

BOARD OF DIRECTORS

Mr. C. B. Pardhanani	Chairman
Mr. P. B. Appiah	Director
Mr. M. R. B. Punja	Director
Mr. Suresh Vaswani	Director
Ms. Tanya Girdhar	Director

VICE PRESIDENT FINANCE & COMPANY SECRETARY
Mr. M.S. Reddy
MANAGER & VICE PRESIDENT OPERATIONS
Mr. Suresh K Badlaney
CHIEF FINANCIAL OFFICER (CFO)
Mr. Pranisha K Rao
REGISTERED OFFICE
LE MERIDIEN - BANGALORE

28, Sankey Road, Bengaluru - 560 052

Tel : 080-2226 2233 / 2228 2828

Fax : 080-2226 7676 / 2226 2050

CIN: L55101KA1979PLC003620

website: maccharlesindia.com

e-mail : secretarial@lemeridienbangalore.com

secretarial@lemeridien-bangalore.com

PRINCIPAL BANKERS

State Bank of India

State Bank of Mysore

HDFC Bank Ltd.

REGISTRARS & SHARE TRANSFER AGENTS

BgSE Financials Limited

Registrar & Transfer Agent (RTA Division)

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

Bengaluru - 560 027.

Tel : 080 - 4132 9661, Fax : 080 - 4157 5232

Email: manager_rta@bfsi.co.in

GRIEVANCE REDRESSAL DIVISION:
Mr. M. S. Reddy *B.Com., L.L.B., MBIM, FCA, FCS*

Vice President Finance and Company

Secretary- cum - Compliance Officer

Tel : 080-2226 2233 / 2228 2828

Email : investor.relations@maccharles.com

AUDITORS
K. B. Nambiar & Associates

Chartered Accountants

101, President Chambers

8, Richmond Road

Bengaluru - 560 025

CONTENTS

Directors' Report	2
Auditors' Certificate on Corporate Governance	9
Corporate Governance Report	16
Management Discussion & Analysis Report	24
Auditors' Report	26
Balance Sheet	30
Profit & Loss Account	31
Cash Flow Statement	32
Notes to Financial Statements for the year ended March 31, 2016	33
Consolidated Financial Statements	44
Attendance Form	63
Form for Registering E-mail ID	65

*Thirtysixth Annual General Meeting of MAC CHARLES (INDIA) LTD. will be held on **THURSDAY** the **29th SEPTEMBER 2016** at Hotel Le Meridien, No. 28, Sankey Road, Bengaluru - 560 052 at **4.00 p.m.***

Note:

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

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

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

MAC CHARLES (INDIA) LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 36th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2016.

FINANCIAL RESULTS

(In Rs.)

Particulars	2015-16	2014-15
Segmentwise Turnover/Revenue		
(a) Hotel Sales turnover	51,04,28,128	42,33,49,874
(b) Sale of Electricity	6,00,73,470	4,04,68,781
(c) Interest on Corporate loan/ deposits Received	15,96,14,672	9,09,80,633
(d) Rent Received on Commercial Spaces at Cessna Business Park	11,96,07,090	11,68,40,412
(e) Dividend/ Profit/(Loss) on sale of investments	4,96,90,773	4,60,29,384
Total	89,94,14,133	71,76,69,084
Profit before Depreciation, Finance Cost & Tax		
From Hotel Operations	15,60,74,278	9,28,64,355
From Investments other than the Hotel	38,89,86,005	29,42,95,206
	54,50,60,283	38,71,59,561
Less : Depreciation	3,47,25,010	2,83,44,387
Less : Finance Cost	5,92,154	8,12,102
Profit before Tax	50,97,43,119	35,80,03,072
From Hotel Operations	12,07,57,114	6,37,07,866
From Investments other than the Hotel	38,89,86,005	29,42,95,206
	50,97,43,119	35,80,03,072
Provision for tax for the year	17,57,26,579	10,78,84,414
Profit for the year	33,40,16,540	25,01,18,658
Add : Balance brought forward from the previous year	19,60,68,515	17,17,15,493
Amount available for Appropriation	53,00,85,055	42,18,34,151
APPROPRIATIONS		
(i) General Reserves	10,00,00,000	10,00,00,000
(ii) Dividend :	13,10,10,520	10,48,08,416
iii) Corporate Dividend Tax	2,66,70,659	2,09,55,517
iv) Balance carried to Balance Sheet	27,24,03,876	19,60,70,218

TRANSFER TO RESERVES

During the financial year 2015-16 an amount of Rs. 1000 lakhs (Rs.1000 lakhs last year) has been transferred to General Reserve out of amount available for appropriations.

