Le MERIDIEN
BANGALORE

MAC CHARLES (INDIA) LIMITED

38th Annual Report 2017-18

Board Room

Banquet Hall Coronet

BOARD OF DIRECTORS

Mr. C. B. Pardhanani	**Chairman**
Mr. P. B. Appiah	**Director**
Mr. M. R. B. Punja (Resigned w.e.f. 20.11.2017)	**Director**
Mr. Suresh Vaswani	**Director**
Mr. P. R. Ramakrishnan	**Director**
Mr. Aditya Virwani	**Director**
Ms. Tanya Girdhar	**Director**

EXECUTIVE DIRECTOR & COMPANY SECRETARY
Mr. M. S. Reddy

MANAGER & VICE PRESIDENT OPERATIONS
Mr. Suresh K Badlaney

CHIEF FINANCIAL OFFICER
Mr. Pranesha K Rao

REGISTERED OFFICE
Le MERIDIEN - BANGALORE
28, Sankey Road, Bengaluru - 560 052
Tel : 080-2226 2233 / 2228 2828
Fax : 080-2226 7676 / 2226 2050
CIN : L55101KA1979PLC003620
website : maccharlesindia.com
e-mail : secretarial@lemeridienbangalore.com

PRINCIPAL BANKERS
State Bank of India
HDFC Bank Ltd.

CONTENTS

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:
Mr. M.S. Reddy *B.Com., L.L.B., MBIM, FCA, FCS*
Executive Director & Company Secretary
- cum - Compliance Officer
Tel : 080-2226 2233 / 2228 2828
Email: investor.relations@maccharles.com

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

Thirty-Eighth Annual General Meeting of ***MAC CHARLES (INDIA) LTD.*** *will be held on* ***MONDAY*** *the* ***30th JULY 2018*** *at Hotel Le Meridien, No. 28, Sankey Road, Bengaluru - 560 052 at* ***11:30 a.m.***

Note:

(a) As a measure of economy, copies of Annual Report will not be distributed at the Meeting. Members are requested to kindly bring their copies to the Meeting.

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 38^{th} Annual General Meeting of the Members of M/s. Mac Charles (India) Limited will be held at Le Meridien, No.28, Sankey Road, Bengaluru – 560052 on Monday the 30^{th} July 2018 at 11.30 a.m. to transact following businesses:

A. Ordinary Business:

1. To receive, consider and adopt Audited Standalone Financial Statements of the Company for the Financial Year ended 31^{st} March 2018, the Reports of Board of Directors and Auditors thereon.
2. To receive, consider and adopt Audited consolidated Financial Statements of the Company for the Financial Year ended 31^{st} March 2018, the Reports of Board of Directors and Auditors thereon.
3. To declare dividend on equity shares for the year ended 31^{st} March 2018.
4. To appoint a Director in place of Mr. P R Ramakrishnan (DIN 00055416), who retires by rotation and being eligible, offers himself for re - appointment.
5. Appointment of Mr. Suresh Vaswani as an Independent Director of the Company. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: -

"RESOLVED THAT Mr. Suresh Vaswani (DIN 06645434), who was appointed as a rotational Director of the Company at the Annual General Meeting of the Company held on 25.09.2017 be and is hereby appointed as an Independent Director of the Company for five years from 30.07.2018.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Act, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Suresh Vaswani who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from 30.07.2018 up to 29.07.2023."

By Order of the Board

M.S. REDDY
Company Secretary

Bengaluru
23, May 2018

NOTES

a) The Register of Members and Share Transfer Book will remain closed from 20.07.2018 to 30.07.2018.

b) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a member of the Company. Proxies, to be effective, must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting.

c) Members holdings shares in multiple folios in Physical category are requested to apply for consolidation to the Registrar and Transfer Agent (R&T Agent)/Company along with relevant Share Certificates.

d) Members desirous of changing their shareholding from physical category to electronic category (dematerialization) may apply with their respective Depository Participants (DP's). The Company's shares are already admitted with CDSL and NSDL for dematerialization purpose and the ISIN allotted to your Company's equity shares is INE435D01014.

e) The dividend, if any, in respect of Equity Shares held in electronic category will be paid on basis of beneficial ownership, details of which are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for the said purpose.

f) For effecting change of Address/Bank details/Electronic Clearing Services (ECS) Mandate, if any, Members are requested to notify the same to the following:

(i) If shares are held in Physical category, to the Company/R&T Agent of the Company, i.e., BgSE Financials Limited, RTA Division, Stock Exchange Tower, No.51, 1st Cross, J.C. Road, Bengaluru – 560 027.

(ii) If shares are held in electronic electronic, to their respective Depository Participant (DP). The Company/ R&T Agent will not entertain request for noting change of Address/Bank details/ECS Mandate, if any.

g) **Voting through electronic means**

Pursuant to the provisons of section 108 of the Companies Act, 2013, Rule 20 of Companies (Management and Administration Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote in respect of resolutions to be passed at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited

Procedure / Instructions for e-Voting are as under:

(i) The Voting period begins on 26.07.2018 (from 9.00 a.m.) and ends on 29.07.2018 (up to 6.00 p.m.). 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 20.07.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The results will be announced and published on 31.07.2018.

(ii) The Shareholders should log on to the e-Voting website www.evotingindia.com during the voting period

(iii) Click on "Shareholders" tab

(iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

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

For Members holding shares in Demat Form and Physical Form	
PAN*	PAN* Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company's records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company's records for the said demat account or folio. • Please enter DOB or Dividend Bank Details in order to Login. If the details are not recorded with the depository or Company please enter the number of share held by you as on the cutoff date in the Dividend Bank details field

(viii) After existing these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holdings share 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.

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

(xi) Click on the EVSN of Mac Charles (India) Limited on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the Use ID and the image verification code and click on Forgot Password & entering the details as prompted by the system.

(xviii) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.,) are required to log on to https:// www.evotingindia.com and register themselves as Corporates.
- 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 they must create 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 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.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www. evotingindia.com under help selection or write an email to helpdesk. evoting@cdslindia.com.

h) The results of the e-voting along with the scrutinizer 's report shall be placed in the Company's website www. maccharlesindia.com and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.

i) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote (if casted at the AGM) on their behalf at the meeting.

j) In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote (if casted at the AGM).

k) Members are requested to:

(i) bring their copy of Annual Report and Attendance Slip at the venue of the meeting.

(ii) Quote their folio/DP & Client Id No. in all correspondence with the R&T Agent/Company.

(iii) Note that briefcase, mobile phone, bag, eatables and other belongings will not be allowed to be taken inside the venue of the meeting for security purpose and shareholders will be required to take care of their belongings.

(iv) To support the "Green Initiative", the Members who have not registered their email address are requested to register the same with the Company in case of shares held in physical form or with the Depositories in case of shares held in dematerialized form.

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

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act)

The following Explanatory Statement sets out the material facts relating to the business under item No. 5 of the accompanying Notice dated 23rd May 2018.

ITEM No. 5

a. Mr. Suresh Vaswani was appointed as a Director of the company on 25.09.2017.

b. Mr. Suresh Vaswani is a Non-Executive Director and considered as Independent as per SEBI regulations.

d. As per the provisions of Section 149 of the Act which has come into force with effect from April 1, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Suresh Vaswani has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

e. The matter regarding appointment of Mr. Suresh Vaswani as Independent Director was placed before the Board, which commends his appointment as an Independent Director up to 29.07.2023.

f. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and is independent of the management.

g. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the Appointment of Mr. Suresh Vaswani as Independent Director is now being placed before the Members in general meeting for their approval.

h. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

i. Mr. Suresh Vaswani may be deemed to be concerned and interested in item No.5 as it relates to his appointment as Independent Director of the Company. Other than Mr. Suresh Vaswani, none of the other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at item No.5 of the Notice.

I. DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS

Re-appointment of Mr. P R Ramakrishnan:

In terms of Section 152 (6) of the Companies Act, 2013, Mr. P R Ramakrishnan shall retire by rotation at the forthcoming AGM and being eligible offers himself for reappointment.

Brief profile of the Director: Mr. P.R. Ramakrishnan is an experienced Chartered Accountant and is the Executive Director (Finance), Embassy Group of Companies.

Upon his re-appointment as a Director, Mr. P.R. Ramakrishnan shall continue to hold office as Non-Executive Director. Accordingly, the Board recommends his re-appointment.

Except for Mr. P R Ramakrishnan being an appointee, none of the Directors except Mr. Adithya Virwani, Key Managerial Personnel's and their relatives are in any way concerned or interested, financially or otherwise in the proposed resolution. This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By Order of the Board

M.S. REDDY
Company Secretary

Bengaluru
23, May 2018

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 38th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2018.

FINANCIAL RESULTS

(Rs. in millions)

Particulars	2017-18	2016-17
Segmentwise Turnover/Revenu e		
(a) Hotel Sales turnover	512.36	468.34
(b) Sale of Electricity	76.16	83.38
(c) Interest on Corporate loan/ deposits Received	69.04	91.31
(d) Rent Received on Commercial Spaces at Cessna Business Park	141.08	127.06
(e) Others	37.26	20.91
Total	835.90	790.99
Profit before Depreciation, Finance Cost & Tax	407.29	440.65
From Hotel Operations	121.03	137.37
From Segments other than the Hotel	286.28	303.28
	407.29	440.65
Less : Depreciation	52.05	50.32
Less : Finance Cost	62.83	6.71
Profit before Tax	292.41	383.62
Provision for tax for the year	81.76	95.36
Profit for the year	210.65	288.26

TRANSFER TO RESERVES

During the financial year 2017-18 an amount of Rs.30/- millions (Rs.50/- millions last year) has been transferred to General Reserve out of amount available for appropriations.

HOTEL OPERATIONS

The Board is happy to inform that during the financial year 2017-18 the overall revenue of the hotel was higher and with higher cost, the Company tried its best to show comparatively lower operating performance which has been highlighted above and in the Management Discussion & Analysis Report.

During the financial year 2017-18 the total revenue of the company has increased to Rs.836/- millions as compared to Rs.800/- millions in the previous year. The profit after tax for the year is Rs.211/- millions during the financial year 2017-18 as compared to Rs.292/- millions during financial year 2016-17. This decrease has been mainly because of higher expenditure mainly employee costs and interest cost during the financial year. On the whole, the overall performance for the year has been lower. The Company has been able to retain market share through conference on business summits, out-door catering and continuing in its leading position in wedding related business in the city. This performance has been achieved despite new entrants into the hospitality business, expansion in the existing ones and liquar ban for 4 months. As a result, during the year, new supply as especially in our neighborhood has hit the market with increased inventory of rooms thereby reflecting an increase of 40% of inventory in the 5 star and 5-star deluxe segments in the city. To make the matter worse, there has been acute competition due to variable discount factors offered by many of the members of the hotel industry.

FUTURE PROSPECTS

The future of the hotel industry is showing encouraging trend of higher occupancy, but tariffs are not-going up due to competition and cost cutting measure initiated by the corporate companies in the competitive economy prevailing worldwide. Further availability of video conferencing and convenient airline facility are enabling the business traveler to skip room bookings. In addition, there is a substantial increase in supply side of the five-star hotels in Bengaluru especially in the neighborhood resulting in lower occupancy and undercutting of rates. The liquor sale has been banned as the Hotel is situated on the National Highway, which has since been lifted in the financial year under report. However, the Company is striving hard to get more business through various marketing initiatives.

FINANCE

During the year under report, the financial position of the Company has been strengthened despite the moderate increase in overall costs. The Company's diversification into electricity generation through Wind Turbine Generators and other sources of income from investments have helped pushing up the bottom-line and the Company is able to show reasonable net profit after income tax. The segment performance is furnished elsewhere in the Annual Report.

DIVIDEND

Your Directors have recommended, the dividend of Rs.10/- per Equity Share for the financial year ended March 31, 2018.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings during the year were Rs.144 million which is 28% of the Hotel Sales Turnover. The Foreign Exchange utilization during the year was Rs.20 million.

SUBSIDIARY COMPANIES

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

In terms of proviso to sub section (3) of Section 129 of the Companies Act, 2013, a report on the performance and financial position of the subsidiary of the Company is set out in the prescribed Form AOC-1, which forms a part of the Consolidated Financial Statements.

DEBT

During the year under report, the Company has entered into Lease Rental Discounting arrangement with HDFC Bank Ltd for its borrowing facilities. The Company was sanctioned borrowing facilities aggregating to Rs.1240/- millions from the

HDFC Bank Ltd. The outstanding debt as on March 31, 2018 was 1240/- millions. The above borrowing is within the powers of the Board of Directors of the Company.

DUES TO SMALL SCALE UNDERTAKINGS

There are no dues payable to small scale undertakings.

CORPORATE GOVERNANCE

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

ENERGY CONSERVATION

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

a) During the year under report, the Company has generated about 20 millions 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 Govt. of Karnataka / third party consumers.

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

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

d) Installed solar panels which are feeding hot water required for the guest rooms.

e) Imported and installed three highly fuel-efficient screw chillers for our AC plant.

f) Replaced window with double glazed reflective glass with a view to save power on AC consumption.

g) Installed two on load tap charger transformers for stabilizing voltage fluctuations and thereby to save power and prevent damage to electric motors and other installations.

h) Thermostatic Controls, Timers and Photo Cell Switches have been installed wherever necessary to control power consumption.

i) Imported and installed two temperature control systems to reduce power consumption.

j) Constituted an energy conservation committee to monitor power consumption regularly.

TECHNOLOGY ABSORPTION

In the opinion of the Board, the required particulars, pertaining to technology absorption are not applicable as hotel forms part of the service industry and the Company does not have any significant manufacturing operations. However, the management has been adopting the latest technology like LCD TV systems, high speed internet installed in all the guest rooms, latest high-speed computers, modern guest amenities, best audio-video equipment, newest model transport vehicles for complimentary transport of hotel guests, video conferencing facility, latest models of sound free fridges in guest rooms and various latest hotel operational equipments. Further the Hotel has been conforming to the stringent Marriott International Standards.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Ramakrishnan P.R and Mr. Aditya Virwani have been appointed as Non-Executive Directors at the AGM held on 25.09.2017. Mr. M.R.B. Punja, Independent Director resigned from the Board / Audit Committee on 20.11.2017 and the Board took on record its appreciation for valuable services rendered by him to the Company. In his place, Mr. Suresh Vaswani is proposed to be apppointed as an independent Director at the ensuing AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI and Stock Exchange regulations

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/BSE. 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.

BOARD DIVERSITY

A diverse Board enables efficient functioning through differences in perspective and skill, and fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. Your Board recognizes the importance of a diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity. The Board diversity policy is available on our website maccharlesindia.com

NOMINATION & REMUNERATION POLICY

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior

Management and their remuneration as required under Section 178 of the Companies Act, 2013. The Nomination & Remuneration Policy of the Company is annexed to this Report.

NOMINATION & REMUNERATION COMMITTEE

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

Brief description of terms of reference:

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

NOMINATION AND REMUNERATION POLICY

The objectives of the Policy :

a) To lay down criteria and terms and conditions about identifying person who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

b) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies.

c) To carry our evaluation of the performance of Directors.

d) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. As required under SEBI Regulations, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' Corporate Governance as well as the Auditors' certificate on the compliance of Corporate Governance are annexed and form part of the Annual Report.

RISK MANAGEMENT

Pursuant to section 134 (3)(n) of the Companies Act, 2013 & regulation 17 of the Listing Regulations, the Company has constituted a Risk Management Committee.

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.

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, 2018 and states that:

a) In the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to materials departures, if any;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 that period:

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and 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.

PARTICULARS OF EMPLOYEES

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, a statement showing the names and other of the employees drawing remuneration more than the limits set out in the said Rules are provided in the **Annexure** forming part of the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There was one contract or arrangement entered by the Company in accordance with the Section 188 of the Companies Act, 2013, being the advance of 1839 millions paid to M/s. LJ Victoria Property Pvt. Ltd. towards purchase of property in Bengaluru. However, there were material related party transactions in terms BSE/SEBI regulations. All material related party transactions that were entered by the Company during the financial year were in the ordinary course of business and on an arm's length basis. All related party transactions are presented to the Audit Committee and the Board of Directors for approval. The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board can be accessed on the Company's website. The details of the transactions with related party are provided in the accompanying financial statements.

PRACTICING COMPANY SECRETARY'S REPORT ON CORPORATE GOVERNANCE

As per BSE/SEBI regulation, the Practicing Company Secretary's Certificate is given as an annexure to the Directors Report.

AUDITORS & AUDITORS' REPORT

M/s. BSR & Associates LLP, Chartered Accountants, Bengaluru Firm (Firm Registration No. 101248 w/w - 100022) was appointed as Statutory Auditors of the Company at the last Annual General Meeting held on 25th September 2017 to hold office up to the conclusion of the 42nd Annual General Meeting of the company. The notes on accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments. There are no frauds reported by the Auditors during the Financial Year under report.

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

The Board has appointed B. Chandu Narayan, Practicing Company Secretary, Bengaluru to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2017-18. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed elsewhere in this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In line with the requirement of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee has been constituted by the Board of Directors of the Company at its meeting held on 05.02.2016. The said Committee comprises of Mr. C.B. Pardhanani Chairman of the Company Mr. P.B. Appiah the Chairman of the Audit Committee and Ms. Tanya Girdhar, Independent Director.

As required under Section 135 of the Companies Act, 2013, the Board of Directors at its meeting held on 05.02.2016, has devised a Corporate Social Responsibility Policy which interalia includes the constitution of the said committee and corporate social responsibility activities to be under taken by the Company. The said policy may be referred at the Company's website. The Annual Report on CSR activities is annexed to this Report.

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.

DISCLOSURES:

A) MEETINGS OF THE BOARD

Four (4) meetings of the Board of Directors were held during the financial year under report. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

B) COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises four (4) Directors amongst which two (2) are Independent Non-Executive Directors, namely Mr. P.B. Appiah Chairman of the Audit Committee and Mr. M.R.B. Punja / Ms. Tanya Girdhar, one (1) Non-executive director namely Mr. P.R. Ramakrishnan and one (1) is Mr. C.B. Pardhanani Chairman of the Company. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

C) 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 05.02.2016 has adopted a vigil mechanism/whistle blower policy of the Company. The policy provides a framework for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. 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 maccharlesindia.com

D) 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). For members who have not registered their email addresses, physical copies of the Annual Report and the notice of ensuing AGM are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary. 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.

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

The Company has zero tolerance towards sexual harassment at workplace and during the year under review, your Board has constituted an internal Complaints Committee to consider and redress complaints of sexual harassment & also adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the financial year 2017-18, the Company has received one complaint on sexual harassment which has been duly redressed.

F) PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN, AND SECURITY PROVIDED

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

G) DISCLOSURES

1. Declaration by the Chief Executive Officer affirming compliance with the code of conduct is annexed elsewhere in this Annual Report.
2. There are no material changes and commitments made during the financial year.
3. There are no changes in the nature of business during the financial year.
4. There is a material variation of market capitalization during the financial year.
5. There are a demat suspense accounts / unclaimed suspense account during the financial year.
6. Necessary disclosures of Accounting Treatment have been made in the financial statements. The Financial Statements of the Company have been prepared in accordance with the IND AS to comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
7. The extract of Annual Return is annexed elsewhere in this Annual Report.

H) GENERAL

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

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

DEMATERIALIZATION

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

C.B. Pardhanani
Chairman

Bengaluru
23, May 2018

Form AOC – 1
(Annexure A)

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

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

Part "A": Subsidiaries

Name	:	Airport Golf view Hotels & Suites Pvt. Ltd.., Kochi
Reporting Period	:	2017-18
		(In Rupees)
Share Capital	:	2,99,88,000
Reserve & Surplus	:	(4,25,535)
Total Assets	:	3,69,53,295
Total Liabilities	:	73,90,830
Turnover	:	5,22,79,369
Profit before taxation	:	74,03,234
Profit after taxation	:	71,85,924
Proposed Dividend	:	Nil
% Share Holding	:	100%
Part "B": Associates and Joint Ventures	:	Not Applicable

Annexure B

EXTRACT FROM NOMINATION AND REMUNERATION POLICY

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

A. Eligibility or Criteria for Appointment Educational Qualification

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

Experience

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

Integrity

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

Age

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

Independence

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

Limits on Directorship

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

Limits on Committee Membership

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

B. Term of Office

Whole-time Director

i. The Whole-time Director(s) of the Company shall be appointed for a term not exceeding five years at a time.

ii. The Whole-time Director(s) shall be eligible for re-appointment for further terms not exceeding five years at a time subject to the approval of members of the Company.

iii. No such re-appointment shall be made earlier than one year before the expiry of the current term.

Independent Director(s)

i. An Independent Director shall hold office for a term up to five consecutive years on the Board of Directors of the Company.

ii. An Independent Director shall be eligible for re-appointment for another term up to five consecutive years on passing of a special resolution in this regard by the members of the Company.

iii. No Independent Director shall hold office for more than two consecutive terms. An Independent Director shall be eligible for reappointment after the expiry of three years of ceasing to be an Independent Director where he/she has served for two consecutive terms.

Key Managerial Personnel and Senior Management

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

Annexure C

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

viii. Slum Area Development

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

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

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

2. Composition of CSR Committee

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

1. Mr. C. B. Pardhanani - Chairman
2. Mr. P.B. Appaiah - Director - Member
3. Ms. Tanya Girdhar - Director - Member

3. Average Net Profits

The average net profits i.e. profit before tax of the Company during the three immediately preceding financial years was 389.25/- millions.

4. Prescribed CSR Expenditure

The prescribed CSR expenditure was Rs. 7.79/- millions i.e. 2% of the average net profits mentioned in Point 3 above.

