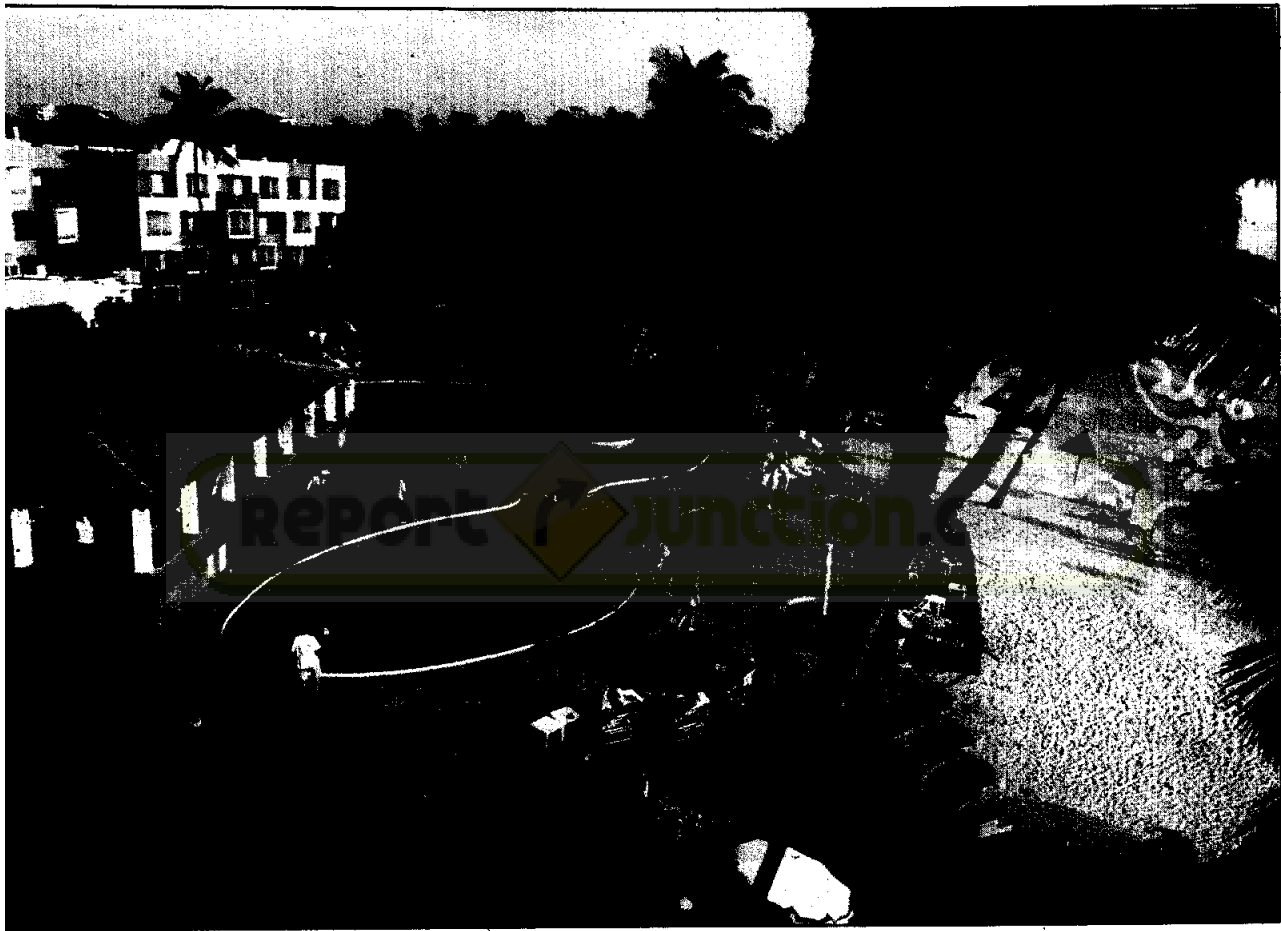


# FOMENTO RESORTS AND HOTELS LTD.

## 30<sup>TH</sup> ANNUAL REPORT

2000  
**2001**



***Fomento Resorts and Hotels Limited***

**FOMENTO RESORTS AND HOTELS LIMITED**

***BOARD OF DIRECTORS***

MRS. ANJU TIMBLO, *Managing Director*

MR. AUDUTH TIMBLO

MR. K. K. PAI

MR. RAVINDER NARAIN

MR. V. P. RAIKAR

MRS. SHEELA GAUNEKAR

MR. PRASHANT TIMBLO

MR. SHARDUL THACKER

MR. P.G. KAKODKAR

***SECRETARY***

MR. I. B. MUCHANDI

***AUDITORS***

H. K. APARANJI

Chartered Accountants

***BANKERS***

THE UNITED WESTERN BANK LTD.