HOTEL OPERATIONS

The Board is pleased to inform that during the financial year 2015-16 the overall revenue of the hotel was higher and with effective cost control & effective working capital management, the Company enhanced its operating performance which has already been highlighted above and in the Management Discussion & Analysis Report.

The Board is pleased to inform you that during the financial year 2015-16 the total revenue of the company has increased to Rs.8,994 lakhs as compared to Rs.7,177 lakhs in the previous year. However, the hotel revenue has moderately increased. The profit after tax for the year is Rs.3,340 lakhs during the financial year 2015-16 compared to Rs.2,501 lakhs during financial year 2014-15. This increase has been mainly on account of 'other income' during the financial year. On the whole, the overall performance for the year has been higher with effective cost control, other segments & business and increase in business due to intensive efforts of marketing network. The Company has been able to retain market share through conference on business summits, out-door catering and also continuing in its leading position in wedding related business in the city. This success has been achieved despite new entrants into the hospitality business, and/or expansion in the existing ones. As a result, during the year, new supply has hit the market with increasing inventory of rooms thereby reflecting an increase of 50% of inventory in the 5 star and 5 star deluxe segments in the city and is situated right in the middle of the Company's key corporate catchment areas. To make the matter worse, there has been acute competition due to variable discount factors offered by many of the members of the hotel industry.

FUTURE PROSPECTS

The future of the hotel industry is facing tough times ahead in view of cost cutting measure initiated by the corporate companies in the sluggish economy prevailing worldwide. Further availability of video conferencing and convenient airline facility are enabling the business traveler to skip room bookings. In addition there is substantial increase in supply side of the five star hotels in Bengaluru resulting in low occupancy and undercutting of rates. However, the Company is striving hard to get more business through various marketing initiatives.

FINANCE

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

DIVIDEND

As you aware, the interim dividend of Rs.10 per Equity Share for the financial year ended March 31, 2016, amounting to Rs.13,10,10,520/- was paid to the shareholders on 25th February 2016. Hence your directors have not recommended final dividend for the financial year ended as on 31st March 2016.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings during the year were Rs.1,334/- lakhs which is 28% of the Hotel Sales Turnover. The Foreign Exchange utilization during the year was Rs.227/- lakhs.

SUBSIDIARY COMPANIES

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

In terms of proviso to sub section (3) of Section 129 of the Companies

Act, 2013, a report on the performance and financial position of the subsidiary of the Company is set out in the prescribed Form AOC-1, which forms a part of the Consolidated Financial Statements.

DUES TO SMALL SCALE UNDERTAKINGS

There are no dues payable to small scale undertakings.

CORPORATE GOVERNANCE

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

ENERGY CONSERVATION

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

- a) During the year under report, the Company has generated 179 Lakh units green power which is being utilized partially for captive consumption of the Hotel and the balance units generated is being sold to Govt. of Karnataka / third party consumers.
- b) An effective key-tag system is in vogue in all guest rooms to switch off lights & power connections automatically.
- c) Substantially switched over to LED lamps from conventional lamps with a view to saving energy upto 60% on lighting.
- d) Installed solar panels which are feeding hot water required for the guest rooms.
- e) Imported and installed three highly fuel efficient screw chillers for our AC plant.
- f) Replaced window with double glazed reflective glass with a view to save power an AC consumption.
- g) Installed two on load tap charger transformers for stabilizing voltage fluctuations and thereby to save power and prevent damage to electric motors and other installations.
- h) Thermostatic Controls, Timers and Photo Cell Switches have been installed wherever necessary to control power consumption.
- i) Imported and installed two temperature control systems to reduce power consumption.
- j) Constituted an energy conservation committee to monitor power consumption regularly.