5. Details of CSR Spend

a. Total amount to be spent for the financial year 2017-18: Rs. 6.35/- millions.

b. Amount unspent: 1.44 millions.

c. Way the amount was spent during the financial year is detailed below: *(Rs. in millions)*

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	7.79	6.35	8.28	—

6. Responsibility Statement

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, follows CSR objectives and policy of the Company.

For and on behalf of the Board

Bengaluru	**P.B. Appiah**	**C.B. Pardhanani**
23, May 2018	Member, CSR committee	Chairman

ANNEXURE D TO THE DIRECTORS' REPORT.

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO 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

Sl No	Name of the employee	Designation of the employee	Remuneration received (In Rupees in millions)	Nature of employment, whether contractual or otherwise	qualifications and experience of the employee	date of commencement of employment	the age of such employee	the last employment held by such employee before joining the company	the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above and	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
EMPLOYED THROUGHOUT THE YEAR										
1.	Mr. Suresh K Badlaney	Manager & Vice President Operations	5.54	Contractual	B.com, DHM	01.10.2013	67 years	General Manager Royal Le Meridien. Chennai	NIL	NIL
2.	Mr. M.S. Reddy	Executive Director & Company Secretary	8.56	Contractual	B. Com, LLB, MBIM (UK), FCA, FCS	13.08.1983	63 years	Company Secretary & Chief Accounts Officer, Sri Krishna Rajendra Mills Ltd., Mysore	NIL	NIL
EMPLOYED PART OF THE YEAR										
	NA									

ANNEXURE E TO THE DIRECTORS' REPORT

DISCLOSURES PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

I) The ratio of the remuneration of the Manager to the Median remuneration of the employees of the Company for the financial year 2017-18; and

II) The percentage increase in remuneration of each of the Manager, Chief Financial Officer, Company Secretary during the financial year 2017-18.

S. No.	Name of Director/KMP and Designation	The ratio of the remuneration of each Executive Director to the median remuneration of the employees.	The percentage increase in remuneration.
1	Mr. Suresh K Badlaney Manager & Vice President Operations	NA	44.38
2.	Mr. M.S. Reddy Executive Director & Company Secretary	NA	3.13
3.	Mr. Pranesha K Rao Chief Financial Officer	NA	28.06

The Non-Executive Directors of the Company are entitled for sitting fees as per the statutory provisions. The details of remuneration of non- Executive Directors are provided in the Corporate Governance Report and are not considered for the above purposes.

III) The percentage increase in the median remuneration of employees in the financial year:

The percentage increase in the median of employees in the financial year 2017-18 was 14% basic salary

IV) The number of permanent employees on the rolls of the Company:

The Number of permanent employees on the roll of the Company as on March 31, 2018 was 97.

V) The explanation on the relationship between average increase in remuneration and Company performance:

Increase in the remuneration of employees is in line with remuneration policy of the Company and was as per the Industry Standards, keeping Company performance in perspective while simultaneously driving a performance within.

VI) Comparison of the remuneration of the Key Managerial Personnel (KMPs) against the performance of the Company:

The remuneration of the KMPs are in line with the remuneration policy of the Company where their remuneration is determined based on their performance which is correlated to the performance of the Company. Further, the remuneration of the KMPs is as per industry standards also.

VII) a) Variations in the market capitalization of the Company:

The Market Capitalization as on March 31, 2018 was 472 million (Rs.702/- millions as on March 31, 2017).

b) Price earning ration as at the closing date of the current financial year and previous financial year:

Price earnings ratio of the Company is determined as at March 31, 2018 & March 31, 2017.

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

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is approx. 7% and whereas the percentile increase in the managerial remuneration for the same period was approx. 9% .

IX) Comparison of each remuneration of the Key Managerial personnel against the performance of the Company:

The remuneration of the Key Managerial personnel is in line with the remuneration policy of the Company where their remuneration is determined based on their performance which is correlated to the performance of the Company. Further, the remuneration of the KMPs are as per industry standards also.

X) Affirmation that the remuneration is as per the Remuneration policy of the Company:

Affirmed that the remuneration paid is as per the Remuneration policy of the Company for the Directors, Key Management Personnel and other Employees.

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND 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 detals:

Le Meridien- Bangalore
28, Sankey Road,
Bengaluru - 560052
Tel : 080-22262233/22282828
Fax : 080-22267676/22262050
Email : sectretarial@lemeridienbangalore.com
Website : 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	70.08%
2	RENTAL INCOME	99721121	16.87%

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE 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/447 VIP ROADMEKKAD P O NEDUMBASSERY ERNAKULAM Kerala INDIA	U55101KL2003PTC015864	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	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,04,20,570	30,100	1,04,50,670	79.77	1,04,50,670	-	1,04,50,670	79.77	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other…..	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :	1,04,20,570	30,100	1,04,50,670	79.77	1,04,50,670	-	1,04,50,670	79.77	0
(2) Foreign									
a) NRIs - Individuals	1,60,000	0	1,60,000	1.22	1,60,000	-	1,60,000	1.22	0
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	1,60,000	0	1,60,000	1.22	1,60,000	-	1,60,000	1.22	0
Total Shareholding of Promoter (A) = (A)(1)+(A) (2)	1,05,80,570	30,100	1,06,10,670	80.99	1,06,10,670	-	1,06,10,670	80.99	0
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	0	3,200	3,200	0.02	0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	2,85,950	-	2,85,950	2.18	100
Sub-total (B)(1):	0	3,200	3,200	0.02	2,85,950	3,200	2,89,150	2.20	89.35
2. Non-Institutions									
a) Bodies Corp.	2,73,180	7,000	2,80,180	2.14	2,68,032	6,400	2,74,432	2.09	-2.05
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual share-holders holding nominal share capital up to Rs. 2 lakh	7,05,088	10,97,225	18,02,313	13.76	7,83,124	7,83,175	15,66,299	11.96	-13.09
ii) Individual share holders holding nominal share capital in excess of Rs.2 lakh	2,92,340	-	2,92,340	2.23	2,94,332	-	2,94,332	2.25	0.68
c) Others (specify)	21,599	90,750	1,12,349	0.86	27,119	39,050	66,169	0.51	-41.10
Sub-total (B)(2)	12,92,207	11,94,975	24,87,182	18.99	13,72,607	8,28,625	22,01,232	16.81	-11.50
Total Public Shareholding (B) = (B)(1) + (B)(2)	12,92,207	11,98,175	24,90,382	19.01	16,58,557	8,31,825	24,90,382	19.01	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,18,72,777	12,28,275	1,31,01,052	100	1,22,69,227	8,31,825	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			% Change in share holding during 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	EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED	10450670	79.77	96,16,952	10450670	79.77	96,16,952	0
	Total	1,06,10,670	80.99	96,16,952	1,06,10,670	80.99	96,16,952	0

Change in Promoters' Shareholding - No change

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	C B PARDHANANI	1,60,000	1.22	1,60,000	1.22
	EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED	1,04,50,670	79.77	1,04,50,670	79.77
	Total	1,06,10,670	80.99	1,06,10,670	80.99

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 01.04.2017		Cumulative Shareholding end of the year as on 31.03.2018	
		No of Shares	% of total Shares of the Company	No of shares	% of total Shares of the
1	KACHASA INVESTMENTS PRIVATE LIMITED	207700	1.59	207700	1.59
2	JITENDRA MOHANDAS VIRWANI	88017	0.67	88017	0.67
3	DRISHTI MAKHIJA	37000	0.28	37000	0.28
4	HARISH KUMAR	37000	0.28	37000	0.28
5	PRITI DEVI	37000	0.28	37000	0.28
6	UNIQUE COMMODITIES LIMITED	25000	0.19	25000	0.19
7	DOULAT BULCHAND CHABBRIA	24902	0.19	26894	0.21
8	NAKITA MANISHA MAKHIJA	23405	0.18	23405	0.18
9	MANISHA MAKHIJA	23000	0.18	23000	0.18
10	PRADEEP LALA	22016	0.17	22016	0.17

iv.) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	300	0.002	300	0.002
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
3	At the End of the year	300	0.002	300	0.002

V. INDEBTEDNESS:

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

(Rupees in Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i.) Principal Amount	384.43	0	**37.88**	**422.31**
ii.) Interest due but not paid	0	0	0	0
iii.) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	384.43	0	**37.88**	**422.31**
Change in Indebted-ness during the financial year	0	0		
• Addition	842.48	0	3.96	846.44
• Reduction	0	0		
Net Change	842.48	0	**3.96**	**846.44**
Indebtedness at the end of the financial year	0	0		
i.) Principal Amount	1226.91	0	41.84	1268.75
ii.) Interest due but not paid	0	0	0	0
iii.) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	**1226.91**	**0**	**41.84**	**1268.75**

VI. REMUNERATION OF DIRECTORS AND 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	55,35,105
	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 % of profit - others, specify	-
5.	Others, please specify	-
	Total (A)	55,35,105
	Ceiling as per the Act	

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	DIRECTORS						Total Amount
		Appiah Palecanda Bopanna	Mulki Bhaskar Ramakrishna Punja	Suresh Vaswani	Tanya Girdhar	P.R. Ramakrishnan	Aditya Virwani	
	1. Independent Directors	Rs.	Rs.	Rs.	Rs.			Rs.
	• Fee for attending board, committee meetings	1,35,000	60,000	-	85,000	-	-	2,80,000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	1,80,000	-	-	-	-	-	1,80,000
	Total (1)	3,15,000	60,000	-	85,000	-	-	4,60,000
	2. Other Non-Executive Directors	-	-	-	-	-	-	-
	• Fee for attending board, committee meetings	-		90,000		1,35,000	70,000	2,95,000
	• Commission							
	• Others -Commission	-	-	-	-	-	-	-
	Total (2)	-	-	90,000	-	1,35,000	70,000	2,95,000
	Total (B) = (1 + 2)	3,15,000	60,000	90,000	85,000	1,35,000	70,000	7,55,000
	Total Managerial Remuneration	3,15,000	60,000	90,000	85,000	1,35,000	70,000	7,55,000
	Overall Ceiling as per the Act	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN 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	85,55,356	8,99,692	94,55,048
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit - others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	85,55,356	8,99,692	94,55,048

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	-	-	-	-	-

Form No. MR-3

SECRETARIAL AUDIT REPORT

(For the period 01/04/2017 TO 31/03/2018)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Board of Directors
MAC CHARLES (INDIA) LIMITED
BENGALURU - 560 052

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). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our 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 ended on 31/03/2018,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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by MAC CHARLES (INDIA) LIMITED for the period ended on 31/03/2018 according to the provisions of:

   I. The Companies Act, 2013 and the Rules made thereunder and the applicable provisions of the Companies Act 1956;

   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') to the extent applicable to the Company:-

      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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

      e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

      f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

      g. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited; and

      h. The Memorandum and Articles of Association.

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

   i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

   ii) The Listing Agreements entered into by the Company with the BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

   During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

   a) Maintenance of various statutory registers and documents and making necessary entries therein;

   b) Closure of the Register of Members.

   c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;

   d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;

   e) Notice of Board meetings and Committee meetings of Directors;

   f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;

   g) The 37th Annual General Meeting held on 25th September 2017;

   h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;

   i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;

j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;

k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,

l) Appointment and remuneration of Auditors;

m) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;

n) Declaration and payment of dividends;

o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;

p) Borrowings and registration, modification and satisfaction of charges wherever applicable;

q) Investment of the Company's funds including investments and loans to others;

r) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;

s) Directors' report;

t) Contracts, common seal, registered office and publication of name of the Company; and

u) Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. I further report that:

– The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 at least seven days in advance, 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 decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

– The Company has obtained all necessary approvals under the various provisions of the Act; and

– There was no prosecution initiated and fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

– The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

4. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

5. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

7. I further report that:

a. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.

b. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

c. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

8. I further report that based on the information received and records maintained there are 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 there are 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.

B. CHANDU NARAYAN
Practicing Company Secretary
Membership No: A23222
COP: 9517

Bengaluru
23, May 2018

This Report is to be read our letter of even date which is annexed as Annexure A and forms an integral part of this report.

‘ANNEXURE A’

To,

The Members
Mac Charles (India) Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report 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.

B. CHANDU NARAYAN
Practicing Company Secretary
Membership No: A23222
COP: 9517

Bengaluru
23, May 2018

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

BOARD OF DIRECTORS

The Company has a high-profile Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience.

As on 31st March 2018, the total Board strength comprises of Six (6) Directors which includes one (1) Non-Executive Chairman, two (2) Independent Directors including one (1) Woman Director and three (3) non-executive Directors. The Company is following the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations pertaining to composition of the Board as on 31st March 2018.

None of the Directors is a member of more than 10 committees or act as chairman of more than 5 committees as specified in Regulation 26 of the Listing Regulations, across all companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31st March 2018 have been made by the Directors as per Regulation 26 of the Listing Regulations.

The Non-Executive/Independent Directors are paid sitting fees within the limits prescribed under the Companies Act, 2013. No stock options were granted to Non-Executive Directors during the year under review. The Non-Executive/Independent Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees & professional fees during the year 2017-18. Independent Directors are not serving as independent directors in more than seven listed companies as prescribed in Regulation 25 of the Listing Regulations. The Company is in conformity with Regulations 25 and 26 (1)(2)(4) of the Listing Regulations.

The Board normally meets four times in a year and as and when required. The time gap between two Board Meetings has not exceeded the limit of one hundred and twenty days as specified under Regulations 17 of the Listing Regulations. During the financial year 2017-18, the Board of Directors had four (4) meetings. These were held on 19 May 2017, 08 August 2017, 20 November 2017 and 14 February 2018, respectively. The attendance of the Directors at the Board meeting is given elsewhere in this report.

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary notes setting out the details of the proposal, relevant material facts, supporting information and documents to enable the Board to take informed decisions. Agenda also includes draft resolutions and minutes of the meetings of all the last Board, Committees and Subsidiaries for consideration, approval and information of the Board. Any item not included in the agenda is taken up for consideration as per the provisions of the Secretarial Standard on Meetings of Board of Directors (SS-1). Agenda papers are circulated seven days prior to the Board Meeting.

All statutory and other significant and material information as mentioned in Part A of Schedule II of Regulation 17(7) of the Listing Regulations are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board also reviews periodically the compliance of all applicable laws. The members of the Board have the complete freedom to express their opinion and decisions are taken after detailed discussion.

Pursuant to the Corporate Governance provisions as specified in the Listing Regulations, the composition and categories of directors of the Board, details of Directorships held, Committee Memberships/Chairmanships held and attendance of the Director at the Board Meetings and previous Annual General Meeting (AGM) are as follows as on 31st March 2018.

Sl. No	Name of Director	Category	No. of Board Meetings Attended	Last AGM Attended	No. of Committee Member	No. of Chairmanship in Board / Committee	No. of Other Directorships (Public Ltd Companies)	No. of Other Directorships (Private Ltd. Companies)	Number of Shares Held
1.	Mr.C.B. Pardhanani	Non-Executive	1	YES	3	2	NONE	4	160000
2	Mr. M. R. B. Punja	Independent Non-Executive	2	-	2	NONE	3	1	-----
3	Mr.P.B. Appiah	Independent Non-Executive	4	YES	3	2	NONE	1	-----
4	Ms. Tanya Girdhar	Independent Non-Executive	4	YES	3	-	-	NONE	-----
5	Mr. Suresh Vaswani	Non-Executive	4	YES	-	NONE	NONE	NONE	-----
6	Mr. P.R. Ramakrishnan	Non-Executive	4	YES	2	-	-	21	-----
7	Mr. Aditya Virwani	Non-Executive	3	YES	-	-	-	4	-----

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Board of Directors formulated and adopted the familiarization programmed for Independent Directors for understanding of their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company. The Company has also adopted a structured programmed for orientation and training of independent directors at the time of their joining and on time to time basis to enable them to understand the Company's operations, business, industry and environment. The details of familiarization programmed imparted to independent directors is disclosed in our website maccharlesindia.com

MEETING OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Companies Act, 2013 and Clause 49(II)(B)(6) of the Listing Agreement, the meeting of the independent directors was held on 14.02.2018 without the attendance of non-independent directors and members of management. All the independent directors of the Company were present at such meeting they reviewed the performance of non-independent directors and the Board and evaluated the performance for the Chairperson of the Company.

COMMITTEES OF THE BOARD

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

a) AUDIT COMMITTEE

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

During the year four meetings of the committee were held on 19.05.2017, 08.08.2017, 20.11.2017 and 14.02.2018. The Composition of the Audit Committee as on 31st March 2017 and the attendance of members at the meeting of the Audit Committee held during the financial year 2017-2018 are as follows:

Name of the Directors	Designation	Category	No. of Meeting attended
Mr. P. B. Appiah	Chairman	Independent - Non-Executive	4
Mr. C. B. Pardhanani	Member	Non – Executive	1
Mr. M. R. B. Punja	Member	Independent - Non-Executive	2
Ms. Tanya Girdhar	Member	Independent - Non-Executive	1
Mr. P.R. Ramakrishnan	Member	Non – Executive	4

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

b) SHARE TRANSFER & SHAREHOLDERS GRIEVANCE COMMITTEE

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

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

Communication Address : No.28, Sankey Road, P.B. No. 174, Bengaluru – 560 052.
Email: investors.relations@maccharles.com

c) REMUNERATION COMMITTEE

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

d) Stakeholders' relationship committee

I. The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

II. The broad terms of reference of the stakeholders' relationship committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

III. Meetings of the stakeholders' relationship committee were held during the year on February 14, 2018.

IV. The composition of the stakeholders' relationship committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2017 -18	
		Held	Attended
Mr. C. B. Pardhanani (Chairman)	Non- Executive	1	1
Mr. P. B. Appiah	Independent, Non-Executive	1	1
Ms. Tanya Girdhar	Independent, Non-Executive	1	1

V. The Company has always valued its customer relationships. This philosophy has been extended to investor relationship.

VI. Name, designation and address of Compliance Officer:

Mr. M. S. Reddy
Executive Director & Company Secretary
Mac Charles (India) Limited
28, Sankey Road,
Bengaluru - 560052
Telephone : 080-22262233/22282828
Fax : 080-22267676/22262050

Vii Details of investor complaints received and redressed during the year

2017-18 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
-	2	2	-

e) Other Committees

i) Ethics and compliance committee:

The Company has an ethics and compliance committee of Directors to consider matters relating to the Company with respect to the Company's Code of Conduct ("CoC ") and such matters as may be referred by the Board from time to time.

During the year, the Company adopted Insider Trading Code, pursuant to which the matters relating to the Insider Trading Code are being considered by the audit committee.

The Company has also formulated an Anti-Bribery and Anti-Corruption Policy and Gifts Policy which is also monitored by the ethics and compliance committee.

Monthly reports are sent to the members of the ethics and compliance committee on matters relating to the CoC.

One meeting of the ethics and compliance committee were held during the year on February 14, 2018.

The composition of the ethics and compliance committee and details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2017 -18	
		Held	Attended
Mr. C. B. Pardhanani *(Chairman)*	Non- Executive	1	1
Mr. P. B. Appiah	Independent, Non-Executive	1	1
Ms. Tanya Girdhar	Independent , Non-Executive	1	1

ii) Corporate Social Responsibility (CSR) & Sustainability Committee:

In accordance with the provisions of Section 135 of the Act, the Company has constituted a CSR & Sustainability Committee comprising of Mr. C.B. Pardhanani, Chairman, Mr. P.B. Appiah, and Ms. Tanya Girdhar. The broad terms of reference of the CSR & Sustainability Committee are as under:

- Formulating and recommending to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company;
- Recommending the amount of expenditure to be incurred on the aforesaid activities and
- Reviewing and Monitoring the CSR Policy of the Company from time to time.

During the year, the Committee met twice. The necessary quorum was present for all the meetings.

iii) Risk Management Committee:

The Board of Directors have constituted a Risk Management Committee to frame, implement and monitor the risk management plan of the Company. The Committee comprises entirely of Independent Directors, Mr. C.B. Pardhanani, Ms. Tanya Girdhar and Mr. P.B. Appiah who was appointed as Chairman of the Committee in place of Mr. C.B. Pardhanani. The Committee has formulated a Risk Management Policy, which lays down a vigorous and active process for identification and mitigation of risks. The Committee reviews and monitors the Risk Management and mitigation plan from time to time.

The terms of reference of the Risk Management Committee inter-alia, includes the following:

- To review the Risk Management Plan / Policy and its deployment within the Company;
- To monitor the effectiveness of the Risk Management Plan / Policy;
- To decide the maximum risk-taking ability of the Company to guide the Board in making new investments;
- To review the major risks of the Company and advise on its mitigation to the Board;
- Such other functions as may be delegated by the Board from time to time.

During the year, the Committee met once and was attended by all the Members, except Mr. C.B. Pardhanani.

Details of remuneration disbursed to Directors, during the Financial Year 2017-2018 are as under:

(in Rupees)

Sl. No.	Name of the Director	Sitting Fees	Professional Fee
1.	Mr. C.B. Pardhanani	-----	-----
2.	Mr. M. R. B. Punja	60,000	-----
3.	Mr. P.B. Appiah	1,20,000	1,80,000
4.	Mr. Suresh Vaswani	1,20,000	-----
5.	Ms. Tanya Girdhar	70,000	-----
6	Mr. P.R. Ramakrishnan	80,000	-----
7	Mr. Aditya Virwani	60,000	-----
		5,10,000	**1,80,000**

NON-MANDATORY REQUIREMENTS

The Chairman of the Company, who is a Non-Executive Director, is devoting considerable time and energy towards the success of the Company and he is not drawing sitting fees. He is entitled to maintain a Chairman's Office in performance of his duties.

