaid during the year	-	-
At the end of the year	7.00	7.00
Provision created	(7.00)	(7.00)

43 i **Discontinued Operations**

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 presented as 'Assets/ liabilities associated with discontinued operations' and measured them at lower of cost and fair value as at 31 March 2020.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

43 Discontinued Operations

ii The results from Hotel operations of the Company are as follows: *(Rs in million)*

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Income		
a) Revenue from operations	173.36	535.79
b) Other income	2.09	22.87
Total income (a+b)	**175.45**	**558.66**
Expenses		
a) Cost of material consumed	28.86	74.39
b) Maintenance and upkeep services	17.51	45.68
c) Employee benefit expense (Refer note (a) below)	257.30	148.49
d) Depreciation and amortization expense	6.65	13.78
e) Other expenses	43.79	70.38
Total expenses (a+b+c+d+e)	**354.11**	**352.72**
Profit/(loss) before tax	**(178.66)**	**205.94**
Tax expense	(40.70)	65.01
Profit/(loss) from discontinued operations after tax	**(137.96)**	**140.93**

Note (a) Included employee termination benefits (Rs.168.24 million) incurred to meet termination settlement benefit expenses for employees of the discontinued hotel operations.

iii The assets and liabilities from Hotel business are as follows :

Particulars	As at 31 March 2020
ASSETS	
Non-current assets	
Property, plant and equipment	33.21
Financial assets	
- Loans	0.02
Current assets	
Financial assets	
- Trade receivables	1.14
- Other financial assets	1.48
Disposal group – assets held for sale	**35.85**
LIABILITIES	
Non-current liabilities	
Financial liabilities	
- Other financial liabilities	106.81
Current liabilities	
Financial liabilities	
- Other financial liabilities	0.60
Advance from customers	1.65
Security deposits	0.90
Disposal group – liabilities directly associated with assets held for sale	**109.96**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

43 Discontinued Operations

In accordance with Ind AS 105 - 'Non-current Assets Held for Sale and Discontinued Operations', the Management is required to assess the "recoverable amount" of the Hotel business and also to evaluate whether there is any need to provide for an impairment loss. Management is confident that they will be able to sell these assets to third parties at net selling prices which would exceed their carrying amounts and, accordingly, believe that no additional provision is required for impairment as at March 31, 2020.

iv The net cash flows from Hotel business is as follows :

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/ (loss) before tax from discontinuing operations	(178.66)	205.94
Adjustments:		
- Depreciation and amortization	6.65	13.78
	(172.01)	**219.72**
Working capital adjustments:		
- Trade receivables	(1.14)	-
- Current and non-current financial assets	(1.50)	-
- Current and non-current financial liabilities	107.71	-
- Other current and non-current liabilities	2.25	-
Cash used in operation activities	(64.69)	219.72
Income taxes paid	-	
Net cash used in operating activities [A]	**(64.69)**	**219.72**
Net cash used in investing activities [B]	-	-
Net cash used in financing activities [C]	-	-
Decrease in cash and cash equivalents [A+B+C]	**(64.69)**	**219.72**

44 Assets held for sale

Management has committed to sell buildings of the company in Kochi. Accordingly, the same is resented as a disposal group held for sale. Efforts to sell the disposal group have started and a sale is expected to be completed in 2020-21.

A Impairment losses relating to the disposal group

There is no impairment loss of the assets held for sale have been applied to reduce the lower of its carrying amount and its fair value less costs to sell.

B Assets of disposal group held for sale

At 31 March 2020, the assets held for sale was stated at lower of its carrying amount and its fair value less costs to sell comprised the following.

(Rs in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Building	35.80	5.54
Capital Advance	-	22.21
Assets held for sale	**35.80**	**27.75**

C Cumulative income or expenses included in OCI

There are no cumulative income or expenses included in OCI relating to the disposal group.

D Measurement of fair values

Consideration agreed with the buyers for these assets held under sale is considered as the fair value.

45 In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in the standalone financials statements.

46 Specified Bank Notes

The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024

Rushank Muthreja
Partner
Membership No. 211386

Place: Bengaluru
Date: 26 June 2020

Mac Charles (India) Limited

P B Appiah
Director
DIN: 00215646

Date: 26 June 2020

P R Ramakrishnan
Director
DIN: 00055416

Date: 26 June 2020

M S Reddy
Executive Director and Company Secretary
Place: Bengaluru
Date: 26 June 2020

Pranesha K Rao
Chief Financial Officer

Place: Bengaluru
Date: 26 June 2020

Independent auditors' report
To the Members of Mac Charles (India) Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mac Charles (India) Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income) , consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in our audit
Discontinued Operations and assets held for sale (Refer note 45 to the financial statements) Owing to commercial considerations, the Management proposed that the hotel business of the Group be discontinued. This decision was approved by the Board of Directors of the Group on 26 August 2019 and the hotel operations of the Group ceased with effect from 1 November 2019. The hotel business was the largest segment of the Group in terms of revenues, profits and assets deployed. We have identified discontinued operations and assets held for sale as a key audit matter considering the following: - significant judgement involved in classifying a business as a discontinued operation and in valuing the assets held for sale - accounting for significant termination benefits associated with the discontinued operations - extensive disclosure requirements in the financial statements of the Group.	In view of the significance of the matter we applied the following audit procedures in this area, amongst others, to obtain sufficient appropriate audit evidence: ➢ We tested the design of key controls and operating effectiveness of the relevant key controls around the identification, accounting and disclosure of discontinued operations, assets held for sale and termination benefits ➢ We read minutes of the meetings of the Board of Directors of the Group ➢ For assets held for sale and the liabilities directly associated with assets held for sale, we tested the underlying assumptions used by the Management for their assessment of the carrying value of assets and the expected amounts of settlement of the liabilities directly associated with assets held for sale ➢ We tested completeness, existence and accuracy of expenses relating to termination benefits by verifying computations in accordance with the settlement agreement for all eligible employees ➢ We obtained and reviewed the settlement agreements underlying the termination benefits that the Group has accrued We considered the adequacy and appropriateness of the disclosures in the financial statements relating to the discontinued operations, assets held for sale and termination benefits as required by accounting standards
Evaluation of the Going Concern assumption (Refer Note 2 in the financial statements) In the current year, the Group has incurred losses due to the discontinuance of its hotel business and the incidence of certain non-recurring expenses. Although, the net worth of the Group is positive, the Group does not have significant bank balances as at 31 March 2020 and needs to generate cash flows from its continuing operations in order to meet its working capital requirements over the next 12 months.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: ➢ We obtained and discussed management's assessment of going concern ➢ We obtained an understanding of the key assumptions underpinning the Group's forecasts and assessed whether they are appropriate considering the Group's historical performance and the current market conditions

Key Audit Matters

Key audit matters	How the matter was addressed in our audit
Notwithstanding the above, the financial statements of the Group have been prepared by the management on a going concern basis, based on an assessment of the Group's cash position, free cash flow forecast from its continuing operations and recourse to financing to sustain its operations and continue to operate as a going concern for next 12 months from the date of balance sheet. We have identified the assessment of Group's ability to continue as a going concern as a key audit matter since this assessment is dependent on certain management assumptions and judgments, in particular in relation to future cash flows to be generated from the Group's continuing operations and the ability of the Group to renew or obtain financing facilities as and when necessary.	➢ We reviewed management's sensitivity analysis of the cash flow forecasts and their arithmetical accuracy ➢ We evaluated the availability of sources of funding and access to additional lines of credit ➢ Assessed the appropriateness of disclosures in the financial statements of the Group relating to the going concern assumption to check if the disclosures are fair, balanced and appropriate.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of three subsidiaries in the consolidated financial statements of the Group, whose financial statements / financial information reflect total assets *(before consolidation adjustment)* of Rs.437.81 million as at 31 March 2020, total revenues including other income *(before consolidation adjustment)* of Rs.59.16 million and net cash flows *(before consolidation adjustment)* amounting to Rs.(0.56) million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries operations as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 40 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2020; and

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):
In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Rushank Muthreja
Partner
Membership No: 211386
UDIN - 20211386AAAABP5817

Bengaluru
26 June 2020

Annexure - A to the Independent Auditor's Report on the consolidated financial statements of Mac Charles (India) Limited for the year ended 31 March 2020

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Mac Charles (India) Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Rushank Muthreja
Partner
Membership No: 211386
UDIN - 20211386AAAABP5817
Bengaluru
26 June 2020

CONSOLIDATED BALANCE SHEET BALANCE SHEET AS AT MARCH 31, 2020

(Rs in millions)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	668.03	730.76
Capital work-in-progress	4	-	0.84
Investment property	5	1,214.07	1,229.67
Goodwill	6	71.94	71.94
Other intangible assets		0.17	0.22
Financial assets			
- Investments	7	23.83	41.89
- Loans	8	11.73	27.23
- Other financial assets	9	19.40	19.42
Income-tax assets, net	10	40.31	1.16
Other non-current assets	11	56.05	2,311.87
Total non-current assets		**2,105.53**	**4,435.00**
Current assets			
Inventories	12	3.20	11.34
Financial assets			
- Investment	13	3.51	191.20
- Trade receivables	14	11.08	29.13
- Cash and cash equivalents	15	44.71	49.39
- Bank balances other than cash and cash equivalents	16	1.00	1.00
- Loans	17	0.65	351.25
- Other financial assets	18	0.80	3.63
Other current assets	19	5.44	14.67
Assets held for sale	47	35.80	27.75
Disposal group - assets held for sale	45	35.85	-
Total current assets		**142.04**	**679.36**
Total assets		**2,247.57**	**5,114.36**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	131.01	131.01
Other equity	21	637.46	966.95
Total equity		**768.47**	**1,097.96**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	22	1,179.21	1,644.04
- Other financial liabilities	23	0.17	1.15
Non-Current provisions	24	2.08	-
Deferred tax liabilities (net)	38	(0.00)	56.44
Total non-current liabilities		**1,181.46**	**1,701.63**
Current liabilities			
Financial liabilities			
- Trade payables			
Total outstanding dues to micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	19.04	34.82
- Other financial liabilities	26	162.58	2,230.91
Current provisions	27	2.33	13.07
Other current liabilities	28	3.73	17.56
Current tax liabilities, net	29	-	18.41
Disposal group - liabilities directly associated with assets held for sale	45	109.96	-
Total current liabilities		**297.64**	**2,314.77**
Total equity and liabilities		**2,247.57**	**5,114.36**
Significant accounting policies	**3**		
The notes referred to above form an integral part of these consolidated financial statements			

