

Annual Report  
2002-03

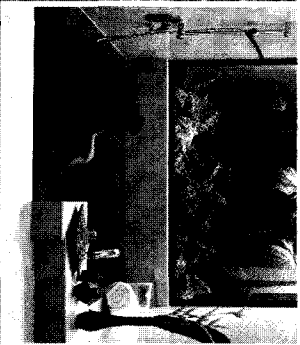
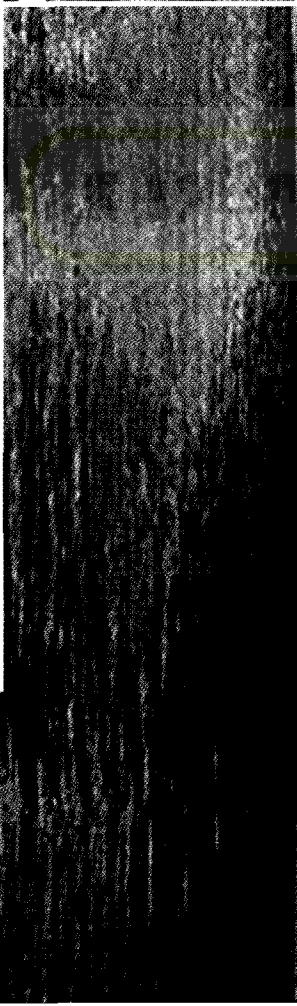
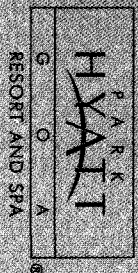
*A successful partnership. With an entrepreneur called nature.*



Blue Coast  
Hotels and Resorts Ltd.

OWNER OF





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**BOARD OF DIRECTORS**

**Chairman & Managing Director**

Arun Suri

**Directors**

Mamta Suri

B K Goswami

K S Mehta

Dr. V M Kaul

**COMPANY SECRETARY**

I S Deo

**AUDITORS**

M/s M Kamal Mahajan & Co.

Chartered Accountants

S.C.O. 61, Madhya Marg,

Sector-26, Chandigarh

**CORPORATE OFFICE**

415-417, Antriksh Bhawan,

22, Kasturba Gandhi Marg,

New Delhi-110 001

**REGISTERED OFFICE**

263C, Arossim, Cansaulim,

Goa-403 712

**SHARE TRANSFER AGENT**

RCMC Share Registry (P) Limited

1515, (1<sup>st</sup> Floor) Bhisham Pitamah Marg

Kotla Mubarakpur, New Delhi 110 003



## Notice

**NOTICE** is hereby given that the **11<sup>th</sup> Annual General Meeting** of the members of Blue Coast Hotels and Resorts Limited will be held at 263C, Arossim, Cansaulim, Goa 403712 on Saturday, the 14<sup>th</sup> day of February, 2004 at 11.30 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 30<sup>th</sup> September, 2003 and the Profit & Loss Account for the 18 months period ended on that date and reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mrs. Mamta Suri, who retires by rotation at this Annual General Meeting and, being eligible, offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. The retiring Auditors, M/s M Kamal Mahajan & Co., Chartered Accountants, Chandigarh are eligible and offer themselves for re-appointment.

### SPECIAL BUSINESS

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

“RESOLVED THAT Dr. V. M. Kaul who was appointed as an additional Director at the Board meeting held on 28<sup>th</sup> March 2003 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as the Director of the Company and shall be liable to retire by rotation pursuant to the provisions of Section 255 of the Companies Act, 1956.

5. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions**:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the conditions as contained in Schedule XIII to the Act and in accordance with paras 5 and 14 of the Letter No. 1/372/2002-CL.VII dated May 05, 2003 of the Central Government, conveying its approval for appointment and payment of remuneration to Mr. Arun Suri as Managing Director of the Company, and subject to the further approval of the Central Government and such other approvals as may be necessary, the approval of the Company be and is hereby accorded to the appointment of Mr Arun Suri as the Managing Director of the Company for a period of five years commencing from 1<sup>st</sup> August, 2002 on the terms and conditions as set out in the explanatory statement annexed to the notice convening this Annual General Meeting

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of appointment of Mr Arun Suri in accordance with the provisions of the Companies Act, 1956 as amended/ modified including any guidelines or notification or rules on managerial remuneration issued by the Central Government from time to time and also in accordance with the terms and conditions laid down by the Central Government while granting the required approval.”