TECHNOLOGY ABSORPTION

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

been conforming to the stringent Le Meridien's International Standards.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with the Stock Exchanges, a Woman Director should be a member of the Board of Directors of the Company. In accordance with the laws. Ms. Tanya Girdhar has been appointed as an Independent Additional Director of the Company with effect from 21.08.2015. Ms. Sangeeta C. Pardhanani resigned as director of the company with effect from 05.02.2016.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and corporate governance requirements as prescribed by SEBI under clause 49 of the listing Agreements. The performance of the Board was evaluated by the Board on the basis of the criteria such as the Board composition and structure, effectiveness of Board process, information and functioning etc. The performance of the committees was evaluated by the Board on the basis of the criteria such as the composition of the committees effectiveness of committee meetings, etc. The Board and Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of individual director to the Board and committee meetings like preparedness on the issue to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In a separate meeting of independent directors, performance of non-independent director, performance of the Board as a whole and performance of Chairman was evaluated.

BOARD DIVERSITY

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

NOMINATION & REMUNERATION POLICY

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration as required under Section 178 of the Companies Act, 2013 and Clause 49(IV) of the Listing Agreement with the Stock Exchanges. The Nomination & Remuneration Policy of the Company is annexed to this Report.

NOMINATION & REMUNERATION COMMITTEE

Nomination and Remuneration Committee consists of the following

MAC CHARLES (INDIA) LIMITED

directors namely Mr. C.B. Pardhanani , Chairman, and Mr. P.B. Appiah, Director.

Brief description of terms of reference:

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

NOMINATION AND REMUNERATION POLICY

The objectives of the Policy

- 1) To lay down criteria and terms and conditions with regard to identifying person who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- 2) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies.
- 3) To carry out evaluation of the performance of Directors.
- 4) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 5) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' Corporate Governance as well as the Auditors' certificate on the compliance of Corporate Governance are annexed and form part of the Annual Report.

RISK MANAGEMENT COMMITTEE

Pursuant to Clause 49 of the Listing Agreement, the Company has constituted a Risk Management committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

Risk Management Committee consists of the following persons namely Mr. C.B. Pardhanani, Chairman, Mr. P.B. Appiah, Director of Le Meridien Bengaluru. Mr. M.S. Reddy, V P Finance & Company Secretary acts as secretary to the committee.

The Company has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended March 31st, 2016 and states that:

- a) In the preparation of the annual accounts for the year ended March 31st, 2016, the applicable accounting standards have been followed along with proper explanation relating to materials departures, if any;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detection fraud and other irregularities;
- d) The directors have prepared the annual accounts on a going concern basis;
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PARTICULARS OF EMPLOYEES

Information as per Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015, there are no employees drawing remuneration in excess of the limits set out in the said rules.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no contracts or arrangements entered into by the Company in accordance with the Section 188 of the Companies Act, 2013. However, there were material related party transactions in terms of Clause 49 of the Listing Agreements. All material related party transactions that were entered by the Company during the financial year were in the ordinary course of business and on an arm's length basis. All related party transactions are

presented to the Audit Committee and the Board for approval. The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board can be accessed on the Company's website. The details of the transactions with related party are provided in the accompanying financial statements.

AUDITORS' REPORT ON CORPORATE GOVERNANCE

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

AUDITORS & AUDITORS' REPORT

M/s. K.B. Nambiar & Associates, Chartered Accountants, Bengaluru Firm (Firm Registration No. 002313S) was appointed as Statutory Auditors of the Company at the last Annual General Meeting held on 29th September 2015 to hold office upto the conclusion of the third consecutive Annual General Meeting subject to ratification by the members at every Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM. The notes on accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments. There are no frauds reported by the Auditors during the Financial Year under report.

INTERNAL AUDITORS

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

SECRETARIAL AUDITOR

The Board has appointed B.Chandu Narayan, Practicing Company Secretaries, Bengaluru to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2016-17. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed elsewhere in this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on Management Discussion and Analysis and Corporate Governance and Compliance Certificate on Corporate Governance are annexed to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

INTERNAL FINANCIAL CONTROL POLICY AND ITS ADEQUACY

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

RISK MANAGEMENT

Your Board reviews and observes risk management and minimization procedures followed by the Company which are adequate and operating effectively. Although risk management policy and risk management committee is not applicable to your Company under the purview of the law, the system established in the Company to identify, assess, manage, monitor and mitigate risk and control is considered sufficient and adequate. Risk Management is an integral part of the Company's business process. In your Company, risks are carefully mapped and a risk management framework is involved.