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024

Rushank Muthreja
Partner
Membership No. 211386
Place: Bengaluru
Date: 26 June 2020

Mac Charles (India) Limited

P B Appiah
Director
DIN: 00215646
Date: 26 June 2020

P R Ramakrishnan
Director
DIN: 00055416
Date: 26 June 2020

M S Reddy
Executive Director and Company Secretary
Place: Bengaluru
Date: 26 June 2020

Pranesha K Rao
Chief Financial Officer
Place: Bengaluru
Date: 26 June 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs in millions)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	30	304.79	308.48
Other income	31	34.40	84.21
Total income		**339.19**	**392.69**
Expenses			
Cost of materials consumed	32	20.78	23.28
Maintenance and upkeep services	33	21.68	18.09
Employee benefits expense	34	30.67	29.08
Finance costs	35	172.40	157.72
Depreciation and amortization expense	36	37.93	38.11
Other expenses	37	107.64	192.27
Total expenses		**391.10**	**458.55**
Profit/(loss) before exceptional items and tax		**(51.91)**	**(65.86)**
Exceptional item	11	-	300.00
Profit/(loss) from continuing operations before Income Tax		**(51.91)**	**234.14**
Tax expense:			
- Current tax		(0.30)	(121.39)
- Taxes pertaining to earlier years (net)		2.15	(10.08)
- Deferred tax		15.95	37.58
Profit/(loss) from continuing operations (after tax)		**(34.11)**	**140.25**
Discontinued operations:			
Profit/(loss) from discontinued operations	45	**(178.66)**	**205.94**
Tax expense:			
- Current tax		-	(65.01)
- Deferred tax		40.70	-
Profit/ (loss) from discontinued operations (after tax)		(137.96)	140.93
Profit/(loss) for the year		(172.07)	281.18
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability/(asset)		1.98	1.41
Equity instruments through Other Comprehensive Income - net changes in fair value		(1.25)	(2.05)
		0.73	**(0.64)**
Items that will be reclassified to profit or loss			
Deferred tax on items that will not be reclassified to profit or loss		(0.21)	0.19
Other comprehensive income for the year, net of income taxes		**0.52**	**(0.45)**
Total comprehensive income for the year		**(171.55)**	**280.73**
Earnings per equity share: (for continuing operations):			
- Basic (Rs.)	21.2	(2.60)	10.70
- Diluted (Rs.)	21.2	(2.60)	10.70
Earnings per equity share (for discontinued operations):			
- Basic	21.2	(10.53)	10.76
- Diluted	21.2	(10.53)	10.76
Earnings per equity share (for discontinued and continuing operations):			
- Basic	21.2	(13.13)	21.46
- Diluted	21.2	(13.13)	21.46
Significant accounting policies	**3**		
The notes referred to above form an integral part of these consolidated financial statements			

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024

Rushank Muthreja
Partner
Membership No. 211386

Place: Bengaluru
Date: 26 June 2020

Mac Charles (India) Limited

P B Appiah
Director
DIN: 00215646

Date: 26 June 2020

P R Ramakrishnan
Director
DIN: 00055416

Date: 26 June 2020

M S Reddy
Executive Director and Company Secretary
Place: Bengaluru
Date: 26 June 2020

Pranesha K Rao
Chief Financial Officer

Place: Bengaluru
Date: 26 June 2020

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(Rs in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities		
Profit/ (loss) before tax from continuing operations	(51.91)	234.14
Profit/ (loss) before tax from discontinuing operations	(178.66)	205.94
Adjustments:		
- Interest income	(30.05)	(65.11)
- Interest income (included in exceptional item)	-	(300.00)
- Dividend income	-	(0.06)
- Financial assets at fair value through statement of profit and loss	14.66	(1.68)
- Profit on sale of investments	(4.17)	(15.93)
- Profit on sale of property, plant and equipment	(0.17)	(6.26)
- Interest expense (including fair value change in financial instruments)	172.28	157.61
- Depreciation and amortization	44.57	51.90
- Provision for doubtful advances	(13.00)	121.85
Operating cash flow before working capital changes	(46.45)	382.37
Working capital adjustments:		
- Trade receivables	16.91	22.59
- Inventories	8.14	0.01
- Trade payables	(15.78)	(2.58)
- Current and non-current financial assets	367.45	(2.63)
- Other current and non-current assets	9.23	19.27
- Current and non-current financial liabilities	73.83	2.44
- Provisions	(8.66)	(11.32)
- Other current and non-current liabilities	(11.58)	2.15
Cash generated from operation activities	393.08	412.30
Income taxes paid	(39.20)	(182.74)
Net cash generated from operating activities [A]	**353.89**	**229.56**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(17.56)	(101.97)
Purchase of investments	(89.00)	(478.43)
Refund of capital advances	2,258.64	-
Payment of capital advance for acquisition of property	(2.82)	-
Acquisition of subsidiaries	(2,035.10)	-
Proceeds from sale of property, plant and equipment	10.47	20.65
Proceeds from sale of investments	279.83	516.56
Interest received	30.05	65.11
Dividend received	-	0.06
Net cash generated from investing activities [B]	**434.51**	**21.99**
Cash flows from financing activities		
Dividend paid	(157.94)	(157.94)
Proceeds from borrowings	-	2.23
Repayment of borrowings	(521.18)	(13.39)
Interest paid	(110.41)	(105.39)
Net cash used in financing activities [C]	**(789.53)**	**(274.49)**
Increase/ (decrease) in cash and cash equivalents [A+B+C]	(1.13)	(22.94)
Cash and cash equivalents at the beginning of the year	45.84	68.78
Cash and cash equivalents at the end of the year	**44.71**	**45.84**
Components of cash and cash equivalents (refer note 15)		
Balances with banks		
- in current accounts	44.44	48.30
- Book overdraft	-	(3.55)
Cash in hand	0.27	1.09
Cash and cash equivalents at the end of the year	**44.71**	**45.84**

The disclosure on reconciliation of movements of liabilities to cash flows arising from financing activities is disclosed in note 22
The notes referred to above form an integral part of these consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024
Rushank Muthreja
Partner
Membership No. 211386

Place: Bengaluru
Date: 26 June 2020

Mac Charles (India) Limited

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M S Reddy
Executive Director and Company Secretary
Place: Bengaluru
Date: 26 June 2020

Pranesha K Rao
Chief Financial Officer

Place: Bengaluru
Date: 26 June 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Rs in millions)

a	**Equity share capital**	**Amount**
	Equity shares of Rs. 10 each, issued, subscribed and paid-up capital	
	Balance as at 1 April 2018	131.01
	Changes in equity share capital during the year 2018-19	-
	Balance as at 31 March 2019	**131.01**
	Changes in equity share capital during the year 2019-20	-
	Balance as at 31 March 2020	**131.01**
b	**Other Equity**	

For the year ended 31 March 2019 *(Rs in millions)*

Particulars	Reserves and Surplus			Other comprehensive income	Total equity attributable to owners of the Company
	General reserve	Retained Earnings	Capital Reserve Common Control Business Combinations (refer note 46)	Fair value of equity instruments	
Balance as at 1 April 2018	2,214.77	664.07	(2,034.10)	(1.34)	843.40
Profit for the year	-	281.18	-	-	281.18
Other comprehensive income for the year	-	1.00	-	(0.72)	0.28
Transfer to general reserve	30.00	(30.00)	-	-	-
Dividend distribution	-	(131.01)	-	-	(131.01)
Corporate dividend tax	-	(26.93)	-	-	(26.93)
Forfeiture of shares	0.03	-	-	-	0.03
Balance as at 31 March 2019	**2,244.80**	**758.31**	**(2,034.10)**	**(2.06)**	**966.95**

For the year ended 31 March 2020

Particulars	Reserves and Surplus			Other comprehensive income	Total equity attributable to owners of the Company
	General reserve	Retained Earnings	Capital Reserve Common Control Business Combinations (refer note 46)	Fair value of equity instruments	
Balance as at 1 April 2019	2,244.80	758.31	(2,034.10)	(2.06)	966.95
Profit/(loss) for the year	-	(172.07)	-	-	(172.07)
Other comprehensive income for the year	-	1.40	-	(0.89)	0.51
Dividend distribution	-	(131.01)	-	-	(131.01)
Corporate dividend tax	-	(26.93)	-	-	(26.93)
Balance as at 31 March 2020	**2,244.80**	**429.71**	**(2,034.10)**	**(2.95)**	**637.46**

Nature and purpose of other reserves:

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

During the year ended 31 March 2019, an amount of Rs 0.03 million has been transferred from equity share capital to general reserve on account of forfeiture of equity shares in an earlier year.

Retained earnings:

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the period, the profit after tax is transferred from the statement of profit and loss to the retained earnings account.

Significant accounting policies **3**

The notes referred to above form an integral part of these consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024
Rushank Muthreja
Partner
Membership No. 211386

Place: Bengaluru
Date: 26 June 2020

Mac Charles (India) Limited

P B Appiah
Director
DIN: 00215646

Date: 26 June 2020

P R Ramakrishnan
Director
DIN: 00055416

Date: 26 June 2020

M S Reddy
Executive Director and Company Secretary
Place: Bengaluru
Date: 26 June 2020

Pranesha K Rao
Chief Financial Officer

Place: Bengaluru
Date: 26 June 2020

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1 Background

Mac Charles (India) Limited ('the Company'), together with its subsidiary, Airport Golf View Hotels and Suites Pvt. Ltd., engages in the hotel business in India. The Company operates Le Meridien, a five star hotel with 197 rooms and suites in Bangalore, India. It is also involved in the generation of electricity through wind turbine generators located in Gadak and Bellary Districts and leasing of commercial real estate properties in Embassy Tech Square ('Alpha' and 'Delta') located along Outer Ring Road, Bangalore, Karnataka. The Company was incorporated in the year 1979 and is based in Bengaluru, India. Owing to commercial considerations, the Management proposed that the hotel business of the Company be discontinued. This decision was approved by the Board of Directors of the Company on 26 August 2019 and the hotel operations of the Company creased with effect from 1 November 2019. The Company has acquired 100% shareholding in the Blue Lagoon Real Estate Private Limited and Neptune Real Estate Private Limited on 3 July 2019. The Company along with its three subsidiaries Airport Golf View Hotels and Suites Pvt. Ltd., Blue Lagoon Real Estate Private Limited and Neptune Real Estate Private Limited constitute the 'Group'.