GENERAL BODY MEETING:

The Company has held last Three AGM's as per the details furnished below:

Financial Year (ended)	Date & Time	Venue	No. of Special Resolutions passed
31 March 2015	29 September 2015 4.30 pm	Hotel Le Meridien, No.28, Sankey Road, Bengaluru – 560 052.	- - -
31 March 2016	29 September 2016 4:00 p.m.	Hotel Le Meridien, No.28, Sankey Road, Bengaluru – 560 052.	- - -
31 March 2017	25 September 2017 11:30 a.m.	Hotel Le Meridien, No.28, Sankey Road, Bengaluru – 560 052.	3

Special Resolution passed in the previous Three AGMs.

I. In the AGM held on 29nd September 2015 … No Special Resolution

II. In the AGM held on 29th September 2016 … No Special Resolution

III. In the AGM held on 25th September 2017 … Three Special Resolutions

No Postal Ballot was conducted during the financial year 2017-2018.

COMPLAINCE

A. CODE OF CONDUCT

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

B. Corporate Governance Compliance

The Company has complied with the requirements as laid down in the regulation of the Listing Agreement with the Stock Exchanges for Corporate Governance. A certificate has been obtained from M/s. BSR Associates, Chartered Accountants, the Statutory Auditors of the Company.

C. Reconciliation of Share Capital Audit

As stipulated by Securities and Exchange Board of India (SEBI), a Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company. This audit is carried out every quarter and the report are submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

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

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

Dear All (or Members)

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

Bengaluru
23 May 2018

C. B. Pardhanani
Chairman

E. CEO CERTIFICATION

As per the requirement of Corporate Governance Code, the Manager (CEO) and Chief Financial Officer have furnished a necessary certificate to the Board of Directors with respect to financial statements and Cash flow statement for the year ended 31 March 2018.

DISCLOSURES

(i) All material transactions entered into with related parties as defined under the Companies Act, 2013 and regulations of the Listing Agreement during the financial year were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transactions. The policy for determining material subsidiary and dealing with related party transactions is disclosed in our website maccharlesindia.com

(ii) No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

(iii) The Company has not adopted a treatment different from that prescribed in accounting standards. While preparing the financial statements of the Company for the year ended 31st March 2018, the management has ensured that all Accounting Standards have been properly followed and there has been no deviation from this practice.

(iv) The Company has in place a mechanism to inform the Board members about the risk assessment and mitigation plans and periodical review to ensure that the critical risks are controlled by the executive management through means of a properly defined framework.

(v) The Company has not come out with any public issue or right issue etc. during the financial year under review.

(vi) The Company has complied with all the applicable requirements of the Listing Agreement with the stock exchanges. The Company has adopted a suitable reporting system on compliances of all major laws applicable to the Company, which is placed before the Board of Directors of the Company at its periodic meetings.

(vii) The Company has not adopted the non-mandatory requirements of the Listing Agreement Under related party transactions:

The Company has contributed a sum of Rs.18 lakhs to C. Pardhanani' Education Trust, wherein Mr. C. B. Pardhanani, Chairman is a Trustee.

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDER INFORMATION

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

Date	Time	Venue
30th July 2018	at 11.30 a.m.	Le Meridien, No.28, Sankey Road, Bengaluru - 560 052

b. Financial Calendar:

*** Annual General Meeting**	30th July 2018
*** Quarterly Results - 30.06.2017**	on or before 15th August 2017
*** Quarterly Results - 30.09.2017**	on or before 15th November 2017
*** Quarterly Results - 31.12.2017**	on or before 15th February 2018
*** Quarterly Results - 31.03.2018**	on or before 30th May 2018

c. Book Closure dates -Dividend & AGM: 20th July 2018 to 30th July 2018 (both days inclusive)

d. Dividend payment date : Dividend to be paid by 20th August, 2018

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

f. Scrip ID. / Scrip Code: Bombay Stock Exchange MCCHRLS-B / 507836

g. Payment of Listing Fees: Annual Listing Fee for the year 2017-18 has been paid by the Company to BSE.

h. Demat ISIN numbers in NSDL & CDSL : INE435D01014

i. Payment of Listing Fees : Annual Depository Fee for the year 2018-19 has been paid by the Company to NSDL and CDSL.

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

k. Transfer of unpaid/unclaimed amounts to Investor Education an Protection Fund: During the year under review, the Company has credited Rs.2.58 millions lying in the unpaid/ unclaimed dividend account, Pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including the statutory modification(s) or re- enactment(s) thereof, for the time being in force ("IEPF Rules, 2016"), the Company is required to transfer not only all unclaimed / unpaid dividend but also the equity shares in respect of which dividends are not claimed for the continuous period of seven years from the date they first became due for payment, by any shareholder, to the Demat Account of the IEPF.

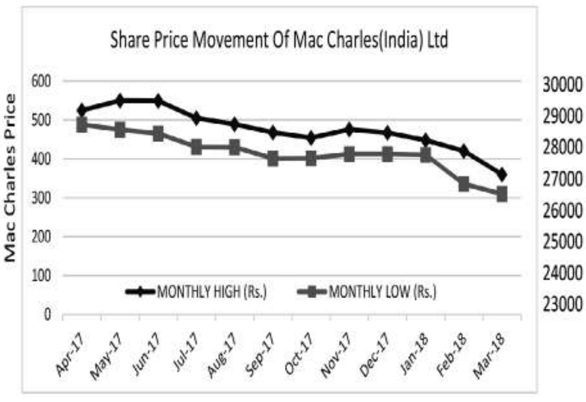
l. SEBI Complaints Redress System: The investor complaints are processed in a (SCORES) centralized WEB based complaints redress system. The features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and Online view-ing by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

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

n. Stock Market Data on Bombay Stock Exchange:

MONTH	MONTHLY HIGH (Rs.)	MONTHLY LOW (Rs.)
APRIL 2017	524.65	488.15
MAY	549.95	475.00
JUNE	549.00	465.05
JULY	504.95	431.05
AUGUST	488.70	430.00
SEPTEMBER	467.95	401.00
OCTOBER	454.00	402.00
NOVEMBER	476.00	412.00
DECEMBER	467.25	412.35
JANUARY 2018	448.00	410.25
FEBRUARY	420.00	335.85
MARCH	360.00	309.60

o. Stock performance Vs BSE Sensex



p. Website: maccharlesindia.com

q. Distribution of Shareholding as on 31 March 2018

Number of Equity Shares Held	Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholding
Up to - 500	9576	96.27	11,83,406	9.03
501 - 1000	225	2.26	1,74,010	1.33
1001 - 2000	89	0.89	1,36,704	1.04
2001 - 3000	20	0.20	48,655	0.37
3001 - 4000	11	0.11	40,136	0.31
4001 - 5000	3	0.03	13,259	0.10
5001 - 10000	8	0.08	56,482	0.43
10001 - 50000	10	0.10	2,56,063	1.95
50001 and above	6	0.06	1,11,92,337	85.44
Total	9948	100.00	1,31,01,052	100.00

r. Categories of Shareholders as on 31 March 2018:

Category	No.of Share Holders	Total Shares	% of Total Equity
Promoter/ Corporate Bodies	2	1,04,50,670	79.77
Promoter / NRI	1	1,60,000	1.22
FI's & **Banks**	3	3,200	0.02
Bodies Corporate	62	2,74,432	2.09
Non-Resident Public	202	61,448	0.47
Resident Public	9677	18,65,352	14.25
IEPF	1	2,85,950	2.18
Total	9948	1,31,01,052	100.00

The Company has not issued any GDRs/ ADRs, Warrants & Convertible Instruments.

s. Dematerialization of Shares and Liquidity as on 31 March 2018:

	No. of Share holders	No. of Shares	% of shares
No. of Shareholders in Physical Mode	5556	831825	6.35
No. of Shareholders in Electronic Mode	4392	12269227	93.65
Total	**9948**	**13101052**	**100**

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

INDIPENDENT CERTIFICATE OF PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

TO THE MEMBERS OF
MAC CHARLES (INDIA) LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 8th January 2018.
2. This report contains details of compliance of conditions of corporate governance by **MAC CHARLES (INDIA) LIMITED** (the Company) for the year ended 31st March 2018 as stipulated in regulations 17-27, clause (b) to (i) of Regulations 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') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. 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.

Practicing Company Secretary's Responsibility

4. Our examinations 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2018.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purpose issued by the Institute of Company Secretaries of India (ICSI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICSI.

Opinion

7. In our opinion and to the best of our information and according to explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We 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.

Restriction on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B. CHANDU NARAYAN**

Practicing Company Secretary
Membership No: A23222
COP: 9517

Bengaluru
23, May 2018

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

(As per regulations of the Listing Agreement)

We certify that:

1. We have reviewed the financial statements and cash flow statement of Mac Charles (India) Limited for the financial year ended 31st March 2018 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 31st March 2018, which are fraudulent, illegal or violating the Company's code of conduct.

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

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

   i. Significant changes / improvements in internal controls over financial reporting during the financial year ended 31st March 2018

   ii. Significant changes in accounting policies made during the financial year ended 31st March 2018, 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.

Bengaluru	**Pranesha K Rao**	**Suresh K Badlaney**
23, May 2018	Chief Financial Officer	Manager (CEO)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Company has been reporting consolidated results considering the results of its subsidiary. This discussion, therefore, covers the financial results and other developments during April 2017 to March 2018. 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's rates fluctuations, impact of competition, demand and supply constraints.

OVERVIEW OF THE GLOBAL & INDIAN TOURISM INDUSTRY

EXTERNAL ENVIRONMENT

The Indian economy grew by 7.4% year on year in the quarter ending March 2018, slightly higher than the 6.50% year on year in the previous quarter. The growth in GDP during 2017-18 is estimated at 7.1% as compared to the growth rate of 6.75% in 2016-17.

Consumer Inflation has moderated from 5.50% to 4% in April 2018. The decrease in inflation over the recent past is attributed to the demonetization drive which commenced in November 2016. The cash crunch, combined with a decrease in demand, led to the fall in inflation. It is expected that sectors that depend mostly on cash will see some disruption in the short term. Although increased activity in the rural economy coupled with pay revisions across public sector enterprises was expected to have a favorable impact on consumption, these positives were more than offset by the demonetization drive.

Looking ahead, the growth of some sectors such as Information Technology / Information Technology Enabled Services may be constrained with several key macroeconomic events in FY17-18 such as Brexit, continued increase in interest rates by the US Federal Reserve and protectionist policies in the USA. However, India's increased focus on digitalization and the "Smart Cities" and ''Make in India" initiatives is expected to create opportunities which may counter any slowdown globally.

INDIAN HOSPITALITY INDUSTRY

The Indian hospitality industry has been instrumental in contributing to the nation's economic growth. The introduction of e-visa for foreign tourists and the increased domestic travel have helped to contribute.

International travel and tourism arrivals increased by 5% to reach a total of 1.50 million in 2017 (January to December).

The facility of e-visa has been enhanced and is now available at 16 international airports to tourists arriving from 161 specified countries.

The growth in demand for rooms has been consistently outpacing the supply growth in India and this trend has been sustained over the recent past. This has resulted in occupancies to be sustained at over 70% across the industry. All key markets have registered growth in room demand and no key markets were lagging compared to the previous year.

India has potential to become a preferred tourist destination globally. The long-term outlook for the Indian hospitality industry continues to be buoyant with growth outperforming the general economy. Inbound tourism continues to have modest growth of international tourist's arrival and receipts. However, the domestic market will see strong growth with more Indians travelling, resulting in an expected revenue growth of 9%. The tourism sector in India faces several issues that needs to be addressed for the sector to realize its true potential. Visa on arrival from key markets in Europe and America, safety and security of tourists, especially women, infrastructure development, identification of new tourist destinations and regulatory and policy changes need attention from all stakeholders.

In the recent past, the Government of India announced a proposal to extend a visa on arrival scheme (VOA) for visitors from 180 countries. A proposal for an electronic travel authorization system will allow foreign travelers to apply for a visa electronically and receive an online confirmation in five working days has also been cleared. Presently, the VOA scheme is available to tourists from eleven countries, mainly from South East Asia and two European countries. Since its introduction, there is a continuous and significant growth of tourist's arrivals reconfirming the need to quickly extend this facility to the identified 180 countries. According to a study undertaken by WTTC and UNWTO, these improvements in the Visa regime could result in up to 8 million more international visitors travelling to India resulting in corresponding growth in revenue and creating 2 million jobs over three years.

OUT LOOK, OPPORTUNITIES, THREATS, RISKS & CONVERNS

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

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

REVIEW OF FINANCIAL & OPERATIONAL PERFORMANCE

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

Hence, sales turnover of the Company has increased from Rs.800/- millions to Rs.836/- millions as compared to the previous year.

However, the profit before income tax has decreased from Rs.292/- millions to Rs.211/- millions during the financial year due to increase in expenditure. During the year under report, the hotel business is hit by the entry of new five-star hotels in the city of Bengaluru resulting in stiff competition. However the outlook is good and there is scope to improve the working results in current financial year.

SEGMENT WISE PERFORMANCE

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

GUEST EXPERIENCE

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

SALES & MARKETING INITIATIVES

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

RISK AND CONCERNS

Industry Risk

General Economic Conditions:

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

Socio-Political Risks:

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

Company Specific Risks:

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

RISK MITIGATION INITIATIVES

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

Development in Human Resources and industrial relations

The Company believes that the quality of the employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skills, enabling them to keep pace with ongoing technological advancements and evolve. Hotel Le Meridien Bengaluru is known worldwide for its impeccable services – a reflection of careful employee selection, training and motivation. Employees are provided opportunity to grow and prosper. In the 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.

Industrial relations remained stable throughout the financial year 2017-18.

As on 31st March 2018 the number of people employed by the Company was 394.

CAUTIONARY STATEMENT

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

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

Report on the Audit of the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Mac Charles (India) Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss, the statement of changes in equity and the statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone financial statements").

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit (including 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) prescribed 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 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 financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

Auditor's Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We are also responsible to conclude on the appropriateness of management's 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

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 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 2018, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matter Paragraph

The comparative financial information of the Group for the year ended 31 March 2017 and restated opening balance sheet as at 1 April 2016 included in these standalone financial statements, are based on the previously issued statutory financial statements, audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 8 August 2017 and 3 August 2016 respectively expressed an unmodified opinion on those standalone financial statements.

Our opinion above on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.

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

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

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

   (c) the balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the 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 Accounting Standards specified under Section 133 of the Act.

   (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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'; and

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

      a. the standalone financial statements disclose the impact of pending litigations on the financial position of the Company - refer note 40 to the standalone financial statements;

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

      c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2018 and;

      d. 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone financial statements for the period ended 31 March 2017 have been disclosed.

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

Aravind Maiya
Partner
Membership number: 217433

Bengaluru
23 May 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

As referred to in our Independent Auditor's Report to the members of Mac Charles (India) Limited ('the Company') on the Standalone financial statements of the Company for the year ended 31 March 2018, we report that:

(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 fixed assets are verified every year. In our opinion, the 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) According to the information and explanations given to us and on the basis of our examination of the records, the title deeds of immovable properties 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 inventories have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. No discrepancies were identified on physical 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 granted unsecured loans to two companies covered in the register maintained under Section 189 of the Act and;

(a) In our opinion, the rate of interest and other terms and conditions on which loans had been granted to the companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In case of loans granted to the two companies covered in the register maintained under Section 189 of the Act, the loans and interest are repayable on demand. According to the information and explanation given to us, the borrowers have been regular in the repayment of the principal amount.

(c) There are no overdue amounts in respect of the loan granted to companies covered listed in the register maintained under section 189 of the Act.

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

(v) The Company has not accepted any deposits from the public.

(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, Service tax, Sales-tax, Value added tax, Income tax dues, Goods and Service 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 Employee's State Insurance, Duty of Customs and Duty of Excise during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Sales-tax, Value added tax, Goods and Service tax, Income tax, Service tax, Cess and other material statutory dues were in arrears, as at 31 March 2018, 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 Provident Fund, Sales-tax, Value added tax, Income tax, Service tax, Goods and Service tax, Cess and other material statutory dues which have not been deposited with the appropriate authorities 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 repayment of dues to its bankers, financial institutions and debenture holders. The Company does not have any dues from the government.

(ix) According to the information and explanations given to us and on the basis of our examination of the records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company were applied for the purposes 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 year.

(xi) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Managerial Remuneration paid by the company is in accordance with the limits as specified in Section 197 of Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, and based on an examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

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

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him as referred to in Section 192 of Companies Act 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanations 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

Aravind Maiya
Partner
Membership number: 217433

Bengaluru
23 May 2018

ANNEXURE - B TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Mac Charles (India) Limited ('the Company') as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting 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.

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

Aravind Maiya
Partner
Membership number: 217433

Bengaluru
23 May 2018

BALANCE SHEET AS AT MARCH 31, 2018

Rs in millions

	Note	As at 31 March 2018	As at 31 March 2017 *Restated	As at 1 April 2016 *Restated
ASSETS				
Non-current assets				
Property, plant and equipment	4	740.61	796.91	827.34
Capital work-in-progress	4	-	0.81	0.81
Investment property	5	861.01	876.61	892.20
Investment in subsidiaries	6	74.50	74.50	74.50
Financial assets				
- Investments	7	55.73	68.79	73.78
- Loans	8	11.66	22.80	23.04
- Other financial assets	9	19.42	0.02	-
Income-tax assets, net	10	30.58	20.97	5.30
Other non-current assets	11	1,914.08	1,099.80	97.03
Total non-current assets		**3,707.59**	**2,961.21**	**1,994.00**
Current assets				
Inventories	12	10.98	11.22	12.53
Financial assets				
- Investments	13	214.74	70.00	467.26
- Trade receivables	14	50.19	43.70	45.13
- Cash and cash equivalents	15	67.57	38.93	45.18
- Bank balances other than cash and cash equivalents	16	1.00	1.00	1.00
- Loans	17	353.89	404.98	281.50
- Other financial assets	18	16.74	4.42	27.14
Other current assets	19	11.24	13.46	3.99
Assets held for sale	49	13.08	-	-
Total current assets		**739.43**	**587.71**	**883.73**
Total assets		**4,447.02**	**3,548.92**	**2,877.73**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	20	131.04	131.04	131.04
Other equity	21	2,769.87	2,713.35	2,429.38
Total equity		**2,900.91**	**2,844.39**	**2,560.42**
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	22	1,226.91	384.43	-
- Other financial liabilities	23	43.62	39.01	33.33
Non-current provisions	24	-	8.07	4.72
Deferred tax liabilities (net)	25	64.90	91.21	105.97
Other non current liabilities	26	-	5.06	9.76
Total non-current liabilities		**1,335.43**	**527.78**	**153.78**
Current liabilities				
Financial liabilities				
- Trade payables	27	26.47	25.13	16.08
- Other financial liabilities	28	128.08	109.69	107.65
Current provisions	29	9.55	7.50	5.52
Other current liabilities	30	32.27	22.31	22.16
Current tax liabilities, net	31	14.31	12.12	12.12
Total current liabilities		**210.68**	**176.75**	**163.53**
Total equity and liabilities		**4,447.02**	**3,548.92**	**2,877.73**
*Refer note 47				
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

Aravind Maiya
Partner (Membership No. 217433)

Bengaluru
23 May 2018

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

M S Reddy
Executive Director &
Company Secretary

C.B. Pardhanani
Chairman

Pranesha K Rao
Chief Financial Officer

P B Appiah
Director
DIN: 00215646

Bengaluru
23 May 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Rs in millions

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017 *Restated
Income			
Revenue from operations	32	729.60	681.27
Other income	33	106.30	109.73
Total income		**835.90**	**790.99**
Expenses			
Cost of materials consumed	34	70.94	68.78
Maintenance and upkeep services	35	65.35	55.01
Employee benefits expense	36	153.06	131.36
Finance costs	37	62.83	6.71
Depreciation and amortization expense	38	52.05	50.32
Other expenses	39	139.27	95.19
Total expenses		**543.49**	**407.37**
Profit before tax		**292.41**	**383.62**
Tax expense:			
- Current tax	40	(109.51)	(110.00)
- Deferred tax	40	27.76	14.64
Profit for the year		**210.66**	**288.26**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability/(asset)		1.18	(0.82)
Equity instruments through Other Comprehensive Income - net changes in fair value		2.99	(3.59)
		4.17	**(4.42)**
Deferred tax on items that will not be reclassified to profit or loss		**(1.44)**	0.12
Other comprehensive income for the period, net of income taxes		**2.73**	**(4.29)**
Total comprehensive income for the year		**213.38**	**283.97**
Earnings per equity share:			
- Basic (Rs.)	21.2	16.08	22.00
- Diluted (Rs.)	21.2	16.08	22.00
Significant accounting policies	**3**		
* Refer note 47			
The notes referred to above form an integral part of the 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

Aravind Maiya
Partner (Membership No. 217433)

Bengaluru
23 May 2018

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

M S Reddy
Executive Director &
Company Secretary

C.B. Pardhanani
Chairman

Pranesha K Rao
Chief Financial Officer

P B Appiah
Director
DIN: 00215646

Bengaluru
23 May 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs in millions