DISCLOSURES:

A) MEETINGS OF THE BOARD

Five (5) meetings of the Board of Directors were held during the year. The details of the Board Meeting and the attendance of the Directors are provided in the Corporate Governance Report.

B) COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises three (3) Directors amongst which two (2) are Independent Non-Executive Directors, namely Mr. P.B. Appiah and Mr. M.R.B. Punja and one (1) is Mr. C.B. Pardhanani Chairman of the Company. All the recommendations made by the Audit Committee were accepted by the Board.

C) VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 read with Clause 49(II)(F) of the Listing Agreement with the Stock Exchanges, the Board of Directors at its meeting held on 05.02.2016 has adopted a vigil mechanism/whistle blower policy of the Company. The policy provides a framework for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Protected disclosures can be made by a whistle blower through and email or to the Chairman of the Audit Committee. The vigil mechanism/whistle blower policy can be accessed on the Company's website maccharlesindia.com

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

The Company has zero tolerance towards sexual harassment at workplace and during the year under review, your Board has

MAC CHARLES (INDIA) LIMITED

constituted on internal Complaints Committee to consider and redress complaints of sexual harassment & also adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2015-16, the Company has received no complaints on sexual harassment.

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

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

F) PARTICULARS OF REMUNERATION

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable company as none is drawing in excess of the stipulated remuneration.

G) DISCLOSURES

1. Details pertaining to remuneration and other details as required under section 197(12) of the act read with rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) rules, 2014 are not applicable as there is no remuneration paid to Directors except sitting fees, professional fees & 1% commission to the Non-executive Chairman. Further there was no increase in remuneration of Chief Finance Officer, Company Secretary & Chief Executive Officer in the financial 2015-16.
2. Declaration by the Chief Executive Officer affirming compliance with the code of conduct is annexed elsewhere in this Annual Report.
3. There are no material changes and commitments made during the financial year.
4. There are no changes in the nature of business during the financial year.
5. There are no material variation of market capitalization during the financial year.
6. There are no demat suspense accounts / unclaimed suspense account during the financial year.
7. Necessary disclosures of Accounting Treatment have been made

in the financial statements. The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

8. The extract of Annual Return is annexed elsewhere in this Annual Report.

H) GENERAL

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

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

DEMATERIALIZATION

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Bengaluru
03 August 2016

C.B. Pardhanani
Chairman

Annexure A**EXTRACT FROM NOMINATION AND REMUNERATION POLICY****Policy on Appointment and Removal of Directors, Key Managerial Personnel and Senior Management****A. Eligibility or Criteria for Appointment****Educational Qualification**

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

Experience

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

Integrity

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

Age

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

Independence

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

Limits on Directorship

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

Limits on Committee Membership

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

B. Term of Office**Whole-time Director**

- i. The Whole-time Director(s) of the Company shall be appointed for a term not exceeding five years at a time.
- ii. The Whole-time Director(s) shall be eligible for re-appointment for further terms not exceeding five years at a time subject to the approval of members of the Company.
- iii. No such re-appointment shall be made earlier than one year before the expiry of the current term.

Independent Director(s)

- i. An Independent Director shall hold office for a term up to five consecutive years on the Board of Directors of the Company.
- ii. An Independent Director shall be eligible for re-appointment for another term up to five consecutive years on passing of a special resolution in this regard by the members of the Company.
- iii. No Independent Director shall hold office for more than two consecutive terms. An Independent Director shall be eligible for reappointment after the expiry of three years of ceasing to be an Independent Director where he/she has served for two consecutive terms.