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

“RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs. 70,00,00,000/- (Rupees seventy crores only) to Rs. 100,00,00,000/- (Rupees One hundred crores only) by creation of additional 85,00,000 (Eighty five lakhs) equity shares of Rs. 10/- (Rupees Ten only) each and 21,50,000 (Twenty one lakhs fifty thousand) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company as to Share Capital be and is hereby altered by deleting the same and substituting in place and instead thereof the following as new Clause V:

'The Authorised Share Capital of the Company is Rs. 100,00,00,000/- (Rupees One hundred crores only) divided into 2,85,00,000 (Two crores eighty five lakhs) equity shares of Rs. 10/- (Rupees ten) each and 71,50,000 (Seventy one lakh fifty thousands only) redeemable preference shares of Rs. 100/- (Rupees one hundred) each.'

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:
  - "RESOLVED THAT" pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 Article 82 of the Articles of Association of the Company be substituted by the following Article:
 

"Each director shall be entitled to be paid out of the funds of the Company by way of sitting fee, a fee as may be approved by the Board of Directors of the Company subject to the maximum limit as may be prescribed by the Central Government from time to time, for the meetings of the Board of Directors or any Committee thereof, attended by him. Subject to the provisions of the Companies Act, 1956, and approval of Central Government, if required, the directors may also be entitled to receive in each year a commission equivalent to such percentage of the net profits of the Company as may be permitted under the applicable laws from time to time. Such commission to be calculated on the net profits of the Company to be computed in accordance with the provisions of the Companies Act, 1956 and such commission shall be divided among the Directors in such proportion and manner as may be determined by the Board of Directors. The Board of Directors may allow and pay to any Director who for the time being is resident out of the place at which any meeting of the Board of Directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the Board of Directors may consider fair and reasonable for his expenses in connections with his attending the meeting in addition to his remuneration as above specified. If any Director, being willing, is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for any purposes of the Company then subject to Sections 198, 309, 310 and 314 of the Act, the Board may remunerate such Director either by a fixed sum or by percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to."
8. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions**:
 

"RESOLVED that pursuant to Section 81 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to any necessary approval, consent, permission and/ or sanction of the Central Government, Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI) and/ or any other appropriate authority(ies), Institution(s) or other Bodies and subject to such conditions and such modifications thereto as may be prescribed by any of them while granting any such approval, consent, permission or sanction, the Board of Directors of the Company (hereinafter referred to as the "Board") and/ or any duly authorized Committee thereof for the time being exercising the powers conferred by the Board (hereinafter referred to as the "Committee"), be and is hereby authorized on behalf of the Company to issue and allot equity shares/ preference shares including unclassified shares after classifying them as equity/ preference shares and/ or any securities convertible into equity shares/ preference shares at the option of the Company and/ or at the option of the holder of the security and/ or

securities linked to equity shares/ preference shares including Global Depository Receipts (GDRs), American Depository Receipts (ADRs) and/ or any instrument or securities representing either equity shares / preference shares or non convertible bonds or debentures or convertible securities such as FCDs, Foreign Currency Convertible Bonds (FCCBs) or warrants convertible to or representing equity shares/ preference shares (hereinafter referred to as "Securities") in any market including one or more foreign markets, to be subscribed in foreign currency(ies)/ Rupees by the Promoters/ Directors of the Company including their associates, Foreign Investors/ Foreign Institutional Investors (FIIs)/Venture Capital Fund/ Banks/ Financial & Investment Institutions/ Mutual Funds/ Bodies Corporate/ Non Resident Indians or any other strategic investor and whether or not such investors are members of the Company, through Prospectus and/or Circular and/or Private Placement for (or which, upon conversion of all Securities so issued or allotted, would give rise to the issue of), an aggregate face value of upto Rs. 50 Crores (Rupees fifty crores only).