List of subsidiaries with percentage holding –

Subsidiary	Country of incorporation and other particulars	Percentage of holding (%)
Blue Lagoon Real Estate Private Limited	Subsidiary of the Company incorporated under the laws of India.	100.00%
Neptune Real Estate Private Limited	Subsidiary of the Company incorporated under the laws of India.	100.00%
Airport Golfview Hotels and Suites Private Limited	Subsidiary of the Company incorporated under the laws of India.	100.00%

2 Basis of preparation

2.1 Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Group's Board of Directors on 26 June 2020.

Details of the Group's accounting policies are included in note 3.

'The Group has consistently applied the following accounting policies to all periods presented in these standalone financial statements, except for the adoption of Ind AS 116 – Leases, which was adopted with effect from 1 April 2019. Refer note 3.1

In March 2020, the World Health Organisation declared COVID-19 to be 'the pandemic'. This pandemic has resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the government. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Group believes that the COVID 19 pandemic will only have a short term impact on its operations and growth plans and after easing of the lockdown restrictions, the business is expected to return to normal.

Further, owing to the discontinuance of the hotel operations of the Group earlier this year, which was the single largest segment of the Group's business, the Group has evaluated its ability to sustain it operations in the foreseeable future. Considering net positive cash flows projected from continuing operations in the foreseeable future, market value of the land owned by the Group, continued committed financial support from the holding company and access to lines of credit, Management believes that the Group will not have any challenge in meeting its financial obligations for the next 12 months from the date of the consolidated financial statements.

The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial result for the year ended 31 March 2020.

2.2 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupees (INR), which is Mac Charles (India) Private Limited's functional and presentation currency. All financial information presented in Indian rupee has been rounded to the nearest million.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations.

2.4 Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is as included below.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2020 is included in the following notes:

- Note 4 and 5 - Depreciation and amortisation method and useful life of items of property, plant and equipment, intangible assets and investment property;
- Note 24, 27 and 42– measurement of defined benefit obligations: key actuarial assumptions;
- Notes 40 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 41 – impairment of financial assets,
- Note 47 - Assets held for sale; determining the fair value less cost to sell of the assets held under sale.

2.5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Group has an established control framework with respect to the measurement of fair values. The Group engages with external valuers for measurement of fair values in the absence of quoted prices in active markets.

Significant valuation issues are reported to the Group's audit committee. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Financial instruments (note 41)
- Disclosures for valuation methods, significant estimates and assumptions (note 41)
- Quantitative disclosures of fair value measurement hierarchy (note 41)
- Financial instruments (including those carried at amortised cost) (note 41)

3 Significant accounting polices

3.1 Leases

Policy applicable with effect from 1 April 2019

Group as lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Group recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the standalone statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Group. Generally, the Group uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in standalone statement of profit and loss.

Group as a lessor

When the Group acts as a lessor at the inception, it determines whether each lease is a finance lease or an operating lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short -term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease

If an arrangement contains a lease and non-lease components, the Group applies Ind AS 115-Revenue to allocate the consideration in the contract

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules; 2019 and Companies Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Group has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 using the modified retrospective method with the cumulative effect of initially applying the Standard, recognized on the date of initial application (1 April 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on 1 April 2019.

Group as a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

Group as a lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Group does not have any significant impact on account of sub-lease on the application of this standard.

Policy applicable before 1 April 2019

Refer note 3 Significant accounting policies Leases in annual report of the Group for the year ended 31 March 2019, for the policy as per Ind AS 17, the previous standard on leases.

3.2 Property, plant and equipment and other intangible assets (other than goodwill)

Property, plant and equipment:

1. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

2. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful lives
Building	30 – 60 years
Leasehold improvements	Lease term or estimated useful life, whichever is lower
Plant and machinery	15 years
Plant and machinery - Wind turbines	22 years
Office equipment	5 years

Asset	Management estimate of useful lives
Furniture and fixtures	10 years
Computers	3 years
Vehicles	8 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

3.3 Intangible assets (other than goodwill)

1. Computer Software
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

2. Amortisation
The useful lives of intangible assets are assessed as either finite or indefinite.
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.4 Goodwill
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

3.5 Investment property
Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.
Based on technical evaluation and consequent advice, the management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Group depreciates investment properties over a period of 60 years on a straight-line basis. The useful life estimate of 60 years is different from the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 30 years. Any gain or loss on disposal of an investment property is recognised in profit or loss.
The fair values of investment property is disclosed in the notes. Fair values are determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

3.6 Impairment of assets

1. Impairment of financial instruments
The Group recognises allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for the financial assets measured at amortised cost are deducted from the gross carrying amount of assets. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due. The Group considers a financial asset to be in default when: (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 365 days or past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

2. Impairment of non-financial assets

The Group's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents smallest group of assets that generates cash inflows that are largely independent of the cash inflows or other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extend that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

3.7 Basis of Consolidation

Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control commences. They are deconsolidated from the date on which control ceases.

3.8 Inventories

Inventories are valued at the lower of cost and net realizable value. ‘Cost’ comprises purchase cost and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Nature of inventory	Method of valuation
Inventories of provisions, food supplies, crockery, cutlery, glassware, beverage, stores and operational supplies	Cost determined as per on weighted average method or net realisable value, whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Stores and operational supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The comparison of cost and net realizable value is made on an item by item basis. The Group periodically assesses the inventory for obsolescence and slow moving stocks.

3.9 Revenue recognition

The Group derives its revenue primarily from running and/or managing hotels, sale of electricity , rental income and interest income.

The Group has initially applied Ind AS 115 - 'Revenue from contracts with Customers' from 1 April 2018. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced Ind AS 18 - Revenue and Ind AS 11 Construction Contracts and Guidance Notes.

The Group has adopted Ind As 115 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of the initial application i.e., 1 April 2018. Accordingly, the information presented for the year ended 31 March 2018 is not restated, i.e., it is presented, as previously reported, under IndAS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information. There is no impact due to adoption of Ind AS 115.

Revenue from different sources is recognised as below:

- Income from hotel:

Income from operations of hotel primarily comprises of revenue from room rentals and sale of food and beverage charges. Such service income is recognised when the related services are rendered unless significant future contingencies exist.

Revenue is recognised when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of an asset. Service income is recognized when the related services are rendered unless significant future contingencies exist.

Sales are disclosed net of sales tax, service tax, trade discount and quality claims.

Advances received from the customers are reported as liabilities until all conditions for revenue recognition are met and is recognized as revenue once the related services are rendered.

- Sale of Electricity generated from Wind Turbine Generators is: Recognized on the basis of Electricity units metered and invoiced.

- Rental income

Rental income from property leased under operating lease is recognised in the statement of profit and loss on an actual basis over the term of the lease since the rentals are in line with the expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income.

- Interest income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of a financial asset; or
- the amortized cost of financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

- Dividend income*:*

Dividends are recognized in profit or loss on the date on which the Group's right to receive payment is established.

3.10 Financials instruments

1. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

2. Classification and subsequent measurement

A. Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- Fair Value through Other Comprehensive income (FVOCI) – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

− the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

− the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

B. Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

− the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

C. Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

− contingent events that would change the amount or timing of cash flows;

− terms that may adjust the contractual coupon rate, including variable interest rate features;

− prepayment and extension features; and

− terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

D. Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.
Debt investments at FVTPL	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in statement of profit and loss.

E. Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3. Derecognition

A. Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

B. Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and amortized cost.

At initial recognition, the Group measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Amortized cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognised.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

4. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.11 Employee benefits

1. Defined contribution plan

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

2. Defined benefit plans

The Group's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive income. The Group has chosen to transfer those amounts recognised in OCI within equity as at the year-end. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Gratuity scheme is administered by a gratuity trust. The Group makes annual contributions to Life Insurance Corporation through the trust. The provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

3. Short-term employee benefit

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized and measured at the amounts expected to be paid when the liabilities are settled. Short-term employee benefit obligations are measured on an undiscounted basis. The liabilities are presented as current employee benefit obligations in the balance sheet.

Compensated absence, which is a short term defined benefit, is accrued based on a full liability method based on current salaries at the balance sheet date for unexpired portion of leave.

3.12 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.13 Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item directly recognised in equity or in other comprehensive income.

1. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax also includes any tax arising from dividends.

2. Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.14 Provisions and contingent liabilities

Provisions (other than for employee benefits)

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.
Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

3.15 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Deposits with maturity more than three months but less than twelve months have been disclosed as 'Bank balances other than cash and cash equivalents'.

3.16 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owner's of the Group for the year by the weighted average number of equity shares outstanding during reporting period. The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

3.17 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.18 Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical area of operations and

- is a part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

3.19 Recent Indian Accounting Standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

3.20 Estimation of uncertainty relating to COVID-19 outbreak

The Group has considered internal and external sources of information, economic forecasts and industry reports, up to the date of approval of the financial statements, in determining the impact of COVID-19 pandemic on various elements of its business operations and financial statements. The Group has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Group expects to recover the carrying amount of its current and non-current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements depending on how long the pandemic lasts and time period taken for the economic activities to return to normalcy.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

