



MAC Corporate House, First Floor, Behind Hotel Miramar, Nomoxim, P.O. Caranzalem 403002 Goa.  
Tel: 0832 2464299 Email: mac.hotels.limited@gmail.com Website: www.machotels.net  
CIN: U55101GA1990PLC001100

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Date: 13/09/2019

To,  
The Secretary  
**BSE Limited,**  
Corporate Relationship Dept.,  
P.J. Towers, Dalal Street,  
Mumbai - 400 001.

**BSE Scrip Code: 541973**

**Sub: Submission Of Annual Report Of 29<sup>th</sup> Annual General Meeting For The FY 2018-19 Held On 26<sup>th</sup> August, 2019- Regulation 34 Of The SEBI (Listing Obligations And Disclosure Requirements), Regulations, 2015**

Dear Sir,

In pursuance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the 29<sup>th</sup> Annual General Meeting for the FY 2018-19 held on 26<sup>th</sup> August, 2019 at Dina Banquet Hall, Hotel Miramar, Near Kamat Kinara, Caranzalem Goa-403002.

**For, MAC HOTELS LIMITED**

**EDGAR M. R. COTTA**  
**MANAGING DIRECTOR**  
**DIN: 00124357**



# MAC HOTELS LIMITED



## PASSION TO PERFORM

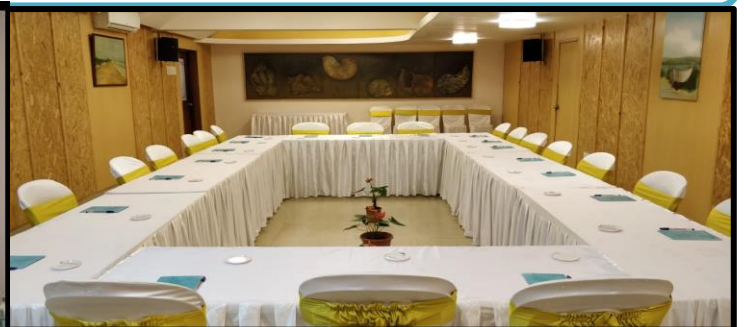
29th ANNUAL REPORT 2018-19



# OUR PROPERTIES



# OUR BANQUET HALLS



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Edgar Maximiano Do Rosario Cotta  
Edwin Eustaquio Do Rosario Cotta  
Ingrid Cotta  
Blaise Lawrence Costabir  
Ephrem Frederick Mendanha

### **STATUTORY AUDITORS:**

**M/s Milind Kulkarni & Associates**  
Chartered Accountants  
Firm Registration No: 120997W  
Membership No: 109025

### **Company Secretary**

Priyanka Sen  
First Floor, Beach Plaza (Annexee),  
Nomxin, Caranzalem, Ilhas, Panaji –  
403 001, Goa, India

### **Bankers**

Citizen Credit Co –Operative Bank  
Limited  
SVC Co – Operative Bank Limited  
Bank of India

### **Registered Office**

Mac Corporate House  
First Floor, Beach Plaza (Annexee),  
Nomxin, Caranzalem,  
Ilhas, Panaji – 403 001, Goa, India  
Tel: + 91-0832-2464299

### **SECRETARIAL AUDITORS:**

**M/s Jaymin Modi & Co.**  
Company Secretaries  
A/302, Om Mahavir CHSL, Behind  
Naresh Steel, Navghar Cross S.V.  
Road,  
Bhayander (East), Thane – 401105.

### **REGISTRAR & TRANSFER AGENT:**

### **BIGSHARE SERVICES PRIVATE LIMITED**

1st Floor, Bharat Tin Works  
Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri  
East, Mumbai – 400 059  
Tel: +91 22 62638200 Fax: +91 22  
62638299  
Email: ipo@bigshareonline.com  
SEBI Registration Number:  
INR000001385

### **INTERNAL AUDITORS:**

**M/S Dilraj Kalangutkar & Co,**  
Chartered Accountants  
Goa

### **COMMITTEES OF THE BOARD**

Audit Committee  
Nomination & Remuneration  
Committee  
Stakeholders Relationship  
Committee



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## CHAIRMAN'S STATEMENT

The travel and tourism industry in India is one of the biggest contributors to India GDP and hence is critical in supporting the India growth story. The global travel and tourism industry posted a strong performance in the financial year growing at 4.6% with particularly good performance in Asia. This had a positive ripple effect on the hospitality sector in India which had been struggling with declining room occupancy and pricing.



The Indian travel and tourism industry is one of the key drivers of growth among the service sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage.

The fiscal saw demand growth at 5% continuing to outpace supply growth at 3.2% particularly due to rising purchasing power of domestic travelers, an increase in commercial development and foreign tourist arrivals, a growing airline industry and government led initiatives aimed at stimulating the sector. The Indian travel and tourism industry has been instrumental in contributing to the nation's economic growth.

Tourism and travel industry is also a potentially large employment generator besides being a significant source of foreign exchange for the country. The tourism & hospitality sector are among the top 10 sectors in India to attract the highest foreign Direct Investment.

India is growing at a tremendous space and is expected to emerge a \$ 5trillion economy by 2025. The Indian tourism and travel industry is one of the key drivers of growth among the service sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage..

The state of Goa in India is famous for its beaches and places of worship and tourism is its primary industry. Goa is known as the "Rome of the East "having an area of 3702 square km of lush green mountains, blue waters and white sands, winding rivers and picturesque villages with local flora and fauna . Goa is thus famous for tourism. It is a small state with 140 km from north to south and 65 km from east to west. Goa beaches have become the major attraction for tourists such as Agonda, Calangute, Candolim, Dona Paula etc. Goa receives the largest number of tourists from Germany, Finland, U.K, France, USA etc. The domestic tourist comes from all over India as it is a very popular tourist destination.

Tourism is generally focused on the coastal areas of Goa, with decreased tourist activity inland. Foreign tourists, mostly from Europe, arrive in Goa in winter whilst the summer and monsoon seasons see a large number of Indian tourists. Tourism is the backbone of Goa's economy.



Tourism in Goa has a positive effect on many businesses especially the hospitality sector. Goa has emerged as a leisure hotspot on the world map.

Your company aspires to emerge as one of India's fastest growing companies known for its excellence, skills and expertise in the field of hospitality and is all poised to take advantage of the growth in the Indian economy. We live in a world of continuous transformation where it is not the strongest but the most agile that will thrive. Our endeavor is to take our brands to new heights, not just in accommodations, but across our array of service offerings.

What have helped your company sustain its journey have been its strong value systems, its ability to always put the customer at the center of its strategy and a never ending desire to collaborate and learn. What also stand out are our employees who have made this possible with their strong customer focus, agile mindset and strong performance ethic. Your Company has invested in the right capabilities, at the right time and scale helping it to stay relevant to customers. With our feet firmly planted in today, we envision a bigger, brighter tomorrow.

Dreaming big is not enough. It is necessary to convert these dreams into real actionable plans and challenge oneself to seek excellence and to innovate, to continuously connect vision, strategy and execution. That is what makes a company great and go beyond mere growth.

I take this opportunity to thank our team and express our gratitude to all our stake holders for their unrelenting commitment and belief in Mac Hotels vision, thus helping us shape Mac Hotels story for the future.

My special thanks go to all my colleagues who form part of our formidable team. Without their motivation, dedication, and sterling work these results would not have been possible. While our team continues to grow, we will always strive to remain true to our core values that we treasure. We will keep paying attention to detail and delivering a unique personalized service to our esteemed clients.

A final word of thanks must also go to my colleagues on the Board, our CEO and our management teams. Our results for 2019 are very much the consequence of their hard work, perseverance and creativity. These principles are the foundation on which we celebrate a good performance in 2019 but equally important gives us the confidence to look forward to more success in the years ahead.

**Chairman**  
**Edwin E. R. Cotta**

## BOARD OF DIRECTORS



Edgar Maximiano Do Rosario Cotta  
**MANAGING DIRECTOR**



Ingrid Cotta  
**NON-EXECUTIVE DIRECTOR**



Edwin E. R. Cotta  
**CHAIRMAN AND WHOLETIME  
DIRECTOR**



Ephrem Frederick Mendanha  
**INDEPENDENT DIRECTOR**



Blaise Lawrence Costabir  
**INDEPENDENT DIRECTOR**

## MANAGEMENT



Alfredo Menon Cotta  
**MARKETING EXECUTIVE**



Jose Schubert De Cotta  
**CHIEF FINANCIAL OFFICER**



## LISTING CEREMONY



**MAC HOTELS LIMITED**

**REGISTERED OFFICE: FIRST FLOOR BEACH PLAZA (ANNEXEE) NOMOXIN  
CARANZALEM, ILHAS GOA PANAJI – 403001**

**Website: [www.machotelslimited.com](http://www.machotelslimited.com), E-mail: [investor@machotelslimited.com](mailto:investor@machotelslimited.com) Tel:  
0832 2464299**

**(CIN: U55101GA1990PLC001100)**

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 29<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF MAC HOTELS LIMITED TO BE HELD AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT DINA BANQUET HALL, HOTEL MIRAMAR, NEAR KAMAT KINARA, CARANZALEM GOA. 403002. ON 26<sup>TH</sup> AUGUST 2019, MONDAY AT 03.00 P.M. TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019 and the Profit and Loss Account for the year ended on that date together with the Schedules thereon, along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Edgar Maximiano Do Rosario Cotta, who retires by rotation and being eligible offered himself for re-appointment.
3. To appoint a Director in place of Mr. Edwin E R Cotta, who retires by rotation and being eligible offered himself for re-appointment.
4. To Consider The Appointment Of CA Neeru Agnihotri , Chartered Accountants as Statutory Auditors of the Company and fix their Remuneration

**“RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules, circulars, notifications made/issued there under, including any amendments, modification, variation or re-enactment thereof, the appointment of Ca Neeru Agnihotri, Chartered Accountant, bearing Firm Membership No. 098657 as the Statutory Auditors of the Company, who holds the office for a term of Five Years, from the conclusion of the Annual General Meeting to be held on 26.08.2019 till the conclusion of Annual General Meeting of the Company to be held in the year 2024 (subject to ratification of their appointment at every Annual General Meeting) and to fix their remuneration as may be agreed upon, be and is hereby ratified.”

**“RESOLVED FURTHER THAT Board of Directors of the Company,** be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them to be in the best interest of the Company

including fixation of their remuneration and reimbursement of out of pocket expenses incurred in connection hereto.”

#### **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to applicable provisions of Foreign Exchange Management Act, 1999, as amended (“FEMA”), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended up to date, the current Consolidated Foreign Direct Investment Policy Circular of 2016, the Companies Act, 2013 as amended, Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or de-notified, as the case may be and all other applicable acts, rules, regulations, provisions and guidelines (including any statutory modifications or re-enactments thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions of the Foreign Investment Promotion Board, the Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Government of India and other concerned authorities and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions or sanctions, the company wishes to acquire 70% stake in the Singapore Company Mac Global Pte.Ltd. having UEN No. 201919921H and authorized capital of Singapore Dollars 10000, by paying a sum of 70% of the paid-up Capital of the Company having registered address as 513, Anson Road International Plaza Singapore (079903), subject to the approval of Shareholders.

**RESOLVED FURTHER THAT** Mr. Edgar Maximiano Do Rosario Cotta, is hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution and also to execute any documents in this regard including being a signatory to the Bank Account which will be required to be opened in Singapore.

**RESOLVED FURTHER THAT** the Board of Directors of the Company are nominated to represent Mac Hotels Limited as a majority stake holder, subject to the approval of Shareholders.

**RESOLVED FURTHER THAT** these Special Purpose Vehicles are authorized to incorporate further subsidiaries either as LLP's or Private Limited Companies under the above to be acquired Companies, subject to the approval of Shareholders.



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

**“RESOLVED THAT** pursuant to the provisions of Section 179 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers), Rules, 2014 and such other provisions, as may be applicable, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board'), to acquire 72% stake in Mac Vacation Global LLP by paying a sum of 72% of the Capital Contribution of the Company, subject to the approval of Shareholders.

**RESOLVED FURTHER THAT** Mr. Edgar Maximiano Do Rosario Cotta, is hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution and also to execute any documents in this regard including being a signatory to the Bank Account which will be required to be opened in India.

**RESOLVED FURTHER THAT** the Board of Directors of the Company are nominated to represent Mac Hotels Limited as a majority stake holder, subject to the approval of Shareholders.

**RESOLVED FURTHER THAT** these Special Purpose Vehicles are authorized to incorporate further subsidiaries either as LLP's or Private Limited Companies under the above to be acquired Companies, subject to the approval of Shareholders.

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

**“RESOLVED THAT** a dividend at the rate of 3 percent (Viz. 0.30 paise per share having face value of Rs. 10/- each) fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2019 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2019.”

**“RESOLVED FURTHER THAT** a dividend at the rate of 3 percent i.e. 0.30 paise Per equity share capital of the company for the year ended 31st March 2019 be paid subject to the approval of the shareholders to those shareholders whose names appear on the register of members as on the date of Book Closing in proportion to the paid up value of the equity shares.”





**“RESOLVED FURTHER THAT** Board of Directors of the Company be and are hereby jointly/ severally authorised to do such things, actions and deeds as may be incidental or necessary to give effect to the payment of Final Dividend.”

**Registered Office:**

**By and on behalf of Mac Hotels Limited**

sd/-

First Floor Beach Plaza (Annexee)  
NomxinCaranzalem,Ilhas  
Goa Panaji – 403001

**Edgar Maximiano Do Rosario Cotta**  
Managing Director

**Place: Goa**

**Date: 29/07/2019**

## NOTES:

1. A Member entitled to attend and Vote at the meeting is entitled to appoint a proxy to attend and to vote instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing a proxy, in order to be effective, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of Total Paid-up Share Capital of the Company. Any member holding more than 10% of the Total paid-up capital of the company may appoint a single person as proxy and in such case, the said person shall not act as a proxy for any other person or member. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. Corporate members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
4. Members are requested to bring their admission slip along with copy of the report and accounts to Annual General Meeting.
5. Relevant documents referred to in the accompanying Notice & Explanatory Statement would be available for inspection by the members at the Registered Office of the Company on all working days, except Saturday / Sunday & Public Holidays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 20<sup>th</sup> August, 2019 to Monday, 26<sup>th</sup> August, 2019 (Both Days Inclusive) for the purpose of the Annual General Meeting.
7. Members are requested to notify immediately any changes, if any, in their registered addresses at an early date to the Registrar and Share Transfer Agent, quoting their folio numbers/client ID/ DP ID in all correspondence, so as to enable the Company to address any future communication at their correct address.
8. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting Venue.
9. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days prior to the Annual General Meeting so that the requested information can be made available at the time of the meeting.