***REGISTERED OFFICE***

CIDADE DE GOA BEACH RESORT,

VAINGUINIM BEACH,

GOA - 403 004.

**Thirtieth Annual Report 2000-2001****NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT THE THIRTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF FOMENTO RESORTS & HOTELS LTD. WILL BE HELD ON SATURDAY 29TH SEPTEMBER, 2001, AT 04.00 P.M. AT THE CONFERENCE HALL, CIDADE DE GOA BEACH RESORT, VAINGUINIM BEACH, GOA 403 004, TO TRANSACT THE FOLLOWING BUSINESS.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the financial year ended 31st March, 2001 together with the Directors Report and the Auditors Report thereon.
2. To appoint a Director in place of Mr. K.K. Pai, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ravinder Narain, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Prashant Timblo, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

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

RESOLVED that Mr. P.G. Kakodkar retiring at this Annual General Meeting having been appointed as Additional Director, being eligible and offering himself for appointment and in respect of whom the company having received notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature, be and is hereby appointed a Director of the Company.

7. To consider and if thought fit to pass with or without modification, the following resolution as Special Resolution:

RESOLVED that sitting fees payable to the Directors for attending the meetings of the Board and Committees thereof be increased from Rs.1000/- (One thousand ) to Rs.2000/- (Two thousand), permissible fee pursuant to the provisions contained in the first proviso to section 310 of Companies Act, 1956.

**NOTES:**

- A. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.**
- B. The explanatory statement as required by the provisions of Section 173 of the Companies Act, 1956 setting out the material facts in respect of the item of SPECIAL BUSINESS mentioned above are attached hereto.
- C. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

**Fomento Resorts and Hotels Limited**

- D. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days before the date of the meeting, so that the information required by the members maybe made available at the time of meeting.
- E. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report and handover the same at the entrance of the hall, duly signed.
- F. In pursuance to Section 154 of the Companies Act, 1956 the Register of Members and share transfer books of the company shall remain closed from 17th Sept'01 to 29th Sept'01 (both days inclusive) for the purpose of Annual General Meeting.

By order of the Board of Directors

Sd/-

**I.B. MUCHANDI**  
Company Secretary

Encl : Explanatory Statements  
Place : Vainguinim Beach, Goa.  
Date : 01st August, 2001

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM NO.6**

The Board of Directors of the Company had appointed Mr. P.G. Kakodkar at their meeting held on 19<sup>th</sup> March, 2001 as additional director. Under Section 262 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company, Mr. P.G. Kakodkar holds office only till the date of the forthcoming Annual General Meeting.

A notice has been received from a member as required under Section 257 of the Companies Act, 1956 proposing Mr. P.G. Kakodkar as a candidate for the office of Director.

**ITEM NO.7**

Considering the fact that most of the Directors are outstation directors and considering further the high cost of living, the present sitting fee, being too inadequate, is proposed to be increased within the permissible limits of the Act. The proposal to increase the sitting fees as aforesaid would require approval of the Shareholders in the general meeting. Hence, this special resolution. All the Directors except the Managing Director are interested in the resolution.

By order of the Board of Directors

Sd/-

**I.B. MUCHANDI**  
Company Secretary

Place : Vainguinim Beach, Goa.  
Date : 01st August, 2001

**Thirtieth Annual Report 2000-2001****DIRECTORS REPORT**

To The Members,

Your Directors have pleasure in presenting the Thirtieth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2001.