Key Managerial Personnel and Senior Management

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

MAC CHARLES (INDIA) LIMITED

Annexure B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief Outline of CSR Policy

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

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- rural development projects
- Slum Area Development

c. Manner in which the amount was spent during the financial year is detailed below :

S1 No.	CSR project or activity identified	Sector in which the activity is covered	Projects or activity (1) Local Area or Other (2) Specify the State and District where Projects/Programme undertaken	Amount Outlay (Budget) project / programs wise	Amount spent on the projects or activity	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency*
1	Promoting Education and Healthcare	including special education and employment enhancing vocation skills especially among children.	Bengaluru Karnataka	49,72,927	42,80,000	55,90,000	—

6. Responsibility Statement

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

For and on behalf of the Board

Bengaluru
03 August, 2016

P.B. Appiah
Member, CSR committee

C.B. Pardhanani
Chairman

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

viii. Slum Area Development

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

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

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

2. Composition of CSR Committee

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

- Mr. C. B. Pardhanani - Chairman
- Mr. P.B. Appaiah- Director - Member

3. Average Net Profits

The average net profits, i.e. profits before tax of the Company during the three immediately preceding financial years was 24,86,46,334/-

4. Prescribed CSR Expenditure

The prescribed CSR expenditure was Rs. 49,72,927, i.e. 2% of the average net profits mentioned in Point 3 above.

5. Details of CSR Spend

- Total amount to be spent for the financial year 2015-16: 42,80,000/-
- Amount unspent: 6,92,927/- . The reason for unspent money is due to delay in identifying the most deserving trust for education and health care.

Form No. MEGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

- i. CIN: L55101KA1979PLC003620
- ii. Registration Date: September 28, 1979
- iii. Name of the company: Mac Charles (India) Limited
- iv. Category / sub – category of the company: Company limited by shares / Indian Non- Government Company
- v. Address of the Registered office and contact details:
 Le Meridien- Bangalore, 28, Sankey Road, Bengaluru- 560052
 Tel: 080-22262233/22282828, Fax: 080-22267676/22262050
 Email: sectretarial@lemeridien-bangalore.com
 sectretarial@lemeridienbangalore.com
 Website: maccharlesindia.com
- vi. Whether listed company: Yes
- vii. Name, Address and contact details of registrar and Transfer Agent, if any
 BgSE Financials Limited
 Registrar & Transfer Agent (RTA Division)
 No. 51, 1st Cross, J. C. Road, Bengaluru- 560 027.
 Tel: 080-41329661, Fax: 080-41575232
 Email: manager_rta@bfsi.co.in
- viii. Principal Business Activities of the Company

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

Sl. No	Name and Description of main products / services	NIC code of the product/ service	% to total turnover of the company
1	Five Star Hotel Business	55101	57%

III. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Airport Golf View Hotels & Suites Private Limited, XI/447 VIP Road, Mekkad P O, Nedumbassery, Ernakulam, Kerala	U55101KL2003PTC015864	Subsidiary	100%	2(87)

MAC CHARLES (INDIA) LIMITED

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

i) Category-wise Share Holding:

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other.....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :									
(2) Foreign									
a) NRIs - Individuals	96,16,952	0	96,16,952	73.41	96,16,952	0	96,16,952	73.41	0
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	0	1,60,000	1,60,000	1.22	0	1,60,000	1,60,000	1.22	0
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	96,16,952	1,60,000	97,76,952	74.63	96,16,952	1,60,000	97,76,952	74.63	00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	96,16,952	1,60,000	97,76,952	74.63	96,16,952	1,60,000	97,76,952	74.63	0
B. Public Share-holding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	0	3,200	3,200	0.02	0	3,200	3,200	0.02	0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	0	3,200	3,200	0.02	0	3,200	3,200	0.02	0
2. Non-Institutions									
a) Bodies Corp.	2,38,625	6,850	2,45,475	1.87	2,46,382	7,000	2,53,382	1.93	3.22
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	9,91,938	13,01,150	22,93,088	17.50	9,38,242	12,49,900	21,88,142	16.70	-4.57
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1,79,302	,	6,56,152	5.01	2,87,133	4,76,850	7,63,983	5.83	16.43
c) Others (specify)	32,335	9,3850	1,26,185	0.96	23,793	91,600	1,15,393	0.88	-8.55
Sub-total (B)(2)	14,42,200	18,78,700	33,20,900	25.34	14,95,550	18,25,350	33,20,900	25.34	0
Total Public Shareholding (B) = (B)(1) + (B)(2)	14,42,200	18,81,900	33,24,100	25.36	14,95,550	18,28,550	33,24,100	25.36	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,10,59,152	20,41,900	1,31,01,052	100.00	1,11,12,502	1,98,85,500	1,31,01,052	100.00	0