4 Property, plant and equipment and capital work-in-progress

Particulars	Land	Buildings	Plant and Machinery	Office equipment	Furniture and fixtures	Com-puters	Vehicles	Total	Capital work-in-progress	Other intangible assets
Balance as at 1 April 2018	342.32	59.18	431.82	0.40	32.92	4.81	5.47	**876.93**	-	0.16
Additions	1.72	-	0.31	-	0.08	0.65	-	**2.75**	0.84	0.26
Reclassification to asset held for sale	-	-	-	-	-	-	-	-	-	-
Disposals	-	7.58	-	-	-	-	-	**7.58**	-	-
Balance as at 31 March 2019	**344.04**	**51.60**	**432.13**	**0.40**	**33.00**	**5.46**	**5.47**	**872.10**	**0.84**	**0.42**
Balance as at 1 April 2019	344.04	51.60	432.13	0.40	33.00	5.46	5.47	**872.10**	0.84	0.42
Additions		8.76	0.13			0.02		**8.91**	-	0.15
Reclassification to asset held for sale		3.83	82.57	0.40	31.98	4.89		**123.67**	-	
Disposals							0.25	**0.25**	0.84	
Balance as at 31 March 2020	**344.04**	**56.53**	**349.69**	-	**1.02**	**0.59**	**5.22**	**757.09**	-	**0.57**
Accumulated depreciation										
Balance as at 1 April 2018	-	3.78	75.47	0.04	21.43	3.36	1.78	**105.86**	-	0.07
Charge for the year	-	1.72	25.55	-	6.84	1.31	0.76	**36.18**	-	0.12
Transfer to assets held for sale	-			-	-	-	-	-		
Disposals	-	0.70	-	-	-	-	-	**0.70**	-	-
Balance as at 31 March 2019	-	**4.80**	**101.02**	**0.04**	**28.27**	**4.67**	**2.54**	**141.34**	-	**0.19**
Balance as at 1 April 2019	-	4.80	101.02	0.04	28.27	4.67	2.54	141.34	-	0.19
Charge for the year	-	1.61	23.23	-	2.51	0.71	0.73	**28.79**	-	0.21
Transfer to assets held for sale	-	0.40	45.60	0.04	29.83	4.95	-	**80.82**	-	
Disposals	-						0.25	**0.25**	-	
Balance as at 31 March 2020	-	**6.01**	**78.65**	**(0.00)**	**0.95**	**0.43**	**3.02**	**89.06**	-	**0.40**
Carrying amount:										
As at 31 March 2020	***344.04***	***50.52***	***271.04***	***0.00***	***0.07***	***0.16***	***2.20***	***668.03***	-	***0.17***
As at 31 March 2019	***344.04***	***46.80***	***331.11***	***0.35***	***4.73***	***0.79***	***2.93***	***730.76***	***0.84***	***0.22***

Notes:

(i) Contractual obligations

The Group has not entered into any contracts to purchase, construct or develop property plant and equipment or for its repairs, maintenance or enhancements exceeding a period of one year.

Significant estimates

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life, if any. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

5 Investment property *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Cost or deemed cost (Gross carrying amount)		
Opening balance	1,320.39	1,320.39
Additions	-	-
Deletions	-	-
Closing balance	**1,320.39**	**1,320.39**
Accumulated depreciation		
Opening balance	(90.72)	(75.12)
Charge for the year	(15.60)	(15.60)
Deletions	-	-
Closing balance	**(106.32)**	**(90.72)**
Net carrying amount	**1,214.07**	**1,229.67**

Notes:

Investment property comprises of a commercial property that is leased to third parties. The lease contains an initial non-cancellable period. Subsequent renewals are negotiated with the lessee and historically the average renewal period is five to nine years.

Investment property comprises of property of two buildings namely 'Delta' and 'Alpha' held by the Company in Cessna Business Park, Bangalore. These properties have been given as a collateral for the term loan from bank.

Investment property also includes property of 13.88 acre of Land in Blue Lagoon Real Estate Private Limited and 5.72 acre of Land in Neptune Real Estate Private Limited

i) Amounts recognised in profit and loss for investment properties *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rental income derived from investment properties	145.54	139.14
Direct operating expenses (including repairs and maintenance) generating rental income	6.24	4.12
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	139.30	135.02
Less: Depreciation	15.60	15.60
Profit arising from investment properties before indirect expenses	**123.70**	**119.42**

ii) Fair value

Fair value hierarchy

The fair value of investment property has been determined by external, independent property values, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation techniques- Commercial Property

Investment property comprises commercial properties 'Delta' and 'Alpha' held by the Company in Cessna Business Park, Bangalore that are leased to third parties. Each of the leases contains an initial non-cancellable period. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

The Group obtains independent valuations for its investment properties at least annually.

Fair value:	**Rs in million**
As at 31 March 2019	2,390.40
As at 31 March 2020	2,473.47
Valuation Land in Blue Lagoon Real Estate Private Limited	
Fair value:	**Rs in million**
As at 31 March 2019	1,799.40
As at 31 March 2020	1,872.88
Valuation Land in Neptune Real Estate Private Limited	
Fair value:	**Rs in million**
As at 31 March 2019	741.60
As at 31 March 2020	771.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The fair values of the investment property is determined based on the current market prices in an active market for properties of different nature adjusted to reflect those changes.

Significant estimates

The charge in respect of periodic depreciation on investment property is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life, if any. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Note :

Para 97 of Ind AS 113 'Fair value measurements' states that for each class of assets and liabilities not measured at fair value in the balance sheet but for which the fair value is disclosed, an entity shall disclose the information required by paragraph 93(b), (d) and (i). However, the said paragraph states that an entity is not required to provide the quantitative disclosures about significant unobservable inputs used in fair value measurements categorised within Level 3 of the fair value hierarchy required by paragraph 93(d). Therefore, no disclosure in relation to sensitivity analysis of significant unobservable inputs used in fair value measurements of Investment property.

6 Goodwill *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying amount at the beginning/end of the year	71.94	71.94
Total	**71.94**	**71.94**

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows :-

(Rs in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Hotel operations	71.94	71.94
Total	**71.94**	**71.94**

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or the market capitalization as at the date of reporting. Value in use is generally calculated as the net present value of the projected post-tax cash flows, based on financial budgets approved by management plus a terminal value of the cash generating unit to which the goodwill is allocated.

Hotel operations

The recoverable amount of this CGU is based on fair value less cost to sell, estimated using an independent values report of the identified hotel operations of Airport Golf View Hotels and Suites Pvt. Ltd., under direct comparison method (land component) and depreciation replacement cost (land improvements) as of 31 March 2020. The estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

7 Investments

Non-Current Investments *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Unquoted		
Other investments at fair value through profit and loss (fully paid-up)		
Investment in mutual funds		
Pru.ICICI India Advantage Fund-III	3.30	5.02
Reliance Capital Asset Management	20.53	36.87
Total	**23.83**	**41.89**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	23.83	41.89
Aggregate amount of impairment in the value of investments	-	-

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 41.

8 Loans *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	11.73	27.23
	11.73	**27.23**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

9 Other financial assets *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Bank deposits	19.40	19.42
	19.40	**19.42**

Fixed deposit with bank includes an amount of Rs 19.40 million (previous year: Rs 19.42 million) which is held as debt service reserve account (DSRA).

10 Income-tax assets, net *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Advance tax, net of provision for tax	40.31	1.16
	40.31	**1.16**

11 Other non-current assets *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances		
- Advance paid for purchase of investment property (refer note below)	56.05	2,311.87
	56.05	**2,311.87**

Note:
The Company had made an advance payment of a sum of Rs.1,988.60 million in earlier years towards the purchase of property from LJ-Victoria Properties Private Limited. The Board of Directors of the Company at its meeting held on 21 March 2019 resolved to terminate the aforesaid property purchase agreement for non-fulfillment of certain conditions, which was approved by the shareholders of the Company vide a special resolution dated 18 May 2019. Consequently, the Company has received the advance of Rs.1,968.80 million from LJ-Victoria Properties Private Limited which excludes tax deducted at source (of 1%) amounting to Rs.19.8 million. The Company has filed a refund claim for such TDS with the Income Tax authorities. Interest of Rs.300 million on such termination has been presented such an exceptional item in the statement of profit and loss account for the year ended 31 March 2019.
Capital advance as at 31 March 2020 pertains to amount paid to Legacy Global to acquire a property in Allalsandra village, Yelahanka Hobli, Bangalore North. The property is under construction and possession is expected to be received by 31 March 2021.

12 Inventories *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	3.20	10.37
Stores and spares	-	0.97
	3.20	**11.34**

13 Current investments

Particulars	As at 31 March 2020	As at 31 March 2019
Quoted equity shares		
- Equity investments at fair value through other comprehensive income (fully paid-up)		
10,000 equity shares of Global Offshore Services Limited (31 March 2019: 10,000 shares)	0.03	0.12
22,699 equity shares of Puravankara Limited (31 March 2019: 22,699 shares)	0.82	1.68
4,000 equity shares of Cipla Limited (31 March 2019: 4,000 shares)	1.80	2.10
Investments in mutual funds		
Unquoted		
Measured at Fair value through profit and loss		
28,057 units of Ultra Short Bond Fund Direct Plan of Franklin India (31 March 2019: 7.09 million units)	0.78	187.22
Reliance Mutual Fund (ETF Liquid BGSE)	0.08	0.08
	3.51	**191.20**
Aggregate amount of quoted investments and market value thereof	2.65	3.90
Aggregate amount of unquoted investments	0.86	187.30
Aggregate amount of impairment in the value of investments	-	-

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 41.
Equity shares designated as at fair value through other comprehensive income (FVOCI)
At 1 April 2015, the Group designated the investments presented below as equity shares at FVOCI because these equity shares represent investments that the Group intends to hold for long-term.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Fair value

Particulars	Dividend income for 18-19	Fair Value as at 31 March 2019	Dividend income for 19-20	Fair Value as at 31 March 2020
Investment in equity shares of Global Offshore Services Limited	-	0.12	-	0.03
Investment in equity shares of Puravankara Limited	-	1.68	-	0.82
Investment in equity shares of Cipla Limited	0.06	2.10	-	1.80
	0.06	**3.90**	**-**	**2.65**

14 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables considered good - secured	-	-
Trade receivables which have significant increase in credit risk	-	-
Credit impaired	-	-
Unsecured, considered good	11.08	29.13
	11.08	**29.13**

All trade receivables are current.
Of the above, trade receivables from related parties are as follows :-

(Rs in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Total trade receivables from related parties	8.06	3.82
Loss allowance	-	-
	8.06	**3.82**

For terms and conditions relating to related party receivables, refer note 39.
The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 41.

15 Cash and cash equivalents *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- in current accounts*	44.44	48.30
Cash on hand	0.27	1.09
	44.71	**49.39**

* includes unclaimed dividend of Rs. 29.93 million as at 31 March 2020 (31 March 2019: Rs.35.68 million)

16 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- in fixed deposit accounts with banks	1.00	1.00
	1.00	**1.00**

17 Loans *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
- Inter-corporate loans	0.65	351.25
Unsecured, credit impaired		
- Inter-corporate loans	24.00	37.00
Less: Expected credit loss for loans	(24.00)	(37.00)
	0.65	**351.25**

For terms and conditions relating to related party loans, refer note 39.
The Group's exposure to credit and currency risks, and loss allowances related to loans are disclosed in note 41.