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017 *Restated
Cash flows from operating activities		
Profit before tax	292.41	383.62
Adjustments:		
- Interest income (including fair value change in financial instruments)	(69.04)	(91.05)
- Dividend income	(0.06)	(0.05)
- Financial assets at fair value through statement of profit and loss	0.01	-
- (Profit)/ loss on sale of investments	(7.29)	1.88
- Profit on sale of fixed assets	(15.15)	-
- Interest expense (including fair value change in financial instruments)	62.60	6.71
- Depreciation and amortization	52.05	50.32
- Provision for doubtful advances	43.62	-
Operating cash flow before working capital changes	359.13	351.43
Working capital adjustments:		
- Trade receivables	(6.49)	8.81
- Inventories	0.24	1.31
- Trade payables	1.34	9.04
- Current and non-current financial assets	33.24	(0.80)
- Other current and non-current assets	3.03	(19.98)
- Current and non-current financial liabilities	25.62	(2.09)
- Provisions	(6.02)	-
- Other current and non-current liabilities	4.90	(15.13)
Cash generated from operation activitites	414.99	332.60
Income taxes paid	(107.32)	(125.68)
Net cash generated from operation activities [A]	**307.67**	**206.91**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(875.20)	(1,002.77)
Purchase of Investments	(138.78)	-
Proceeds from sale of property, plant and equipment	39.23	7.69
Proceeds from sale of investments	7.05	405.36
Loan advanced to companies	-	(107.55)
Interest received	69.04	91.05
Dividend Received	0.06	0.05
Net cash (used in)/generated from investing activities [B]	**(898.59)**	**(606.18)**
Cash flows from financing activities		
Dividend paid	(157.68)	(5.52)
Proceeds from borrowings	1,242.01	400.00
Repayment of borrowings	(403.93)	-
Interest paid	(60.84)	(1.45)
Net cash generated from financing activities [C]	**619.56**	**393.03**
Increase/ (decrease) in cash and cash equivalents [A+B+C]	28.64	(6.24)
Cash and cash equivalents at the beginning of the year	38.93	45.17
Cash and cash equivalents at the end of the year	**67.57**	**38.93**
Components of cash and cash equivalents (refer note 14)		
Balances with banks		
- in current accounts	66.81	38.22
Cash in hand	0.76	0.71
Cash and cash equivalents at the end of the year	67.57	38.93

* Refer note 47

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 the 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

Aravind Maiya
Partner (Membership No. 217433)

Bengaluru
23 May 2018

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

M S Reddy
Executive Director &
Company Secretary

C.B. Pardhanani
Chairman

Pranesha K Rao
Chief Financial Officer

P B Appiah
Director
DIN: 00215646

Bengaluru
23 May 2018

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 2016	131.04
	Changes in equity share capital during the year 2016-17	-
	Balance as at 31 March 2017	**131.04**
	Changes in equity share capital during the year 2017-18	-
	Balance as at 31 March 2018	**131.04**
b	**Other Equity**	

For the year ended 31 March 2018 *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 2017	2,214.77	502.71	(4.12)	2,713.36
Profit during the year	-	210.66	-	210.66
Other comprehensive income during the year	-	0.77	1.96	2.73
Dividend expense	-	(131.01)	-	(131.01)
Corporate dividend tax	-	(26.67)	-	(26.67)
Realised profits of equity instruments measured at FVOCI	-	-	0.82	0.82
Balance as at 31 March 2018	**2,214.77**	**556.45**	**(1.35)**	**2,769.88**

For the year ended 31 March 2017 *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 2016	2,164.77	264.98	(0.37)	2,429.38
Profit during the year	-	288.26	-	288.26
Other comprehensive income during the year	-	(0.54)	(3.75)	(4.29)
Transfer to general reserve	50.00	(50.00)	-	-
Balance as at 31 March 2017	**2,214.77**	**502.71**	**(4.12)**	**2,713.36**

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

Aravind Maiya
Partner (Membership No. 217433)

Bengaluru
23 May 2018

for and on behalf of the Board of Directors of
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Pranesha K Rao
Chief Financial Officer

P B Appiah
Director
DIN: 00215646

Bengaluru
23 May 2018

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 Bengaluru, India. It is also involved in the generation of electricity through wind turbine generators. The company was incorporated in 1979 and is based in Bengaluru, India.

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.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 23 May 2018. Details of the Company's accounting policies are included in note 3.

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.
Assets held for sale	Fair value less cost to sell

2.4 Use of estimates and judgements

In preparing these 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 included in the following notes:

a) Note 42 – lease classification
b) Note 47 - consolidation

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 2018 is included in the following notes:

- Note 4 and 5 - Depreciation and amortisation method and useful life of items of property, plant and equipment and Investment property;
- Note 29 and 45– measurement of defined benefit obligations: key actuarial assumptions;
- Notes 41 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 44 – impairment of financial assets,
- Note 49 - 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.

The Company 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 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 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 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 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 Company 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 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. Fair value related disclosures are given in note 44 (financials instruments) and note 5 (investment property).

3 Significant accounting polices

3.1 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 Company 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 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 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 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	Useful life as per Schedule II
Building	30 – 60 years	30 – 60 years
Leasehold improvements	Lease term or estimated useful life, whichever is lower	Lease term or estimated useful life, whichever is lower
Plant and machinery	15 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Vehicles	8 years	8 years
Leasehold land	Lease term	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.

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).

3.2 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 recognised 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 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 Company 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.

3.3 Impairment of assets

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at Fair Value through Other Comprehensive Income (FVOCI)- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI 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.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

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 30 days past due. The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 365 days or more 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 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 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.

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and 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 the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. 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 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 extent 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 had been recognised.

3.4 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) or net realisable value, whichever is lower.
Crockery, cutlery and glassware	Charge to revenue

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 Company periodically assesses the inventory for obsolescence and slow moving stocks.

3.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, inclusive of excise duty and net of taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue from different sources is recognised as below:

- Room revenue:

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations. Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

- 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 Company's right to receive payment is established.

3.6 Leases

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets. Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease income

Lease income from operating leases where the Group is a lessor is recognised in income on actual basis over the lease term since the lease receipts are in line with the general inflation rate. The respective leased assets are included in the balance sheet based on their nature.

3.7 Financials instruments

Financial assets

a) 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.

b) Classification and subsequent measurement

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.

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.

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).

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.

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.

c) Derecognition

Financial assets

The Company 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 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 derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company 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.

3.8 Financial liabilities

a) 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.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Amortised 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 derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

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 realise the asset and settle the liability simultaneously.

3.9 Employee benefits

a) 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.

b) 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 recognises 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 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 recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) 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.

3.10 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.

3.11 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.

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 utilised. Unrecognised 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.

3.12 Provisions and contingent liabilities

i. 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.

3.13 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'.

3.14 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.

3.15 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.

3.16 Recent accounting pronouncements

Notification of 'Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly. The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its standalone financial statements. The quantitative impact of adoption of Ind AS 115 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

The Company plans to apply Ind AS 115 using the cumulative effect method , with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Amendment to Ind AS 21 The Effects of Changes in Foreign Exchange Rates

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21.

- Appendix B to Ind AS 21 applies when:
  a. Pays or receives consideration denominated or priced in a foreign currency and
  b. Recognises a non-monetary prepayment asset or deferred income liability – e.g. non-refundable advance consideration before recognising the related item at a later date.
- Date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or

non-monetary liability arising from the payment or receipt of advance consideration.

- If there are multiple payments or receipts in advance, the entity should determine a date of the transaction for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Amendment to Ind AS 40 Investment Property

The amendment lays down the principle regarding when a company should transfer an asset to, or from, an investment property.

1) A transfer is made when and only when:
   a. There is an actual change of use i.e. an asset meets or ceases to meet the definition of investment property.
   b. There is evidence of the change in use.
2) In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Amendment to Ind AS 12 Income tax

- Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference. This applies irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, i.e. continuing to hold it, or whether it is probable that the issuer will pay all the contractual cash flows.
- The amendment explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilisation are two separate steps.
- Carrying amount of an asset is relevant only to determining temporary differences. It does not limit the estimation of probable future taxable profit.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

4 Property, plant and equipment and capital work-in-progress

Rs in millions

Particulars	Land	Buildings	Plant and Machinery	Office equipment	Furniture and fixtures	Com-puters	Vehi-cles	Total	Capital work-in-progress
Balance as at 1 April 2016	338.93	64.84	420.48	0.40	31.95	2.46	2.99	**862.07**	0.81
Additions	-	-	2.27	-	0.02	2.01	-	**4.30**	-
Balance as at 31 March 2017	**338.93**	**64.84**	**422.75**	**0.40**	**31.98**	**4.48**	**2.99**	**866.37**	**0.81**
Balance as at 1 April 2017	338.93	64.84	422.75	0.40	31.98	4.48	2.99	**866.37**	0.81
Additions	-	7.60	7.14	-	-	0.08	2.48	**17.30**	-
Reclassification to asset held for sale	-	14.84	-	-	-	-	-	**14.84**	-
Disposals	-	23.91	3.21	-	-	-	-	**27.12**	0.81
Balance as at 31 March 2018	**338.93**	**33.69**	**426.68**	**0.40**	**31.98**	**4.55**	**5.48**	**841.71**	**-**
Accumulated depreciation									
Balance as at 1 April 2016	-	0.91	25.46	0.04	6.88	0.85	0.59	**34.73**	-
Charge for the year	-	1.19	25.36	-	6.91	0.68	0.59	**34.72**	-
Balance as at 31 March 2017	**-**	**2.09**	**50.83**	**0.04**	**13.79**	**1.53**	**1.18**	**69.45**	-
Balance as at 1 April 2017	-	2.09	50.83	0.04	13.79	1.53	1.18	**69.45**	-
Charge for the year	-	1.88	25.11	-	7.18	1.69	0.60	**36.45**	-
Transfer to assets held for sale	-	1.76	-	-	-	-	-	**1.76**	
Disposals	-	0.89	2.16	-	-	-	-	**3.05**	-
Balance as at 31 March 2018	**-**	**1.33**	**73.77**	**0.04**	**20.97**	**3.22**	**1.78**	**101.11**	-
Carrying amount:									
As at 31 March 2018	***338.93***	***32.36***	***352.91***	***0.36***	***11.01***	***1.33***	***3.70***	***740.61***	***-***
As at 31 March 2017	***338.93***	***62.75***	***371.92***	***0.36***	***18.19***	***2.95***	***1.81***	***796.91***	***0.81***

Notes:

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, 2018

5 Investment property *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
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	(59.52)	(43.92)
Charge for the year	(15.60)	(15.60)
Deletions		-
Closing balance	**(75.12)**	**(59.52)**
Net carrying amount	**861.01**	**876.61**

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, Bengaluru. These properties are secured against the term loan from bank.

i) Amounts recognised in profit and loss for investment properties

Particulars	As at 31 March 2018	As at 31 March 2017
Rental income derived from investment properties	141.08	127.06
Direct operating expenses (including repairs and maintenance) generating rental income	32.86	25.89
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	108.22	101.17
Less: Depreciation	15.60	15.60
Profit arising from investment properties before indirect expenses	**92.62**	**85.57**

ii) Fair value

Fair value hierarchy

The fair value of investment property has been determined by external, independent property valuers, 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 (Refer note 44).

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.

The company obtains independent valuations for its investment properties at least annually.

Fair value:	**Rs in million**
As at 31 March 2017	1,979.02
As at 31 March 2018	2,390.40

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 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, 2018

6 Investment in subsidiaries *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Unquoted equity shares		
Investments in subsidiaries accounted at cost		
29,988 equity shares of Airport Golf View Hotels and Suites Private Limited (31 March 2017: 29,988 shares)	74.50	74.50
Total	**74.50**	**74.50**

7 Non-current investments *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Quoted equity shares		
- Equity investments at fair value through other comprehensive income (fully paid-up)		
Nil equity shares of Sobha Limited (31 March 2017: 13,594 shares)	-	3.93
Nil equity shares of Global Offshore Services Limited (31 March 2017: 10,000 shares)	-	0.44
Nil equity shares of Puravankara Limited (31 March 2017: 22,699 shares)	-	1.57
Nil equity shares of Cipla Limited (31 March 2017: 4,000 shares)	-	2.96
Unquoted		
Other investments at fair value through profit and loss (fully paid-up)		
Investment in venture capital funds		
Kotak Real Estate Fund	-	2.88
Pru.ICICI India Advantage Fund-III	8.77	12.24
Reliance Capital Asset Management	46.96	44.77
Total	**55.73**	**68.79**
Aggregate book value of quoted investments	-	8.90
Aggregate market value of quoted investments	-	8.90
Aggregate book value of unquoted investments	55.73	59.89
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 44.

Equity shares designated as at fair value through other comprehensive income (FVOCI)

At 1 April 2015, the Company designated the investments shown 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	Fair Value as at 31 March 2016	Dividend income for 16-17	Fair Value as at 31 March 2017	Dividend income for 17-18	Fair Value as at 31 March 2018
Investment in equity shares of Sobha Limited	3.73	-	3.93	-	-
Investment in equity shares of Global Offshore Services Limited	1.83	-	0.44	-	0.28
Investment in equity shares of Puravankara Limited	1.06	-	1.57	-	3.28
Investment in equity shares of Cipla Limited	2.62	0.05	2.96	0.06	2.40
	9.24	**0.05**	**8.90**	**0.06**	**5.96**

Equity shares derecognised which was designated at fair value through other comprehensive income (FVOCI) *Rs in millions*

Particulars	Fair Value as at 31 March 2017	Dividend income for 16-17	Fair Value as at the date of derecognition	Gain/ (loss) on derecognition
Investment in equity shares of Sobha Limited	3.93	-	4.75	0.82
	3.93	**-**	**4.75**	**0.82**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

8 Loans *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Unsecured, considered good		
Security deposit	11.66	11.25
Loans to related parties:		
- Airport Golfview Hotels and Suites Private Limited	-	11.55
	11.66	**22.80**

* refer note 47
For terms and conditions relating to related party receivables, refer note 43.

9 Other financial assets *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Bank deposits	19.42	0.02
	19.42	**0.02**

Fixed deposit with bank includes an amount of Rs 19.40 million (previous year: Rs Nil) which is held as debt service reserve account (DSRA).

10 Income-tax assets, net *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Advance tax, net of provision for tax	30.58	20.97
	30.58	**20.97**

11 Other non-current assets *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Capital advances		
- Advance paid for purchase of investment property (refer note below)	1,914.08	1,099.80
	1,914.08	**1,099.80**

Note:

The Company has entered into an “agreement to sale” with M/S L.J.Victoria Properties Private Limited (‘Seller’) dated 8 February 2017, which was subsequently amended on 1 June 2017, for purchase of a commercial property by name Victoria Embassy for a total consideration of Rs 1,710 million. As per the agreement, Seller was required to clear all the existing charges on the property by 31 March 2018 and complete the sale transaction failing which the Company is entitled to an interest of Rs 239.7 million. The Company has entered into an amended agreement with the Seller dated 25 January 2018 wherein the purchase consideration has been amended to Rs 2,050 million and the period for completion of the sale transaction has been extended to 31 December 2018. The advance given to the party as on 31 March 2018 is Rs 1,838.64 million (31 March 2017 : Rs 1,000.00 million)

12 Inventories *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Raw materials	8.48	9.34
Stores and spares	2.50	1.87
	10.98	**11.22**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

13 Current investments *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
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 2017: 10,000 shares)	0.28	-
22,699 equity shares of Puravankara Limited (31 March 2017: 22,699 shares)	3.28	-
4,000 equity shares of Cipla Limited (31 March 2017: 4,000 shares)	2.40	-
Investment in bonds		
Unquoted		
Measured at Fair value through profit and loss		
3.2 million units of Ultra Short Bond Fund Direct Plan of Deutsche Asset Management (31 March 2017: 3.2 million units)	208.70	70.00
Reliance Mutual Fund (ETF Liqud BGSE)	0.08	-
	214.74	**70.00**
Aggregate amount of quoted investments and market value thereof	5.96	-
Aggregate amount of unquoted investments	208.78	70.00
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 44.

14 Trade receivables *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Unsecured, considered good**	50.19	43.70
Doubtful	-	-
	50.19	**43.70**

* refer note 47

All trade receivables are current.

Of the above, trade receivables from related parties are as follows :- *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Total trade receivables from related parties	12.24	11.84
Loss allowance	-	-
	12.24	**11.84**

For terms and conditions relating to related party receivables, refer note 43.

The Company’s exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 44.

15 Cash and cash equivalents *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- in current accounts*	66.81	38.22
Cash on hand	0.76	0.71
	67.57	**38.93**

* includes unclaimed dividend of Rs. 30.99 million as on 31 March 2018, (31 March 2017: Rs.28.02 million)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

16 Bank balances other than cash and cash equivalents *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
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 2018	As at 31 March 2017 (Restated)*
Unsecured, considered good		
- Inter corporate loans	351.24	404.98
Loans to related parties:		
- Airport Golfview Hotels and Suites Private Limited	2.65	-
Unsecured, considered doubtful		
- Inter corporate loans	37.00	-
Less: Provision for doubtful loans	(37.00)	-
	353.89	**404.98**

* refer note 47
For terms and conditions relating to related party loans, refer note 43.
The Company's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 44.

18 Other financial assets *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Other receivables	16.74	4.42
	16.74	**4.42**

19 Other current assets *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Prepaid expenses	9.99	10.73
Other advances	1.25	2.73
	11.24	**13.46**

20 Share capital *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Authorised		
20,000,000 (31 March 2017: 20,000,000) equity shares of Rs 10 each	200.00	200.00
	200.00	**200.00**
Issued, subscribed and fully paid up		
13,103,727 (31 March 2017: 13,103,727) equity shares of Rs 10 each	131.04	131.04
	131.04	**131.04**

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below: *Rs in millions*

	As at 31 March 2018		As at 31 March 2017	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	1,31,03,727	131.04	1,31,03,727	131.04
Add: Shares issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	1,31,03,727	131.04	1,31,03,727	131.04

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

20 Share capital (continued)

(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 Re 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 2018		As at 31 March 2017	
	% of holding	No of shares	% of holding	No of shares
Embassy Property Developments Private Limited (Holding company)	79.77	1,04,50,670	79.77	1,04,50,670

(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 2018	As at 31 March 2017
Embassy Property Developments Private Limited, Holding company	104.51	104.51

21 Other equity

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
General reserve		
At the commencement of the year	2,214.77	2,164.77
Add: Transferred from statement of profit and loss for the year	-	50.00
At the close of the year	**2,214.77**	**2,214.77**
Retained earnings		
At the commencement of the year	502.70	264.98
Add: Net profit for the year	210.66	288.26
Add: Other comprehensive income	0.77	(0.54)
Transfer to general reserve	-	(50.00)
Dividend expense	(131.01)	-
Corporate dividend tax	(26.67)	-
At the end of the year	**556.45**	**502.70**
Fair value of equity instruments		
At the commencement of the year	(4.12)	(0.37)
Add: Net fair value gain/(loss) on investments in equity instruments at FVOCI, net of tax	1.96	(3.75)
Realised profits of equity instruments measured at FVOCI	0.82	-
At the end of the year	**(1.35)**	**(4.12)**
	2,769.87	**2,713.35**

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.

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.

Fair value of equity instruments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Company transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 at 31 March 2018 was as follows:

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Total liabilities	1,546.11	704.53
Less: Cash and cash equivalents	67.57	38.93
Adjusted net debt	**1,478.54**	**665.60**
Total equity	2,900.91	2,844.39
Adjusted net debt to adjusted equity ratio	**0.51**	**0.23**

21.2 Earnings per share (EPS)

Computation of earnings per share is as follows: *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit after tax for the year, attributable to equity holders	210.66	288.26

Reconciliation of basic and diluted shares used in computing earnings per share –

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	1,31,03,727	1,31,03,727
Effect of dilutive potential equity shares	-	-
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	**1,31,03,727**	**1,31,03,727**

Earnings per share: *In Rs.*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Basic	16.08	22.00
Diluted	16.08	22.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

22 Borrowings *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Secured		
From bank (Refer note A(i) below)	1,225.27	384.43
From Others (Refer note A(ii) below)	1.64	-
	1,226.91	**384.43**

* refer note 47

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 43.

Notes:

A. Terms and repayment schedule

(i) From HDFC Bank Limited, amounting to Rs. 1237.88 million (31 March 2017: Rs 400 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 31 March 2018 - 8.50% per annum (31 March 2017 - MCLR plus 0.35% per annum), and is repayable in 144 installments. The repayment of principal and interest commences from April 2017.
- There is no undrawn facility in respect of this loan.

(ii) From Toyota Financial Services Private Limited, amounting to Rs 1.98 million (31 March 2017: Nil)

- 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	Reserves	Retained earnings	Total
Balance as at 31 March 2017	400.00	131.04	2,210.65	502.70	3,244.38
Proceeds from borrowings	1,235.10	-	-	-	1,235.10
Transaction costs related to borrowings	6.91	-	-	-	6.91
Repayment of borrowings	(403.90)	-	-	-	(403.90)
Dividend paid	-	-	-	(157.68)	(157.68)
Total changes from financing activities	**838.11**	**-**	**-**	**(157.68)**	**680.42**
Other changes:-					
Liability-related					
Interest expense	62.60	-	-	-	62.60
Interest paid	(60.84)	-	-	-	(60.84)
Total liability related other changes	1.76	-	-	-	
Total equity related other changes	-	-	2.78	211.43	214.21
Balance as at 31 March 2018	**1,239.86**	**131.04**	**2,213.42**	**556.45**	**4,139.01**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

23 Other financial liabilities *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Rental deposit	42.97	37.88
Others	0.65	1.13
	43.62	**39.01**

* refer note 47

24 Non-current provisions *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Others		
Provision for donations	-	8.07
	-	**8.07**

* refer note 47

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for donations		
Opening balance	8.07	4.72
Provisions made during the period	-	10.28
Provisions utilised during the period	(8.07)	(6.93)
Closing balance	**-**	**8.07**

25 Deferred tax liabilities (net)

The balance comprises temporary differences attributable to: *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax liabilities		
Property, plant and equipment and investment property	81.88	95.43
Investments	2.53	-
Deferred tax assets		
Others:		
Accrued expenses on which TDS u/s 43 B of the Income tax act has not been deducted	(6.71)	(2.28)
Investments	-	(1.94)
Provision for doubtful advances	(12.80)	-
Deferred tax liabilities (net)	**64.90**	**91.21**

26 Other non current liabilities *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred rent	-	5.06
	-	**5.06**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

27 Trade payables

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Dues to micro, small and medium enterprises	-	-
Dues to other than micro, small and medium enterprises	26.47	25.13
	26.47	**25.13**

All trade payables are 'current'.

The Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 43.

Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the Company. The Company does not have any principal or interest dues to micro and small enterprises as at 31 March 2018 and 31 March 2017 and accordingly no further disclosures have been made.

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
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	-	-
(i) 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, 2018

28 Other current financial liabilities *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Current maturity of long term borrowings from banks (refer note 22)	12.61	15.57
Current maturity of finance lease obligation	0.34	-
Security deposits	43.17	42.29
Capital creditors	10.25	10.25
Accrued salaries and bonus	15.99	4.81
Unpaid/unclaimed dividends	30.99	28.02
Due to directors	0.36	1.21
Accrued expenses	11.41	6.04
Others	2.96	1.51
	128.08	**109.69**

* refer note 47

29 Current provisions *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Provision for employee benefits		
- Leave Encashment	8.01	7.50
- Gratuity	1.54	-
	9.55	**7.50**

* refer note 47

30 Other current liabilities *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Statutory dues	12.71	6.90
Advance from customers	18.58	15.41
Deferred rent	0.98	-
	32.27	**22.31**

31 Current tax liability, net *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Income tax		
Opening balance	12.12	12.12
Provisions made during the period	109.51	-
Income-tax paid	(107.32)	-
Closing balance	**14.31**	**12.12**

* Refer note 47

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

32 Revenue from operations *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017 (Restated*)
Sale of services		
Income from rooms	273.24	238.34
Income from sale of food, beverages and banquets	236.49	230.00
Income from sale of electricity	76.16	83.38
Other operating revenue		
Rental income	141.08	127.06
Other	2.63	2.49
	729.60	**681.27**

* refer note 47

33 Other income *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017 (Restated*)
Interest income	69.04	91.31
License fees	6.15	6.13
Fair value changes in financial assets measured at fair value through statement of profit and loss	0.01	3.12
Dividend income	0.06	0.05
Profit on sale of Asset	15.15	-
Profit on sale of investments	7.29	-
Liabilities written back	8.60	9.12
	106.30	**109.73**

* refer note 47

34 Cost of materials consumed *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock of provisions, food and beverages consumed	9.34	10.67
Add: Purchase of provisions, food and beverages	70.08	67.45
Less: Closing stock of provisions, food and beverages consumed	8.48	9.34
Cost of provisions, food and beverages consumed	**70.94**	**68.78**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

35 Maintenance and upkeep services *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Guest accommodation and kitchen	9.28	8.64
Linen, uniforms and laundry	15.30	12.43
Repairs and maintenance of :-		
i) Building	15.12	8.80
ii) Plant & machinery	17.09	15.80
iii) Interiors, furniture, furnishings and others	0.65	1.29
Housekeeping expenses	4.25	3.79
Music, entertainment and banquet expenses	3.66	4.25
	65.35	**55.01**

36 Employee benefits expense *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	131.33	112.42
Contribution to provident and other funds	15.87	9.12
Staff welfare expenses	5.87	9.82
	153.06	**131.36**

37 Finance costs *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on financial liabilities measured at amortized cost	62.60	6.38
Other bank charges	0.23	0.33
	62.83	**6.71**

38 Depreciation and amortization expense *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipment	36.45	34.72
Depreciation on investment properties	15.60	15.60
	52.05	**50.32**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

39 Other expenses *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017 (Restated*)
Legal, professional and consultancy charges	21.85	19.26
Rates and taxes	18.93	14.53
Power and fuel	10.82	11.87
Royalty	11.34	11.37
Corporate social responsbility (refer note (ii) below)	4.40	10.28
Administrative and general expenses	0.22	0.19
Sales commission	7.58	5.34
Water charges	3.78	4.41
Travelling and conveyance	4.30	3.96
Postage, telex and telephones	4.40	3.46
Commission to chairman and managing director	-	2.25
Printing and stationery	2.75	2.41
Sales and promotional expenses	0.71	1.60
Rent	0.02	1.33
Insurance	0.96	0.99
Payment to auditors (refer note (i) below)	2.21	0.73
Director's sitting fees	0.58	0.48
Provision for doubtful advances	43.62	-
Freight and transport	0.25	0.21
Foreign exchange loss, (net)	0.15	0.06
Miscellaneous	0.40	0.46
	139.27	**95.19**

* refer note 47

* **Note:**

(i) Auditor's remuneration *Rs in million*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditor		
- for statutory audit	1.60	0.38
- for tax audit	0.15	0.10
- for other services	0.46	0.22
Reimbursement of expenses	0.01	0.04
	2.22	**0.74**

(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 million

Particulars	As at and for the year ended 31 March 2018	As at and for the year ended 31 March 2017
(a) Amount required to be spent by the company during the year	7.79	5.89
(b) Amount spent during the year for:	6.36	7.06
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.40	6.93

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

40 Income tax

(a) Major components of income tax expense for the years ended 31 March 2018 and 31 March 2017: *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax:		
Current income tax charge	(109.51)	(110.00)
Deferred tax:		
Relating to origination and reversal of temporary differences	27.76	14.64
Income tax expense reported in the statement of profit or loss	**(81.76)**	**(95.36)**

(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 2018	For the year ended 31 March 2017
Equity instruments through Other Comprehensive Income - net changes in fair value	(1.03)	(0.16)
Remeasurement of defined benefit liability/ (assets)	(0.41)	0.29
Income tax charged to OCI	**(1.44)**	**0.12**

(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 2018	For the year ended 31 March 2017
Profit/ (loss) before tax from operations	292.41	383.62
Tax at the Indian tax rate of 34.608% (31 March 2017: 34.608%)	101.20	132.76
Effect of:		
Non-deductible expenses	(4.79)	(24.21)
Standard deduction for income from house property	(14.65)	(13.19)
Income tax expense	**81.76**	**95.36**

(d) Deferred tax

The Company does not have any unrecognised deferred tax assets or liabilities.

(e) Recognised deferred tax assets and liabilities

Movement in temporary differences *Rs in millions*

Particulars	Balance as at 31 March 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018
Property, plant and equipment	95.43	(13.55)	-	81.88
Investments	(1.94)	3.43	1.03	2.53
Accrued expenses on which TDS is not deducted	(2.28)	(4.84)	0.41	(6.72)
Provision for doubtful advances	-	(12.80)	-	(12.80)
	91.21	**(27.76)**	**1.44**	**64.89**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

41 Contingent liabilities

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Contingent liabilities:		
Claims against the Company not acknowledged as debt		
Income tax	-	32.85
Demand from BESCOM	50.68	-

a) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with authorities.

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.

42 Leases

(i) Operating lease

Leases as lessor:

The Company earns its rental income from investment property leased under operating lease which is recognized in the statement of profit and loss on a straight-line basis over the term of the lease. Total lease rental income recognised in the statement of profit and loss for the year is:

Rs in millions

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Non-cancellable	141.08	127.06
Cancellable	-	-
	141.08	**127.06**

The future minimum lease receivables under non-cancellable operating leases in aggregate are as follows:

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Not later than 1 year	128.64	120.63
Later than 1 year and not later than 5 years	460.75	246.98
More than 5 years	-	-

Leases as lessee

The Group has taken office premise under cancelable operating lease. Total rental expense under operating leases is Rs 0.02 million (previous year: Rs 1.33 million).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

43 Related party

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

C. Fellow subsidiary

Vikas Telecom Private Limited

L.J Victoria Properties Private Limited

D. Key management personnel

Mr. C.B. Pardhanani

Mr. Mulki Ramakrishna Bhasker Punja

Mr. P. B. Appiah

Mr. Suresh Vaswani

Ms. Tanya Giridhar

Mr. Aditya Virwani

Mr. P. R. Ramakrishnan

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. The following is a summary of related party transactions

Rs in millions

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Inter corporate loan given		
Embassy Property Developments Private Limited	-	160.00
Inter corporate loan repaid		
Airport Golfview Hotels and Suites Private Limited	8.90	-
Inter corporate loan given		
Airport Golfview Hotels and Suites Private Limited	0.02	1.82
Capital advance paid		
L.J Victoria Properties Private Limited	738.84	1,002.77
Dividend paid		
Embassy Property Developments Private Limited	104.51	-
Electricity income		
Vikas Telecom Private Limited	46.05	11.84
Commission paid		
Mr. C. B. Pardhanani	-	2.25
Donation paid		
C. Pardhanani's Education Trust	1.80	1.75
Interest received		
Embassy Property Developments Private Limited	63.00	31.52
Contribution to gratuity fund		
Mac Charles (India) Limited Employees Gratuity Fund Trust	0.40	0.01

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

43 Related party (continued)

H.The following is a summary of balances receivable from related parties:

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Inter-corporate loans given (non-current)		
Airport Golfview Hotels and Suites Private Limited	2.67	11.55
Inter-corporate loans given (Current)		
Embassy Property Developments Private Limited	350.00	350.00
Capital advances		
L.J Victoria Properties Private Limited	1,838.64	1,099.80
Trade receivables		
Vikas Telecom Private Limited	12.24	11.84
Commission payable		
Mr. C. B. Pardhanani	-	1.73

I. 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 2018	For the year ended 31 March 2017
Short-term employee benefits	12.72	8.10
	12.72	**8.10**

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.

J. 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)	18%	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:

Particulars	As at 31 March 2018	As at 31 March 2017
Subsidiary		
Airport Golfview Hotels and Suites Private Limited		
At the commencement of the year	11.55	13.37
Add: given during the year	0.02	(1.82)
Less: repaid during the year	(8.90)	-
At the end of the year	2.67	11.55
Holding company		
Embassy Property Developments Private Limited		
At the commencement of the year	350.00	190.00
Add: given during the year	-	160.00
Less: repaid during the year	-	-
At the end of the year	350.00	350.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

44 Financial instruments - fair value measurement and risk management

A Accounting classification and fair value

Rs in millions

Particulars	Carrying value as at 31 March 2018	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortised cost:					
Non current financial assets					
- Loans	11.66	-	-	-	-
Current financial assets					
- Trade receivables	50.19	-	-	-	-
- Cash and cash equivalents	67.57	-	-	-	-
- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
- Loans	353.89	-	-	-	-
- Other current financial assets	16.74	-	-	-	-
Financial assets measured at fair value through other comprehensive income:					
Investments					
Non-current	-	-	-	-	-
Current	5.96	5.96	-	-	5.96
Financial assets measured at fair value through profit and loss:					
Investments					
Non current	55.73	55.73	-	-	55.73
Current	208.78	208.78	-	-	208.78
Total	**771.52**	**270.47**	**-**	**-**	**270.47**
Financial liabilities measured at amortised cost:					
Non current financial liabilities					
- Long term borrowing	1,226.91	-	-	-	-
- Other financial liabilities	43.62	-	-	-	-
Current financial liabilities					
- Trade payables	26.47	-	-	-	-
- Other financial liabilities	128.08	-	-	-	-
Total	**1,425.08**	**-**	**-**	**-**	**-**

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, 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, 2018

44	**Financial instruments - fair value measurement and risk management (continued)**					
A	**Accounting classification and fair value (continued)**					*Rs in millions*
	Particulars	**Carrying value as at 31 March 2017**	**Fair value**			**Total**
			Level 1	**Level 2**	**Level 3**	
	Financial assets measured at amortised cost:					
	Non current financial assets					
	- Loans	22.80	-	-	-	-
	Current financial assets					
	- Trade receivables	43.70	-	-	-	-
	- Cash and cash equivalents	38.93	-	-	-	-
	- Loans	404.98	-	-	-	-
	- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
	- Other current financial assets	4.42	-	-	-	-
	Financial assets measured at fair value through other comprehensive income:					
	Non current financial assets					
	- Investments	8.90	8.90	-	-	8.90
	Financial assets measured at fair value through profit and loss:					
	Investments					
	Non current	59.89	59.89			
	Current	70.00	70.00	-	-	70.00
	Total	**654.62**	**138.79**	**-**	**-**	**78.90**
	Financial liabilities measured at amortised cost:					
	Non current financial liabilities					
	- Borrowings	384.43	-	-	-	-
	- Other financial liabilities	39.01	-	-	-	-
	Current financial liabilities					
	- Trade payables	25.13	-	-	-	-
	- Other financial liabilities	109.69	-	-	-	-
	Total	**558.26**	**-**	**-**	**-**	**-**
	The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, 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, 2018

44	**Financial instruments - fair value measurement and risk management (continued)**
B	**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 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 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 Company 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 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 analyse 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

44 Financial instruments - fair value measurement and risk management (continued)

C Financial risk management (continued)

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 and country in which customers operate.

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.

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 2018		As at 31 March 2017	
	Carrying amount	Provision amount	Carrying amount	Provision amount
Less than 180 days	50.19	-	43.70	-
More than 180 days	-	-	-	-
	50.19	**-**	**43.70**	**-**

Loans and other financial asset:

Expected credit loss for loans and other financial asset 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-18	Security deposits	11.66	-	-	11.66
			Other financial asset	36.16	-	-	36.16
			Loan	390.89	-	37.00	353.89
		31-Mar-17	Security deposits	11.55	-	-	11.55
			Other financial asset	4.44	-	-	4.44
			Other loans	39.64	-	-	39.64

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

44 Financial instruments - fair value measurement and risk management (continued)

D 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 while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, 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.

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period :-

Particulars	31-Mar-18	31-Mar-17
Expiring within one year:-		
Bank Loans	-	510.00

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 2018 *Rs in millions*

Particulars	Carrying amount	Total	6 months or less	6–12 months	1–2 years	More than 2 years
Borrowings	1,239.86	2,312.63	58.43	59.26	121.83	2,073.11
Other non current financial liabilities	43.62	43.62	-	-	43.62	-
Trade payables	26.47	26.47	26.47	-	-	-
Other current financial liabilities	115.13	115.13	115.13	-	-	-
	1,425.08	**2,497.85**	**200.03**	**59.26**	**165.45**	**2,073.11**

As at 31 March 2017 *Rs in millions*

Particulars	Carrying amount	Total	6 months or less	6–12 months	1–2 years	More than 2 years
Borrowings	400.00	614.69	30.88	34.88	102.43	446.50
Other non current financial liabilities	39.01	39.01	-	-	39.01	-
Trade payables	25.13	25.13	25.13	-	-	-
Other current financial liabilities	94.12	94.12	94.12	-	-	-
	558.26	**772.95**	**150.13**	**34.88**	**141.44**	**446.50**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

44 Financial instruments - fair value measurement and risk management (continued)

E 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 optimising the return.

i) 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 primarily INR.

Since the company does not have any unhedged foreign currency exposure at the year end, it is not exposed to currency risk.

ii) 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.

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-Mar-18	31-Mar-17
Floating rate borrowings		
Borrowings	1,239.86	400.00
Current maturities of long term debt	12.95	15.57
Investments in debt based mutual funds	208.70	70.00
Term deposits under cash and cash equivalents	-	0.02
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 2018	31 March 2017	31 March 2018	31 March 2017
Increase by 50 base points	5.10	1.73	-	-
Decrease by 50 base points	(5.10)	(1.73)	-	-

iii) 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 2018	31 March 2017
Increase by 10% (2017: 10%)	7.69	3.33
Decrease by 10% (2017: 10%)	(7.69)	(3.33)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

45 **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.

B. Reconciliation of the net defined benefit (asset) liability

Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	21.47	17.82
Service cost		
- Current service cost	1.40	4.18
Interest Cost	1.51	1.27
Benefits paid	(2.46)	(0.77)
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	1.39	(1.03)
- experience adjustments	-	-
Balance at the year end	**23.31**	**21.47**

Reconciliation of the present value of plan assets

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	22.40	21.41
Expected return on plan assets	1.63	1.54
Contributions paid into the plan	0.40	0.01
Benefits paid	(2.46)	(0.77)
Return on plan assets recognised in other comprehensive income	(0.21)	0.21
Balance at the year end	**21.77**	**22.40**

C.(i) Expense recognised in profit or loss *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Current service cost	1.40	4.18
Interest cost	1.51	1.27
Expected return on plan assets	(1.63)	(1.54)
	1.28	**3.91**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

45 **Employee benefits obligations (continued)**

C.(ii) Remeasurements recognised in other comprehensive income

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Actuarial (gain) loss on defined benefit obligation	1.39	(1.03)
Return on plan assets excluding interest income	(0.21)	0.21
	1.18	**(0.82)**

D. Plan assets

Plan assets comprise of the following:

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Investment funds	21.77	22.40
	21.77	**22.40**

E. Defined benefit obligations

(i) Actuarial assumptions

Particulars	As at 31 March 2018	As at 31 March 2017
Financial assumptions		
Discount rate	7.63%	7.31%
Future salary growth	6.00%	6.00%
Attrition rate	5.00%	5.00%
Demographic assumptions		
Withdrawal rate	5.00%	5.00%
Retirement age	58	58

At 31 March 2018, the weighted-average duration of the defined benefit obligation was 13.13 years (31 March 2017: 16.05 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 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	22.16	24.59	19.61	22.34
Future salary growth (100 basis points movement)	24.58	22.15	22.27	19.64
Attrition rate (100 basis points movement)	23.32	23.29	21.13	20.66

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.

Since the contributions made by the Company exceed the provision for gratuity, no liability has been recognised.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

46 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
Legacy Global Projects Limited	18%	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 2018	As at 31 March 2017
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	-	-
At the end of the year	1.00	1.00
Embassy Property Developments Private Limited		
At the commencement of the year	350.00	190.00
Add: given during the year	-	160.00
Less: repaid during the year	-	-
At the end of the year	350.00	350.00
Legacy Global Projects Limited		
At the commencement of the year	-	52.50
Add: given during the year	-	-
Less: repaid during the year	-	(52.50)
At the end of the year	-	-
Thrishul Developers		
At the commencement of the year	30.00	30.00
Add: given during the year	-	-
Less: repaid during the year	-	-
Less: Provision created during the year	(30.00)	-
At the end of the year	-	30.00
Marickar Plantation Private Limited		
At the commencement of the year	7.00	8.00
Add: given during the year	-	-
Less: repaid during the year	-	(1.00)
Less: Provision created during the year	(7.00)	
At the end of the year	-	7.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

47 Restatement of comparative period

The Compny had erroneously classified certain balance sheet and income statement captions which has been corrected during the year as follows.

1. Consolidated statement of financial position *Rs in million*

Particulars	Amount		
	Impact of correction of error		
	As previously reported	Adjustments	As restated
As at 1 April 2016			
Loans	10.69	0.33	11.02
Total Assets	**10.69**	**0.33**	**11.02**
Advance received from customers (other current liability)	8.15	(0.15)	8.00
Other current financial liabilities	123.12	(9.53)	113.59
Short-term provision	-	5.52	5.52
Current-tax liability	-	12.12	12.12
Total Liabilities	**131.27**	**7.96**	**139.23**
As at 31 March 2017			
Loans	12.74	4.24	16.98
Total Assets	**12.74**	**4.24**	**16.98**
Borrowings	400.00	(15.60)	384.40
Advance received from customers (other current liability)	-	15.38	15.38
Other current financial liabilities	88.64	23.84	112.48
Short-term provision	-	7.50	7.50
Current-tax liability	-	12.12	12.12
Total Liabilities	**488.64**	**43.23**	**531.87**

2. Statement of profit and loss *Rs in million*

Particulars	Amount		
	Impact of correction of error		
	As previously reported	Adjustments	As restated
For the year ended 31 March 2017			
Revenue from operations	562.48	118.79	681.27
Other income	238.93	(129.20)	109.73
Other expenses	105.60	(10.41)	95.19

The below reclassification does not have any impact on the basic or diluted earnings per share and no impact on the total operating, investing or financing cash flows for the years ended

48 Specified Bank Note

During the previous year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated 31 March 2017. The details of SBNs held and transacted during the period from 8 November 2016 to 30 December 2016, the denominationwise SBNs and other notes as per the notification are as follows :

Particulars	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	1.14	0.07	1.20
Add: Permitted receipts	-	5.83	5.83
Less: Amount deposited in banks	(1.01)	(4.23)	(5.23)
Less: Cash payments	(0.13)	(1.46)	(1.59)
	-	**0.21**	**0.21**

For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

No similar disclosure has been given for the year ended 31 March 2018 as it is not applicable.

49	**Disposal group held for sale** In Febraury 2018, management has committed to sell buildings of the Company 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 by June 2018.
A.	**Impairment losses relating to the disposal group** There is no impairment loss of the disposal group 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 2018, the disposal group was stated at lower of its carrying amount and its fair value less costs to sell.

Rs in millions

Particulars	Amount
Building	14.84
Less: Accumulated depreciation	(1.76)
Assets held for sale	**13.08**

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.

50 Details of non-current investments purchased and sold during the year *Rs in million*

Particulars	As at 31 March 2017	Change in fair value	Purchase/ sale of investment	As at 31 March 2018
Unquoted				
- Subsidiaries:				
29,988 equity shares of Airport Golf View Hotels and Suites Private Limited (31 March 2016: 29,988 shares) (1 April 2015: 29,988 shares)	74.50	-	-	74.50
	74.50	**-**	**-**	**74.50**
Equity investments at fair value through other comprehensive income (fully paid-up)*				
Quoted				
11,379 equity shares of Sobha developers (31 March 2017: 11,379 shares)	3.93	-	(4.75)	-
10,000 equity shares of Global Offshore (31 March 2017: 10,000 shares)	0.44	(0.72)	-	0.28
22,699 equity shares of Puravankara Limited (31 March 2017: 22,699 shares)	1.57	(4.85)	-	3.28
4,000 equity shares of Cipla Limited (31 March 2017: 4,000 shares)	2.96	(5.36)	-	2.40
	8.90	**(10.93)**	**(4.75)**	**5.96**

51	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.