10. Members holding shares in physical forms are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease in portfolio management. Member can contact the Company or the Company's Registrar and Transfer Agent, Bigshare Services Pvt. Ltd, for assistance in this regard. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.
11. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
12. Members holding shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.
13. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members holding shares in single name are advised, in their own interest to avail of the nomination facility by filling form 2B. Members holding shares in the dematerialized form may contact their depository Participant for recording nomination with their depository Participant for recording nomination in respect of their shares.
14. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken "Green Initiative in Corporate Governance" and allowed Companies to share documents with its shareholders through an electronic mode. Electronic copy of the Annual Report for 2019 is being sent to all the members whose Email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 is being sent in the permitted mode. Members holding shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.
15. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository participants and in respect of old shares held in physical form with the Company's Registrar & Share Transfer Agent. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Registrar & Share Transfer Agent.
16. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports & other communications through electronic mode to those members whose email IDs are registered with the Company. As per provisions of Section 20 of the Companies Act, 2013 read with Rules there under, a document may be served on any member by sending it to him/her by post or by registered post or by speed post or by

courier or by delivering at his/her office/home address or by such electronic mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to the Company from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the Company in its Annual General Meeting. For members who have not registered their email address with the Company, the service of documents will be affected by other modes of services as provided in Section 20 of the Companies Act, 2013 read with the relevant Rules there under. Printed copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Ballot Paper and Proxy Form is being sent to all members in the permitted mode.

17. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2019 will also be available on the Company's website [www.machotelslimited.com](http://www.machotelslimited.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the Company's designated email id: mail to: [investor@machotelslimited.com](mailto:investor@machotelslimited.com).
18. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
19. In terms of relevant provisions of SEBI (LODR) 2015, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with assent (for) or dissent (against) and send it to Mr. Jaymin Modi, Scrutinizer, A/302, Om Mahavir CHSL, Navghar Cross, S.V Road, Bhayandar (East), Thane - 401105.
20. Members can request for a Ballot Form at Mac Hotels Limited, First Floor Beach Plaza(Annexee) NomxinCaranzalem, Ilhas Goa Panaji - 403001, Tel No: 0832-2464299, Email Id:- [investor@machotelslimited.com](mailto:investor@machotelslimited.com), Web Site :- [www.machotelslimited.com](http://www.machotelslimited.com)
21. E-voting: In compliance with Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and all the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).



22. The E-voting period for all items of business contained in this Notice shall commence from 23<sup>rd</sup> August, 2019, Friday at 9.00 a.m. and will end on 25<sup>th</sup> August, 2019, Sunday at 5.00 p.m. During this period equity shareholders of the Company holding shares either in physical form or in dematerialized form as on the cutoff date of 19<sup>th</sup> August, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently. The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on 19<sup>th</sup> August, 2019.
23. M/s Jaymin Modi & Co., Company Secretaries (Membership No. ACS 44248) has been appointed as the Scrutinizer to Scrutinize the E-voting process in a fair and transparent manner (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
24. The Scrutinizer shall immediately after the conclusion of voting at the meeting, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make, not later than 2 days of conclusion of the meeting and after scrutinizing such votes received shall make a Scrutinizer's report of the votes cast in favor or against or invalid votes in connection with the resolution(s) mentioned in the Notice of the Meeting and submit the same forthwith to the Chairman of the Company.
25. The Results of E-voting shall be declared at the AGM of the Company and the results along with Scrutinizer's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.
26. (A) Voting through electronic means:

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the **business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).**

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or ([www.machotelslimited.com](http://www.machotelslimited.com)).

The e-voting period commences on 23rd August, 2019, Friday at 9.00 a.m. and will end on 25th August, 2019, Sunday at 5.00 p.m. During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> August, 2019. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19<sup>th</sup> August, 2019 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or ([investor@machotelslimited.com](mailto:investor@machotelslimited.com)).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

**Step 1 : Log-in to NSDL e-Voting system**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
  - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).

- c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2 : Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail ([csjayminmodi@gmail.com](mailto:csjayminmodi@gmail.com)) to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

#### **Other information:**

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.





In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

Assuring you of our best services,

Regards,  
e-Voting support desk  
National Securities Depository Limited ([www.nsdl.co.in](http://www.nsdl.co.in))

**Registered Office:**

**By and on behalf of Mac Hotels Limited**

**sd/-**

FIRST FLOOR BEACH PLAZA (ANNEXEE)  
NOMXIN CARANZALEM, ILHAS  
GOA PANAJI - 403001

**Edgar Maximiano Do Rosario Cotta**  
Managing Director

**Place: Goa**

**Date: 29/07/2019**

## BOARD'S REPORT

Your Company's Directors are pleased to present the 29<sup>th</sup> Annual Report of the company, along with the audited Financial Statement for the year ended 31<sup>st</sup> March 2019.

Particulars	For the year ended 31 <sup>st</sup> March 2019 (Rs In Lakhs)	For the year ended 31 <sup>st</sup> March 2018 (Rs In Lakhs)
Sales	679	411
Other Income	0	5
Total Revenue	679	416
Profit before tax	202	56
Tax Expense	65	11
Profit after tax	137	45
Equity share Capital	300	300
Earnings per share	4.55	1.50

## 2. PERFORMANCE

Revenue from operations of your company increased by about 63% over the previous year to Rs 679 lakhs from Rs 416 Lakh.

Profit after tax increased by 204% to Rs 137 Lakhs over the previous year at Rs 45 lakhs .Your Company does not have any subsidiary or associate or joint venture company,

## 3. DIVIDEND

The Board of Directors of the company recommended an interim dividend of 5% (.50) paise per share for the financial year ended 31<sup>st</sup> March 2019 which was paid on 09<sup>th</sup> May 2019. The Board of Directors now recommends a final dividend of 3% which along with the interim dividend amounts to 8%. The dividend, subject to approval of members will be paid within statutory period, to those members whose names appear in the register of members, as on the date of book closure.



## EXPANSION PLANS

Your Company will now enter a new orbit and will focus on scale with speed and will adopt the leased and franchised hotel model which is an asset light model and which ensures a high return on shareholders' funds.

The company has planned an ambitious expansion plan. As on 30<sup>th</sup> September the company owned 52 rooms. On 1<sup>st</sup> October the company added another 26 rooms and as on 1<sup>st</sup> January 2019 the company added another 160 rooms taking the total number of rooms to 238. Recently the has added another 26 rooms taking the total inventory of rooms to 264.

Negotiations are at an advanced stage to add another 50 rooms in the current calendar year. The company plans to increase the inventory of rooms to 500 going forward. The full impact of revenues and profits will be partly reflected in FY 20 and fully in FY 21.

## OUTLOOK

India is growing at a tremendous pace and is expected to emerge as a \$5 trillion economy by 2025. The travel and tourism industry in India is one of the biggest contributors to India's GDP and hence is critical in supporting India's growth story. The company plans to increase scale and strengthen its business. Over the next five years the company plans to expand margins to create a culture of corporate excellence and build a robust performance oriented culture at the company. The company plans to expand its reach and is focused on growing the product portfolio while also expanding margins

Today India is a major economic growth centre with growth potential of 8-10% per annum. Further the country is set to become the most populated nation overtaking china in the next decade, would be home to many mega cities, with urbanization rising from 33% at present to 50% in the year 2030. This would provide growth opportunities for the company. The investment climate in the country is also improving with various initiatives and reforms addressing the ease of doing business. The overall global economy continues to be robust and there is a broad consensus on acceleration of global GDP growth in the current year. India's GDP growth is expected to accelerate driven by improving global demand, investment revival, rejuvenation of rural demand, and reduction of internal barriers.

India's travel and tourism sector witnessed healthy growth during the year with the government focus on making the country an attractive tourist destination with advanced communication facilities and digital conveniences. Technology and digital innovation have immensely benefitted the travel and hospitality industry in a very short period of time.

## 5. INITIAL PUBLIC OFFERINGS

Your company got listed on 4<sup>th</sup> October 2018. The promoters through an offer for sale offered 8,10,000 shares through a prospectus at a rate of Rs 24 per share.

## DIRECTORS AND KEY MANAGERIAL PERSONS

The Composition of the Board and Key Managerial Persons of the Company as on 31st March, 2019 were as follows:

Sr No.	Name of the Director	Designation	Date of Appointment
1	Mr. Edgar Maximiano Do Rosario Cotta	Managing Director (Key Managerial Person)	08-03-2006
2	Mr. Edwin E R Cotta	WTD (Key Managerial Person)	20-12-1990
3	Ms. Ingrid Cotta	Non-Executive Director	07-04-2017
4	Mr. Blaise Lawrence Costabir	Independent Director	30-08-2017
5	Ms. Ephrem Frederick Mendanha	Independent Director	07-04-2017
6	Mr. Jose De Cotta	Chief Financial Officer (Key Managerial Person)	05-09-2017
7	Ms. Priyanka Sen	Company Secretary and Compliance Officer (Key Managerial Person)	20-09-2017

## DISCLOSURES BY DIRECTORS

The Directors on the Board have submitted notice of interest under Section 184(1) i.e. in Form MBP 1, intimation under Section 164(2) i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company. All Independent Directors have also given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

## RETIRE BY ROTATION

Mr. Edgar Maximiano Do Rosario Cotta (DIN: 00124357), Managing Director of the Company, is liable to retire by rotation at the forth coming Annual General Meeting and, being eligible, offers himself for re-appointment. Your Directors recommends him for re-appointment.

Mr. Edwin E R Cotta, (DIN: 02691199), Whole Time Director of the Company, is liable to retire by rotation at the forth coming Annual General Meeting and, being eligible, offers himself for re-appointment. Your Directors recommends him for re-appointment.



## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been covered in the Corporate Governance Report.

## **MEETINGS**

The details of the number of Board and Committee meetings of your Company held during the financial year, indicating the number of meetings attended by each Director is set out in the Corporate Governance Report. The Composition of various committees of the Board of Directors is provided in the Corporate Governance Report.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System including Internal Financial Controls, commensurate with the size, scale and complexity of its operations as approved by the Audit Committee and the Board. The Internal Financial Controls are adequate and working effectively. The scope and authority of the Internal Audit is laid down by the Audit Committee and accordingly the Internal Audit Plan is laid out to maintain its objectivity and independence, the Internal Auditors reports to the Chairman of the Audit Committee of the Board.

The Internal Auditors monitors and evaluates the efficiency and adequacy of internal control system in the Company. Based on the report of internal audit, process owners/concerned departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established/formed a vigil mechanism to deal with genuine concerns of the employees and Directors. All employees and Directors are made aware of the mechanism. The Company has established a system to ensure effective functioning of the mechanism.

## **COMMITTEE AND POLICY UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the Requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and an Internal Complaints Committee has been set up to redress complaints received regarding Sexual Harassment at workplace, with a mechanism of lodging & redress the complaints. All employees (permanent, contractual, temporary, trainees etc.) are covered under this policy. Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed separately as part of the annual report.

## **SECRETARIAL STANDARDS**

The Company complies with all applicable secretarial standards.

## **EXTRACT OF ANNUAL REPORT**

As required pursuant to section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, (as amended) is furnished in the Form MGT-9 as Annexure A to this report.

## **RELATED PARTY TRANSACTIONS**

All related party transactions entered during the period under review were on arm's length basis and in the ordinary course of business. In terms of Section 134(3)(h) of the Companies Act, 2013. There are no materially significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

As per applicable provisions of the Companies Act, 2013, the details of contracts and arrangements with related parties in Form AOC 2 are annexed herewith as Annexure B.

The details of the transactions with Related Parties are provided in the accompanying financial statements as required under Accounting Standard 18.



## **STATUTORY AUDITOR**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, the current auditors of the Company, M/S Milind Kulkarni & Associates., Chartered Accountants, hold office up to the conclusion of the ensuing Annual General Meeting of the Company. However, their tenure for appointment as Auditor of the Company has expired and shall not be eligible for re-appointment / ratification in the ensuing Annual General Meeting of the Company to be held on 26<sup>th</sup> August, 2019.. The Board of Directors of the Company at their meeting held on 29<sup>th</sup> July, 2019 has considered and approved to appoint CA Neeru Agnihotri, Chartered Accountant as the Statutory Auditor of the Company, subject to the approval of the Members at the ensuing Annual General Meeting, who shall hold the office for a term of five years, from the conclusion of the Annual General Meeting to be held on 26<sup>th</sup> August till the conclusion of Annual General Meeting of the Company to be held in the year 2024 (subject to ratification of their appointment at every Annual General Meeting).

## **SECRETARIAL AUDITOR**

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company has appointed M/s. Jaymin Modi & Co., Practicing Company Secretaries, Mumbai as a Secretarial Auditors to conduct an Audit of secretarial records and compliances in accordance with the provisions of Section 204 of the Companies Act, 2013 for the financial year 2019-2020. Since the Company was listed on BSE (SME) Platform from 4<sup>th</sup> October, 2019, Secretarial Audit Report is applicable period from 04.10.2018 to 31st March, 2019.

## **PUBLIC DEPOSITS**

During the Financial Year 2018-19 under review, the Company has neither invited nor accepted any public deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014. As such, no specific details prescribed in Rule (8)(1) of the Companies (Accounts) Rules, 2014 (as amended) are required to be given or provided.