18 Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
Other receivables	0.80	3.63
	0.80	**3.63**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

19 Other current assets *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	5.07	13.62
Other advances	0.37	1.05
	5.44	**14.67**

20 Share capital *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
20,000,000 (31 March 2019: 20,000,000) equity shares of Rs 10 each	200.00	200.00
	200.00	**200.00**
Issued, subscribed and fully paid up		
13,101,052 (31 March 2019: 13,101,052) equity shares of Rs 10 each	131.01	131.01
	131.01	**131.01**

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

	As at 31 March 2020		As at 31 March 2019	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	1,31,01,052	131.01	1,31,03,727	131.04
Add: Shares issued during the year				
Less: Forfeiture of shares during the year			2,675	0.03
Number of shares outstanding at the end of the year	**1,31,01,052**	**131.01**	**1,31,01,052**	**131.01**

(b) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts if any, in proportion to their shareholding.

(c) Equity shareholders holding more than 5% of equity shares along with the number of equity preference shares held at the beginning and at the end of the year is as given below:-

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	% of holding	No of shares	% of holding	No of shares
Embassy Property Developments Private Limited (Holding company)	73.41	96,16,952	73.41	96,16,952

(d) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

(e) Particulars of each class of shares held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

(Rs in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Embassy Property Developments Private Limited, Holding company	96.17	96.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

21 Other equity

(Rs in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
General reserve		
At the commencement of the year	2,244.80	2,214.77
Add: transferred from statement of profit and loss for the year	-	30.00
Forfeiture of shares	-	0.03
At the close of the year	**2,244.80**	**2,244.80**
Retained earnings		
At the commencement of the year	758.31	664.07
Add: Net profit/(loss) for the year	(172.07)	281.18
Add: Other comprehensive income	1.40	1.00
Transfer to general reserve	-	(30.00)
Dividend distribution	(131.01)	(131.01)
Corporate dividend tax	(26.93)	(26.93)
At the end of the year	**429.71**	**758.31**
Capital Reserve - Common Control Business Combinations (refer note 46)		
At the commencement of the year	(2,034.10)	(2,034.10)
Add: Net profit/(loss) for the year	-	-
At the end of the year	**(2,034.10)**	**(2,034.10)**
Fair value of equity instruments		
At the commencement of the year	(2.06)	(1.34)
Add: Net fair value gain/(loss) on investments in equity instruments at FVOCI, net of tax	(0.89)	(1.45)
Realised profits of equity instruments measured at FVOCI	-	0.73
At the end of the year	**(2.95)**	**(2.06)**
	637.46	**966.95**

21.1 Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity. The Company's adjusted net debt to equity ratio is as follows:

(Rs in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Total liabilities	1,479.10	4,016.40
Less: Cash and cash equivalents	44.71	49.39
Adjusted net debt	**1,434.39**	**3,967.01**
Total equity	768.47	1,097.96
Adjusted net debt to adjusted equity ratio	**1.87**	**3.61**

21.2 Earnings per share (EPS)

Computation of earnings per share is as follows:

(Rs in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit after tax for the year, attributable to equity holders (continuing operations)	(34.11)	140.25
Profit after tax for the year, attributable to equity holders (discontinued operations)	(137.96)	140.93
Profit after tax for the year, attributable to equity holders (discontinued and continuing operations)	(172.07)	281.18

Reconciliation of basic and diluted shares used in computing earnings per share

(Rs in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	1,31,01,052	1,31,01,052
Effect of dilutive potential equity shares	-	-
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	**1,31,01,052**	**1,31,01,052**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Earnings per share: *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Continuing operations		
(a) Basic (Rs)	(2.60)	10.71
(b) Diluted (Rs)	(2.60)	10.71
Discontinued Operations		
(a) Basic (Rs)	(10.53)	10.76
(b) Diluted (Rs)	(10.53)	10.76
Continuing & Discontinued operations		
(a) Basic (Rs)	(13.13)	21.46
(b) Diluted (Rs)	(13.13)	21.46

22 Borrowings *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
From bank (refer note A(i) below)	1,178.34	1,200.97
From others (refer note A(ii) below)	0.87	1.27
Unsecured		
Embassy Property Development Private Limited	-	441.80
	1,179.21	**1,644.04**

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 41.

Notes:

A. Terms and repayment schedule

(i) From HDFC Bank Limited, amounting to Rs. 1,206.47 million (31 March 2019: Rs 1,223.82 million)

Secured by:

- Assignment of receivables by way of rent from LG Soft India Private Limited and Inmobi Technology Services Private Limited.
- 121,176 sq.ft. and 202 car parks of the Delta building, 84,512 sq.ft. and 169 car parks of the Alpha building, including undivided share of land, are secured against the term loan from bank.
- Loan from HDFC Bank Limited carries interest rate of MCLR Plus 30 bps, and is repayable in 180 installments. The repayment of principal and interest commenced from April 2017.
- There is no undrawn facility in respect of this loan.

(ii) From Toyota Financial Services Private Limited, amounting to Rs 1.26 million (31 March 2019: Rs 1.64 million)

- Secured by way of hypothecation of the vehicle Toyota Altis as first charge to the lender
- The loan carries an interest rate of 8.25% p.a fixed and loan is repayable in 60 equal installments. The repayment commenced from February 2018
- There is no undrawn facility in respect of this loan.

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liability	Equity				
	Loans	Share Capital	General reserves	Retained earnings	Fair value of equity instruments	Total
Balance as at 31 March 2019	**1,225.10**	**131.01**	**2,244.80**	**758.31**	**(2.06)**	**4,357.16**
Transaction costs related to borrowings	-	-	-	-	-	
Repayment of borrowings	(17.38)	-	-	-	-	(17.38)
Dividend paid		-	-	(157.94)	-	(157.94)
Total changes from financing activities	**(17.38)**	-	-	**(157.94)**	-	**(175.32)**
Other changes:-	-	-	-	-	-	
Liability-related	-	-	-	-	-	
Interest expense	109.79	-	-	-	-	109.79
Interest paid	(109.79)	-	-	-	-	(109.79)
Total liability related other changes	-	-	-	-	-	
Total equity related other changes				(170.66)	**(0.89)**	**(171.55)**
Balance as at 31 March 2020	**1,207.73**	**131.01**	**2,244.80**	**429.70**	**(2.95)**	**4,010.30**

23 Other financial liabilities *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Other liabilities	0.17	1.15
	0.17	**1.15**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

24 Non-Current provisions *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
- Leave encashment	1.86	-
- Gratuity	0.22	-
	2.08	**-**

25 Trade payables *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Dues to micro and small enterprises	-	-
Dues to other than micro and small enterprises	19.04	34.82
	19.04	**34.82**

All trade payables are 'current'.

The Group's exposure to currency and liquidity risks related to trade payables are disclosed in note 41.

Dues to Micro, small and medium enterprises

The Management has identified enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises as defined under Micro, small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 has been made in the financial statements based on information received and available with the Group. The Group has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest if any that may be payable in accordance with the provisions of the Act is not expected to be material.

(Rs in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
(a) (i) Principal	-	-
(ii) Interest	-	-
(b) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the year*;		
(i) Interest	-	-
(ii) Payment	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

26 Other current financial liabilities *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturity of long term borrowings from banks (refer note 22)	22.49	22.86
Current maturity of finance lease obligation (refer note 22)	0.40	0.37
Interest accrued but not due	4.49	-
Book overdraft	-	3.55
Security deposits	85.30	87.16
Capital creditors	15.25	10.25
Accrued salaries and bonus	3.72	16.99
Unpaid/unclaimed dividends	29.93	35.68
Due to directors	-	0.58
Accrued expenses	0.97	17.59
Payable toward acquisition	-	2,035.10
Others	0.02	0.78
	162.58	**2,230.91**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

27 Current provisions *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
- Leave encashment	0.09	9.75
- Gratuity	2.24	3.32
	2.33	**13.07**

28 Other current liabilities *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues	3.36	9.94
Advance from customers	0.37	7.62
	3.73	**17.56**

29 Current tax liability, net *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax		
Opening balance	18.42	14.31
Provisions made during the year	-	186.17
Income-tax paid	18.42	(182.06)
Closing balance	**-**	**18.42**

30 Revenue from operations *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of services		
Income from rooms	18.08	18.58
Income from sale of food, beverages and banquets	39.13	43.34
Income from sale of electricity	100.18	107.42
	157.39	**169.34**
Other operating revenue		
Rental income	145.54	139.14
Other	1.86	-
	147.40	**139.14**
	304.79	**308.48**

31 Other income *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income	30.05	65.21
License fees	-	0.81
Financial assets at fair value through statement of profit and loss		
Fair value changes in financial assets measured at fair value through statement of profit and loss	-	1.68
Dividend income	-	0.06
Profit on sale of Fixed assets	0.17	-
Profit on sale of investments	4.17	
Liabilities written back	-	0.52
	34.40	**84.21**

32 Cost of materials consumed *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock of provisions, food and beverages consumed	2.17	0.37
Add: Purchase of provisions, food and beverages	21.80	25.08
Less: Closing stock of provisions, food and beverages consumed	3.19	2.17
Cost of provisions, food and beverages consumed	**20.78**	**23.28**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

33 Maintenance and upkeep services *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Guest accommodation and kitchen	0.56	0.69
Repairs and maintenance of :-		
i) Building	8.05	4.50
ii) Plant & machinery	11.60	11.46
Housekeeping expenses	1.47	1.44
	21.68	**18.09**

34 Employee benefits expense *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	30.67	29.08
	30.67	**29.08**

35 Finance costs *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilities measured at amortized cost	172.28	157.61
Other bank charges	0.12	0.11
	172.40	**157.72**

36 Depreciation and amortization expense *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment	22.12	22.39
Depreciation on investment properties	15.60	15.60
Amortization of intangible assets (note 4)	0.21	0.12
	37.93	**38.11**

37 Other expenses *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Legal, professional and consultancy charges	43.86	19.94
Fair value changes in financial assets measured at fair value through statement of profit and loss	14.66	-
Rates and taxes (refer note 40)	36.46	20.79
Power and fuel	8.12	13.49
Corporate social responsibility (refer note (ii) below)	8.47	7.47
Administrative and general expenses	0.70	0.39
Sales commission	1.48	2.24
Travelling and conveyance	0.23	0.22
Postage, telex and telephones	0.18	0.24
Printing and stationery	0.13	0.20
Insurance	0.10	0.07
Payment to auditors (refer note (i) below)	4.82	4.56
Director's sitting fees	1.29	1.02
Provision for doubtful advances (refer note (iii) below)	(13.00)	121.53
Miscellaneous	0.15	0.11
	107.64	**192.27**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note:

(i) Auditor's remuneration

(Rs in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor		
- for statutory audit	4.75	4.49
Reimbursement of expenses	0.07	0.07
	4.82	**4.56**

(ii) Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Group, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds are allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

(Rs in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Amount required to be spent by the Company during the year	8.41	7.37
(b) Amount spent during the year for:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	8.47	7.47

(iii) Provision created in an earlier years against certain advances considered doubtful of recovery, has now been reversed based on recovery of the advance.

