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MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		

MAC CHARLES (INDIA) LIMITED

18th Annual Report 1997 - 98

Le MERIDIEN
BANGALORE

The International Businessman's Hotel

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MAC CHARLES (INDIA) LIMITED

BOARD OF DIRECTORS

Mr. C.B. Pardhanani	Chairman
Mr. J. Matthan	Director
Mr. B.N. Garudachar	Director
Mr. K.R. Sampath	Director
Miss. Sangeeta C. Pardhanani	Director
Mrs. Kavita C. Pardhanani	Director
Mr. M.B. Pardhanani	Director

SECRETARY & FINANCIAL CONTROLLER

Mr. M.S. Reddy B.Com., L.L.B., MBIM, FCA, FCS

AUDITORS

K.B. Nambiar & Associates
Chartered Accountants
Bangalore

BANKS

State Bank of India
Industrial Finance Branch
Residency Road
Bangalore

State Bank of Mysore
Cunningham Road
Bangalore

FOREIGN COLLABORATORS

LE MERIDIEN FORTE HOTELS
Paris,
FRANCE

REGISTERED OFFICE

Le Meridien Bangalore
28 Sankey Road, Bangalore - 560 052
Tel : 2262233
Fax : 2267676/2262050
E-Mail : leme@giasbg01.vsnl.net.in

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 18th Annual General Meeting of the Company will be held at Hotel Le Meridien, No 28, Sankey Road, Bangalore - 560 052, on Monday the 14th September 1998 at 3.30 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt the audited accounts of the Company for the year ended 31 March 1998 together with the Directors' and Auditors' Report thereon.

2. To appoint a Director in place of Mr. J. Matthan, who retires by rotation and is eligible for re-appointment.

3. To appoint a Director in place of Mr. K.R. Sampath, who retires by rotation and is eligible for re-appointment.

4. To appoint a Director in place of Mrs. Kavita C. Pardhanani, who retires by rotation and is eligible for re-appointment.

5. To pass with or without modification the following resolutions as ordinary resolutions :

   "RESOLVED THAT M/s. K.B. Nambiar & Associates, Chartered Accountants, the retiring Auditors of the Company be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this 18th Annual General Meeting until the conclusion of the next Annual General Meeting of the Company".

   "FURTHER RESOLVED THAT the remuneration payable to the said Auditors be such as may be determined by the Board of Directors of the Company".

By Order of the Board of Directors

Bangalore
27 June 1998

M.S. REDDY
Company Secretary

NOTES :

a) A member entitled to attend and vote is entitled to appoint a proxy (whether a member or not) to attend and vote instead of himself but a proxy so appointed has no right to speak at the meeting. **Children accompanying a member/proxy will not be allowed inside the meeting hall.**

b) Proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 3.30 p.m. on 12th September, 1998.

c) The register of members and share transfer books of the Company will be closed from 4.9.1998 to 14.9.1998 (both days inclusive).

d) As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the meeting.

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MAC CHARLES (INDIA) LIMITED

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure to present the 18th Annual Report of the Company together with the Audited Accounts for the year ended 31 March 1998

FINANCIAL RESULTS

In Rupees

Sales Turnover	17,76,43,357
Other Income	1,63,58,774
Expenditure	15,07,76,214
Foreign Exchange Earnings Reserve	1,35,00,000
Provision for Taxation	94,00,000
Profit	2,03,25,917

HOTEL OPERATIONS

Your Company recorded a drop in sales turnover against the previous year's sales turnover as the year under report started with a very low occupancy due to political uncertaintity and currency turmoil resulting in recession in those South Asian countries slowed down the Indian economy. Further in Bangalore, there is a stiff competition from three star hotels apart from tough competition from the established chains of five star hotels. On the expenditure side, the costs on all fronts have recorded steep hike especially power and water charges. The increase in costs of inputs, salaries, maintenance cost, renovation of the hotel interiors and replacement cost of machinery and equipment are substantially narrowing down the hotel margins. Further the high tax levies by the Government to the extent of over 35% to 40% of sales turnover is severely hurting the hotel business.

FUTURE PROSPECTS

The furture prospects for the tourism and hotel industry is not bright in general and particularly in the State of Karnataka. The power crisis is severe and no major power projects are in sight. Even sanctioned power projects now will not take off due to sanctions against our Country. The infrastructure is neglected. The much needed international airport in Bangalore has been scuttled. The Airlines in the country which are much needed to boost travel are in deep trouble. In Bangalore industrial climate is fast deteriorating and our neighbouring states are offering facilities attracting all new projects, which in turn affecting on our hotel business. Unless infrastructure is taken up on war footing, the business and industrial activity will further deteriorate.

FOREIGN EXCHANGE EARNINGS

Foreign exchange earnings including encashments during the year were Rs.955.88 lacs constituting 49.27% of the Turnover. The foreign exchange utilisation during the year was Rs.128.62 lacs.

ENERGY CONSERVATION :

Conservation of energy continues to be a top priority of the management. An effective key-tag system is in vogue to switch off lights & power connections automatically.

The following measures have been taken :

1) Wherever possible we are fixing PL Lamps instead of conventional lamps with a view to save energy.

2) We have installed solar penals which are feeding hot water required for the Guest Rooms.

3) We have imported most fuel efficient three screw chillers for our AC plant.

4) We have replaced windows with double glazed reflective glass which will again save 20% AC consumption.

EMPLOYEES

The relationship with employees are excellent throughout the year. Your Directors wish to record their sincere appreciation of the co-operation and support given by the employees of the Company.

PARTICULARS OF EMPLOYEES

Information under Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975, is appended to this report.

DIRECTORS

Out of the present Directors, Mr. K. R. Sampath, Mrs. Kavita C. Pardhanani and Mr. J Matthan will retire by rotation at the 18th Annual General Meeting and being eligible offer themselves for re-appointment. Mr. K.P. Jyothindran has resigned as Director of the Company w.e.f. 15.9.1997.

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AUDITORS' REPORT

Auditors' observations are explained suitably in respective notes on the accounts. In respect of change in the method of depreciation on the plant and machinery, higher rates of depreciation have been applied as against minimum rates prescribed under the Companies Act, based on a technical report.

AUDITORS

M/s. K.B. Nambiar & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENTS

The Directors are grateful to the Banks namely SBI and SBM for their co-operation, support and valuable assistance extended to the Company. The Directors wish to place on record the support and encouragement received from the Department of Tourism, Government of India, State Government and Foreign Collaborators M/s. Le Meridien Forte Hotels. The Directors also acknowledge the dedicated services rendered by the officers and the staff of the Company.

On behalf of the Board

Bangalore
7 August 1998

C B PARDHANANI
Chairman

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ANNEXURE TO THE DIRECTOR'S REPORT

INFORMATION AS PER SECTION 217 (2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 FOR THE FINANCIAL YEAR ENDED 31 MARCH, 1998

Name	Age (Years)	Designation	Remuneration (Rs.)	Qualifications	Experience (Years)	Date of Employement	Last Employment
EMPLOYED FOR THE YEAR							
Mr. Suresh Kumar Badlancy	48	General Manager	3,47,454	Graduated in Hotel Management Course	29	16.3.1992	Welcomegroup Windsor Manor Sheraton

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