## **CORPORATE GOVERNANCE**

The Company being listed on the Small and Medium Enterprise platform is exempted from provisions of corporate governance as per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is pertinent to mention that the Company follows majority of the provisions of the corporate governance voluntarily.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the year, the Company has given loan & advances to its holding Company Hotel Miramar Comfort Private Limited falling under the provisions of Section 186 of the Companies Act, 2013 are provided by the Board.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant & material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## **DISCLOSURE OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS**

### **AUDIT COMMITTEE:**

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section.

Composition:

NAME OF THE DIRECTOR	CHAIRMAN/MEMBER	NATURE OF DIRECTORSHIP
Ephrem Frederick Mendanha	Chairman	Independent Director
Blaise Lawrence Costabir	Member	Independent Director
Ms. Ingrid Cotta	Member	Non-Executive Director

### **Terms of reference:**

The broad terms of reference of the Audit Committee are as under:

### **Reviewing of the Company's financial reporting process and the disclosure of its financial information**

- To ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of external Auditor.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties

- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing with management the Annual financial statements and half yearly and Quarterly financial results before submission to the Board.
- Reviewing periodically the adequacy of the internal control system.
- Discussions with Internal Auditor on any significant findings and follow up there on.

#### **NOMINATION AND REMMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of Directors was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. The Composition of the Committee is in conformity with the provisions of the said Section.

##### **Composition:**

NAME OF THE DIRECTOR	CHAIRMAN/MEMBER	NATURE OF DIRECTORSHIP
Blaise Lawrence Costabir	Chairman	Independent Director
Ephrem Frederick Mendanha	Member	Independent Director
Ingrid Cotta	Member	Non-Executive Director

##### **Terms of reference:**

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining the qualifications, positive attributes and independence of Director;
- Devising a policy on Board diversity;
- Formulation of Remuneration policy;
- Review the structure, size and composition of the Board;
- Identifying and selection of candidates for appointment as Directors;
- Identifying potential individuals for appointment as Key Managerial Personnel and Senior Management;
- Formulation of criteria for evaluation of Independent Directors and the Board.



## STAKEHOLDERS RELATIONSHIP COMMITTEE:

NAME OF THE DIRECTOR	CHAIRMAN/MEMBER	NATURE OF DIRECTORSHIP
Blaise Lawrence Costabir	Chairman	Independent Director
Ephrem Frederick Mendanha	Member	Independent Director
Ingrid Cotta	Member	Non-Executive Director

The Stakeholders Relationship Committee of Directors was constituted pursuant to the provisions of Section 178(5) of the Companies Act, 2013. The composition of the Committee is in conformity with the provisions of the said section.

### Composition:

### Details of Investor's grievances/ Complaints:

The Company has not received any complaints during the year. The pending complaints of the Shareholders/Investors registered with SEBI at the end of the current financial year ended on 31st March, 2019 are NIL.

### Compliance Officer:

Ms. Priyanka Sen is the Compliance Officer of the Company for the above purpose.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they had 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;
- they had prepared the annual accounts on a going concern basis;
- they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory and external consultants and the reviews of the management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year under review.

### **CORPORATE SOCIAL RESPONSIBILITY**

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 shall not be applicable to the Company.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as required under the provisions of Section 134(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this financial statement relate and the date of this report.

### **ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year.

**Registered Office:**  
**Limited**

FIRST FLOOR BEACH PLAZA(ANNEXEE)  
NOMXIN CARANZALEM,  
ILHAS GOA PANAJI GA 403001

**Place: Goa**

**Date: 29/07/2019**

**By and on behalf of Mac Hotels**

SD/-  
Edgar Maximiano Do Rosario Cotta  
Managing Director

**FORM NO. MGT-9**  
**(ANNEXURE-A TO THE REPORT OF BOARD OF DIRECTORS)**  
**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st**  
**March, 2018**

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

**REGISTRATION AND OTHER DETAILS:**

i.	CIN	U55101GA1990PLC001100
ii.	Registration Date	20-12-1990
iii.	Name of the Company	MAC HOTELS LIMITED
iv.	Category/Sub-Category of the Company	Company limited by Shares/ Indian Non-government company
v.	Address of the Registered office and Contact details	FIRST FLOOR BEACH PLAZA (ANNEXEE) NOMXIN CARANZALEM, ILHAS GOA PANAJI GA 403001
vi.	Whether listed company	Listed (BSE SME)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>BIGSHARE SERVICES PVT. LTD</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai, Maharashtra, 400059 Tel : +91-022 - 62638200

**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 100% or more of the total turnover of the company shall be stated

Sr.No	Name and Description of main products/ services	NIC Code of the service	% to total turnover of the company

1	Accommodation services for Hotels and Motels, inns, resorts providing short term lodging facilities; includes accommodation in house boats.	55101	73.88%
2	Food and beverage services provided by hotels, restaurants, caterers, etc.	56301	24.82%

#### PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1	HOTEL MIRAMAR COMFORT PVT LTD  BEACH PLAZA(ANNEXEE) FIRST FLOOR NOMOXIN, CARAZALEM, ILHAS GOA PANAJI GA 403002	U55101GA1987PTC000704	HOLDING	61.27	2(46)

#### SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31st March, 2018)	No. of Shares held at the end of the year (As on 31st March, 2019)	% Change during The year



	Demat	Physical	Total	% of Total Share s	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian	-	300000 0	300000 0	100 %	2190000	-	2190000	73.00 %	(27%)
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp									
e) Banks / FI									
f) Any Other									
Sub- total(A)(1):-	-	300000 0	300000 0	100 %	2190000	-	2190000	73.00 %	(27%)
2) Foreign									
g) NRIs- Individuals									
h) Other- Individuals									
i) Bodies Corp.									
j) Banks / FI									

k) AnyOther....									
Sub-total(A)(2):-									
TOTAL A	-	3000000	3000000	100 %	21900000	-	21900000	73.00 %	(27%)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1)									
2. Non Institutions									

7) Bodies Corp									
Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	-	-	-	-	534000	-	534000	17.80%	17.80%
(ii) Individual shareholders holding nominal share capital in excess of Rs 2lakh	-	-	-	-	150000	-	150000	5.00%	5.00%
Others (Specify)	-	-	-	-	126000	-	126000	4.20%	4.20%
Sub-total (B)(2)	-	-	-	-	810000	-	810000	27.00 %	27.00 %
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	810000	-	810000	27.00 %	27.00 %

C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total</b>	-	3000000	3000000	100%	3000000	-	3000000	100%	-
<b>(A+B+C)</b>									

### Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 31st March, 2018)			Shareholding at the end of the year (As on 31st March, 2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Pledged/encumbered total shares	No. of Shares	% of total Shares of the company	% of Pledged/encumbered total shares	
	<b>PROMOTER</b>							
1.	Edwin Cotta	70,000	2.33%	-	70,000	2.33%	-	-
2.	Edgar Cotta	70,000	2.33%	-	70,000	2.33%	-	-
3.	Hotel Miramar Comfort Private Limited	2,648,000	88.27	-	1,838,000	61.27	-	(27.00%)
4.	Skoda Tadeudorosario Cotta	70,000	2.33	-	70,000	2.33	-	-
5.	Alfredo Menon Cotta	70,000	2.33	-	70,000	2.33	-	-
6.	Cotta Schubert De Jose	70,000	2.33	-	70,000	2.33	-	-

7.	Deanna Maria ServulaCottaDesa	1000	0.03	-	1000	0.03	-	-
8.	Liesl Maria Desouza	1000	0.03	-	1000	0.03	-	-

**Change in Promoters' Shareholding (please specify, if there is no change):**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3000000	100%	3000000	100%
	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): Allotment	NIL	NIL	(810000)	27.00%
	At the End of the year			2190000	73.00%

**Shareholding pattern of Top Ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	For each of the Top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Hotel Miramar Comfort Private Limited	2,648,000	88.27%	1838000	61.27%



2	Edgar Cotta	70,000	2.33%	70,000	2.33%
3	Edwin Cotta	70,000	2.33%	70,000	2.33%
4	Cotta Schubert De Jose	70,000	2.33%	70,000	2.33%
5	Skoda Tadeudorosario Cotta	70,000	2.33%	70,000	2.33%
6	Alfredo Menon Cotta	70,000	2.33%	70,000	2.33%
7	Newman Vaz	-	-	66,000	
8	Gretex Share Broking Private Limited	-	-	48,000	
9	Julian Christopher Colaco	-	-	36,000	
10	Griselda Carolina Vaz	-	-	24,000	

#### Shareholding of Directors and Key Managerial Personnel)

Name of the Directors or Key Managerial Personnel	No. of Equity Shares Held	% of total shares of the company
Edwin Cotta	70,000	2.33%
Edgar Cotta	70,000	2.33%
Jose Schubert De Cotta	70,000	2.33%

#### INDEBTNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year				
i. Principal Amount	1,65,74,005	NIL	NIL	1,65,74,005
ii. Interest due but not paid	NIL	NIL	NIL	NIL
iii. Interest accrued but not paid	NIL	NIL	NIL	NIL

<b>Total (i+ii+iii)</b>	<b>1,65,74,005</b>	<b>NIL</b>	<b>NIL</b>	<b>1,65,74,005</b>
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
Addition	NIL	NIL	NIL	NIL
Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	1,65,74,005	NIL	NIL	1,65,74,005
i. Principal Amount	NIL	NIL	NIL	NIL
ii. Interest due but not paid	NIL	NIL	NIL	NIL
iii. Interest accrued but not paid				
<b>Total (i+ii+iii)</b>	<b>1,65,74,005</b>	<b>NIL</b>	<b>NIL</b>	<b>1,65,74,005</b>

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Edgar Maximiano Do Rosario Cotta (Managing Director)	Total Amount
1.	Gross salary	12,00,000 p.a	12,00,000 p.a
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(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.	CommissionAs % of profitothers, specify...		
5.	Others ,please specify		
6.	Total	12,00,000 p.a	12,00,000 p.a
Sl. No.	Particulars of Remuneration	Edwin E R Cotta (Whole Time Director)	
1.	Gross salary	2,40,000 p.a	2,40,000 p.a
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961		
	(b)Value of perquisites u/s17(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.	CommissionAs % ofprofitothers, specify...		
5.	Others ,please specify		
6.	Total(A)	2,40,000 p.a	2,40,000 p.a

**Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Ingrid Cotta	Blaise Lawrence Costabir	Ephrem Frederick Mendanha	

Independent Directors					
1.	•Fee for attending board committee meetings	0	20,000	10,000	30,000
2.					
3.	•Commission				
	•Others, please specify				
Total (1)		0	20,000	10,000	30,000
Other Non-Executive Directors					
1.	•Fee for attending board committee meetings				
2.					
	•Commission				
3.	•Others, please specify (Professional fees)				
Total(2)		0	0	0	0
Total(B) = (1+2)		0	20,000	10,000	30,000

#### Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD –

Sl. No.	Particulars of Remuneration	Jose Schubert De Cotta (Chief Financial Officer)	Total Amount
1.	Gross salary	0	
	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(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 to others, specify...		NIL
5.	Others ,please specify		NIL
6.	Total		
Sl. No.	Particulars of Remuneration	<b>Priyanka Sen</b> <b>(Company Secretary)</b>	Total Amount
1.	Gross salary	14,000 p.m	14,000 p.m
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(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 to others, specify...		
5.	Others ,please specify		
6.	Total (A)	14,000 p.m	14,000 p.m

#### PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers In Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## FORM AOC -2

### (ANNEXURE B TO THE REPORT OF BOARD OF DIRECTORS)

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

#### Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	NAME OF THE RELATED PARTIES	NATURE AND VALUE OF CONTRACT/ ARRANGEMENT	AMOUNT (RS.)
1.	Hotel Miramar Comfort Private Limited	Loans & Advances	11,73,766

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY OVERVIEW:

#### ➤ INTRODUCTION

The Indian tourism and hospitality industry have emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. India's Foreign Exchange Earnings (FEEs) increased by 17.6 per cent year-on-year in January 2018 over January 2017.

The tourism and hospitality sector are among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000-December 2017, the hotel and tourism sector attracted around US\$ 10.90 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).

India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India's travel and tourism industry has the potential to expand by 2.5 per cent on the back of higher budgetary allocation and low-cost healthcare facility, according to a joint study conducted by ASSOCHAM and Yes Bank.

#### ➤ MARKET SIZE

The services sector is the key driver of India's economic growth. The sector is estimated to contribute around 54.0 per cent of India's Gross Value Added in 2017-18 and employed 28.6 per cent of the total population. India's net services exports during reached US\$ 57.60 billion April-December 2017. Nikkei India Services Purchasing Managers Index grew from 47.80 in February 2018 to 50.30 in March 2018, supported by growth in the growth in Information & Communications and Finance & Insurance.

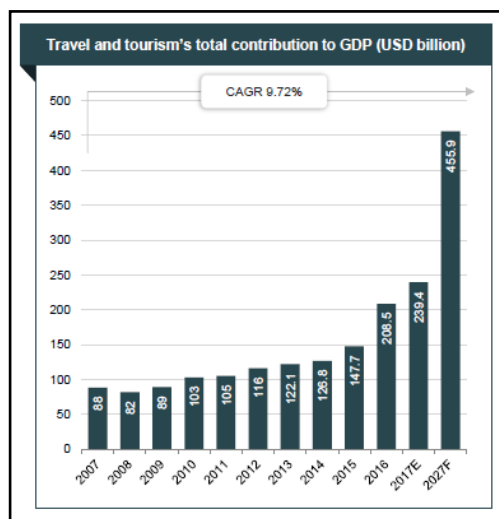
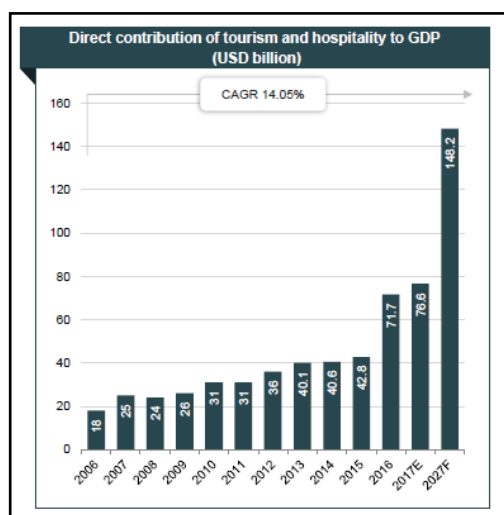
As per Ministry of Statistics and Programme Implementation's second advance estimates of National Income 2017-18, services sector GVA is expected to grow to US\$ 1,266.10 million in FY18. According to a report called 'The India Opportunity' by leading research firm Market Research Store, the Indian mobile services market is expected to reach \$37 billion in 2017 and grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020.