38 Income tax

(a) Major components of income tax expense for the years ended 31 March 2020 and 31 March 2019:

(Rs in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current income tax:		
Current income tax charge	(0.30)	(121.39)
Taxes pertaining to earlier years (net)	2.15	(10.08)
Deferred tax:		
Relating to origination and reversal of temporary differences	15.95	37.58
Tax (expense)/credit of continuing operations	**17.80**	**(93.89)**
Tax expense of continuing operations does not include the following:		
Current income tax charge from discontinued operations	-	(65.01)
Origination and reversal of temporary differences from discontinued operations	40.70	-
Tax (expense)/credit of discontinued operations	**40.70**	**(65.01)**
Income tax (expense)/credit reported in the statement of profit or loss	**58.50**	**(158.90)**

(b) Deferred tax related to items recognised in Other Comprehensive income (OCI) during the year:

(Rs in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Equity instruments through Other Comprehensive Income - net changes in fair value	(0.36)	0.60
Remeasurement of defined benefit liability/ (assets)	0.58	(0.41)
Income tax charged to OCI	**0.21**	**0.19**

(c) Reconciliation of tax expense and the accounting profit multiplied by India’s domestic tax rate:

(Rs in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax from continuing operations	(51.91)	234.14
Profit before tax from discontinued operations	(178.66)	205.94
Total profit before tax for the year	**(230.57)**	**440.08**
Tax at the Indian tax rate of 29.12% (31 March 2019: 29.12%)	(67.14)	128.15
Effect of:		
Deferred tax asset on carry forward loss	(30.18)	-
Non-deductible expenses	51.54	42.91
Standard deduction for income from house property	(12.71)	(12.16)
Income tax expense	**(58.50)**	**158.90**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(d) Deferred tax

Deferred tax assets have been recognised only to the extent of existing deferred tax liabilities, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

(e) Recognised deferred tax assets and liabilities

Movement in temporary differences

Particulars	Balance as at 31 March 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Balance as at 31 March 2020
Property, plant and equipment and investment property	56.59	(9.38)	-	47.21
Investments in equity shares	1.16	(5.27)	(0.36)	(4.48)
Employee benefits	(6.85)	5.40	0.58	(0.88)
Provision for doubtful advances	(10.87)	3.79	-	(7.08)
Fair value of investments in mutual funds	0.46	(5.06)	-	(4.60)
Income tax loss carry forward	-	(30.18)	-	(30.18)
Interest - Ind AS - Blue Lagoon & Neptune	15.95	(15.95)	-	-
	56.44	**(56.65)**	**0.21**	**(0.00)**

Note: The Group has unrecognised deferred tax asset of Rs. 1.6 million on carry forward losses. The unabsorbed business loss can be carried forward till FY 2027-28.

39 Related party disclosures

Related parties with whom transactions have taken place during the year

A. Holding company

Embassy Property Developments Private Limited

B. Subsidiaries

Airport Golfview Hotels and Suites Private Limited
Blue Lagoon Real Estate Private Limited
Neptune Real Estate Private Limited

C. Fellow subsidiaries

Vikas Telecom Private Limited
L.J Victoria Properties Private Limited
Technique Control Facility Management Private Limited

D. Key management personnel

P. B. Appiah (Director)
Suresh Vaswani (Director)
Tanya John (Director)
Aditya Virwani (Director)
P. R. Ramakrishnan (Director)
M.S Reddy (Company Secretary)
Pranesh K Rao (CFO)

E. Enterprises significantly influenced by the Company/ key managerial personnel

C. Pardhanani's Education Trust

F. Post employment benefit entities

Mac Charles (India) Limited Employees Gratuity Fund Trust

G. A firm in which the relatives of director is a manager or partner

Lounge Hospitality LLP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

39 Related party disclosures

H. The following is a summary of related party transactions *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inter corporate loan repaid to Company		
Airport Golfview Hotels and Suites Private Limited	2.54	4.03
Embassy Property Development Private Limited	450.00	-
Inter corporate loan repaid by Group		
Embassy Property Development Private Limited	503.67	(0.12)
Inter corporate loan given		
Airport Golfview Hotels and Suites Private Limited	5.00	7.51
Blue Lagoon Real Estate Private Limited	267.05	-
Neptune Real Estate Private Limited	241.16	-
Embassy Property Development Private Limited	100.00	-
Investment in Equity Shares Blue Lagoon Real Estate Private Limited		
Embassy Property Development Private Limited	1,531.20	-
Investment in Equity Shares Neptune Real Estate Private Limited		
Embassy Property Development Private Limited	503.90	-
Capital advance given		
L.J Victoria Properties Private Limited	-	150.00
Capital advance repaid to company		
L.J Victoria Properties Private Limited	2,258.64	-
Interest Income		
L.J Victoria Properties Private Limited	-	300.00

I. The following is a summary of related party transactions (continued) *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Dividend paid		
Embassy Property Developments Private Limited	96.17	104.51
Electricity income		
Vikas Telecom Private Limited	87.93	91.06
Donation paid		
C. Pardhanani's Education Trust	3.00	2.40
Interest received		
Embassy Property Developments Private Limited	27.92	63.00
Sale of Furniture & Fixture		
Airport Golfview Hotels and Suites Private Limited	0.23	-
Lounge Hospitality LLP	0.64	-
Contribution to gratuity fund		
Mac Charles Gratuity Fund trust	2.00	0.02
Outsource Manpower		
Technique Control Facility Management Pvt Ltd	5.15	-
Notional Interest Expenses:		
Embassy Property Developments Private Limited	61.87	50.56
Asset Management fee		
Embassy Property Developments Private Limited	4.38	4.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

39 Related party disclosures

J. The following is a summary of balances receivable from related parties: *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Inter-corporate loans given (non-current)		
Airport Golfview Hotels and Suites Private Limited	8.61	6.15
Blue Lagoon Real Estate Private Limited	267.05	-
Neptune Real Estate Private Limited	241.16	-
Inter-corporate loans given (Current)		
Embassy Property Developments Private Limited	-	350.00
Inter-corporate loans Receive		
Embassy Property Developments Private Limited	-	441.80
Capital advances		
L.J Victoria Properties Private Limited	-	2,258.64
Trade Payable		
Technique Control Facility Management Pvt Ltd	1.89	-
Reimbursement of Expenses Payable		
Embassy Property Developments Private Limited	0.02	-
Trade receivables		
Embassy Property Developments Private Limited	0.05	0.39
Vikas Telecom Private Limited	8.06	3.43
Lounge Hospitality LLP	0.75	-

K. Compensation of key management personnel of the Company:

(i) The remuneration of directors and other members of key management personnel during the year was as follows: *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Short-term employee benefits	18.43	14.64
	18.43	**14.64**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Post employment benefit comprising gratuity and compensated absences are not disclosed as these are determined for the Group as a whole.

L. Details of inter-corporate loans given

(a) Terms and conditions on which inter-corporate loans have been given

Party name	interest rate	Repayment terms	Purpose
Airport Golfview Hotels and Suites Private Limited (Subsidiary)	0%	Repayable on demand	General
Blue Lagoon Real Estate Private (Subsidiary)	0%	Repayable on demand	General
Neptune Real Estate Private Limited (Subsidiary)	0%	Repayable on demand	General
Embassy Property Developments Private Limited	18%	Repayable on demand	General

(b) Reconciliation of inter-company loans given as at the beginning and as at the end of the year: *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Subsidiary		
Airport Golfview Hotels and Suites Private Limited		
At the commencement of the year	6.15	2.67
Add: given during the year	5.00	7.51
Less: repaid during the year	(2.54)	(4.03)
At the end of the year	8.61	6.15
Blue Lagoon Real Estate Private Limited		
At the commencement of the year	-	-
Add: given during the year	267.05	-
Less: repaid during the year	-	-
At the end of the year	267.05	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

39 Related party disclosures *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Neptune Real Estate Private Limited		
At the commencement of the year	-	-
Add: given during the year	241.16	-
Less: repaid during the year	-	-
At the end of the year	241.16	-
Holding company		
Embassy Property Developments Private Limited		
At the commencement of the year	350.00	350.00
Add: given during the year	100.00	-
Less: repaid during the year	(450.00)	-
At the end of the year	-	350.00

40 Contingent liabilities *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Contingent liabilities:		
Demand from BESCOM (Bangalore Electricity Supply Company)	-	50.68

a) The Company received an order dated 18 September 2017 for payment of cross subsidy charges amounting to Rs. 50.68. The Company had filed an appeal against the same on 26 April 2018 and paid a deposit of Rs. 13.40 million. On 5 November 2019 the Company received a revised order with a reduced demand of Rs. 15.86 million. The Company adjusted the deposit paid against the original demand and paid Rs.2.3 million to settle the litigation

b) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position

41 Financial instruments - fair value measurement and risk management

A Accounting classification and fair value *(Rs in millions)*

Particulars	Carrying value as at 31 March 2020	Fair value Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost:					
Non current financial assets					
- Loans	11.73	-	-	-	-
- Other Non-Current financial asset	19.40	-	-	-	-
Current financial assets		-	-	-	-
- Trade receivables	11.08	-	-	-	-
- Cash and cash equivalents	44.71	-	-	-	-
- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
- Loans	0.65	-	-	-	-
- Other current financial assets	0.80	-	-	-	-
Financial assets measured at fair value through other comprehensive income:					
Investments					
Non current	-	-	-	-	-
Current	2.65	2.65	-	-	2.65
Financial assets measured at fair value through profit and loss:					
Investments					
Non current	23.83	23.83	-	-	23.83
Current	0.86	0.86	-	-	0.86
Total	**116.71**	**27.34**	-	-	**27.34**
Financial liabilities measured at amortised cost:					
Non current financial liabilities					
- Long term borrowing	1,179.21	-	-	-	-
- Other financial liabilities	0.17	-	-	-	-
Current financial liabilities					
- Trade payables	19.04	-	-	-	-
- Other financial liabilities	162.58	-	-	-	-
Total	**1,361.00**	-	-	-	-