As per our report of even date attached

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

Aravind Maiya
Partner (Membership No. 217433)

Bengaluru
23 May 2018

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

M S Reddy
Executive Director &
Company Secretary

C.B. Pardhanani
Chairman

Pranesha K Rao
Chief Financial Officer

P B Appiah
Director
DIN: 00215646

Bengaluru
23 May 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MAC CHARLES (INDIA) LIMITED

Report on the Audit of Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mac Charles (India) Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit (including 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 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 the Group 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's 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 ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the 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 Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other matters

a) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 36.95 million as at 31 March 2018, total revenues of Rs. 52.28 million and net cash inflows amounting to Rs. 0.19 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor 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 the subsidiary and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

b) The comparative financial information of the Group for the year ended 31 March 2017 and restated opening balance sheet as at 1 April 2016 included in these consolidated financial statements, are based on the previously issued statutory financial statements, audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 8 August 2017 and 3 August 2016 respectively expressed an unmodified opinion on those consolidated financial statement.

Our opinion above 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 auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and other financial information of the subsidiary 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 auditor;

   (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity 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 Accounting Standards 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 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 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 company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

   (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary as noted in the 'Other matters' paragraph:

      i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - refer note 41 to the consolidated financial statements;

      ii. the Group 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 to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended 31 March 2018 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

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

Aravind Maiya
Partner
Membership number: 217433

Bengaluru
23 May 2018

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Mac Charles (India) Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") as of and for the year 31 March 2018, we have audited the internal financial controls with reference to financial statements of Mac Charles (India) Limited ("the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control 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 ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 was 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 system 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 internal financial controls over financial reporting, 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 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 auditor of the subsidiary company incorporated in India, in terms of their report 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control over financial reporting 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 control with reference to 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 consolidated 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to a subsidiary company incorporated in India, is based solely on the report of the auditor of such subsidiary company incorporated in India.

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

Aravind Maiya
Partner
Membership number: 217433

Bengaluru
23 May 2018

CONSOLIDATED BALANCE SHEET BALANCE SHEET AS AT MARCH 31, 2018

Rs in millions

	Note	As at 31 March 2018	As at 31 March 2017 *Restated	As at 1 April 2016 *Restated
ASSETS				
Non-current assets				
Property, plant and equipment	4	771.08	829.41	859.93
Capital work-in-progress	4	-	0.81	0.81
Investment property	5	861.00	876.60	892.20
Goodwill	6	71.94	71.94	71.94
Other intangible assets	7	0.08	0.02	0.05
Financial assets				
- Investments	8	55.73	68.80	73.78
- Loans	9	11.66	11.55	10.69
- Other financial assets	10	20.92	-	-
Income-tax assets, net	11	31.29	21.55	5.55
Other non-current assets	12	1,914.08	1,099.80	97.03
Total non-current assets		**3,737.78**	**2,980.48**	**2,011.98**
Current assets				
Inventories	13	11.35	11.45	12.85
Financial assets				
- Investments	14	214.74	70.00	467.26
- Trade receivables	15	51.72	45.03	46.39
- Cash and cash equivalents	16	68.46	39.64	45.72
- Bank balances other than cash and cash equivalents	17	1.00	1.00	1.00
- Loans	18	351.24	404.98	292.52
- Other financial assets	19	16.97	4.50	16.85
Other current assets	20	13.04	15.41	4.80
Assets held for sale	52	13.08	-	-
Total current assets		**741.60**	**592.01**	**887.39**
Total assets		**4,479.38**	**3,572.49**	**2,899.37**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	21	131.04	131.04	131.04
Other equity	22	2,795.82	2,731.93	2,442.93
Total equity		**2,926.86**	**2,862.97**	**2,573.97**
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	23	1,226.91	384.40	-
- Other financial liabilities	24	43.79	39.18	33.50
Non-current provisions	25	-	8.07	4.98
Deferred tax liabilities (net)	26	64.90	91.21	105.97
Other non current liabilities	27	-	5.06	9.76
Total non-current liabilities		**1,335.60**	**527.92**	**154.21**
Current liabilities				
Financial liabilities				
- Trade payables	28	29.02	28.04	17.62
- Other financial liabilities	29	129.64	112.47	113.59
Current provisions	30	9.55	7.50	5.52
Other current liabilities	31	34.61	21.47	22.34
Current tax liabilities, net	32	14.10	12.12	12.12
Total current liabilities		**216.92**	**181.60**	**171.19**
Total equity and liabilities		**4,479.38**	**3,572.49**	**2,899.37**
* Refer note 50				
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

Aravind Maiya
Partner (Membership No. 217433)

Bengaluru
23 May 2018

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

M S Reddy
Executive Director &
Company Secretary

C.B. Pardhanani
Chairman

Pranesha K Rao
Chief Financial Officer

P B Appiah
Director
DIN: 00215646

Bengaluru
23 May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Rs in millions

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017 *Restated
Income			
Revenue from operations	33	781.73	717.04
Other income	34	106.47	108.31
Total income		**888.20**	**825.35**
Expenses			
Cost of materials consumed	35	91.27	80.92
Maintenance and upkeep services	36	68.45	57.31
Employee benefits expense	37	161.07	134.05
Finance costs	38	62.97	6.71
Depreciation and amortization expense	39	54.41	52.77
Other expenses	40	150.25	104.73
Total expenses		**588.42**	**436.48**
Profit before tax		**299.78**	**388.87**
Tax expense:			
- Current tax	41	(109.52)	(110.22)
- Deferred tax	41	27.76	14.64
Profit for the year		**218.02**	**293.29**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit liability/(asset)		1.18	(0.82)
Equity instruments through Other Comprehensive Income - net changes in fair value		2.99	(3.59)
		4.17	**(4.41)**
Income tax relating to items that will not be reclassified subsequent to profit or loss		**(1.44)**	0.12
Other comprehensive income for the period, net of income taxes		**2.73**	**(4.29)**
Total comprehensive income for the year		**220.75**	**289.01**
Earnings per equity share:			
- Basic (Rs.)	22.2	16.64	22.38
- Diluted (Rs.)	22.2	16.64	22.38
* Refer note 50			
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

Aravind Maiya
Partner (Membership No. 217433)

Bengaluru
23 May 2018

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

M S Reddy
Executive Director &
Company Secretary

C.B. Pardhanani
Chairman

Pranesha K Rao
Chief Financial Officer

P B Appiah
Director
DIN: 00215646

Bengaluru
23 May 2018

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

Rs in millions

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017 *Restated
Cash flows from operating activities		
Profit before tax	299.78	388.87
Adjustments:		
- Interest income (including fair value change in financial instruments)	(69.14)	(91.41)
- Dividend income	(0.06)	(0.05)
- Loss on sale of investments	(7.29)	1.88
- Profit on sale of Fixed Assets	(15.22)	-
- Fair value changes in financial assets measured at fair value through statement of profit and loss	0.01	-
- Interest expense (including fair value change in financial instruments)	62.97	1.45
- Depreciation and amortization	54.41	52.77
Operating cash flow before working capital changes	325.46	353.50
Working capital adjustments:		
- Trade receivables	(6.69)	8.73
- Inventories	0.10	1.40
- Trade payables	0.98	9.39
- Current and non-current financial assets	41.16	(6.06)
- Other current and non-current assets	2.37	(17.40)
- Current and non-current financial liabilities	20.67	(2.09)
- Provision	(6.02)	
- Other current and non-current liabilities	8.08	(10.67)
Cash generated from operating activities	386.11	336.80
Income taxes paid	(107.54)	(125.92)
Net cash flows from generated operating activities [A]	**278.57**	**210.88**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(831.85)	(1,002.77)
Purchase of Investments	(138.79)	-
Proceeds from sale of property, plant and equipment	39.29	6.65
Proceeds from sale of investments	12.33	388.48
Investments in fixed deposits	(20.92)	-
Loan advanced to companies	-	(93.81)
Interest received	69.14	91.41
Dividend received	0.06	0.05
Net cash flows used in investing activities [B]	**(870.74)**	**(609.99)**
Cash flows from financing activities		
Dividend paid	(157.68)	(5.52)
Proceeds from borrowings	1,244.65	400.00
Repayment of borrowings	(403.24)	-
Interest paid	(62.74)	(1.45)
Net cash flows generated from financing activities [C]	**620.99**	**393.03**
Net increase/ (decrease) in cash and cash equivalents [A+B+C]	28.82	(6.08)
Cash and cash equivalents at the beginning of the year	39.64	45.72
Cash and cash equivalents at the end of the year	**68.46**	**39.64**
Components of cash and cash equivalents (refer note 16)		
Balances with banks		
- in current accounts	67.63	38.85
- on term deposits	-	0.02
Cash in hand	0.83	0.77
Total cash and cash equivalents	**68.46**	**39.64**

*Refer note 50

The disclosure on Reconciliation of movements of liabilities to cash flows arising from financing activities is disclosed in note 23.

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

Aravind Maiya
Partner (Membership No. 217433)

Bengaluru
23 May 2018

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

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Executive Director &
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Pranesha K Rao
Chief Financial Officer

P B Appiah
Director
DIN: 00215646

Bengaluru
23 May 2018

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 2016	131.04
	Changes in equity share capital during the year 2016-17	-
	Balance as at 31 March 2017	**131.04**
	Changes in equity share capital during the year 2017-18	-
	Balance as at 31 March 2018	**131.04**

b Other Equity

For the year ended 31 March 2018

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 2017	2,214.77	521.28	(4.12)	2,731.93
Profit during the year	-	218.02	1.96	219.98
Other comprehensive income for the year		0.77	-	0.77
Dividend expense	-	(131.01)	-	(131.01)
Corporate dividend tax	-	(26.67)	-	(26.67)
Realised profits of equity instruments measured at FVOCI	-	-	0.82	0.82
Balance as at 31 March 2018	**2,214.77**	**582.38**	**(1.34)**	**2,795.82**

For the year ended 31 March 2017

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 2016	2,164.77	278.53	(0.37)	2,442.93
Profit during the year	-	293.29	-	293.29
Other comprehensive income for the year	-	(0.54)	(3.75)	(4.29)
Transfer to general reserve	50.00	(50.00)	-	-
Balance as at 31 March 2017	**2,214.77**	**521.28**	**(4.12)**	**2,731.93**

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

Aravind Maiya
Partner (Membership No. 217433)

Bengaluru
23 May 2018

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

M S Reddy
Executive Director &
Company Secretary

C.B. Pardhanani
Chairman

Pranesha K Rao
Chief Financial Officer

P B Appiah
Director
DIN: 00215646

Bengaluru
23 May 2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1 Background

Mac Charles (India) Limited ('the Company'), together with its subsidiary, Airport Golf View Hotels & Suites Pvt. Ltd., engages in the hotel business in India (together to be referred as 'the Group'). The Group operates Le Meridien, a five star hotel with 197 rooms and suites in Bengaluru, India; and a three star hotel in Kochi, India. It is also involved in the generation of electricity through wind turbine generators. The Group was incorporated in 1979 and is based in Bengaluru, India.

List of subsidiaries with percentage holding –

Subsidiary	Country of incorporation and other particulars	Percentage of holding (%)
Airport Golfview Hotels and Suites Private Limited	a subsidiary of the Group 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.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 23 May 2018.

Details of the Group's accounting policies are included in note 3.

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 rupee (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.
Assets held for sale	Fair value less cost to sell

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 included in the following notes:

a) Note 44 – lease classification

b) Note 49 - consolidation

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 2018 is included in the following notes:

- Note 4 and 5 - Depreciation and amortisation method and useful life of items of property, plant and equipment and Investment property;
- Note 30 and 47– measurement of defined benefit obligations: key actuarial assumptions;
- Notes 42 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 46 – impairment of financial assets,
- Note 52 - 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.

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. Fair value related disclosures are given in note 46 (financials instruments) and note 5 (investment property).

3 Significant accounting polices

3.1 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.

3.1 Property, plant and equipment and other intangible assets (other than goodwill) (continued)

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	Useful life as per Schedule II
Plant and machinery	30 – 60 years	30 – 60 years
Plant and machinery - Wind turbines	Lease term or estimated useful life, whichever is lower	Lease term or estimated useful life, whichever is lower
Office equipment	15 years	15 years
Furniture and fixtures	22 years	22 years
Computers	5 years	5 years
Vehicles	10 years	10 years
Computers	3 years	3 years
Vehicles	8 years	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).

3.2 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.

3.3 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.

3.4 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 Company 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.

3.5 Impairment of assets

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI 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.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

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 30 days past due.

The Group considers a financial asset to be in default when:

- 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
- the financial asset is 365 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probabilityweighted 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.

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 writeoff. 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.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and 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 the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. 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 extent 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 had been recognised.

3.6 **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.

3.7 **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.

3.8 **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, inclusive of excise duty and net of taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue from different sources is recognised as below:

- Room revenue:

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations. Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

- 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.

3.9 **Leases**

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets. Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's balance sheet.

Lease payments

Payments made under operating leases are generally recognised in profit or loss on actual basis over the term of the lease since the lease payments are in line with the general inflation rate. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease income

Lease income from operating leases where the Group is a lessor is recognised in income on actual basis over the lease term since the lease receipts are in line with the general inflation rate. The respective leased assets are included in the balance sheet based on their nature.

3.10 Financials instruments

Financial assets

a). 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.

b) Classification and subsequent measurement

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.

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.

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).

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.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. The Group doesnot have any liabilities measured at FVTPL. 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.

c) Derecognition

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.

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.

3.10 **Financial liabilities**

a) 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.

b) 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.

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**

a) 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.

b) 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 Company 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 Company makes annual contributions to Life Insurance Corporation. 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.

c) 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.

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.

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**

i. 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 **Recent accounting pronouncements**

Notification of 'Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly. The Group has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its standalone financial statements. The quantitative impact of adoption of Ind AS 115 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

The Group plans to apply Ind AS 115 using the cumulative effect method , with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Group will not present relevant individual line items appearing under comparative period presentation.

Amendment to Ind AS 21 The Effects of Changes in Foreign Exchange Rates

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21.

- Appendix B to Ind AS 21 applies when:
  a. Pays or receives consideration denominated or priced in a foreign currency and
  b. Recognises a non-monetary prepayment asset or deferred income liability – e.g. non-refundable advance consideration before recognising the related item at a later date.
- Date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.
- If there are multiple payments or receipts in advance, the entity should determine a date of the transaction for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Group has foreign currency transactions which requires accounting in line with the provisions of Ind AS 21. The Group has evaluated the effect of this amendment on the financial statements and the impact is not material.

Amendment to Ind AS 40 Investment Property

MCA through a notification dated 28 March 2018 issued certain amendments to Ind AS 40.

'The amendment lays down the principle regarding when a Group should transfer an asset to, or from, an investment property.

1) A transfer is made when and only when:
   a. There is an actual change of use i.e. an asset meets or ceases to meet the definition of investment property.
   b. There is evidence of the change in use.
2) In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

The amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on the consolidated financial statements and the impact is not material.

Amendment to Ind AS 12 Income tax

MCA through a notification dated 28 March 2018 issued certain amendments to Ind AS 40.

- Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference. This applies irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, i.e. continuing to hold it, or whether it is probable that the issuer will pay all the contractual cash flows.
- The amendment explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilisation are two separate steps.
- Carrying amount of an asset is relevant only to determining temporary differences. It does not limit the estimation of probable future taxable profit.

The amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on the consolidated financial statements and the impact is not material.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

4 Property, plant and equipment and capital work-in-progress *Rs in millions*

	Land	Buildings	Plant and Machinery	Office equipment	Furniture and fixtures	Com-puters	Vehi-cles	Total	Capital work-in-progress
Balance as at 1 April 2016	342.32	90.33	423.22	0.40	32.79	2.59	2.99	**894.65**	0.81
Additions	-	-	4.55	-	0.08	2.02	-	**6.65**	-
Balance as at 31 March 2017	**342.32**	**90.33**	**427.77**	**0.40**	**32.87**	**4.61**	**2.99**	**901.30**	**0.81**
Balance as at 1 April 2017	342.32	90.33	427.77	0.40	32.87	4.61	2.99	**901.30**	0.81
Additions	-	7.60	7.26	-	0.05	0.19	2.48	**17.57**	-
Reclassification to asset held for sale	-	14.84	-	-	-	-	-	**14.84**	-
Disposals		23.91	3.21					**27.12**	(0.81)
Balance as at 31 March 2018	**342.32**	**59.18**	**431.82**	**0.40**	**32.92**	**4.80**	**5.47**	**876.91**	**-**
Accumulated depreciation									
Balance as at 1 April 2016	-	0.91	25.46	0.04	6.88	0.85	0.59	**34.73**	-
Charge for the year	-	2.43	26.20	-	7.18	0.76	0.59	**37.14**	-
Balance as at 31 March 2017	**-**	**3.34**	**51.66**	**0.04**	**14.06**	**1.61**	**1.18**	**71.89**	-
Balance as at 1 April 2017	-	3.34	51.66	0.04	14.06	1.61	1.18	**71.89**	-
Charge for the year	-	3.06	25.97	-	7.37	1.75	0.60	**38.76**	-
Transfer to assets held for sale	-	1.76	-	-	-	-	-	**1.76**	-
Disposals	-	0.89	2.16	-	-	-	-	**3.05**	-
Balance as at 31 March 2018	**-**	**3.75**	**75.47**	**0.04**	**21.43**	**3.36**	**1.78**	**105.83**	-
Carrying amount:									
As at 31 March 2018	***342.32***	***55.43***	***356.35***	***0.36***	***11.49***	***1.44***	***3.69***	***771.08***	**-**
As at 31 March 2017	***342.32***	***86.99***	***376.11***	***0.36***	***18.81***	***3.00***	***1.81***	***829.41***	***0.81***

Notes:

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

5 Investment property *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
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	(59.53)	(43.93)
Charge for the year	(15.60)	(15.60)
Deletions		-
Closing balance	**(75.13)**	**(59.53)**
Net carrying amount	**861.00**	**876.60**

Notes:

Investment property comprises 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 Group in Cessna Business Park, Bengaluru. These properties are offered as security against the term loan from bank.

i) Amounts recognised in profit and loss for investment properties

Particulars	As at 31 March 2018	As at 31 March 2017
Rental income derived from investment properties	141.83	129.20
Direct operating expenses (including repairs and maintenance) generating rental income	34.72	27.33
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	107.11	101.87
Less: Depreciation	15.60	15.60
Profit arising from investment properties before indirect expenses	**91.51**	**86.27**

ii) Fair value

Fair value hierarchy

The fair value of investment property has been determined by external, independent property valuers, 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 (Refer note 46).

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.

The Group obtains independent valuations for its investment properties at least annually.

Fair value:	**Rs in million**
As at 31 March 2017	1,979.02
As at 31 March 2018	2,390.40

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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

6 Goodwill *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Carrying amount at the beginning of the year	71.94	71.94
Carrying amount at the end of the year	**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 2018	As at 31 March 2017
Hotel operations	71.94	71.94
	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 at the assumptions mentioned below 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 valuer report of the identified hotel operates under direct comparison method (land component) and depreciation replacement cost (land improvements) as of the March 31, 2018. The estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

7 Other intangible assets *Rs in millions*

Particulars	Software
Cost (Gross carrying amount)	
Balance as at 1 April 2016	0.05
Additions	-
Deletions	-
Balance as at 31 March 2017	**0.05**
Balance as at 1 April 2017	**0.05**
Additions	0.11
Deletions	**-**
Balance as at 31 March 2018	**0.16**
Accumulated amortisation	
Balance as at 1 April 2016	-
Charge for the year	0.03
Disposals	-
Balance as at 31 March 2017	**0.03**
Balance as at 1 April 2017	**0.03**
Additions	0.05
Deletions	**-**
Balance as at 31 March 2018	**0.08**
Carrying amount (Net):	
As at 31 March 2017	***0.02***
As at 31 March 2018	***0.08***

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

8 Non-current investments *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Quoted equity shares		
- Equity investments at fair value through other comprehensive income (fully paid-up)		
Nil equity shares of Sobha Limited (31 March 2017: 13,594 shares)	-	3.93
Nil equity shares of Global Offshore Services Limited (31 March 2017: 10,000 shares)	-	0.44
Nil equity shares of Puravankara Limited (31 March 2017: 22,699 shares)	-	1.57
Nil equity shares of Cipla Limited (31 March 2017: 4,000 shares)	-	2.96
Unquoted		
Other investments at fair value through profit and loss (fully paid-up)		
Investment in venture capital funds		
Kotak Real Estate Fund	-	2.88
Pru.ICICI India Advantage Fund-III	8.77	12.25
Reliance Capital Asset Management	46.96	44.77
Total	**55.73**	**68.80**
Aggregate book value of quoted investments	-	8.90
Aggregate market value of quoted investments	-	8.90
Aggregate book value of unquoted investments	55.73	51.00
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 46.

Equity shares designated as at fair value through other comprehensive income (FVOCI)

At 1 April 2015, the Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Company intends to hold for long-term.