Out of overall services sector, the sub-sector comprising financial services, real estate and professional services contributed US\$ 305.8 billion or 20.5 per cent to the GDP. The sub-sector of community, social and personal services contributed US\$ 188.2 billion or 12.6 per cent to the GDP.

## ➤ RISING CONTRIBUTION TO INDIA'S GDP

Tourism in India accounts for 9.6 per cent of the GDP & is the 3rd largest foreign exchange earner for the country. The tourism & hospitality sector's direct contribution to GDP in 2016, was US\$ 71.7 billion. This is expected to rise by 6.9 per cent to US\$ 76.6 billion in 2017. During 2006–17E, direct contribution of tourism & hospitality to GDP is estimated to have registered a CAGR of 14.05 per cent. The direct contribution of travel & tourism to GDP is expected to reach US\$ 148.2 billion by 2027.

The sector's total contribution to GDP stood at US\$ 208.9 billion (9.6 per cent of GDP) in 2016 and is forecast to rise by 6.7 per cent in 2017, and to rise by 6.7 per cent pa to Rs 28,491.8 billion (US\$ 424.5 billion), 10 per cent of GDP in 2027. In February 2018, the country earned foreign exchange of around US\$ 2.706 billion, from the tourism sector.



## ➤ BUSINESS OVERVIEW

Our Company was originally incorporated as “Mac Hotels Private Limited” at Panaji, Goa as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 20, 1990 issued by Registrar of Companies, Goa. Subsequently, our Company was converted into Public Company and the name of our Company was changed to “Mac Hotels Limited” in the year August 10, 2017. The Corporate Identification Number of our Company is U55101GA1990PLC001100.

We are primarily engaged in the business of owning, operating and managing hotels, restaurants and resorts in Goa since last 25 years. Our Company has been incorporated with the main object to carry on the business of hotels, restaurant, café, caravan site, apartment house-keeper etc and related services. Our Hotels and Resorts are tourist destinations for domestic as well as international tourists and are one of the frequented hotels in Goa.

The registered office of our Company is located at First Floor, Beach Plaza (Annexee), Nomxin, Caranzalem, Ilhas, Panaji – 403 001, Goa, India. At present, we operate and manage one resort under the name “Resort Park Avenue” in Goa which is located at Umta Wado, Near Infartaria Bakery, Baga Road, Calangute, Bardez, Goa –403 516.

Our Promoters i.e. Edwin E R Cotta and Edgar Maximiano Do Rosario Cotta are having experience of 25 years in the Hospitality Industry especially Hotels and Restaurants Segment. Our promoters have been instrumental in determining the vision and growth strategies for our Company. Our Corporate Promoter Hotel Miramar Comfort Private Limited is also engaged in Hospitality Business.

Our Company has entered into Management Services Agreement (OYO Agreement) with Alcott Town Planners Private Limited on September 09, 2017 for providing the services such as - Managing the day to day operations of the property, manage maintenance and supervision of the property, providing food and beverages services.

We value our customers and aim to exceed customer expectations by fulfilling valuable commitments. Our customer-oriented approach and cordial relations with them are the key strengths of our company. We continuously aspire for great heights which not only showcase our signature of success in the present but also leave a mark for future.

➤ **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

➤ **HUMAN RESOURCES & INDUSTRIAL RELATIONS:**

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business. As on date of this Prospectus, we have 6 employees in the registered office in addition to our management. These employees look after administration, legal, marketing and accounting functions. Further, we have casual employees at the Resort Park Avenue. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

➤ **RISKS AND CONCERNS:**

It is essential to correctly assess the risk in each segment so that the risk is mitigated before it becomes a possible threat. General risk segments are statutory compliances, economy, financials, Government policies, market related, operational, products and technology etc., The management has a rapid review of likely risk areas with the objective to define a framework for identification, evaluation and mitigating the risk in the decision making process and to encourage proactive management and not reactive management.

➤ **SWOT ANALYSIS**

<b>Strengths</b> <ul style="list-style-type: none"> <li>• Brand Image backed by Service</li> <li>• Prime location properties in Goa</li> <li>• Coverage of a large number of leisure destinations</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>• High real estate cost is a big hindrance to growth</li> <li>• Changes in the Government Policies</li> </ul>
<b>Weaknesses</b> <ul style="list-style-type: none"> <li>• Trained and reliable manpower – cooks, waiters, helpers.</li> <li>• Maintaining, renovation and repositioning of properties to maintain market leadership</li> </ul>	<b>Opportunities</b> <ul style="list-style-type: none"> <li>• Expand business to the new locations</li> <li>• Explore niche tourism products – cruises, adventure, medical, wellness, sports, ecotourism</li> </ul>



## **CEO/ MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION**

To,  
The Board of Directors  
MAC HOTELS LIMITED

**Subject: Certificate in accordance with Regulation 33(2) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

We, undersigned certify that the Audited Financial Results for the quarter and year ended 31st March, 2019 prepared in accordance with Clause 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading and we further certify that;

- We have reviewed financial statements and the cash flow statement for the quarter and year ended March 31, 2019 and that to the best of their knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the auditors and the Audit committee:
  - significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

SD/-  
EDGAR E R COTTA  
MANAGING DIRECTOR  
DIN:00124357  
Date: 29th July, 2019  
Place: Mumbai

SD/-  
JOSE SCHUBERT DE COTTA  
CHIEF FINANCIAL OFFICER

## CORPORATE GOVERNANCE REPORT

The report on Corporate Governance states compliance as per requirements of the Companies Act, 2013, SEBI (LODR), Regulations, 2015, as applicable to the Company. Given below are the Company's Corporate Governance policies and practices for 2018-19 and the Company has complied with all the statutory and regulatory requirements as stipulated in the applicable laws.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were man-dated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

### BOARD OF DIRECTORS:

The Company is managed by well- qualified professionals. All directors are suitably qualified, experienced and competent. The members of the Board of Directors are persons with considerable experience and expertise in Audit, Accounts, Finance, Administration and Marketing. The Company is benefitted by the experience and skills of the Board of Directors. The Independent Directors have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the company which could have potential conflict of interest with the company at large. The Company has a Code of Conduct for Directors and Senior Management personnel.

**Composition of board and changes therein:** The Board of directors is duly constituted and consists of the following directors namely:

Sir No.	Name of the Director	DIN	Designation
1	Edgar Maximiano Do Rosario Cotta	00124357	Managing Director
2	Edwin E R Cotta	02691199	Whole Time Director
3	Ingrid Cotta	00075917	Non-Executive Director
4	Blaise Lawrence Costabir	00898174	Independent Director
5	Ephrem Frederick Mendanha	07787277	Independent Director

### Orderly succession to Board and Senior Management:

The Board of the Company satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

### **Code of Conduct:**

Regulations 17(5) of the SEBI (LODR) Regulations, 2015, requires listed Companies to lay down a Code of Conduct for its Directors and Senior Management, incorporating duties of a Directors as laid down in the Companies Act, 2013. The Board has adopted a Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on Company's website.

### **Maximum tenure of Independent Directors:**

The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI (LODR) Regulations, 2015.

### **Directors' interest in the company:**

Sometime, the Company does enter into contracts with companies in which some of the Directors of the Company are interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weightage to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors or members. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting of the Directors.

### **Responsibilities & Functions of Board of Directors:**

The Board of Directors of the listed entity shall have the following responsibilities:

#### **(i) Disclosure of information:**

1. Members of Board of Directors and key managerial personnel shall disclose to the Board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.
2. The Board of Directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

#### **(ii) Key functions of the Board of Directors-**

1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
2. Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.

3. Selecting, compensating, monitoring and, when necessary, replacing key managerial Personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of board of directors with the longer-term interests of the listed entity and its shareholders.
5. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of Directors.
6. Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
8. Overseeing the process of disclosure and communications
9. Monitoring and reviewing Board of Director's evaluation framework.

(iii) Other responsibilities:

1. The Board of Directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
2. The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave.
3. Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
4. The Board of Directors shall encourage continuing directors training to ensure that the members of Board of Directors are kept up to date.
5. Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
6. The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
7. The Board of Directors shall exercise objective independent judgment on corporate affairs.

8. The Board of Directors shall consider assigning a sufficient number of non- executive members of the Board of Directors capable of exercising independent judgment to tasks where there is a potential for conflict of interest.
9. The Board of Directors shall ensure that, while rightly encouraging positive thinking,
10. These do not result in over-optimist that either leads to significant risks not being recognized or exposes the listed entity to excessive risk.
11. The Board of Directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
12. When committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the Board of Directors.
13. Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
14. In order to fulfill their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
15. The Board of Directors and senior management shall facilitate the independent Directors to perform their role effectively as a member of the Board of Directors and also a member of a committee of Board of Directors.

#### **Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance, and that of its Committees and individual directors. Manner in which such formal annual evaluation was made by the Board is given below:

- Performance evaluation criteria for Board, Committees of the Board and Directors were approved by the Board at its meeting. The criteria are placed on the Company's website [www.machotels.net](http://www.machotels.net)
- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and Board at their meetings held.

The Board of Directors is collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of business;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

## **REMUNERATION OF DIRECTORS:**

### **Pecuniary transactions with non-executive directors:**

During the year under review, there were no pecuniary transactions with any non-executive director of the Company. The register of contracts is maintained by the Company pursuant to section 189 of the Companies Act, 2013. The register is signed by all the directors present at the respective Board meetings.

### **Criteria of making payments to non-executive directors:**

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee corporate governance framework of the Company. As stated earlier, the Remuneration Policy, inter alia, disclosing criteria of making payments to directors, key managerial personnel and employees is placed on [www.machotels.net](http://www.machotels.net).

## **NON-EXECUTIVE DIRECTORS:**

Non-executive directors are paid sitting fees and commission.

## **MANAGING DIRECTOR:**

During the year under review, the Company paid remuneration to the Managing Director of the Company as provided in detail in an annexure to the Directors' Report in Form MGT-9, i.e. extract of the Annual Return. Managing Director is entitled to superannuation benefits payable in the form of an annuity from an approved life insurance company, which form part of the perquisites allowed to him. No pension is paid by the Company.

## **COMPLIANCES REGARDING INSIDER TRADING:**

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of conduct for prohibition of insider trading, as approved and adopted by the Directors and designated Employees of the



Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information during the period of Trading Window Closure. The Board is responsible for implementation of the Code. All Board of Directors and designated employees have confirmed compliance with the Code. The Board has appointed Ms. Swati Sunil Talgaonkar, Compliance officer under the code.

#### MEETINGS OF THE BOARD OF DIRECTOR:

During FY 2018-2019, 5 (Five) meetings of the Board of Directors were held on the following dates:

- 9<sup>th</sup> May, 2018
- 11<sup>th</sup> June, 2018
- 28<sup>th</sup> August, 2018
- 14<sup>th</sup> December, 2018
- 29<sup>th</sup> March, 2019

Name of Director	Director Identification Number	Category	Board Meetings	
			Held	Attended
Edgar Maximiano Do Rosario Cotta	00124357	Managing Director	5	5
Edwin E R Cotta	02691199	Whole Time Director	5	5
Ingrid Cotta	00075917	Non-Executive Director	5	5
Blaise Lawrence Costabir	00898174	Independent Director	5	5
Fohrem Frederick Mendanha	07787277	Independent Director	5	3

The intervening gap between the meetings was within the period prescribed under section 173 of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, relevant circulars, notifications, orders and amendments thereof.

#### COMMITTEES OF THE BOARD:

The Board Committee plays a crucial role in the governance structure of the Company and has been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committee are set up under the formal approval of the Board to carry out clearly defined roles which are considered

to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee meetings.

The Board has constituted following Committees of Directors:

- Audit Committee,
- Nomination & Remuneration Committee, and
- Stakeholder's Relationship Committee.

#### AUDIT COMMITTEE:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section.

##### ➤ Composition:

NAME OF THE DIRECTOR	CHAIRMAN/MEMBER	NATURE OF DIRECTORSHIP
Ingrid Cotta	Member	Non Executive Director
Ephrem Frederick Mendanha	Chairman	Independent Director
Blaise Lawrence Costabir	Member	Independent Director

##### ➤ Terms of reference

The broad terms of reference of the Audit Committee are as under:

- Reviewing of the Company's financial reporting process and the disclosure of its financial information
- To ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of external Auditor.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing with management the Annual financial statements and half yearly and Quarterly financial results before submission to the Board.
- Reviewing periodically the adequacy of the internal control system.

- Discussions with Internal Auditor on any significant findings and follow up thereon.

#### **NOMINATION AND REMMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of Directors was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. The Composition of the Committee is in conformity with the provisions of the said Section.

##### ➤ **Composition:**

NAME OF THE DIRECTOR	CHAIRMAN/MEMBER	NATURE OF DIRECTORSHIP
Ingrid Cotta	Member	Non-Executive Director
Ephrem Frederick Mendanha	Member	Independent Director
Blaise Lawrence Costabir	Chairman	Independent Director

##### ➤ **Terms of reference:**

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining the qualifications, positive attributes and independence of Director;
- Devising a policy on Board diversity;
- Formulation of Remuneration policy;
- Review the structure, size and composition of the Board;
- Identifying and selection of candidates for appointment as Directors;
- Identifying potential individuals for appointment as Key Managerial Personnel and Senior Management;
- Formulation of criteria for evaluation of Independent Directors and the Board.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee of Directors was constituted pursuant to the provisions of Section 178(5) of the Companies Act, 2013. The composition of the Committee is in conformity with the provisions of the said section.