RESOLVED FURTHER THAT the aforesaid issue and allotment of Securities is to be made at such time or times and with or without differential voting rights in General meetings/ Class meetings of the Company, in one or more tranche or tranches, at such price or prices and in such manner as the Board/ Committee may, in its absolute discretion think fit, in consultation with the Lead Manager(s), Underwriter(s) and Advisor(s), if any and otherwise on such terms and conditions as may be decided and deemed appropriate by the Board/ Committee at the time of issue or allotment.

RESOLVED FURTHER that without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any terms and combination of terms in accordance with International practice including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever and all such terms as are provided in International Offerings of this nature including terms for issue of additional equity shares/ preference shares or variation of the conversion price of the Security during the duration of the Security and the Company is also entitled to enter into and execute all such arrangement / agreements as the case may be with any lead managers, managers, underwriters, advisors, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities or Securities representing the same in Domestic Stock Exchange and/or in one or more International Stock Exchanges.

RESOLVED FURTHER that in accordance with Section 81(1A) of the Companies Act, 1956, if prior to conversion of such of the securities offered and issued as are convertible into equity shares (hereinafter referred to as "the Convertible Securities") any equity shares are declared and allotted by the Company to the holders of existing equity shares as rights (hereinafter referred to as "Right Shares") and/ or as bonus shares (hereinafter referred to as "Bonus Shares"), the Board/ Committee, be and is hereby authorized, to offer and/ or issue and/ or allot to the holders of the convertible securities in addition to the equity shares to which they are entitled upon conversion, additional equity share in the same proportion and subject to the same condition as to price and payment mutatis mutandis as the right shares are offered and allotted to holders of the existing equity shares and/ or Bonus Shares in the same proportion as are allotted to the holders of the existing Equity Shares.

RESOLVED FURTHER that the Board/ Committee may enter into any arrangement with any agency or body authorised by the Company for the issue of depository receipts representing the underlying equity shares/ preference shares/ other securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instrument of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations, and under the forms and practices prevalent in the international laws.

RESOLVED FURTHER that the Securities issued in foreign markets shall be deemed to have been made abroad and/ or in the market and/ or at the place of issue of the Securities in the international market and may be governed by applicable foreign markets.

RESOLVED FURTHER that the Board/ Committee be and is hereby authorized to issue and allot such number of equity shares / preference shares as may be required to be issued and allotted upon conversion of any convertible securities referred to hereinabove or as may be necessary in accordance with the terms of the offering, all such shares being pari passu with the then existing equity shares/preference shares of the Company in all respects, excepting such right as to dividend as may be provided under the Terms of the Issue and in the Offer Document.

RESOLVED FURTHER that for the purpose of giving effect to any issue or allotment of equity shares/preference shares or Securities or instruments or Securities representing the same, as described in paragraph above, the Board/Committee be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and depository arrangements, and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

RESOLVED FURTHER that the Board/ Committee be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or Managing Director or any Whole-time Director or Director or any other Officer or Officers of the Company to give effect to the aforesaid resolution."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions:**

"RESOLVED that pursuant to applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to any necessary approval, consent, permission and/ or sanction of the Central Government, Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI) and/ or any other appropriate authority(ies), Institution(s) or other Bodies and subject to such conditions and such modifications thereto as may be prescribed by any of them while granting any such approval, consent, permission or sanction, the Board of Directors of the Company (hereinafter referred to as the "Board") and/ or any duly authorized Committee thereof for the time being exercising the powers conferred by the Board (hereinafter referred to as the "Committee"), be and is hereby authorized on behalf of the Company to modify the terms and conditions of Issue of 41,50,000 (Forty One lacs Fifty thousand) 10% Redeemable Cumulative Preference Shares of Rs. 100/- each already issued and allotted to the promoters and their associates on preferential allotment basis, approval for which was duly obtained in the last Annual General meeting of the Company held on 30th September 2002 and the allotment was made in the Board meeting held on 30th October 2002 (hereinafter referred to as the "Preference Shares"), so as to give an option to the Preference



shareholders to convert their Preference shares into Equity Shares of the Company either immediately or at such later date, not exceeding a period of 18 (Eighteen) months from the date of this Annual General Meeting and "the relevant date" for the purpose of pricing (the pricing of the equity shares is to be decided as per the SEBI Guidelines), will be the date 30 days prior to the date on which the preference shareholder(s) exercise/s the option.