Rs in millions

Particulars	Fair Value as at 31 March 2016	Dividend income for 16-17	Fair Value as at 31 March 2017	Dividend income for 17-18	Fair Value as at 31 March 2018
Investment in equity shares of Sobha Limited	3.73	-	3.93	-	-
Investment in equity shares of Global Offshore Services Limited	1.83	-	0.44	-	0.28
Investment in equity shares of Puravankara Limited	1.06	-	1.57	-	3.28
Investment in equity shares of Cipla Limited	2.62	0.05	2.96	0.06	2.40
	9.24	**0.05**	**8.90**	**0.06**	**5.96**

Equity shares derecognised which was designated at fair value through other comprehensive income (FVOCI)

Rs in millions

Particulars	Fair Value as at 31 March 2017	Dividend income for 16-17	Fair Value as at the date of derecognition	Gain/ (loss) on derecognition
Investment in equity shares of Sobha Limited	3.93	-	4.75	0.82
	3.93	**-**	**4.75**	**0.82**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

9 Loans *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Unsecured, considered good		
Security deposit	11.66	11.55
	11.66	**11.55**

10 Other financial assets *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Bank deposits	20.92	-
	20.92	**-**

Fixed deposit with bank includes an amount of Rs 19.40 million (previous year: Rs Nil) which is held as debt service reserve account (DSRA).

11 Income-tax assets, net *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Advance tax, net of provision for tax	31.29	21.55
	31.29	**21.55**

12 Other non-current assets *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Capital advances		
- Advance paid for purchase of investment property (refer note below)	1,914.08	1,099.80
	1,914.08	**1,099.80**

Note:

The Company has entered into an “agreement to sale” with M/S L.J.Victoria Properties Private Limited (‘Seller’) dated 8 February 2017, which was subsequently amended on 1 June 2017, for purchase of a commercial property by name Victoria Embassy for a total consideration of Rs 1,710 million. As per the agreement, Seller was required to clear all the existing charges on the property by 31 March 2018 and complete the sale transaction failing which the Company is entitled to an interest of Rs 239.7 million. The Company has entered into an amended agreement with the Seller dated 25 January 2018 wherein the purchase consideration has been amended to Rs 2,050 million and the period for completion of the sale transaction has been extended to 31 December 2018. The advance given to the party as on 31 March 2018 is Rs 1,838.64 million (31 March 2017 : Rs 1,000.00 million)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

13 Inventories *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Raw materials	8.85	9.58
Stores and spares	2.50	1.87
	11.35	**11.45**

14 Current investments *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Investment in bonds		
Unquoted		
Measured at Fair value through profit and loss		
3.2 million units of Ultra Short Bond Fund Direct Plan of Deutsche Asset Management (31 March 2017: 3.2 million units)	208.70	70.00
Reliance Mutual Fund (ETF Liqude BGSE)	0.08	-
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 2017: 10,000 shares)	0.28	-
22,699 equity shares of Puravankara Limited (31 March 2017: 22,699 shares)	3.28	-
4,000 equity shares of Cipla Limited (31 March 2017: 4,000 shares)	2.40	-
	214.74	**70.00**
Aggregate amount of quoted investments and market value thereof	5.96	-
Aggregate amount of unquoted investments	208.78	70.00
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 46.

15 Trade receivables *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Unsecured, considered good**	51.72	45.03
Doubtful	-	-
	51.72	**45.03**

* See note 50

All trade receivables are current

Of the above, trade receivables from related parties are as follows :-

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Total trade receivables from related parties	12.24	11.84
Loss allowance	-	-
	12.24	**11.84**

For terms and conditions relating to related party receivables, refer note 45.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 46.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

16 Cash and cash equivalents *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- in current accounts*	67.63	38.85
- in deposit accounts	-	0.02
Cash on hand	0.83	0.77
	68.46	**39.64**

* includes unclaimed dividend of Rs. 30.99 million as on 31 March 2018, (31 March 2017: Rs.28.02 million)

17 Bank balances other than cash and cash equivalents *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- in fixed deposit accounts with banks	1.00	1.00
	1.00	**1.00**

18 Loans *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Unsecured, considered good		
- Inter corporate loans	351.24	404.98
Unsecured, considered doubtful		
- Inter corporate loans	37.00	-
Less: Provision for doubtful loans	(37.00)	-
	351.24	**404.98**

* See note 50

For terms and conditions relating to related party loans, refer note 45.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 46.

19 Other current financial assets *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Other receivables	16.97	4.50
	16.97	**4.50**

20 Other current assets *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Prepaid expenses	11.33	12.62
Balance with government authorities	0.06	0.06
Other advances	1.65	2.73
	13.04	**15.41**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

21 Share capital *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Authorized		
20,000,000 (31 March 2017: 20,000,000) equity shares of Rs 10 each	200.00	200.00
	200.00	**200.00**
Issued, subscribed and fully paid up		
13,103,727 (31 March 2017: 13,103,727) equity shares of Rs 10 each	131.04	131.04
	131.04	**131.04**

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below: *Rs in millions*

	As at 31 March 2018		As at 31 March 2017	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	13,103,727	131.04	13,103,727	131.04
Add: Shares issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	13,103,727	131.04	13,103,727	131.04

(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 2018		As at 31 March 2017	
	% of holding	No of shares	% of holding	No of shares
Embassy Property Developments Private Limited (Holding company)	79.77	10,450,670	79.77	10,450,670

(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 2018	As at 31 March 2017
Embassy Property Development Limited, Holding company	104.51	104.51

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

22 Other equity *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
General reserve		
At the commencement of the year	2,214.77	2,164.77
Add: Transferred from statement of profit and loss for the year	-	50.00
At the close of the year	**2,214.77**	**2,214.77**
Retained earnings		
At the commencement of the year	521.28	278.53
Add: Net profit for the year	218.02	293.29
Add: Other comprehensive income	0.77	(0.54)
Transfer to general reserve	-	(50.00)
Dividend expense	(131.01)	-
Corporate dividend tax	(26.67)	-
At the end of the year	**582.39**	**521.28**
Fair value of equity instruments		
At the commencement of the year	(4.12)	(0.37)
Add: Net fair value gain/(loss) on investments in equity instruments at FVOCI, net of tax	1.96	(3.75)
Realised profits of equity instruments measured at FVOCI	0.82	-
At the end of the year	**(1.34)**	**(4.12)**
	2,795.82	**2,731.93**

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.

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.

Fair value of equity instruments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Group transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

22.1 Capital management

For the purpose of the Group'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 Group'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 Group 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 Group's adjusted net debt to equity ratio at 31 March 2018 was as follows:

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Total liabilities	1,552.52	709.52
Less: Cash and cash equivalents	68.46	39.64
Adjusted net debt	**1,484.06**	**669.88**
Total equity	2,926.86	2,862.97
Adjusted net debt to adjusted equity ratio	**0.51**	**0.23**

22.2 Earnings per share (EPS)

Computation of earnings per share is as follows: *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit after tax for the year, attributable to equity holders	218.02	293.29

Reconciliation of basic and diluted shares used in computing earnings per share –

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	13,103,727	13,103,727
Effect of dilutive potential equity shares	-	-
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	**13,103,727**	**13,103,727**

Earnings per share: *In Rs.*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Basic	16.64	22.38
Diluted	16.64	22.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

23 Borrowings

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Secured		
From bank (Refer note A(i) below)	1,225.27	384.40
From Others (Refer note A(ii) below)	1.64	-
	1,226.91	**384.40**

* See note 50

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 46.

Notes:

A. Terms and repayment schedule

(i) From HDFC Bank Limited, amounting to Rs. 1,239.43 million (31 March 2017: Rs 400 million)

Secured by:

- Assignment of receivables by way of rent from LG Soft India Private Limited and Inmobi Technology Services Private Limited.
- Investment property is secured against the term loan from bank.
- Loan from HDFC Bank Limited carries interest rate of 31 March 2018 - MCLR plus 0.35% per annum (31 March 2017 - MCLR plus 0.35% per annum), and is repayable in 144 installments. The repayment of principal and interest commences from April 2017.
- Undrawn facility from HDFC bank limited - Rs Nil (31 March 2017 : Rs 510 million)

(ii) From Toyota Financial Services Private Limited, amounting to Rs 1.98 million (31 March 2017: Nil)

- Secured by way of hypothecation of the vehicle as first charge to the lender
- The loan carries an interest rate of 8.25% p.a (31 March 2017 - Nil per annum) fixed and loan is repayable in 60 equal installments. The repayment commenced from February 2018
- There is no undrawn facility for the loan as on reporting date.

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liability	Equity			
	Loans	Share Capital	Reserves	Retained earnings	Total
Balance as at 31 March 2017	400.00	131.04	2,210.65	521.28	3,262.97
Proceeds from borrowings	1,237.75	-	-	-	1,237.75
Transaction costs related to borrowings	6.90				6.90
Repayment of borrowings	(403.24)	-	-	-	(403.24)
Dividend paid	-		-	(157.68)	(157.68)
Total changes from financing activities	**841.41**	**-**	**-**	**(157.68)**	683.73
Other changes:-					-
Liability-related					-
Interest expense	62.74	-	-	-	62.74
Interest paid	(62.74)	-	-	-	(62.74)
Total liability related other changes	-	-	-	-	-
Total equity related other changes	-	-	2.78	218.79	221.57
Balance as at 31 March 2018	**1,241.41**	**131.04**	**2,213.43**	**582.39**	**4,168.27**

24 Other financial liabilities

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Rental deposit	43.14	38.05
Others	0.65	1.13
	43.79	**39.18**

* See note 50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

25 Non- current provisions *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Others		
Provision for donations	-	8.07
	-	**8.07**

* See note 50

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Provision for donations		
Opening balance	8.07	4.72
Provisions made during the period	-	10.28
Provisions utilised/ reversed during the period	(8.07)	(6.93)
Closing balance	**-**	**8.07**

26 Deferred tax liabilities (net) *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax liabilities		
Property, plant and equipment and investment property	81.88	95.43
Investments	2.53	-
Deferred tax assets		
Others:		
Accrued expenses on which TDS u/s 43 B of the Income tax act has not been deducted	(6.71)	(2.28)
Investments	-	(1.94)
Provision for doubtful advances	(12.80)	-
Deferred tax liabilities (net)	**64.90**	**91.21**

27 Other non current liabilities *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred rent	-	5.06
	-	**5.06**

28 Trade payables *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Dues to micro and small enterprises	-	-
Dues to other than micro and small enterprises	29.02	28.04
	29.02	**28.04**

All trade payables are ‘current’.

The Company’s exposure to currency and liquidity risks related to trade payables are disclosed in note 46.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

29 Other financial liabilities *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Current maturity of long term borrowings from banks (refer note 23)	14.16	15.60
Current maturity of finance lease obligation	0.34	-
Security deposits	43.17	42.30
Capital creditors	10.25	10.25
Accrued salaries and bonus	15.99	4.90
Unpaid/unclaimed dividends	30.99	28.02
Due to directors	0.36	2.36
Accrued expenses	11.41	7.54
Others	2.96	1.50
	129.64	**112.47**

* See note 50

30 Current provisions *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Provision for employee benefits		
- Leave Encashment	8.01	7.50
- Gratuity	1.54	-
	9.55	**7.50**

* see note 50

31 Other current liabilities *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Statutory dues	12.72	6.09
Advance from customers	20.91	15.38
Deferred rent	0.98	-
	34.61	**21.47**

* See note 50

32 Current tax liabilities, net *Rs in millions*

Particulars	As at 31 March 2018	As at 31 March 2017 (Restated)*
Income tax		
Opening balance	12.12	12.39
Provisions made during the period	109.52	110.22
Provisions utilised during the period	(107.54)	(110.49)
Closing balance	**14.10**	**12.12**

* See note 50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

33 Revenue from operations *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017 (Restated)*
Sale of services		
Income from rooms	291.80	251.08
Income from sale of food, beverages and banquets	269.31	250.89
Income from sale of electricity	76.16	83.38
Other operating revenue	2.63	2.49
Rental income	141.83	129.20
	781.73	**717.04**

* See note 50

34 Other income *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017 (Restated)*
Interest income	69.14	91.41
License fees	6.15	4.60
Fair value changes in financial assets measured at fair value through statement of profit and loss	0.01	3.12
Dividend income	0.06	0.05
Profit on sale of fixed assets	15.22	-
Profit on sale of investments	7.29	-
Liabilities written back	8.60	9.13
	106.47	**108.31**

* See note 50

35 Cost of materials consumed *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock of provisions, food and beverages consumed	9.58	11.00
Add: Purchase of provisions, food and beverages	90.54	79.50
Less: Closing stock of provisions, food and beverages consumed	8.85	9.58
Cost of provisions, food and beverages consumed	**91.27**	**80.92**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

36 Maintenance and upkeep services *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Guest accommodation and kitchen	9.85	8.64
Linen, uniforms and laundry	15.30	12.43
Repairs and maintenance of :-		
i) Building	16.22	9.65
ii) Plant and machinery	17.86	16.14
iii) Interiors, furniture, furnishings and others	0.65	1.54
Housekeeping expenses	4.91	4.66
Music, entertainment and banquet expenses	3.66	4.25
	68.45	**57.31**

37 Employee benefits expense *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	138.28	114.12
Contribution to provident and other funds	16.58	9.48
Staff welfare expenses	6.21	10.45
	161.07	**134.05**

38 Finance costs *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on financial liabilities measured at amortized cost	62.74	5.26
Other bank charges	0.23	1.45
	62.97	**6.71**

39 Depreciation and amortization expense *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipment	38.76	37.14
Depreciation on investment properties	15.60	15.60
Amortization of intangible assets	0.05	0.03
	54.41	**52.77**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

40	**Other expenses**		*Rs in millions*
	Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017 (Restated)***
	Legal, professional and consultancy charges	23.05	19.82
	Rates and taxes	22.11	16.44
	Power and fuel	16.06	17.00
	Royalty	11.34	11.37
	Corporate social responsibility	4.40	10.28
	Administrative and general expenses	0.56	0.36
	Sales commission	7.58	5.34
	Water charges	3.78	4.41
	Travelling and conveyance	4.37	4.22
	Postage, telex and telephones	4.68	3.72
	Commission to chairman and managing director	-	2.25
	Printing and stationery	2.89	2.55
	Sales and promotional expenses	1.05	2.54
	Rent	0.02	1.33
	Insurance	1.06	1.11
	Provision for doubtful advances	43.62	-
	Payment to auditors	2.21	0.73
	Director's sitting fees	0.58	0.48
	Freight and transport	0.25	0.35
	Foreign exchange loss, (net)	0.15	0.06
	Miscellaneous	0.49	0.37
		150.25	**104.73**
	* See note 50		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

41 Income tax

(a) Major components of income tax expense for the years ended 31 March 2018 and 31 March 2017: *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax:		
Current income tax charge	(109.52)	(110.22)
Deferred tax:		
Relating to origination and reversal of temporary differences	27.76	14.64
Income tax expense reported in the statement of profit or loss	**(81.76)**	**(95.58)**

(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 2018	For the year ended 31 March 2017
Equity instruments through Other Comprehensive Income - net changes in fair value	(1.03)	(0.16)
Remeasurement of defined benefit liability/ (assets)	(0.41)	0.29
Income tax charged to OCI	**(1.44)**	**0.13**

(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 2018	For the year ended 31 March 2017
Profit before tax from operations	299.78	388.87
Tax at the Indian tax rate of 34.608% (31 March 2017: 34.608%)	103.75	134.58
Effect of:		
Non-deductible expenses	(7.26)	(25.59)
Standard deduction for income from house property	(14.72)	(13.41)
Income tax expense	**81.76**	**95.58**

(d) Deferred tax

The Company does not have any unrecognised deferred tax assets or liabilities.

(e) Recognised deferred tax assets and liabilities

Movement in temporary differences *Rs in millions*

Particulars	Balance as at 31 March 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018
Property, plant and equipment	95.43	(13.55)	-	81.88
Investments	(1.94)	3.43	1.03	2.53
Accrued expenses on which TDS is not deducted	(2.28)	(4.84)	0.41	(6.71)
Provision for doubtful advances	-	(12.80)	-	(12.80)
	91.21	**(27.76)**	**1.44**	**64.90**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

42 Contingent liabilities

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Contingent liabilities:		
Claims against the Group not acknowledged as debt		
Income tax	-	32.85
Demand from BESCOM	50.68	-

a) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with authorities.

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.

43 Leases

(i) Operating lease

Leases as lessor:

The Group earns its rental income from investment property leased under operating lease which is recognized in the statement of profit and loss on a straight-line basis over the term of the lease. Total lease rental income recognised in the statement of profit and loss for the year is:

Rs in millions

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Non-cancellable	141.83	129.20
Cancellable	-	-
	141.83	**129.20**

The future minimum lease receivables under non-cancellable operating leases in aggregate are as follows:

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Not later than 1 year	128.64	120.63
Later than 1 year and not later than 5 years	460.75	246.98
More than 5 years	-	-

Leases as lessee

The Group has taken office premise under cancelable operating lease. Total rental expense under operating leases is Rs 0.02 million (previous year: Rs 1.33 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

44 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.

(i) Segment revenue: *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of services		
Hotel operations	585.10	509.06
Investment property	141.83	129.20
Electricity	76.16	83.38
Others	85.11	103.71
Total segment revenue	**888.20**	**825.35**

(ii) Segment results: *Rs in millions*

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Hotel operations	176.10	147.18
Investment property	131.82	122.17
Electricity	67.80	75.28
Others	22.14	97.00
Total segment results	**397.86**	**441.63**
Reconciling items:		
Provision for doubtful advances	(43.62)	-
Depreciation	(54.41)	(52.77)
Profit before tax as per statement of profit and loss	**299.83**	**388.86**
Income tax expense	(81.76)	(95.58)
Profit after tax as per statement of profit and loss	**218.07**	**293.28**

Geographical information

The Group has not disclosed geographical segments, because it derives all it's revenue from India.

Revenue from major and 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 2018	For the year ended 31 March 2017
Sale of services		
Hotel operations	585.10	509.06
Investment property	141.83	129.20
Electricity	76.16	83.38

Information about major customers

The Group does not derive more than 10% of it's revenues from any single customer.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

45 Related party

Related parties with whom transactions have taken place during the year

A. Holding company

Embassy Property Developments Private Limited

B. Fellow subsidiary

Vikas Telecom Private Limited

L.J Victoria Properties Private Limited

C. Key management personnel

Mr. C.B. Pardhanani

Mr. Mulki Ramakrishna Bhasker Punja

Mr. P. B. Appiah

Mr. Suresh Vaswani

Ms. Tanya Giridhar

Mr. Aditya Virwani

Mr. P. R. Ramakrishnan

D. Enterprises significantly influenced by the Company/ key managerial personnel

C. Pardhanani’s Education Trust

E. Post employment benefit entities

Mac Charles (India) Limited Employees Gratuity Fund Trust.

F. The following is a summary of related party transactions

Rs in millions

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Inter corporate loan given		
Embassy Property Development Private Limited	-	160.00
Interest income		
Embassy Property Development Private Limited	63.00	31.52
Commission paid		
Mr. C. B. Pardhanani	-	3.30
Dividend paid		
Embassy Property Developments Private Limited	104.51	-
Donation paid		
C. Pardhanani's Education Trust	-	1.05
Capital advance paid		
L.J Victoria Properties Private Limited	838.64	1,000.00
Electricity income		
Vikas Telecom Private Limited	46.05	11.84
Contribution to gratuity fund		
Mac Charles (India) Limited Employees Gratuity Fund Trust	0.40	0.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

45 Related party (continued)

G.The following is a summary of balances receivable from related parties:

Rs in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Inter-corporate loans given (Current)		
Embassy Property Developments Private Limited	350.00	350.00
Capital advances		
L.J Victoria Properties Private Limited	1,838.64	1,000.00
Trade receivables		
Vikas Telecom Private Limited	12.24	11.84
Commission payable		
Mr. C. B. Pardhanani	-	1.73

H. G. 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 2018	For the year ended 31 March 2017
Short-term employee benefits	12.72	8.10
	12.72	**8.10**

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.

I. 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
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 2018	As at 31 March 2017
Holding company		
Embassy Property Development Limited		
At the commencement of the year	350.00	190.00
Add: given during the year	-	160.00
Less: repaid during the year	-	-
At the end of the year	350.00	350.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

46 Financial instruments - fair value measurement and risk management

A Accounting classification and fair value *Rs in millions*

Particulars	Carrying value as at 31 March 2018	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortised cost:					
Non current financial assets					
- Loans	11.66	-	-	-	-
Current financial assets					
- Trade receivables	51.72	-	-	-	-
- Cash and cash equivalents	68.46	-	-	-	-
- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
- Loans	351.24	-	-	-	-
- Other current financial assets	16.97	-	-	-	-
Financial assets measured at fair value through other comprehensive income:					
Investments					
Non current	-	-	-	-	-
Current	5.96	5.96	-	-	5.96
Financial assets measured at fair value through profit and loss:					
Investments					
Non current	55.73	55.73	-	-	55.73
Current	208.78	208.78	-	-	208.78
Total	**771.52**	**270.47**	**-**	**-**	**270.47**
Financial liabilities measured at amortised cost:					
Non current financial liabilities					
- Long term borrowing	1,226.91	-	-	-	-
- Other financial liabilities	43.79	-	-	-	-
Current financial liabilities					
- Trade payables	29.02	-	-	-	-
- Other financial liabilities	129.64	-	-	-	-
Total	**1,429.36**	**-**	**-**	**-**	**-**

The Group has not disclosed the fair values for financial instruments such as other trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, loans, 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, 2018

46	Financial instruments - fair value measurement and risk management (continued)					
A	**Accounting classification and fair value (continued)**					*Rs in millions*
	Particulars	**Carrying value as at 31 March 2017**	**Fair value**			**Total**
			Level 1	**Level 2**	**Level 3**	
	Financial assets measured at amortised cost:					
	Non current financial assets					
	- Loans	11.55	-	-	-	-
	Current financial assets					
	- Trade receivables	45.03	-	-	-	-
	- Cash and cash equivalents	39.64	-	-	-	-
	- Loans	404.98	-	-	-	-
	- Bank balances other than cash and cash equivalents	1.00	-	-	-	-
	- Other current financial assets	4.50	-	-	-	-
	Financial assets measured at fair value through other comprehensive income:					
	Non current financial assets					
	- Investments	8.90	8.90	-	-	8.90
	Financial assets measured at fair value through profit and loss:					
	Investments					
	Non current	59.90	59.90	-	-	59.90
	Current	70.00	70.00	-	-	70.00
	Total	**645.50**	**138.80**	**-**	**-**	**138.80**
	Financial liabilities measured at amortised cost:					
	Non current financial liabilities					
	- Borrowings	384.40	-	-	-	-
	- Other financial liabilities	39.18	-	-	-	-
	Current financial liabilities					
	- Trade payables	28.04	-	-	-	-
	- Other financial liabilities	112.47	-	-	-	-
	Total	**564.09**	**-**	**-**	**-**	**-**
	The Group has not disclosed the fair values for financial instruments such as other trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, loans, 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, 2018

46	**Financial instruments - fair value measurement and risk management (continued)**
B	**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 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. 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.
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 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 Group's activities. The Company'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 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

46 Financial instruments - fair value measurement and risk management (continued)

C Financial risk management

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 and country in which customers operate.