➤ **Composition:**

NAME OF THE DIRECTOR	CHAIRMAN/MEMBER	NATURE OF DIRECTORSHIP
Ingrid Cotta	Chairman	Non-Executive Director
Ephrem Frederick Mendanha	Member	Independent Director
Blaise Lawrence Costabir	Member	Independent Director

➤ **Details of Investor's grievances/Complaints:**

The Company has not received any complaints during the year. The pending complaints of the Shareholders/Investors registered with SEBI at the end of the current financial year ended on 31st March, 2019 are NIL.

➤ **Vigil Mechanism & Whistle Blower Policy**

The company has established vigil mechanism for the directors and employees to report their genuine concerns or grievances, details of adequate safeguards provided against victimization of employees and directors who avail of the vigil mechanism, mechanism of providing for direct access etc., as provided in rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, read with corresponding rules, circulars, notifications, orders and amendments thereof.

➤ **Compliance Officer:**

Ms. .Priyanka Sen is the compliance Officer of the Company for the above purpose.

**COMPANY'S POLICY RELATING TO PAYMENT OF REMUNERATION TO DIRECTORS:**

The Board determines the remuneration payable to the Executive Directors taking into account their qualification, expertise and contribution and based on recommendations of the Nomination and Remuneration Committee. Non- Executive Directors are eligible to receive sitting fees for attending Board / Committee Meetings as decided by the Board within the limits prescribed under the Companies Act, 2013.

The Remuneration policy of the Company is as under:

➤ **Remuneration to Non-Executive Directors:**

A Non-Executive Director is eligible to receive sitting fees for each meeting of the Board or Committee of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014.

➤ **Remuneration to Executive Directors:**

The Board in consultation with the Nomination & Remuneration Committee decides the structure for Executive Directors. On the recommendation of the Nomination & Remuneration Committee the Remuneration paid/payable is approved by the Board of Directors and by the members in the General Meeting in terms of provisions applicable from time to time.

**SHARE TRANSFER SYSTEM:**

The Share transfer is processed by the Registrar & Share Transfer Agent and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

**SEBI COMPLAINTS REDRESS SYSTEM (SCORES)**

SEBI vide circular dated 3rd June, 2011 introduced SCORES, i.e., SEBI Complaints Redress System the system of processing of investors complaints in a centralized web based complaints redress portal known as 'SCORES'. The salient features of this system are: centralized database of all Complaints, online upload Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of action taken on the complaints and its current status. The Company is registered with SEBI under the SCORES system.

**ISIN No:**

The Company's Demat International Security Identification Number (ISIN) for its equity shares in CDSL and NSDL is **INE004Z01011**.

**SHAREHOLDING PATTERN:**

Sr. Nos.	Category	As on 31st March, 2018		As on 31st March, 2019	
		No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
A	Promoters	-	-	-	-
1.	Individuals/HUF	3000000	100%	2190000	73.00%
	Bodies Corporate	NIL	NIL	NIL	NIL
	Any Others(Specify)	NIL	NIL	NIL	NIL
	<b>TOTAL (A)</b>	<b>3000000</b>	<b>100%</b>	<b>2190000</b>	<b>73.00%</b>

B	Public Shareholding	-	-	-	-
1.	Institutions	NIL	NIL	NIL	NIL
	Foreign Institutional Investors	NIL	NIL	NIL	NIL
2.	Non-Institutions	NIL	NIL	NIL	NIL
	Bodies Corporate	NIL	NIL	NIL	NIL
(a)	Individual Shareholders holding up to Rs.2 Lac	NIL	NIL	534000	17.80%
(b)	Individual Shareholders holding above Rs.2 Lac	NIL	NIL	150000	5.00%
	NRIs / HUF's / Clearing Members/Bodies corporate	NIL	NIL	126000	4.20%
	TOTAL (B)	NIL	NIL	810000	27.00%
	TOTAL (A+B)	3000000	100%	3000000	100%

#### ADDRESS FOR CORRESPONDENCE:

MAC HOTELS LIMITED

FIRST FLOOR, BEACHPLAZA (ANNEXEE) NOMXIN CARANZALEM, ILHAS GOA  
PANAJI GA – 403001.

Email ID: mac.hotels.private.limited@gmail.com.

#### RECONCILIATION OF SHARE CAPITAL AUDIT:

A practicing Company Secretary carries out reconciliation of share capital audit, on Quarterly basis to reconcile the total admitted capital with NSDL & CDSL and total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.



**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this financial statements relate and the date of this report.

**Registered Office:**

FIRST FLOOR BEACH PLAZA (ANNEXEE)  
NOMXIN CARANZALEM,  
ILHAS GOA PANAJI GA 403001

**By and on behalf of Mac Hotels Limited**

SD/-  
Edgar Maximiano Do Rosario Cotta  
Managing Director

**Place: Goa**

**Date: 29/07/2019**



**FORM NO. MR-3**  
**(ANNEXURE C TO THE REPORT OF BOARD OF DIRECTORS)**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019**

[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 Members,  
**MAC HOTELS LIMITED**

**(CIN: U55101GA1990PLC001100)**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mac Hotels Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me areas on able basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon based on my verification of the Mac Hotels Limited.

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, here by report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, except to those mentioned below in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained Mac Hotels Limited for the period from 4th October, 2018 to 31st March, 2019 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable**

i. The following Regulations and Guidelines prescribed under the Securities and exchange Board of India Act, 1992 ('SEBI Act');

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not Applicable to the Company during the period under review
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - Not Applicable to the Company during the period under review.

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable to the Company during the period under review
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable to the Company during the period under review
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable to the Company during the period under review
- 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 - Not Applicable to the Company during the period under review
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009 - Not Applicable to the Company during the period under review
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable to the Company during the period under review

The management has identified and confirmed that apart from Companies Act, 2013; SEBI Act & Income-Tax Act, 1961, no other laws is specifically applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Ltd;

During the period under review and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement etc. mentioned hereinabove.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in the Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

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. There was no change in the composition of the Board of Directors during the period under review, other than those mentioned in the Director Report. Adequate notice is given to all directors to schedule the Board Meetings 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. Since Minutes books is not updated, hence we



cannot comment whether majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

**(JAYMIN MODI & Co.)**  
**Practicing Company Secretaries**  
**C P No. 16948**

**Date: 25/07/2019**

**Place: Mumbai**

**Note:**

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

## ANNEXURE – A TO SECRETARIAL AUDIT REPORT

To,  
The Members,  
**Mac Hotels Limited**  
(CIN: U55101GA1990PLC001100)

Our Secretarial Audit Report dated **25th July 2019** is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
4. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**(JAYMIN MODI & Co.)**

**Practicing Company Secretaries**

**C P No. 16948**

**Date: 25th July, 2019**

**Place: Mumbai**

## **INDEPENDENT AUDITORS REPORT**

**To the Members of  
MAC HOTELS LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone Financial Statements of MAC HOTELS LIMITED ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2019, and the statement of Profit and Loss including statement of changes in equity and statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

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<sup>st</sup> March 2019, and its profit, (changes in equity) and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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



## **Information Other than the Standalone Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditors report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

## **Responsibilities of the Management and those charged with governance 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 Statement of affairs (financial position), Profit and loss account (financial performance), (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of a financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
3. Further to our comments in Annexure I 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 the statement of changes in equity and the Cash Flow Statement 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and as amended.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer our separate report in Annexure II. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (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:
  - i. The Company does not have any pending litigations which would impact its financial position in its standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. No amounts are required to be transferred, to the Investor Education and Protection Fund by the Company.

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**For MILIND KULKARNI & ASSOCIATES,**  
**Chartered Accountants**  
Firm's Registration No.120997W

MILIND RAMCHANDRA KULKARNI  
**PROPRIETOR**  
**M. No. 109025**

Place: PANAJI - GOA  
Date: 10/06/2019

## ANNEXURE 'I' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MAC HOTELS LIMITED of even date)

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets, however the same has not been updated as on 31/3/2019.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on physical verification were not material and have been dealt with in the books of accounts.
- iii. According to the information and explanations given to us, the Company has granted Unsecured loans & advances to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. However, no such register was maintained by the Company.

In absence of any written documents as regards advance of monies, we are unable to comment whether The terms and conditions of the grant of such loans and advances are prejudicial or not to the Company's interest.

  - (a) The schedule of repayment of principal and payment of interest if any, has not been stipulated hence we are unable to comment as regards the repayment of advances and interest if any thereon.
  - (b) In absence of any schedule of repayment of advance granted we are unable to comment if there is any overdue amount remaining outstanding

as at the year-end.

- iv. In our opinion and according to the information and explanations given to us, the Company has **NOT** complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

Company has advanced an amount of Rs. 1,30,43,582/- to Hotel Miramar Comfort Pvt. Ltd. which is a holding company. In respect of above advances, provisions of Section 185 and 186 have not been complied with.

- v. In our opinion and according to the information and explanations given to us the Company has not accepted deposits from public covered under the provisions of section 73 to section 76 of the Companies Act, 2013.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) **The Company has generally NOT been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.**
  - (b) There were undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - (c) There were no disputes with any Government Department as regards payment of any of the Statutory Duties.
- viii. The Company has taken loans or borrowings during the year from financial institutions, banks and government.
- The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government. It has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.



- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The provisions of section 197 read with Schedule V to the Companies Act, 2013 have been complied with.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. The Company has had related party transactions, however the Company has NOT complied with the provisions of Section 177 and 188 of the Act.** However, adequate disclosure has been made in the financial statements etc., as required by the applicable accounting standard.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 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. Accordingly paragraph 3(xvi) of the Order is not applicable to the Company

**For MILIND KULKARNI & ASSOCIATES,**

**Chartered Accountants**

Firm's Registration No.120997W

MILIND RAMCHANDRA KULKARNI

**PROPRIETOR**

**M. No. 109025**

Place: PANAJI - GOA

Date: 10/06/2019

## **Annexure II to the Auditor's Report – March 31, 2019**

### **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 HOTELS LIMITED** ("the Company") as of March 31, 2019 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 issued by the Institute of Chartered Accountants of India. 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.

#### **Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (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 Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone 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 March 31, 2019, **(EXCEPT THAT THE COMPANY DID NOT APPOINT ANY INTERNAL AUDITOR DURING THE YEAR AND ALSO BEING A PUBLIC LIMITED COMPANY HAS NOT CONSTITUTED ANY AUDIT COMMITTEE)** 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 MILIND KULKARNI & ASSOCIATES,**

**Chartered Accountants**

Firm's Registration No.120997W

MILIND RAMCHANDRA KULKARNI

**PROPRIETOR**

**M. No. 109025**

Place: PANAJI - GOA

Date: 10/06/2019

## BALANCE SHEET AS AT 31ST MARCH 2019

Particulars	As at 31-03-2019 (Audited)	As at 31-03-2018 (Audited)
<b>I. EQUITY AND LIABILITIES</b>		
(1) Shareholders' funds		
(a) Share capital	300.00	300.00
(b) Reserves and surplus	175.06	53.44
(c) Money received against share warrants	0.00	0.00
(2) Share application money pending allotment	0.00	0.00
(3) Non-current liabilities		
(a) Long-term borrowings	134.98	208.05
(b) Deferred tax liabilities (Net)	9.59	0.00
(c) Other Long term liabilities	0.00	0.00
(d) Long-term provisions	0.00	0.00
(4) Current liabilities		
(a) Short-term borrowings	13.74	9.17
(b) Trade payables	56.78	11.09
(c) Other current liabilities	99.37	25.66
(d) Short-term provisions	58.43	11.00
<b>TOTAL</b>	<b>847.94</b>	<b>618.40</b>
<b>II. ASSETS</b>		
1. Non-current assets		
(a) Fixed assets		
(i) Tangible assets	431.51	441.06
(ii) Intangible assets	6.91	10.61
(iii) Capital work-in-progress	0.00	0.00
(iv) Intangible assets under development	0.00	0.00
(b) Non-current investments	2.34	0.00
(c) Deferred tax assets (net)	0.00	0.00
(d) Long-term loans and advances	0.00	0.00
(e) Other non-current assets	0.00	0.00
2. Current assets		
(a) Current investments	0.00	0.00
(b) Inventories	54.36	17.75
(c) Trade receivables	186.79	64.02
(d) Cash and cash equivalents	4.98	38.91
(e) Short-term loans and advances	161.04	46.06
(f) Other current assets	0.00	0.00
<b>TOTAL</b>	<b>847.94</b>	<b>618.40</b>

## PROFIT AND LOSS ACCOUNT AS AT 31<sup>ST</sup> MARCH 2019

		Rupees in Lakhs	
SR. NO.	Particulars	Year Ended	
		31-03-19	31-03-18
		(Audited)	(Audited)
I.	Revenue from operations	679.29	410.96
II.	Other income	0.00	5.10
III.	<b>Total Revenue (I + II)</b>	<b>679.29</b>	<b>416.07</b>
IV.	<b>Expenses:</b>		
	a Cost of materials consumed	52.23	42.44
	b Purchases of Stock-in-Trade	3.23	2.33
	c Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-3.49	0.25
	d Employee benefits expense	70.78	17.96
	e Finance costs	26.43	25.21
	f Depreciation and amortization expense	45.08	39.80
	g Other expenses	283.23	232.18
	<b>Total expenses</b>	<b>477.49</b>	<b>360.18</b>
V.	Profit before exceptional and extraordinary items and tax (III - IV)	201.80	55.89
VI.	Exceptional items	0.00	0.00
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>	<b>201.80</b>	<b>55.89</b>
VIII.	Extraordinary items	0.00	0.00
IX.	<b>Profit before tax (VII- VIII)</b>	<b>201.80</b>	<b>55.89</b>
X.	Tax expense:		
	(1) Current tax	55.59	11.00
	(2) Deferred tax	9.59	0.00
XI.	<b>Profit (Loss) for the period from continuing operations (VII- IX)</b>	<b>136.62</b>	<b>44.89</b>
XII.	Profit/(loss) from discontinuing operations	0.00	0.00
XIII.	Tax expense of discontinuing operations	0.00	0.00
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	0.00	0.00
XV.	<b>Profit / (Loss) for the period (XI + XIV)</b>	<b>136.62</b>	<b>44.89</b>
XVI.	<b>Adjustment for Consolidation</b>		
	(1) Pre Acquisition Profit/Loss	0.00	0.00
	(2) Minority Share in Post Acquisition Profit/Loss	0.00	0.00
XVII.	<b>Profit / (Loss) for the period (XV-XVI)</b>	<b>136.62</b>	<b>44.89</b>
XVIII.	<b>Earnings per equity share:</b>		
	a Basic	4.55	1.50
	b Diluted	4.55	1.50