The Group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, bank balances, other non-current financial assets other than other current financial assets, loans, borrowings, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

41 A Financial instruments - fair value measurement and risk management

Accounting classification and fair value

(Rs in millions)

Particulars	Carrying value as at 31 March 2019	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortised cost:					
Non current financial assets					
- Loans	27.23	-	-	-	-
- Other Non-Current financial asset	19.42	-	-	-	-
Current financial assets		-	-	-	-
- Trade receivables	29.13	-	-	-	-
- Cash and cash equivalents	49.39	-	-	-	-
- Loans	351.25	-	-	-	-
- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
- Other current financial assets	3.63	-	-	-	-
Financial assets measured at fair value through other comprehensive income:					
Investments					
Non current	-	-	-	-	-
Current	3.90	3.90	-	-	3.90
Financial assets measured at fair value through profit and loss:					
Investments					
Non current	41.89	41.89	-	-	41.89
Current	187.30	187.30	-	-	187.30
Total	**714.14**	**233.09**	-	-	**233.09**
Financial liabilities measured at amortised cost:					
Non current financial liabilities					
- Borrowings	1,644.04	-	-	-	-
- Other financial liabilities	1.15	-	-	-	-
Current financial liabilities					
- Trade payables	34.82	-	-	-	-
- Other financial liabilities	2,230.91	-	-	-	-
Total	**3,910.92**	-	-	-	-

The Group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, bank balances, other non-current financial assets other than other current financial assets, loans, borrowings, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

41 **B**	**Financial instruments - fair value measurement and risk management (continued)** **Measurement of fair values** The section explains the judgement and estimates made in determining the fair values of the financial instruments that are: a) recognised and measured at fair value b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below: **Level 1**: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value. **Level 2**: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. **Level 3**: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group has elected to measure all financial instruments, except investments, at ammortised cost. Investments fall under the 'Level 1' hierarchy and are measured using quoted prices on the respective reporting dates. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
C	**Financial risk management** The Group has exposure to the following risks arising from financial instruments: - credit risk (refer note ii below) - liquidity risk (refer note iii below) - market risk (refer note iv below) **(i) Risk management framework** The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. **(ii) Credit risk** Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, inter-corporate deposits and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure. ***Trade receivable and loans*** The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The Group has credit policies in place and exposure to the credit risk is monitored on an ongoing basis. A majority of Group's income is from the corporate customers by way of advance receipts and revenue from related parties. Credit evaluations are performed on all customers requiring credit over a certain amount and there is no concentration of credit risk. Due from related parties are considered recoverable by the management. Risk assessment is done for each corporate to whom the inter -corporate deposits are provided. Cash is placed with reputable banks and the risk of default is considered remote. Under the current economic conditions, management has assessed the recoverability of its trade receivables as at the reporting date and consider them to be recoverable. Due to this factor, management believes that no additional credit risk is inherent in the Group's receivables . At the balance sheet date, there were no significant concentrations of credit risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

41 C

Financial instruments - fair value measurement and risk management (continued)

Financial risk management

The following table provides information about the exposure to credit risk and the expected credit loss for trade receivables:

(Rs in millions)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying amount	Provision amount	Carrying amount	Provision amount
Less than 180 days	11.08	-	29.13	-
More than 180 days	-	-	-	-
	11.08	**-**	**29.13**	**-**

Loans and other financial asset:

Expected credit loss for loans and other financial assets is as follows: *(Rs in millions)*

Particulars		Period ended	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-20	Security deposits	11.73	-	-	11.73
			Other financial asset	20.20	-	-	20.20
			Loan	24.65	-	24.00	0.65
		31-Mar-19	Security deposits	24.43	-	-	24.43
			Other financial asset	23.02	-	-	23.02
			Other loans	394.40	-	37.00	357.40

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets. Usually the excess of funds is invested in short term mutual funds and fixed deposits. This is generally carried out in accordance with practice and limits set by the Group. These limits vary to take into account the liquidity of the market in which the Group operates.

The Cash flow with respect to project finances will be funded through internal accrual, loan from holding company and from Bank.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period :-

Particulars	31 March 2020	31 March 2019
Expiring within one year:-		
Bank Loans	-	-

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments.

As at 31 March 2020 *(Rs in millions)*

Particulars	Carrying amount	Total	6 months or less	6–12 months	1–2 years	More than 2 years
Borrowings	1,201.70	2,140.54	65.28	67.09	137.79	1,870.38
Other non current financial liabilities	0.17	0.17	-	-	0.17	-
Trade payables	19.04	19.04	19.04	-	-	-
Other current financial liabilities	140.09	140.09	140.09	-	-	-
	1,361.00	**2,299.84**	**224.41**	**67.09**	**137.96**	**1,870.38**

As at 31 March 2020 *(Rs in millions)*

Particulars	Carrying amount	Total	6 months or less	6–12 months	1–2 years	More than 2 years
Borrowings	1,667.67	2,636.75	502.72	60.92	124.57	1,948.54
Other non current financial liabilities	1.15	1.15	-	-	1.15	-
Trade payables	34.82	34.82	34.82	-	-	-
Other current financial liabilities	2,207.28	2,207.28	2,207.28	-	-	-
	3,910.92	**4,879.99**	**2,744.81**	**60.92**	**125.72**	**1,948.54**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

41 Financial instruments - fair value measurement and risk management (continued)

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of transacting parties. The functional currency of the Group is INR.

Since the Group does not have any unhedged foreign currency exposure at the year end, it is not exposed to currency risk.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates.

Exposure to interest rate risk

The exposure of the Group's borrowing to interest rate at the end of the reporting period are as follows :- *(Rs in millions)*

Particulars	31 March 2020	31 March 2019
Floating rate borrowings	1,179.21	1,644.04
Borrowings	22.89	23.22
Current maturities of long term debt	0.78	187.22
Investments in debt based mutual funds	1.00	1.00

Term deposits under bank balances other than cash and cash equivalents

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(Rs in millions)

Particulars	Impact on profit or loss		Impact on other components of equity	
	31 March 2020	31 March 2019	31 March 2019	31 March 2018
Increase by 50 base points	6.13	6.19	-	-
Decrease by 50 base points	(6.13)	(6.19)	-	-

Price risk

The Group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The majority of the Group's equity investments are publicly traded and are included in the BSE and NSE index.

Sensitivity analysis – Equity price risk

Maturities of financial liabilities *(Rs in millions)*

Particulars	Impact on other components of equity	
	31 March 2020	31 March 2019
Increase by 10% (2018: 10%)	2.66	4.59
Decrease by 10% (2018: 10%)	(2.66)	(4.59)

42 Employee benefits obligations

A. Defined contribution plan

The Group has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The defined benefit plan for gratuity is administered by a single gratuity fund that is legally separate from the Group.

B. Reconciliation of the net defined benefit (asset) liability

Reconciliation of present value of defined benefit obligation *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	26.69	23.31
Service cost		
- Current service cost	0.27	2.29
Interest Cost	0.85	1.75
Benefits paid	(26.97)	(1.48)
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	1.59	0.90
- experience adjustments	0.02	(0.08)
Balance at the year end	**2.45**	**26.69**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

42 Employee benefits obligations

B. Reconciliation of the net defined benefit (asset) liability

Reconciliation of the present value of plan assets *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	24.51	21.77
Expected return on plan assets	0.82	1.71
Contributions paid into the plan	2.20	2.00
Employer Direct benefit payments	1.21	-
Benefits paid	(26.97)	(1.48)
Return on plan assets recognised in other comprehensive income	0.39	0.51
Balance at the year end	**2.16**	**24.51**

C.(i) Expense recognised in profit or loss *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Current service cost	0.27	2.29
Interest cost	0.85	1.75
Expected return on plan assets	(0.82)	(1.71)
	0.30	**2.33**

C. (ii) Remeasurements recognised in other comprehensive income *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Actuarial (gain) loss on defined benefit obligation	1.59	0.90
Return on plan assets excluding interest income	0.39	0.51
	1.98	**1.41**

D. Plan assets

Plan assets comprise of the following: *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Fair value of plan assets	2.16	24.51
	2.16	**24.51**

E. Defined benefit obligations

(i) Actuarial assumptions *(Rs in millions)*

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assumptions		
Discount rate	6.41%	7.75%
Future salary growth	6%	6.00%
Attrition rate	5.00%	5.00%
Demographic assumptions		
Withdrawal rate	5.00%	5.00%
Retirement age	60	58

At 31 March 2020, the weighted-average duration of the defined benefit obligation was 8.66 years (31 March 2019: 11.62 years).

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have reflected the defined benefit obligation as the amounts shown below.

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	2.42	2.44	25.38	27.99
Future salary growth (100 basis points movement)	2.44	2.42	27.97	25.37
Attrition rate (100 basis points movement)	2.43	2.43	26.64	26.57

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

43 Details of inter-corporate loans (other than related party)

(a) Terms and conditions on which inter-corporate loans have been given

Party name	Interest rate	Repayment terms	Purpose
IDS Nest Business Solutions Private Limited	15%	Repayable on demand	General
Thrishul Developers	18%	Repayable on demand	General
Marickar Plantations Private Limited	18%	Repayable on demand	General

Reconciliation of inter-corporate loans given as at the beginning and as at the end of the year (apart from related party loans):

Particulars	As at 31 March 2020	As at 31 March 2019
IDS Nest Business Solutions Private Limited		
At the commencement of the year	1.00	1.00
Add: given during the year	-	-
Less: repaid during the year	0.50	-
At the end of the year	1 .50	1.00
Thrishul Developers		
At the commencement of the year	30.00	30.00
Add: given during the year	-	-
Less: repaid during the year	(13.00)	-
At the end of the year	17.00	30.00
Provision created	(17.00)	(30.00)
Marickar Plantation Private Limited		
At the commencement of the year	7.00	7.00
Add: given during the year	-	-
Less: repaid during the year	-	-
At the end of the year	7.00	7.00
Provision created	(7.00)	(7.00)

44 Consolidated financial information

Additional information required to be disclosed pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 - 'General instructions for the preparation of consolidated financial statements' as at and for the year ended 31 March 2020 is as follows:

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent company								
Mac Charles (India) Limited	116%	893.08	73%	(125.67)	100%	0.52	73%	(125.15)
Indian subsidiary								
Airport Golf View Hotels and Suites Private Limited	0%	(0.05)	0%	(0.02)	0%	-	0%	(0.02)
Blue Lagoon Real Estate Private Limited	0%	(2.86)	14%	(24.57)	0%	-	14%	(24.57)
Neptune Real Estate Private Limited	-16%	(121.70)	13%	(21.81)	0%	-	13%	(21.81)
Total	**100.00%**	**768.47**	**100.00%**	**(172.07)**	**100.00%**	**0.52**	**100.00%**	**(171.55)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

45 i Discontinued Operations

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 presented as 'Assets/ liabilities associated with discontinued operations' and measured them at lower of cost and fair value as at 31 March 2020.