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. Credit evaluations are performed on all customers requiring credit over a certain amount and there is no concentration of credit risk. 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.

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 2018		As at 31 March 2017	
	Carrying amount	Provision amount	Carrying amount	Provision amount
Less than 180 days	51.72	-	45.03	-
More than 180 days	-	-	-	-
	51.72	**-**	**45.03**	**-**

Loans and other financial asset:

Expected credit loss for loans and other financial asset 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-18	Security deposits	11.66	-	-	11.66
			Other financial asset	37.88	-	-	37.88
			Loan	388.24	-	37.00	351.24
		31-Mar-17	Security deposits	11.55	-	-	11.55
			Other financial asset	4.50	-	-	4.50
			Other loans	404.98	-	-	404.98

46 Financial instruments - fair value measurement and risk management (continued)

D 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 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 while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities, 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.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period :-

Rs in millions

Particulars	31-Mar-18	31-Mar-17
Expiring within one year:-		
Bank Loans	-	510.00

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 2018 *Rs in millions*

Particulars	Carrying amount	Total	6 months or less	6–12 months	1–2 years	More than 2 years
Borrowings	1,241.40	2,312.63	58.43	59.26	121.83	2,073.11
Other non current financial liabilities	43.79	43.79	-	-	43.79	-
Trade payables	29.02	29.02	29.02	-	-	-
Other current financial liabilities	115.14	115.14	115.14	-	-	-
	1,429.35	**2,500.58**	**202.58**	**59.26**	**165.62**	**2,073.11**

As at 31 March 2017 *Rs in millions*

Particulars	Carrying amount	Total	6 months or less	6–12 months	1–2 years	More than 2 years
Borrowings	400.00	614.69	15.28	34.88	102.43	462.10
Other non current financial liabilities	39.18	39.18	-	-	39.18	-
Trade payables	28.04	28.04	28.04	-	-	-
Other financial liabilities	96.87	96.87	96.87	-	-	-
	564.09	**778.78**	**140.19**	**34.88**	**141.61**	**462.10**

E 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.

i) 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 primarily INR.

Since the company does not have any unhedged foreign currency exposure at the year end, it is not exposed to currency risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

46 Financial instruments - fair value measurement and risk management (continued)

E Market risk (continued)

ii) 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

	31-Mar-18	31-Mar-17
Floating rate		
Borrowings	1,226.91	384.40
Current maturities of long term debt	14.50	15.60
Investments in debt based mutual funds	208.70	70.00
Term deposits under cash and cash equivalents	-	0.02
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 2018	31 March 2017	31 March 2018	31 March 2017
Increase by 50 base points	5.17	1.66	-	-
Decrease by 50 base points	(5.17)	(1.66)	-	-

iii) 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 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 2018	31 March 2017
Increase by 10% (2017: 10%)	7.69	3.33
Decrease by 10% (2017: 10%)	(7.69)	(3.33)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

47 **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 2018	As at 31 March 2017
Balance at the beginning of the year	21.47	17.82
Service cost		
- Current service cost	1.40	4.18
Interest Cost	1.51	1.27
Benefits paid	(2.46)	(0.77)
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	1.39	(1.03)
- experience adjustments	-	-
Balance at the year end	**23.31**	**21.47**

Reconciliation of the present value of plan assets

Rs. in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	22.40	21.41
Expected return on plan assets	1.63	1.54
Contributions paid into the plan	0.40	0.01
Benefits paid	(2.46)	(0.77)
Return on plan assets recognised in other comprehensive income	(0.21)	0.21
Balance at the year end	**21.76**	**22.40**

C.(i) Expense recognised in profit or loss

Rs. in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Current service cost	1.40	4.18
Interest cost	1.51	1.27
Expected return on plan assets	(1.63)	(1.54)
	1.28	**3.91**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

47 Employee benefits obligations (continued)

C. (ii) Remeasurements recognised in other comprehensive income

Rs. in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Actuarial (gain) loss on defined benefit obligation	1.39	(1.03)
Return on plan assets excluding interest income	(0.21)	0.21
	1.18	**(0.82)**

D. Plan assets

Plan assets comprise of the following:

Rs. in millions

Particulars	As at 31 March 2018	As at 31 March 2017
Investment funds	21.76	22.40
	21.76	**22.40**

E. Defined benefit obligations

(i) Actuarial assumptions

Particulars	As at 31 March 2018	As at 31 March 2017
Financial assumptions		
Discount rate	7.63%	7.31%
Future salary growth	6.00%	6.00%
Attrition rate	5.00%	5.00%
Demographic assumptions		
Withdrawal rate	5.00%	5.00%
Retirement age	58	58

At 31 March 2018, the weighted-average duration of the defined benefit obligation was 13.13 years (31 March 2017: 16.05 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.

Rs. in millions

Particulars	As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	22.16	24.59	19.61	22.34
Future salary growth (100 basis points movement)	24.58	22.15	22.27	19.64
Attrition rate (100 basis points movement)	23.32	23.29	21.13	20.66

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, 2018

48 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
Legacy Global Projects Limited	18%	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):

Rs. in millions

Particulars	As at 31 March 2018	As at 31 March 2017
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	-	-
At the end of the year	1.00	1.00
Legacy Global Projects Limited		
At the commencement of the year	-	52.50
Add: given during the year	-	-
Less: repaid during the year	-	(52.50)
At the end of the year	-	-
Thrishul Developers		
At the commencement of the year	30.00	30.00
Add: given during the year	-	-
Less: repaid during the year	-	-
Less: Provision created during the year	(30.00)	-
At the end of the year	-	30.00
Marickar Plantation Private Limited		
At the commencement of the year	7.00	8.00
Add: given during the year	-	-
Less: repaid during the year	-	(1.00)
Less: Provision created during the year	(7.00)	-
At the end of the year	-	7.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

49 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 2018 is as follows:

Rs in million

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	98.99%	2,897.30	96.61%	210.66	100.00%	2.73	96.65%	213.38
Indian subsidiary								
Airport Golf View Hotels and Suites Private Limited	1.01%	29.56	3.40%	7.40	0.00%	-	3.35%	7.40
Total	**100.00%**	**2,926.86**	**100.01%**	**218.06**	**100.00%**	**2.73**	**100.00%**	**220.78**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

50 **Restatement of comparative period**

The group had erroneously classified certain balance sheet and income statement captions which has been corrected during the year as follows.

1. Consolidated statement of financial position *Rs in million*

Particulars	Amount		
	Impact of correction of error		
	As previously reported	Adjustments	As restated
As at 1 April 2016			
Loans	10.69	0.33	11.02
Total Assets	**10.69**	**0.33**	**11.02**
Advance received from customers (other current liability)	8.15	(0.15)	8.00
Other current financial liabilities	123.12	(9.53)	113.59
Short-term provision	-	5.52	5.52
Current-tax liability	-	12.12	12.12
Total Liabilities	**131.27**	**7.94**	**139.23**
As at 31 March 2017			
Loans	12.74	4.24	16.98
Total Assets	**12.74**	**4.24**	**16.98**
Borrowings	400.00	(15.60)	384.40
Advance received from customers (other current liability)	-	15.38	15.38
Other current financial liabilities	88.64	23.84	112.48
Short-term provision	-	7.50	7.50
Current-tax liability	-	12.12	12.12
Total Liabilities	**88.64**	**43.24**	**147.48**

2. Consolidated statement of profit and loss *Rs in million*

Particulars	Amount		
	Impact of correction of error		
	As previously reported	Adjustments	As restated
For the year ended 31 March 2017			
Revenue from operations	598.25	118.79	717.04
Other income	237.51	(129.20)	108.31
Other expenses	115.14	(10.41)	104.73

The below reclassification does not have any impact on the basic or diluted earnings per share and no impact on the total operating, investing or financing cash flows for the years ended

51 **Specified Bank Note**

During the previous year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated 31 March 2017. The details of SBNs held and transacted during the period from 8 November 2016 to 30 December 2016, the denominationwise SBNs and other notes as per the notification are as follows :

Particulars	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	1.14	0.07	1.20
Add: Permitted receipts	-	5.83	5.83
Less: Amount deposited in banks	(1.01)	(4.23)	(5.23)
Less: Cash payments	(0.13)	(1.46)	(1.59)
	-	**0.21**	**0.21**

For the purposes of this note, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

No similar disclosure has been given for the year ended 31 March 2018 as it is not applicable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

52 Disposal group held for sale

In Febraury 2018, management has committed to sell buildings of the Company 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 by June 2018.

A Impairment losses relating to the disposal group

There is no impairment loss of the disposal group 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 2018, the disposal group was stated at lower of its carrying amount and its fair value less costs to sell.

Rs in millions

Particulars	Amount
Building	14.84
Less: Accumulated depreciation	(1.76)
Assets held for sale	**13.08**

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.

53 Details of non-current investments purchased and sold during the year

Particulars	As at 31 March 2017	Change in fair value	Purchase/ sale of investment	As at 31 March 2018
Equity investments at fair value through other comprehensive income (fully paid-up)*				
Quoted				
11,379 equity shares of Sobha developers (31 March 2017: 11,379 shares)	3.93	-	(4.75)	-
10,000 equity shares of Global Offshore (31 March 2017: 10,000 shares)	0.44	(0.72)	-	0.28
22,699 equity shares of Puravankara Limited (31 March 2017: 22,699 shares)	1.57	(4.85)	-	3.28
4,000 equity shares of Cipla Limited (31 March 2017: 4,000 shares)	2.96	(5.36)	-	2.40
	8.90	**(10.93)**	**(4.75)**	**5.96**

As per our report of even date attached

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

Aravind Maiya
Partner (Membership No. 217433)

Bengaluru
23 May 2018

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

M S Reddy
Executive Director &
Company Secretary

C.B. Pardhanani
Chairman

Pranesha K Rao
Chief Financial Officer

P B Appiah
Director
DIN: 00215646

Bengaluru
23 May 2018

NOTES

MAC CHARLES (INDIA) LIMITED

Corporate Identification No. (CIN): L55101KA1979PLC003620
Registered Office: No.28, Sankey Road, Bengaluru - 560 052

FORM OF PROXY

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) : ______________________________

Registered address : ______________________________

E-mail Id : ______________________________

Folio No/ Client Id : ______________________________

DP ID : ______________________________

I/We, being the member (s) of ………………….. shares of Mac Charles (India) Limited, hereby appoint

1. .... of..................................having email id:..or failing him

2. .... of..................................having email id:..or failing him

3. .... of..................................having email id:..

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty-Eighth Annual General Meeting of the company to be held at Hotel Le Meridien, No.28, Sankey Road, Bengaluru-560052, on Monday the 30th July, 2018 and at any adjournment thereof in respect of such resolutions as indicated below:

Ordinary Business		Optional*	
Resolution No	Business	For	against
1	To receive, consider and adopt Audited Standalone Financial Statements of the Company for the financial year ended 31 March, 2018, the Reports of Board of Directors and Auditors thereon.		
2	To receive, consider and adopt Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2018, the Reports of Board of Directors and Auditors thereon.		
3	To declare dividend on equity shares for the financial year ended 31 March 2018.		
4	To appoint a Director in place of Mr. P.R. Ramakrishnan (DIN 00055416), who retires by rotation and being eligible, offers himself for re-appointment.		
5	Appointment of Mr. Suresh Vaswani as on Independent Director		

Affix Revenue Stamp

Signed this…… day of July 2018

Signature of shareholder	
Signature of First Proxy holder	
Signature of Second Proxy holder	
Signature of Third Proxy holder	

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and notes, please refer to the notice of 38th Annual General Meeting.
3. *It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the "For' or "Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

MAC CHARLES (INDIA) LIMITED

Corporate Identification No. (CIN): L55101KA1979PLC003620

Registered Office: No.28, Sankey Road, Bengaluru - 560 052

ATTENDANCE SLIP

Name and Address of the Shareholder : ______________________________

Name(s) of the Joint Shareholder(s) if any : ______________________________

Registered Folio No. / DP ID No. & Client ID : ______________________________

Number of Shares held : ______________________________

Name of the Proxy/Representative, if any : ______________________________

I/We hereby record my/our presence at the 38th Annual General Meeting of the Company held at Hotel Le Meridien, 28, Sankey Road, Bengaluru-560052 at 11:30 a.m.

______________________________ --------------------------------------

Name of the member/proxy Signature of the member/proxy

Note: Please bring the attendance slip to the meeting hall and hand it over at the entrance of the hall.

ELECTRONIC VOTING PARTICULARS		
EVEN (E-Voting Event Number)	**USER ID**	**PASSWORD/PIN**

Note: Please read the instructions given in the Notice of the 38th Annual General Meeting of the company, carefully before voting electronically.

MAC CHARLES (INDIA) LIMITED

Corporate Identification No. (CIN): L55101KA1979PLC003620
Registered Office: No.28, Sankey Road, Bengaluru - 560 052

POSTAL BALLOT FORM

Serial No. :

1. Name and Registered address of the Sole/ First Joint Shareholder :
2. Name(s) of Joint holder(s), if any :
3. Registered Folio No. / DP ID No. / Client ID No.* :
   (*Applicable to investors holding shares in dematerialised form) :
4. Number of Equity Shares held :

I/We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot for Resolutions as stated in the Notice of the 38th Annual General Meeting of the Company, by sending my/our Assent (For) or Dissent (Against) to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Resolution No.	Description	Nature of Resolution	No of shares held	I/We assent to the Resolution	I/We dissent to the Resolution
5	Appointment of Mr. Suresh Vaswani as on Independent Director	Ordinary			

Place:
Date:

Signature of the Sole / First Joint Holder

ELECTRONIC VOTING PARTICULARS		
EVENT (E-Voting Event Number)	USER ID	PASSWORD/PIN

Note:

1. Please read the instructions printed overleaf before filling this form and for e-voting, please refer instructions under Note No.11 in the Postal Ballot Notice sent herewith.
2. Last date of receipt of Postal Ballot forms by the Scrutinizer is 28.07.2018

INSTRUCTIONS

1) A member desiring to exercise vote by Postal Ballot shall complete this Postal Ballot Form and send it duly and properly sealed to the Scrutinizer in the self-addressed business reply envelope sent herewith. However, envelopes containing Postal Ballot form, if sent by courier or by registered post/speed post at the expense of the member will also be accepted. Members are requested to convey their assent or dissent in this postal Ballot form only. Assent or dissent received in any other form or manner shall be considered as invalid.

2) This Form should be completed and signed by the member (as per the specimen signature registered with the Company / Depository Participant(s)). In case of Joint holding, this form should be completed and signed by the first named member and in his absence, by the next named Member.

3) Duly completed Postal Ballot form should reach the scrutinizer not later than 11:30 am IST on 28.07.2018. All Postal Ballot forms received after this date will be strictly treated as if reply from such member(s) has not been received.

4) There will be only one Postal Ballot Form for every Folio/ DP ID_Client ID No. irrespective of the number of Joint Member(s). On receipt of the duplicate Postal Ballot Form, the original will be rejected.

5) In case of shares held by Corporate/ Institutional members (i.e. other than individuals, HUF, NRI etc.) the duly completed Postal Ballot Form should be accompanied by a certified copy of Board Resolution / Authority Letter preferably with attested specimen signatures of the duly authorised signatories.

6) Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed business reply envelope, as all such envelopes will be sent to the scrutinizer and any extraneous paper found in such envelope would be destroyed by the scrutinizer.

7) Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected. The scrutinizer's decision on the validity of a Postal will be final and binding.

8) Additionally, please note that the Postal Ballot Forms shall be considered invalid if:

   a. A form other than one issued by the Company has been used;

   b. It is not possible to determine without any doubt the assent or dissent of the member;

   c. Neither assent or dissent is mentioned;

   d. Any competent authority has given directions in writing to the Company to freeze the voting rights of the Member;

   e. It is defaced or mutilated in such a way that its identity as genuine form cannot be established;

   f. The member has made any amendment to the Resolution or imposed any condition while exercising his vote.

9) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member(s) on 20.07.2018 (cut off date).

10) Voting by Postal Ballot or through e-voting may be exercised by the Members or its duly constituted attorney. Exercise of vote by Postal Ballot through Proxy is not permitted.

11) The Company is pleased to offer e-voting facility as an alternate, for all the Members of the Company to enable them to cast their votes electronically instead of returning duly filled-up Postal Ballot Form. E-voting is optional. The detailed procedure for e-voting is enumerated in notes No. (xii) in the Notice of the 38th Annual General Meeting of the Company.

By the order of the Board

Bengaluru
23, May 2018

M.S. REDDY
Company Secretary

FORM FOR REGISTERING E-MAIL ID

To

FOR SHARES HELD IN PHYSICAL MODE MODE

Please complete this form and send it to:

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

SHAREHOLDERS HOLDING SHARES IN DEMAT

Please inform your respective Depository Participant

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 :

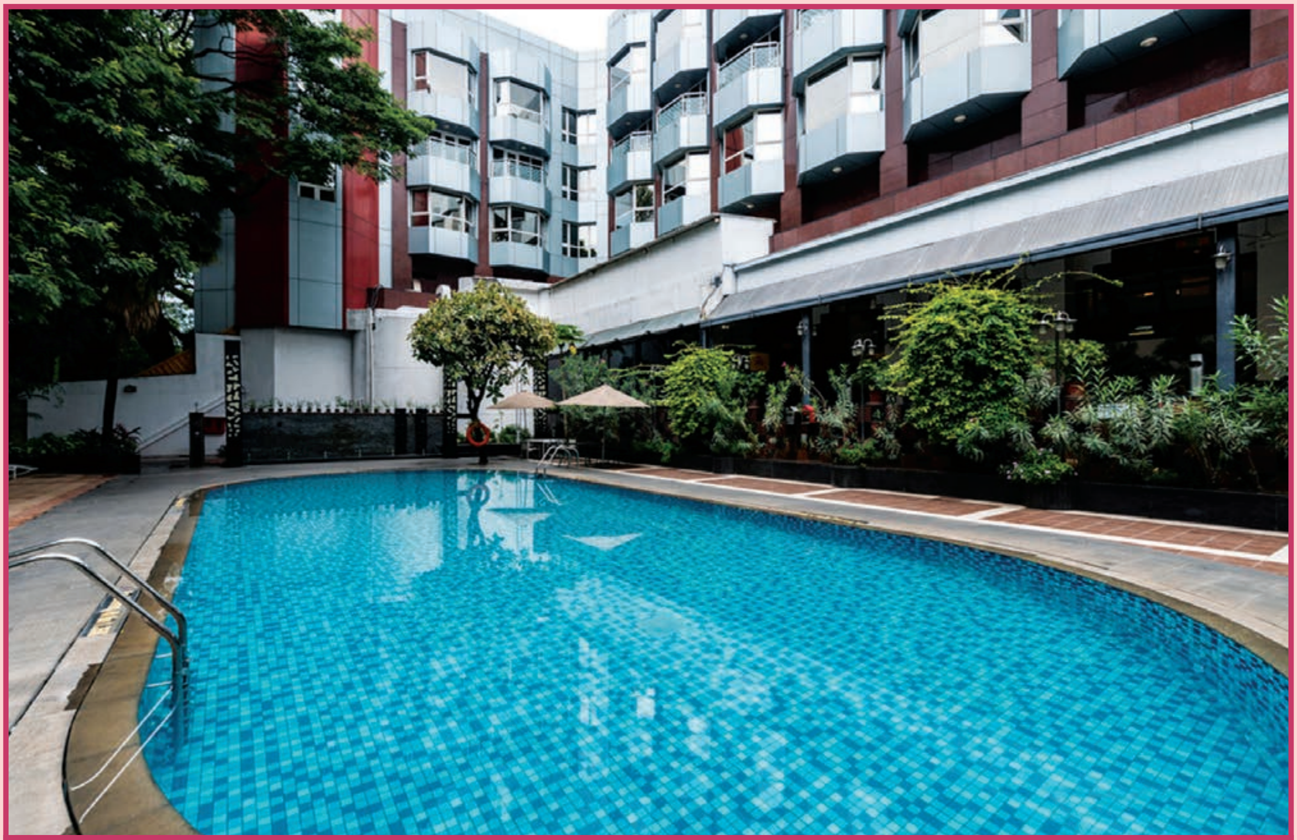
....

Signature of the 1st registered holder as per
the specimen signature with the company

Name :

Place :

Date :



POOL SIDE

RESTAURANT

AIRPORT GOLF VIEW HOTELS & SUITES COCHIN