## CASH FLOW STATEMENT

MAC HOTELS LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019			
(A) CASH FLOWS FROM OPERATING ACTIVITIES		2018-19	2017-18
Profit/(Loss) before tax and extraordinary items		20,179,709	5,588,899
<b>Adjustments:</b>			
Depreciation and amortisation		4,508,036	3,980,421
Finance cost		2,503,781	2,406,898
Provision for Tax		(5,558,940)	(1,100,000)
Proposed Dividend		(1,500,000)	-
<b>Operating profit before working capital changes</b>		<b>20,132,586</b>	<b>10,876,218</b>
<b>Changes In Working Capital :</b>			
Increase / (decrease) in trade and other payables		4,568,555	(923,958)
Increase / (decrease) in Other Financial Liabilities		232,565	
Increase / (decrease) in provisions		4,697,679	91,556
Increase / (decrease) Current Liabilities		3,423,579	258,873
(Increase) / decrease in inventories		(3,661,341)	(13,890)
(Increase) / decrease in Other Current & Non - Current Assets, Loans & Advances		822,399	(1,801,433)
(Increase) / decrease in trade and other receivables		(12,277,471)	(1,607,423)
		<b>(2,194,035)</b>	<b>(3,996,276)</b>
Cash generated used in operations		17,938,551	6,879,942
Direct taxes paid (net of refunds)		-	-
<b>Net cash generated from / (used) in operations</b>	<b>(A)</b>	<b>17,938,551</b>	<b>6,879,942</b>
<b>(B) CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Payments for purchase of fixed assets		(3,183,197)	(3,750,176)
Proceeds from sale of fixed assets		-	-
(Purchase)/Proceeds of long term investments (Net)		(233,879)	-
Payments to Holdings & Associate Companies		(12,320,916)	-
Interest received		-	-
Dividend received		-	-
<b>Net cash generated from / (used) in investment activities</b>	<b>(B)</b>	<b>(15,737,992)</b>	<b>(3,750,176)</b>
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings		-	1,967,784
Repayments of long term borrowings		(4,463,635.6)	-
Proceeds from / (Repayments of) short term borrowings		1,373,680	
Interest paid		(2,503,781)	(2,406,898)
<b>Net cash generated from / (used) in financing activities</b>	<b>(C)</b>	<b>(5,593,737)</b>	<b>(439,114)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(3,393,177)</b>	<b>2,690,652</b>
Cash and cash equivalents - Opening balance		3,891,278	1,200,626
Cash and cash equivalents - Closing balance		498,101	3,891,278
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(3,393,177)</b>	<b>2,690,652</b>
<b>Notes :</b>			
1	The aforesaid statement has been prepared under the indirect method, as set out in "Accounting Standard (AS) 3 - "Cash Flow Statement", as specified in the Companies (Accounting Standards) Rules, 2006		
2	Figures for the previous year have been regrouped, wherever necessary		



## NOTES TO ACCOUNTS

Notes forming part of the Financial Statements for the year ended March 31, 2019

### 1. GENERAL INFORMATION

"MAC HOTELS LIMITED" was originally incorporated as a private limited company under the provision of the Company's Act 1956 vide Certificate of Incorporation dated 20th December 1990 bearing Registration Number 01 100 issued by the Registrar of Companies Goa, Daman & Diu. Its registered and principal office of business is located at Mac Corporate House First Floor Beach Plaza Behind Hotel Miramar Nomoxin P.O. Caranzalem 403002 Goa, was converted into Public Company pursuant to Shareholders resolution passed at the Extra Ordinary General Meeting of the Company held on July 27, 2017 and the name of the Company was changed to "Mac Hotels Limited" and a fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated August 10, 2017 was issued by the Registrar of Companies, Goa, Daman & Diu. The Corporate Identification Number (CIN) of the Company is U55101GA1990PLC001100.

The Company is primarily engaged in the business of owning, operating and managing hotels, restaurants and resorts in Goa since last 29 years. Our Company has been incorporated with the main object to carry on the business of hotels, restaurant, café, caravan site, apartment house-keeper etc and related services. Our Hotels and Resorts are tourist destinations for domestic as well as international tourists and are one of the frequented hotels in Goa.

### 2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the company are as under:

#### 2.1 Basis of Preparation of Financial Statements

##### *(a) Compliance with Ind AS*

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest Rupee, except when otherwise indicated.

##### *(b) Basis of measurement*

The financial statements have been prepared on a historical cost convention except, certain financial assets and liabilities measured at fair value in accordance with the accounting policy of the Company. All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations / services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.



*(c) Use of estimates*

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

## 2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

### Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the written down Value method. The estimated useful lives of assets are as follows:

Property, plant and equipment		Useful Life
Building	30 to 60 years	Lease period
Plant & Machinery	1 to 15 years	10 years
Furniture and Fixtures	1 to 10 years	10 years
Office Equipment	1 to 5 years	5 years
Vehicles	8 to 10 years	
Computers	1 to 15 years	

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

## 2.3 Other Intangible Assets

Other Intangible assets are stated at acquisition cost, net of accumulated amortization.

### Amortisation, estimated useful lives

The Company amortises intangible assets over their estimated useful lives using the written down value method. The estimated useful lives of intangible assets are as follows:

Intangible assets			Useful life
Computer Software		6 years	6 years

### Impairment of Assets

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

## 2.4 Foreign Currency Transactions

### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

### (b) Transactions and balances

"On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions."

## 2.5 Revenue Recognition

### Rendering of services

Revenue from services is recognised in accordance with the specific terms of contract or performance and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

### Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income is accounted for when the right to receive the same is established, which is generally when the shareholders approve the dividend.

## 2.6 Taxes on Income

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

### (a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered 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 year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### (b) Deferred tax

"Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority."

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.7 Leases

### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## 2.8 Inventories

Inventories are valued at the lower of cost and net realisable value.

In case of Raw materials, stores and consumable cost represents purchase price.

The comparison of cost and net realizable value is made on item by item basis.

## 2.9 Impairment of non-financial assets

"The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing

use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”)."

## **2.10 Provisions, contingent liabilities, Contingent assets and Commitments**

"Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date."

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if the obligation is settled.

Contingent assets are neither recognised nor disclosed.

Commitments include the amount of purchase order (net of advance) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## **2.11 Cash and cash equivalents**

"Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft."

## **2.12 Employee Benefits**

### **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the

end of the year and are 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.

#### **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Superannuation: Contributions to the superannuation fund, which is administered by Life Insurance Corporation of India, are charged to the Statement of Profit and Loss.

#### **Defined benefit plans**

##### **Gratuity:**

The Company's contribution towards gratuity made under Group Gratuity Scheme with Life Insurance Corporation of India ( LIC ) is determined based on the amount recommended by LIC as per Actuarial valuation. The whole time Directors of the Company are not covered by the gratuity trust created under Group Gratuity Fund. Provision for their gratuity liability has been provided for according to the actuarial valuation carried out by the independent Actuary.

##### **Compensated Absences:**

The employees of the company are entitled to encashment of un-availed leave. The employees can carry forward a portion of the unutilised leave and receive cash compensation at retirement or termination of employment. The Company records an obligation for encashment of un-availed leave in the period in which the employee renders the services, based on an actuarial valuation at the balance sheet date, carried out by an independent actuary.

## **2.13 Contributed equity**

**Equity shares are classified as equity share capital.**

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **2.14 Earnings Per Share**

"Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting any attributable tax thereto for the year. The weighted average number of equity shares outstanding



during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. "

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

### **2.15 Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or Production of a Qualifying asset are capitalised as part of cost of such Asset till such time as the asset is ready for its intended use or sale.

A Qualifying Asset is an Asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

### **2.16 Statement of cash flows**

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **2.17 Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

### **2.18 Segment accounting**

The Company operates in one primary segment i.e. Room Revenue, the organisation structure, the internal reporting systems and review by chief operating decision maker. Secondary segments are identified on the basis of geography in which sales have been effected.

### **2.19 Fair value measurement**

The Company measures certain financial instruments at fair value at each balance sheet date.

"Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:



- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company."

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

"All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable "

## 2.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (a) Financial assets

#### *(i) Initial recognition and measurement*

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not recorded 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.

#### *(ii) Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows."

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

*(iii) Impairment of financial assets*

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the

lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

*(iv) Derecognition of financial assets*

"A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized."

*(v) Investment in associates and subsidiaries*

The Company has accounted for its investment in subsidiaries at cost.

**(b) Financial liabilities**

*(i) Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of Loans & borrowings and payables, net of directly attributable transaction costs.

*(ii) Subsequent measurement*

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

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are

incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

#### **Loans and borrowings**

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 Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

#### **(c) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

#### **(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### **2.21 Rounding off amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest rupee as per requirement of Schedule III of the Act, unless otherwise stated.

## **3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or

liabilities affected in future years.

### **3.1 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### *(a) Taxes*

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### *(b) Defined benefit plans (gratuity benefits and leave encashment)*

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 37.

#### *(c) Impairment of non-financial assets and goodwill*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and use an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

## **4. STANDARDS (INCLUDING AMENDMENTS) ISSUED BUT NOT YET EFFECTIVE**

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

## **5. Ind AS 116- Leases**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 01, 2019. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

**NOTE 6 : PROPERTY, PLANT AND EQUIPMENT**

Description of Assets	Gross Block			Depreciation / Amortisation			Net Block	
	Opening Asat 01.04.2018	Additions	Deductions	Closing Asat 31.03.2019	Opening Asat 01.04.2018	For the Year	Closing Asat 31.03.2019	Transfer to retained earnings
<b>Owned Tangible Assets</b>								
Land/Landscaping	0.00	2539808.00		25,39,808	-	-	-	
Premises (Flats)	4,32,39,584	-	-	4,32,39,584	56,80,349	18,52,470	75,32,819	
Computers	5,89,274			5,89,274	5,54,263	14,395	5,68,658	
Furniture and Fixtures	78,75,365	3,91,836	-	82,67,201	41,18,225	12,65,539	53,83,764	
Vehicles	23,36,691	-	-	23,36,691	22,03,487	15,432	22,18,919	-
Air Conditioner	17,03,274	-	-	17,03,274	10,21,820	1,30,481	11,52,301	-
Kitchen Equipments	9,18,935	26,832	-	9,45,767	6,92,316	92,548	7,84,864	-
Hotel Equipment	13,91,940	1,35,261	-	15,27,201	8,28,156	2,43,334	10,71,490	-
Electrical Fittings	41,21,429	6,610	-	41,28,039	32,90,771	2,63,073	35,53,844	-
Sewage Purification Plant	15,59,210	-	-	15,59,210	13,59,152	58,954	14,18,106	-
<b>Total</b>	<b>6,37,35,702</b>	<b>31,00,347</b>	<b>-</b>	<b>6,68,36,048</b>	<b>1,97,48,539</b>	<b>39,36,226</b>	<b>2,36,84,765</b>	<b>-</b>

**NOTE 7 : OTHER INTANGIBLE ASSETS**

Description of Assets	Gross Block			Depreciation / Amortisation			Net Block	
	Opening Asat 01.04.2018	Additions	Deductions	Closing Asat 31.03.2019	Opening Asat 01.04.2018	For the Year	Closing Asat 31.03.2019	Transfer to retained earnings
<b>Owned Intangible Assets</b>								
Trademarks	10,61,240	-	-	10,61,240	-	5,30,620	5,30,620	
Computer Software	3,35,130	36,000	-	3,71,130	2,16,379	40,204	2,56,583	
Website Development	-	46,850	-	46,850	-	986	986	
<b>Total</b>	<b>13,96,370</b>	<b>82,850</b>	<b>-</b>	<b>14,79,220</b>	<b>2,16,379</b>	<b>5,71,810</b>	<b>7,88,189</b>	<b>-</b>



NOTE 8 : FINANCIAL ASSETS- INVESTMENTS		As at 31.03.2019		As at 31.03.2018	
<b>INVESTMENT IN EQUITY INSTRUMENTS (FULLY PAID-UP)</b>					
<b>Quoted equity shares</b>					
MOTHERSON SUMI SYSTEMS LIMITED	47,807				-
[300 shares (Previous year Nil shares) of Rs. 10 each). Market Value as on 31/03/2019 Rs. 45,480/-					
RELIANCE CAPITAL LIMITED	9,899				-
[50 shares (Previous year Nil shares) of Rs. 10 each) . Market Value as on 31/03/2019 Rs. 10,225/-					
RELIANCE INFRASTRUCTURE LIMITED	32,529				-
[100 shares (Previous year Nil shares) of Rs. 10 each). Market Value as on 31/03/2019 Rs. 13,880/-					
VIVIMED LABS LIMITED	7,480				-
[200 shares (Previous year Nil shares) of Rs. 10 each). Market Value as on 31/03/2019 Rs. 4,740/-					
DHRUV CONSULTANCY	1,08,000				-
[2000 shares (Previous year Nil shares) of Rs. 10 each). Market Value as on 31/03/2019 Rs. 65,400/-					
CEREBRA INTEGRATED TECHNOLOGIES LIMITED.	28,165				-
[500 shares (Previous year Nil shares) of Rs. 10 each). Market Value as on 31/03/2019 Rs. 12,775/-					
<b>Aggregate Book/market value of Quoted Investments</b>		<b>2,33,879</b>			-
<b>Note: Company has not provided for deminision in the book value of the investment.</b>					
<b>NOTE 9 : OTHER FINANCIAL ASSETS</b>		<b>As at 31.03.2019</b>		<b>As at 31.03.2018</b>	
<b>Advances to related parties</b>					
- Holding & Associates Company	1,30,43,582			8,25,667	8,25,667
- Directors and Relatives of Director	1,03,000				
		<b>1,31,46,582</b>			8,25,667
<b>NOTE 10 : OTHER NON CURRENT ASSETS</b>		<b>As at 31.03.2019</b>		<b>As at 31.03.2011</b>	
Advance for Purchase of Fixed Asset (Capital Advance)	15,00,000				-
Security Deposits	2,05,600				11,200
		<b>17,05,600</b>			<b>11,200</b>