RESOLVED FURTHER that the Board/ Committee be and is hereby authorized to get the equity shares arising out of the conversion listed on the stock exchanges where the Company's equity shares are listed and to settle all questions, difficulties or doubts that may arise in regard to the conversion of Preference Shares into Equity Shares of the Company as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers herein conferred upon it to any Committee of the Board or Managing Director or any Whole-time Director or Director or any other Officer or Officers of the Company to give effect to the aforesaid resolutions."

10. To consider and, if thought fit, to pass with or without modification, the following resolutions as **Special Resolutions**:

"RESOLVED THAT subject to the provisions of the Companies act, 1956, Securities Contract (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreements and any other consent(s), permission(s) or sanction(s) as may be required from any authority, statutory or otherwise and subject to such conditions and modifications as may be prescribed or imposed by any such authority while granting any consent(s), permission(s) or sanction(s) and pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 consent of the Company be and is hereby given to the Board of Directors of the company to seek voluntary delisting of its equity shares from the Delhi Stock Exchange Association Limited (DSE), Jaipur Stock Exchange Limited and Ludhiana Stock Exchange Association Limited and for that matter to approach the Delhi, Jaipur and Ludhiana Stock Exchange(s) and / or any other concerned authorities seeking its/their approval for voluntary delisting of equity shares of the Company from the said Stock Exchange(s).

RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to settle all questions, difficulties or doubts as may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its directors or any of the officers of the company to do all such acts, deeds or things as may be required to give effect to the above said resolution."

**For and on behalf of the Board**

**January 19, 2004**

**New Delhi**

**I S DEO**

**Company Secretary**

**Notes**

- a) The relative explanatory statements pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business are annexed hereto.

**A MEMBER ENTITLED TO ATTEND THE MEETING AND VOTE THEREAT IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

- b) Instrument appointing proxies in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company not less than 48 hours before the meeting.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from February 10, 2004 to February 14, 2004 (both days inclusive)
- d) Members/ Proxies should bring the Attendance Slip sent herewith duly filled in and signed for attending the meeting.
- e) **Members of the Company are requested to complete all the formalities for conversion of their shares from physical form into demat form as the equity shares of the Company are traded in demat form.**

**Explanatory Statement pursuant to Section 173 of the Companies Act, 1956.**

**ITEM NO. 4**

Dr. V. M. Kaul was appointed as an Additional Director on the Board of the Company on 28<sup>th</sup> March 2003. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Dr. Kaul can hold office only upto the date of ensuing Annual General Meeting. Further Dr. Kaul has expressed his desire to be elected as the Director of the Company and a special notice under Section 257 of the Companies Act has been duly received from Dr. Kaul.

Your Board recommends the appointment of Dr. V. M. Kaul as the director of the Company.

None of the directors except Dr V M Kaul himself is interested in the resolution.

**ITEM NO.5.**

Appointment of Mr. Arun Suri as the Managing Director of the Company was approved by the shareholders of the Company in the last annual general meeting of the company held on 30.09.2002 subject to the approval of the Central Government. The Central Government vide paras No. 5 and 14 of its Letter No. 1/372/2002-CL.VII dated May 05, 2003, while conveying its approval for appointment and payment of remuneration to Mr. Arun Suri as Managing Director of the Company had directed the Company to pass a special resolution for the appointment of Mr. Arun Suri as the Managing Director of the Company in its next annual general meeting. Accordingly, Item No. 5 of the notice is being recommended for your approval by way of a special resolution for the appointment of Mr. Arun Suri as the Managing Director of the Company on the same terms and conditions as have been earlier approved by the shareholders and as approved by the Central Government vide its letter of May 05, 2003 referred above. The said terms and conditions are reproduced herein below:

- A. **Basic Salary** : Rs. 150000/- per month.
- B. **Perquisites** : Mr. Arun Suri shall be entitled for the following perquisites subject to a maximum limit of Rs. 100000/- per month:
- a. Rent free furnished accommodation with free use of all the facilities and amenities, such as air conditioners, gas, electricity, water etc.