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

ii The results from Hotel operations of the Company are as follows : *(Rs in million)*

Particulars	Year ended	
	31-Mar-20	**31-Mar-19**
Income		
a) Revenue from operations	173.36	535.79
b) Other income	2.09	22.87
Total income (a+b)	**175.45**	**558.66**
Expenses		
a) Cost of material consumed	28.86	74.39
b) Maintenance and upkeep services	17.51	45.68
c) Employee benefit expense (Refer note (a) below)	257.30	148.49
d) Depreciation and amortization expense	6.65	13.78
e) Other expenses	43.79	70.38
Total expenses (a+b+c+d+e)	**354.11**	**352.72**
Profit/(loss) before tax	**(178.66)**	**205.94**
Tax expense	(40.70)	65.01
Profit/(loss) from discontinued operations after tax	**(137.96)**	**140.93**

Note (a) Included employee termination benefits (Rs.168.24 million) incurred to meet termination settlement benefit expenses for employees of the discontinued hotel operations.

iii The assets and liabilities from Hotel business are as follows :

Particulars	As at 31 March 2020
ASSETS	
Non-current assets	
Property, plant and equipment	33.21
Financial assets	
- Loans	0.02
Current assets	
Financial assets	
- Trade receivables	1.14
- Other financial assets	1.48
Disposal group - assets held for sale	**35.85**
LIABILITIES	
Non-current liabilities	
Financial liabilities	
- Other financial liabilities	0.6
Current liabilities	
Financial liabilities	
- Other financial liabilities	106.81
Advance from customers	1.65
Security deposits	0.9
Disposal group – liabilities directly associated with assets held for sale	**109.96**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

46 Discontinued Operations

In accordance with Ind AS 105 - 'Non-current Assets Held for Sale and Discontinued Operations', the Management is required to assess the "recoverable amount" of the Hotel business and also to evaluate whether there is any need to provide for an impairment loss. Management is confident that they will be able to sell these assets to third parties at net selling prices which would exceed their carrying amounts and, accordingly, believe that no additional provision is required for impairment as at March 31, 2020.

iv **The net cash flows from Hotel business is as follows :**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/ (loss) before tax from discontinuing operations	(178.66)	205.94
Adjustments:		
- Depreciation and amortization	6.65	13.78
	(172.01)	**219.72**
Working capital adjustments:		
- Trade receivables	(1.14)	-
- Current and non-current financial assets	(1.50)	-
- Current and non-current financial liabilities	107.71	-
- Other current and non-current liabilities	2.25	-
Cash used in operation activities	(64.69)	219.72
Income taxes paid	-	
Net cash used in operating activities [A]	**(64.69)**	**219.72**
Net cash used in investing activities [B]	-	-
Net cash used in financing activities [C]	-	-
Decrease in cash and cash equivalents [A+B+C]	**(64.69)**	**219.72**

46 Restatement of comparative period

The Company has acquired 100% shareholding in Blue Lagoon Real Estate Private Limited and Neptune Real Estate Private Limited on 3 July 2019. An amount of Rs 2,035 million was paid for the acquisition of these companies.

The Company has acquired these subsidiaries from its holding company Embassy Property Developments Private Limited. Pursuant to the requirements of Appendix C of Ind AS 103- Business Combination, the acquisitions have been accounted for as a common control transactions. Consequently, the financial information in these consolidated financial statements in respect of prior periods have been restated as if the business combinations had occurred from the beginning of the preceding period (i.e, 1 April 2018), irrespective of the actual date of the business combinations (i.e, 3 July 2019).

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

1. Consolidated balance sheet *Rs in millions*

Particulars	Amount		
As at 31 April 2019	As previously reported	Adjustments	As restated
Non-current assets			
Investment property	845.41	384.27	1,229.67
Current assets			
Financial Assets			
- Cash and cash equivalents	49.33	0.06	49.39
- Other financial assets	3.60	0.03	3.63
Total Assets	**898.34**	**384.35**	**1,282.69**
Other equity			
Retained earnings	582.39	81.68	664.07
Capital Reserve Common Control Business Combination (refer note 1 below)	-	(2,034.10)	(2,034.10)
Non-current liabilities			
Financial liabilities			
Borrowings	1,202.24	441.80	1,644.04
Deferred tax liability, net	40.49	15.95	56.44
Current liabilities			
Financial liabilities			
Trade payables	31.28	3.54	34.82
Other financial liabilities	195.79	2,035.11	2,230.90
Provisions	12.85	0.22	13.07
Other current liabilities	17.54	0.02	17.56
Total Liabilities	**2,082.58**	**544.22**	**2,626.80**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

46 Discontinued Operations

2. Consolidated statement of profit and loss

Rs in millions

Particulars	Amount			
		Impact of correction of error		
	As previously reported	Related to Discontinuance Operation	**Adjustments**	**As restated**
For the year ended 31 March 2019				
Finance cost	107.16	-	50.56	157.72
Other expenses	140.36	(70.38)	122.29	192.27
Tax Expense	171.88	(65.01)	(12.99)	93.88

Note 1 - Capital Reserve - Common Control Business Combination has been computed as under

	Blue Lagoon Real Estate Private Limited	**Neptune Real Estate Private Limited**	**Total**
Consideration paid for acquisition	1,531.20	503.90	2,035.10
Share capital in the books of the subsidiaries	0.50	0.50	1.00
Capital Reserve Common Control Business Combination	**1,530.70**	**503.40**	**2,034.10**

47 Assets held for sale

Management has committed to sell buildings of the Group in Kochi. Accordingly, the same is presented as a disposal group held for sale. Efforts to sell the disposal group have started and a sale is expected to be completed in 2020-21.

A. Impairment losses relating to the disposal group

There is no impairment loss of the assets held for sale to have been applied to reduce the lower of its carrying amount and its fair value less costs to sell.

B. Assets of disposal group held for sale

At 31 March 2020, the assets held for sale was stated at lower of its carrying amount and its fair value less costs to sell comprised the following.

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Building	35.80	5.54
DLF Property- Cochin	-	22.21
Assets held for sale	**35.80**	**27.75**

C. Cumulative income or expenses included in OCI

There are no cumulative income or expenses included in OCI relating to the disposal group.

D. Measurement of fair values

Consideration agreed with the buyers for these assets held under sale is considered as the fair value.

48 Specified Bank Notes

The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

49 Operating segment

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

The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant policies. Segment result represents profit before tax and depreciation. For the purpose of segment reporting, the Group has included interest income and interest expense under "Others".

Since the information about segment assets and segment liabilities are not reviewed by the CODM, the Group has not presented such information as a part of its segment disclosure which is in accordance with the requirements of Ind AS 108.

Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group, therefore, believes that it is not practicable to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as unallocated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

50 Operating segment (continued)

(i) Segment revenue:

(Rs in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of services		
a) Office rental	145.54	139.14
b) Sale of electricity	100.18	107.42
c) Others	34.32	82.78
d) Hotel (Subsidiary)	59.16	63.35
Revenue from Continue Operation	**339.19**	**392.69**
Revenue from Hotel (discontinued operation)	175.45	558.66

(ii) Segment result

(Rs in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Office rental	139.30	135.83
b) Sale of electricity	90.24	97.30
d) Hotel (Subsidiary)	2.70	2.98
Total Segment results from Continuing Operation	**232.25**	**236.11**
Less/Add: reconciling items		
Interest	(172.40)	(157.72)
Other unallocated expenditure net off unallocated Income	(73.83)	(106.14)
Depreciation	(37.93)	(38.11)
Profit before exceptional item and tax from continuing operation	**(51.91)**	**(65.86)**
Exceptional Items	-	300.00
Profit/(loss) before tax from continuing operation	**(51.91)**	**234.14**
Total Profit Before Tax (Discontinued operations)	**(178.66)**	**205.94**

Geographical information

The Group has not disclosed geographical segments, because it derives all it's revenue from India.

Revenue from major services

The Group's revenue from continuing operations from its major products or services are as follows: *(Rs in millions)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of services		
a) Office rental	145.54	139.14
b) Sale of electricity	100.18	107.42

Information about major customers

Revenue from top two customers of the Group's leasing of commercial office space segment is Rs. 145.52 million which is more than 10% of the segment's total revenue. Revenue from top one customer of the Group's sale of electricity segment is Rs. 87.93 million which is more than 10% of the segment's total revenue. The Group does not derive more than 10% of it's revenues in other segments from a single customer.

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024
Rushank Muthreja
Partner
Membership No. 211386

Place: Bengaluru
Date: 26 June 2020

Mac Charles (India) Limited

P B Appiah
Director
DIN: 00215646

Date: 26 June 2020

P R Ramakrishnan
Director
DIN: 00055416

Date: 26 June 2020

M S Reddy
Executive Director and Company Secretary
Place: Bengaluru
Date: 26 June 2020

Pranesha K Rao
Chief Financial Officer
Place: Bengaluru
Date: 26 June 2020

FORM FOR REGISTERING E-MAIL ID

To

FOR SHARES HELD IN PHYSICAL MODE
Please complete this form and send it to:

SHAREHOLDERS HOLDING SHARES IN DEMAT MODE
Please inform your respective Depository Participant

BgSE Financials Limited
Registrar & Transfer Agent (RTA Division)
No. 51, 1st Cross, J.C. Road, Bengaluru - 560 027.
Tel: 080 - 4132 9661, Fax: 080 - 4157 5232
Email: avp_rta@bfsl.co.in

Dear Sir,

Sub: Registering of e-mail address for service of documents through e-mail

I hereby request the Company to register my e-mail address given below and give consent for service of documents including the Notice of Shareholders' Meeting & Postal Ballot, Balance Sheet, Profit & Loss Account, Auditor's Report, Board's Report etc., through e-mail;

1. Folio No. :

2. Name of the 1st Registered Holder :

3. E-mail address :

....
Signature of the 1st registered holder as per
the specimen signature with the company

Name :

Place :

Date :