NOTE 11 : INVENTORIES	As at 31.03.2019		As at 31.03.2018	
<b>Stock in Trade</b>				
Store	2,37,946		19,440	
Beverages	3,78,610		29,160	
Linen & Mattresses	35,35,398		11,96,125	
Crockery & Cutlery	12,84,198	54,36,152	5,30,086	17,74,811
		-		
		54,36,152		17,74,811

NOTE 12 : TRADE RECEIVABLES	As at 31.03.2019		As at 31.03.2018	
Secured, considered good	-			
Unsecured	-			
Considered good *				
-Related Parties	-			
-Others	1,86,79,069		64,01,598	
Considered Doubtful	-			
Less-Allowance for bad and doubtful debts	-			
		1,86,79,069		64,01,598

NOTE 13 : CASH AND CASH EQUIVALENTS	As at 31.03.2019		As at 31.03.2018	
<b>Cash and cash equivalents</b>				
Cash in hand	2,23,710		33,33,574	
Balance with banks				
- on current account	2,74,391	4,98,101	5,57,704	38,91,278
		4,98,101		38,91,278

NOTE 14 : CURRENT FINANCIAL ASSETS - LOANS AND ADVANCES	As at 31.03.2019		As at 31.03.2018	
(a) Unsecured, considered good, unless otherwise stated				
Loans and Advances to related party	11,73,766			
(b) Advances to employees recoverable in cash or in kind or for value to be received				
Considered good	74,897			
Considered doubtful	-		-	
Less: Allowance for bad and doubtful advances	-			
(c) Others	-		37,68,659	
		12,48,663		37,68,659

NOTE 15 : OTHER CURRENT ASSETS	As at 31.03.2019		As at 31.03.2018	
Advances to suppliers (Considered good)	3,197	3,197	-	-
Dividend receivable from subsidiary		-		-
		3,197		-

NOTE 16 : SHARE CAPITAL	As at 31.03.2019	As at 31.03.2018
<b>EQUITY SHARES</b>		
<b>Authorised :</b>		
31,00,000 equity shares of Rs.10 each	3,10,00,000	3,10,00,000
(Previous year 31,00,000 equity shares of Rs. 10 each)		
<b>Issued, Subscribed and Paid up :</b>		
30,00,000 equity shares of Rs.10 each	3,00,00,000	3,00,00,000
(Previous year 30,00,000 equity shares of Rs. 10 each)	3,00,00,000	3,00,00,000

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	0.00		0.00	
	No. of shares	Value (Rs.)	No. of shares	Value (Rs.)
Equity shares at the beginning of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Equity shares issued during the year	-	-	-	-
Equity shares at the close of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. 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 of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	0.00		0.00	
	No. of shares	% held	No. of shares	% held
Hotel Miramar Comfort Pvt. Ltd.	18,38,000	61.27%	26,48,000	88.27%

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

Other disclosures (for 5 years immediately preceding 31.03.2019)

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14
i. Shares issued pursuant to a contract without payment being received in cash	-	26,74,660	-	-	-
ii. Shares issued as fully paid up bonus shares	-	-	-	-	-
iii. Shares bought back	-	-	-	-	-

NOTE 17 : OTHER EQUITY		As at 31.03.2019		As at 31.03.2018	
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>					
Opening Balance		53,43,531		8,54,632	
Add/ (Less): Profit / (Loss) for the current year		1,36,62,240		44,88,899	
Less: Interim Dividend declared for the year		15,00,000		-	
<b>Closing balance</b>			1,75,05,771		53,43,531
			1,75,05,771		53,43,531
<b>NOTE 18 : NON CURRENT BORROWINGS</b>				<b>As at</b>	<b>As at</b>
<b>Secured :</b>				<b>31.03.2019</b>	<b>31.03.2018</b>
Term Loans					
<b>From Banks</b>				<b>1,34,98,296</b>	1,79,61,932
<b>Unsecured :</b>					
				<b>1,34,98,296</b>	1,79,61,932
<b>Current maturities of long term borrowings disclosed in Note 25 under - Other Current Liabilities</b>					
a) Term loans from bank				<b>30,75,709</b>	28,43,144
b) Term loans from financial institutions				-	-
				<b>30,75,709</b>	28,43,144
<b>Interest accrued and due on long term borrowings disclosed in Note 25 under - Other Current Liabilities</b>					
a) Term loans from bank				-	-
b) Term loans from financial institutions				-	-
				-	-
<b>Details of security</b>				<b>Amount outstanding as on 31.03.2019</b>	<b>Amount outstanding as on 31.03.2018</b>
a) <b>Term loans from bank - Citizen Credit Co-operative Bank Ltd</b>				80,81,333	-
i Secured by mortgage of buildings (Premises) and personal guarantee of directors and Corporate Gaurantee of M/s Hotel Miramar Comfort Pvt Ltd Premises No. MBGS12 in the Project Park Avenue - Calangute Goa					
ii Premises No. HT1(JT1),OG2,OG1,LT2(NT2),LT1(NT1),HT2(JT2),AF2(BF2) and AF1(BF1) in the Project Village Royal - Calangute Goa.					
b) <b>Term loans from bank - Citizen Credit Co-operative Bank Ltd</b>				40,90,503	
i Secured by mortgage of buildings (Premises) and personal guarantee of directors and relatives of directors					
ii Premises No. HT1(JT1),OG2,OG1,LT2(NT2),LT1(NT1),HT2(JT2),AF2(BF2) and AF1(BF1) in the Project Village Royal - Calangute Goa.					
iii Premises No. MBT1,MBT2. MBT3 & MBT4 in the Project Village Royal - Calangute Goa, owned by directors and relatives of directors.					
iv Hypothecation of Equipment, Plant and Machinery					
c) <b>Term loans from bank - SVC Co-operative Bank Ltd</b>				41,20,634	
i Secured by Hypothecation of Furniture, Fixtures & Fixed Assets of Company and personal guarantee of directors and relatives of directors					
ii Secured by mortgage of Plot No. 25 of 146 & 147 situated at Nomoxin caranzalem Goa, along with building adms 220.98 Sq Mts.					
d) <b>Term loans from bank - Bank of India</b>				2,81,535	
i Secured by Equitable mortgage of Flat No. MBS2 adms 32.00 Sq mts on second floor in building MB Block or B Block in the Project Park Avenue Apartments at calangute Bardez Goa.					
				1,65,74,005	-

**NOTE 19 : DEFERRED TAX (ASSETS) / LIABILITIES**

The major components of deferred tax (assets)/liabilities are as under:-

	As at 31.03.2019		As at 31.03.2018	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
On Property, Plant & Equipments		9,58,529		
Expenses allowable for tax purposes when paid/on payment of TDS		0.00		
Provision for doubtful debts and provision for inventory write down	-	0.00		
<b>Net deferred tax liability / (asset)</b>	-	9,58,529	-	
Liability (charged) / credited for the year	9,58,529			
Deferred tax impact of Schedule II transferred to retained earnings	(0)			
Deferred tax (assets) / liabilities to be recognized in Statement of Profit and Loss	9,58,529			

**NOTE 20 : SHORT TERM BORROWINGS**

	As at 31.03.2019		As at 31.03.2018	
<b>Secured :</b>				
From Banks :				
Cash credit		13,73,680		-
		13,73,680		-
<b>Nature of security :</b>	The above facilities from banks are secured by Equitable Mortgage of Flat No. MBS2 in Park Avenue Apartments.			

**NOTE 21 : TRADE PAYABLES**

	As at 31.03.2019		As at 31.03.2018	
- Total outstanding dues of micro enterprises and small enterprises	-		-	
- Total outstanding dues of creditors other than micro enterprises and small enterprises*	56,77,830		11,09,275	
		56,77,830		11,09,275
		56,77,830		11,09,275

**NOTE 22 : OTHER FINANCIAL LIABILITIES**

	As at 31.03.2019	As at 31.03.2018
<b>Other financial liabilities at amortised cost</b>		
Current maturity of long term loans	30,75,709	28,43,144
Creditors for capital goods	-	-
Others liabilities	-	-
	30,75,709	28,43,144

<b>NOTE 23 : OTHER CURRENT LIABILITIES</b>		<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Statutory dues Payable		<b>18,49,771</b>	22,30,593
Dividend Payable		<b>15,00,000</b>	-
<b>Employee Benefits payable:</b>			
Salary Payable		<b>24,56,856</b>	1,16,986
Other Liabilities including Advances Received		<b>10,54,255</b>	10,89,724
		<b>68,60,882</b>	<b>34,37,303</b>
<b>NOTE 24 : SHORT TERM PROVISIONS</b>		<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Provision for Employee Benefits:</b>			
Bonus Payable		<b>1,99,484</b>	45,182
<b>Provision for Income Taxes</b> (net of advance tax and tax deducted at source)		<b>56,43,377</b>	11,00,000
		<b>58,42,861</b>	<b>11,45,182</b>

<b>NOTE 25 : REVENUE FROM OPERATIONS</b>		<b>2018-19</b>		<b>2017-18</b>	
<b>Operating Revenue</b>					
Room Revenue		<b>5,52,31,688</b>		3,07,68,328	
Food & Beverage Sale		<b>1,23,40,148</b>		1,03,27,695	
			<b>6,75,71,836</b>		4,10,96,023
<b>Other non-operating revenue</b>			<b>3,56,775</b>		5,10,481
			-		-
<b>Revenue from operations</b>			<b>6,79,28,611</b>		<b>4,16,06,504</b>

NOTE 26 : COST OF SALES		2018-19		2017-18	
<b>Cost of materials consumed :</b>					
Opening stock	19,440			23,313	
Add : Purchases	54,41,333			42,40,554	
	54,60,773			42,63,867	
Less : Closing stock	2,37,946			19,440	
		52,22,827			42,44,427
<b>Purchase of stock in trade (Beverages)</b>	3,23,349	3,23,349			2,32,725
<b>Changes in inventories of stock in trade</b>					
<b>Closing stock :</b>					
Beverage	3,78,610			29,160	
	3,78,610			29,160	
<b>Opening stock :</b>					
Beverage	29,160			54,397	
	29,160	(3,49,450)		54,397	25,237
		51,96,726			45,02,389

NOTE 27 : EMPLOYEE BENEFITS EXPENSES		2018-19		2017-18	
Salaries, Wages and Bonus		63,40,482		15,81,186	
Contribution to Provident fund and other funds		4,77,419		93,234	
Staff Welfare Expenses		2,60,544		1,21,627	
		70,78,445		17,96,047	

NOTE 28 : FINANCE COSTS		2018-19		2017-18	
Interest expenses:					
- Borrowings	22,80,631			24,06,898	
- Interest on Others	2,23,150			-	
		25,03,781			24,06,898
Other borrowing costs and bank charges		1,39,379			1,13,701
		26,43,160			25,20,598

NOTE 29 : DEPRECIATION		2018-19		2017-18	
Depreciation on tangible assets	39,36,226			-	39,80,421
Amortisation of intangible assets	5,71,810	45,08,036		-	-
		45,08,036			39,80,421



<b>NOTE 30 : OTHER EXPENSES</b>	<b>2018-19</b>		<b>2017-18</b>	
Lease rent against Premises		<b>39,03,740</b>		39,23,600
Repairs :				
- Hotel Maintenance	<b>6,58,184</b>			2,58,797
- Building	<b>2,00,560</b>			1,49,124
- Vehicle	<b>1,11,209</b>	<b>9,69,953</b>		10,433
Insurance		<b>90,629</b>		98,445
Rates and Taxes		<b>3,19,442</b>		9,73,822
Freight Charges		<b>6,837</b>		8,411
Auditor's Remuneration				
- Audit fees	<b>1,00,000</b>		1,00,000	
- Tax audit fees	<b>60,000</b>	<b>1,60,000</b>	60,000	1,60,000
Commission		<b>8,95,775</b>		-
Computer Expenses		<b>40,241</b>		64,241
Travelling and conveyance		<b>10,99,319</b>		13,370
Royalty Fees		<b>3,60,000</b>		3,24,494
House Keeping Expenses		<b>3,87,131</b>		1,36,235
Entertainment Expenses		<b>1,02,500</b>		5,945
Directors' fees		<b>34,000</b>		24,000
Advertising and sales promotion		<b>3,65,157</b>		1,27,058
Packing Expenses		<b>-</b>		1,37,374
Linen , Uniform & Laundry Expenses		<b>5,65,044</b>		1,76,931
Telephone and communication expenses		<b>1,26,350</b>		67,020
Power & Fuel		<b>7,78,939</b>		8,70,049
Management Fees		<b>1,69,26,604</b>		1,46,41,827
Professional and Legal Fees		<b>6,47,160</b>		4,32,376
Printing and stationery expenses		<b>2,20,529</b>		89,827
Discount allowed		<b>51,278</b>		-
Crockery & Cutlery Expenses		<b>8,392</b>		-
Miscellaneous expenses		<b>2,63,515</b>		5,24,770
		<b>2,83,22,535</b>		2,32,18,150

<b>31 Earnings/ Loss per share</b>		
Basic earnings / (loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.		
Diluted earnings / (loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.		
The following reflects the income and share data used in the basic and diluted EPS computations:		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Profit attributable to equity holders	1,36,62,240	44,88,899
Less: preference dividend after-tax	-	-
Profit attributable to equity holders after preference dividend	1,36,62,240	44,88,899
Add: Interest on convertible preference shares	-	-
Profit attributable to equity holders adjusted for the effect of dilution	1,36,62,240	44,88,899
Weighted average number of equity shares for basic EPS*	30,00,000	30,00,000
Effect of dilution:		
Share options	-	-
Convertible share warrants	-	-
Weighted average number of equity shares adjusted for the effect of dilution	30,00,000	30,00,000
Basic Profit per share (INR)	4.55	1.50
Diluted Profit per share (INR)	4.55	1.50
<b>32 Employee benefits</b>		
<b>(A) Defined Contribution Plans</b>		
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -		
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 27)	<b>31 March 2019</b>	<b>31 March 2018</b>
	4,77,419	93,234
<b>(B) Defined benefit plans</b>		
Gratuity and compensated absences expenses (Refer 27)	Nil	Nil

### 33 Related Party Disclosures

(A) Names of related parties and description of relationship as identified and certified by the Company:

#### Subsidiary Companies

#### Associates / Enterprises in which Directors exercise significant influence

1. Hotel Miramar Comfort Private Limited- Holding Company
2. Mac Leisure Ventures Private Limited - Associate Concern
3. Eustaquio Traders and Exporters (Partnership Firm) - Associate Concern

#### Key Management Personnel (KMP)

1. Edgar Cotta - Managing Director
2. Schubert Cotta - Chief Financial Officer
3. Edwin Cotta - Chairman
4. Priyanka Sen - Company Secretary

#### Relatives of the Key Management Personnel

1. Skoda Cotta

(B) Details of transactions with related party in the ordinary course of business for the year ended:

	31 March 2019	31 March 2018
(i) Subsidiary Companies		
Purchases of goods and services		
Sales of goods and services		
Dividend income		
(ii) Associates / Enterprises in which Directors exercise significant influence		
Purchases of goods and services	7,80,000	7,80,000
Purchases of fixed assets	-	-
Sales of goods and services	-	-
Sale of fixed assets	-	-
Re-imbursement of expenses	49,79,546	-
Recovery of expenses	-	-
(iii) Key Management Personnel (KMP)		
Compensation of key management personnel		
Salaries	21,72,000	6,97,000
Employee benefits	-	-
Total	21,72,000	6,97,000
(iv) Key Management Personnel		
Director's sitting fees	34,000	24,000

(C) Amount due to/from related party as on: 31/03/2019

	31 March 2019	31 March 2018
(i) Subsidiary Companies	31 March 2019	31 March 2018
Accounts receivable		
Accounts payable	-	-
Advances received	-	-
(ii) Associates / Enterprises in which Directors exercise significant influence		
Accounts receivable	1,30,43,582	20,49,312
Accounts payable		
Other receivables		
Advances Receivable		
(iii) Key Management Personnel		
Accounts receivable	1,03,000	-
Accounts payable	-	-

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 34. Segment reporting

#### a) Operating segment

The Company's operations predominantly relate to Room Services and Restaurant Services. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

#### b) Geographical segment

No Geographical segment for a company being a Hotel Industry providing services within India and hence no information has been furnished herewith.

### 35. Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans and advances, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets and liabilities are not significantly different from the carrying amount.

### 36. Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	<b>Fair value measurement hierarchy of assets</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
(a)	<u>Financial Assets measured at fair value</u>		
	<b>Level 3</b>		
	<b>Derivative financial assets</b>		
	Investments (non-current assets)	2,33,879	-
	There have been no transfers between Level 1 and Level 3 during the period		

	<b><u>Fair value measurement hierarchy for liabilities:</u></b>		
(b)	<b><u>Liabilities for which fair values are disclosed</u></b>		
	<b><u>Financial assets measured at amortized cost</u></b>		
	Trade receivables	1,86,79,069	64,01,598
	Cash and cash equivalents	2,23,710	33,33,574
	Bank balances other than cash and cash equivalent	2,74,391	5,57,704
	Loans and advances (Current)	12,48,663	37,68,659
	Other financial assets	1,31,49,779	8,25,667
	<b><u>Financial liabilities measured at amortized cost</u></b>		
	Borrowings	1,48,71,976	1,79,61,932
	Trade payables	56,77,830	11,09,275
	Other financial liabilities	30,75,709	28,43,144

The carrying amount of above financials assets and financial liabilities are are considered to be the same as their fair values.

### 37. Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

#### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

#### (i) Interest rate risk

"Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. "

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
2019		
INR	+100	1,77,944
INR	-100	(1,77,944)
2018		
INR	+100	1,92,384
INR	-100	(1,92,384)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). No Foreign Currency sensitivity risk as Company generated revenue in INR only.

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from customers and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the customers.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts as mentioned in Note 9 to 12.

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<b>31 March 2019</b>						
Term loan from financial institutions	-	-	-	-	-	-
Term loan from banks	-	7,28,583	23,47,126	1,33,45,031	-	1,64,20,740
Short term borrowings	13,73,680	-	-	-	-	13,73,680
Trade payables	-	52,60,894	4,16,936	-	-	56,77,830
Other financial liabilities	-	7,28,583	23,47,126	-	-	30,75,709
	13,73,680	67,18,060	51,11,188	1,33,45,031	-	2,65,47,959
<b>31 March 2018</b>						
Term loan from financial institutions	-			-	-	
Term loan from banks	-	6,46,218	21,96,927	1,63,95,272	-	1,92,38,416
Short term borrowings	-	-	-	-	-	-
Trade payables	-	8,97,034	2,12,241	-	-	11,09,275
Other financial liabilities	-	6,46,218	21,96,927	-	-	28,43,144
	-	21,89,469	46,06,094	1,63,95,272	-	2,31,90,835

### 38. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has declared dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of current borrowing. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.



		31 March 2019	31 March 2018
Equity including Reserves		4,75,05,771	3,53,43,531
Total equity	(i)	4,75,05,771	3,53,43,531
Borrowings other than convertible preference shares		1,65,74,005	2,08,05,076
Less: cash and cash equivalents		(4,98,101)	(38,91,278)
Total debt	(ii)	1,60,75,904	1,69,13,797
Overall financing	(iii) = (i) + (ii)	6,35,81,675	5,22,57,328
Gearing ratio	(ii)/ (iii)	0.25	0.32
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.			

	31 March 2019	31 March 2018
<b>39. Number of permanent employees</b>	<b>66</b>	<b>6</b>

**40.** As the Company being a Hotel and Providing Room Services, the company do not have a warranty period, hence provision for warranty as specified in Indian Accounting Standard (Ind AS) 37 on "Provisions, Contingent Liabilities and Contingent Assets" is not required to be made.

**41.** During the year the Company has not capitalised any borrowing costs as per Ind AS 23 - "Borrowing costs".

**42.** Company has carry out transaction with Associate enterprises/ related parties with respect to leasing of Hotel Building however for the first three month no lease rent has been paid in lieu of waiver given by the company hence no records under 92-92f of Income Tax Act, 1961 has maintained.

**43.** Unclaimed dividend: No unclaimed dividend outstanding in Balance Sheet as on 31.03.2019

**44.** In the opinion of the Board, the Current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business, except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

**45.** As per Ind AS 36 “Impairment of Assets”, the Company has reviewed potential generation of economic benefits from fixed assets. Accordingly, no impairment loss has been provided for the year ended 31 March 2019 (31 March 2018: ₹ Nil) in the books.

**46.** Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

**ATTENDANCE SLIP**  
**29<sup>th</sup> ANNUAL GENERAL MEETING TO BE HELD ON 26<sup>th</sup> AUGUST, 2019**

Name and Address of Shareholder	Folio No.
No. of Shares	Client ID

I hereby record my presence at the 29<sup>th</sup> Annual General Meeting of the Company at Dina Banquet Hall, Hotel Miramar, Near Kamat Kinara, Caranzalem Goa-403002, on 26<sup>th</sup> August, 2019, Monday at 03.00 P.M.

\_\_\_\_\_  
 Signature of the Shareholder or Proxy

\_\_\_\_\_  
 Email Address:

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report at the meeting.

Electronic Voting Event Number (EVEN)	USER I'D	PASSWORD



# FORM NO. MGT-11

## PROXY FORM

*[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 a member / members holding.....shares of MAC HOTELS LIMITED hereby appoint:*

1	Name:	Address:
	Email ID:	Signature:
2	Name:	Address:
	Email ID:	Signature:
3	Name:	Address:
	Email ID:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Monday, 26<sup>th</sup> August, 2019 at 03.00 P.M. at Dina Banquet Hall, Hotel Miramar, Near KamatKinara, Caranzalem Goa-403002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No	Description.	No. of shares held	FOR	AGAINST
1	To receive, consider and adopt the Audited Balance Sheet as at March 31,			

	2019 and the Profit and Loss Account for the year ended on that date together with the Schedules thereon, along with the Reports of the Directors and Auditors thereon.			
2	To appoint a Director in place of Mr.EdgarMaximiano Do Rosario Cotta, who retires by rotation and being eligible offered himself for re-appointment.			
3	To appoint a Director in place of Mr. Edwin E R Cotta, who retires by rotation and being eligible offered himself for re-appointment.			
4	To Consider The Appointment Of CA NeeruAgnihotri , Chartered Accountants as Statutory Auditors of the Company and fix their Remuneration .			
5.	To acquire 70% stake in the Singapore Company Mac Global Pte. Ltd.			
6.	To acquire 72% stake in Mac Vacation Global LLP.			
7.	To Declare Final Dividend for the Financial year Ended 31 <sup>st</sup> March, 2019.			

Signed this 26<sup>th</sup> day of August, 2019

Signature(s) of the Shareholder(s).....

Signature of Proxy Holder.....

**Notes:** 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.



**PAPER – MGT -12**  
**BALLOT PAPER/POLLING PAPER**

<b>Name(s) of Member(s) :</b>  (In BLOCK/CAPITAL LETTERS)	
<b>Registered Address :</b>	
<b>DP ID / Client ID* or Registered Folio No :</b>	
<b>No. of equity shares held :</b>	

**\*Applicable in case of Share held in electronic form**

I/We hereby exercise my/our vote in respect of the following resolution(s) as set out in the Notice of 29<sup>th</sup> Annual General Meeting of Company scheduled to be held on Monday, 26<sup>th</sup> August, 2019 at **03.00 P.M.** at **Dina Banquet Hall, Hotel Miramar, Near KamatKinara, Caranzalem Goa-403002**, which is proposed to be placed for consideration of members at the aforesaid Annual General Meeting of the Company, by conveying my/our assent and/or dissent to the said Resolution(s) in the relevant box as stated here in below:

Resol.No.	Resolution	No. of Equity Share(s) held	I/We assent to the resolution (For)*	I/We dissent to the resolution (Against)*
<b>Ordinary Businesses</b>				
1.	To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019 and the Profit and Loss Account for the year ended on that date together with the Schedules thereon, along with the Reports of the Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr.EdgarMaximiano Do Rosario Cotta,			

	who retires by rotation and being eligible offered himself for re-appointment.			
3.	To appoint a Director in place of Mr. Edwin E R Cotta, who retires by rotation and being eligible offered himself for re-appointment.			
4.	To Consider The Appointment Of CA NeeruAgnihotri , Chartered Accountants as Statutory Auditors of the Company and fix their Remuneration			
<b>Special Businesses</b>				
5.	To acquire 70% stake in the Singapore Company Mac Global Pte. Ltd.			
6.	To acquire 72% stake in Mac Vacation Global LLP.			
7.	To Declare Final Dividend for the Financial year Ended 31 <sup>st</sup> March, 2019.			

\*Please put a tick mark (✓) in appropriate column against the resolution(s) indicated above. In case of member/proxy wishes his/her vote to be used differently, he/she should indicate the number of shares under the columns 'For' and/or 'Against'.

**Place:**

**Date:**

**Signature of Member**



## INSTRUCTIONS

### 1. General Instructions:

a. There will be one Ballot Form / remote e-voting for every Client ID No./Folio No., irrespective of the number of joint holders.

b. Members have option to vote either through Ballot Form or through remote e-voting. If a member has opted for Physical Ballot, then he/she should not vote by remote e-voting and vice versa. However, in case Shareholders cast their vote through both physical postal ballot and remote e-voting, then vote cast through remote e-voting shall prevail and vote cast through Physical Postal Ballot shall be considered as invalid.

c. Voting in the ballot/e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorized representatives with proof of their authorization, as stated below.

d. The Scrutinizer's decision on the validity of a Ballot/remote e-voting shall be final and binding.

### 2. Instructions for voting physically by Postal Ballot Form:

a. A member desirous of exercising his/her Vote by Ballot may complete this Ballot Form and send it to the Scrutinizer, Jaymin Modi & Co., a Practicing Company Secretary, at A/302 Om Mahavir CHSL, Navghar Road, Bhayander (E), Thane-401105, in the attached self addressed envelope. Postage will be borne and paid by the Company. Further, any envelopes containing postal ballot, if deposited in person or sent by courier at the expense of the Registered Member(s) will also be accepted.

b. The self-addressed postage pre-paid envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.

c. This Form must be completed and signed by the Member, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.

d. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.

e. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (\*) in the appropriate column

in the Ballot Form. The assent or dissent received in any other form shall not be considered valid.

f. Members are requested to fill the Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.

g. Duly completed Ballot Form should reach the Scrutinizer not later than the close of working hours by 5.00 p.m. on Sunday, 25th August, 2019. All Ballot Forms received after this date will be strictly treated as if no reply has been received from the Member.

h. A Member may request for a duplicate Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.2 (g) above.

i. Members are requested not to send any other paper along with the Ballot Form. They are also requested not to write anything in the Ballot Form except giving their assent or dissent and putting their signature. If any such other paper is sent, the same will be destroyed by the Scrutinizer.

j. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected.

k. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website within two (2) days of passing of the resolutions at the AGM of the Company and shall be communicated to the Stock Exchange, where its securities are listed.

### **3. Process for Members opting for Remote E-Voting:**

a. In case of members receiving the Ballot Form by Post:

User ID and initial password is provided at the bottom of the Ballot Form.

b. If you are already registered with NSDL for remote e-voting then you can use existing user ID and password for Login to cast your vote.

c. In case of any queries, remote e-voting user manual for shareholders available at the Downloads section on NSDL remote e-voting website: [www.evotingindia.com](http://www.evotingindia.com).

d. The period for remote e-voting starts on Friday, 23<sup>rd</sup> August, 2019 at 9.00 a.m. and ends on Sunday, 25th August, 2019 at 5.00 p.m.

**ROUTE MAP TO THE VENUE OF THE 29<sup>th</sup> ANNUAL GENERAL MEETING ON MONDAY,  
26<sup>th</sup> AUGUST, 2019 AT 03.00 P.M.**