**1. FINANCIAL RESULTS :**

	For the year ended 31/03/01 Rs.in Lacs	For the year ended 31/03/00 Rs.in Lacs
Income	2172.05	2004.21
Operating Expenses	1712.37	1605.20
Gross Operating Profit	459.68	399.01
Less Interest	128.18	177.15
Depreciation	164.89	159.83
Prior Period charges	15.50	23.64
Profit before tax	151.11	38.39
Less provision for tax	15.60	6.49
Profit after tax	135.51	31.90
Add Surplus (+) / Deficit (-) brought forward from the previous year.	18.49	(-) 13.41
Surplus (+) carried to Balance Sheet	154.00	18.49

**2. OPERATIONS**

Company's turnover has recorded marginal improvement during the year. However, several new hotels have emerged at the market place which has increased the competition and travellers/guests now have wider choice of hotel accommodation at lower prices as a result of excessive competition. Profit after tax has gone up to Rs. 136 lakhs as against Rs. 32 lakhs last year, and despite an excessive supply situation in the market.

During the current year company has undertaken refurbishment of lobby, some of the rooms, Health Club and Convention Hall. Company expects to maintain existing level of operations.

**3. MARKET SENARIO**

The charter movement is operating steadily in Goa. The greatest priority for the trade and the government of Goa is to strengthen the infrastructure like Airport, roads, communication, entertainment, medical facilities and other utilities for consistent flow of quality tourism to Goa.

Existing multiple taxation takes a big chunk of revenue. On repeated representation by the industries, Government of Goa has reduced Sales Tax from 12% to 10.5% and Luxury tax has been reduced to 4% during off season. This has resulted in some solace to the industry.

**4. APPRECIATION FOR BANKS**

The Company would like to express its appreciation for the support and assistance rendered during the year by the Banks namely:-

1. The United Western Bank Ltd.
2. State Bank of India.

**Fomento Resorts and Hotels Limited**

3. The Saraswat Co-operative Bank Ltd.

**5. FOREIGN EXCHANGE EARNINGS AND OUT GO**

As required under Section 217 (1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosures of particulars in the report of Board of Directors) Rules 1988, the information relating to foreign exchange earnings and out go is given in the Notes to the Profit & Loss Account and Balance Sheet.

**6. DIRECTORS**

Mr. K.K. Pai, Mr. Ravinder Narain and Mr. Prashant Timblo, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for appointment.

An Audit Committee of the Board was constituted during the year. Mr. Auduth Timblo, Mr. V.P. Raikar, Mrs. Sheela Gaunekar and Mrs. Anju Timblo are members of this committee.

**7. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to directors responsibility statement, it is hereby confirmed:

- a. That in the preparation of the annual accounts for the financial year ended March 31, 2001, the applicable accounting standards have been followed alongwith proper explanation relating to materials departures;
- b. That the directors have selected such accounting policies and applied them consistently and made judgements 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 and Loss account of the company for the year under review;
- c. That the directors have taken proper and sufficient care for maintainance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. That the directors have prepared the accounts for the financial year ended March 31, 2001 on a "Going Concern" basis.

**8. AUDITORS**

Auditors of the company, M/s. H.K. Aparanji retire and being eligible offer themselves for re-appointment.

**9. PARTICULARS OF EMPLOYEES**

None of the employees are covered by the provisions contained under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**10. SUBSIDIARY**

During the year M/s. Mormugao Maritima Ltd. ceased to be subsidiary of your company with effect from 29<sup>th</sup> January, 2001 as a result of change in the Articles of Association of M/s. Mormugao Maritma Ltd.

**11. EMPLOYEES**

Your Directors are pleased to record their appreciation of the devotion and sense of commitment shown by the employees at all levels in the organisation.

**12. ACKNOWLEDGEMENT**

Board of Directors gratefully acknowledge the support and goodwill extended by Government of Goa, Central Government, Commercial Banks, Tour Operators, Travel Agents, Valued Guests and esteemed Shareholders.

For and on behalf of the Board of Directors

Sd/-

**ANJU TIMBLO**  
MANAGING DIRECTOR

Place : Vainguinim Beach, Goa.

Date : 01st August, 2001

**Thirtieth Annual Report 2000-2001****AUDITOR'S REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of FOMENTO RESORTS AND HOTELS LIMITED, as at 31st March, 2001 and also the annexed Profit and Loss Account of the Company for the year ended on that date, and report that:

1. As required by the Manufacturing and other Companies (Auditor's Report) Order 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above.
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Company's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting standards referred to in Sub-section (3c) of Section 211 of the Companies Act, 1956.
  - e) Based on the written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2001 from being appointed as a Directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to note no.3 of notes forming part of accounts in respect of quantitative details of turnover etc and read together with other notes thereon give the information required by the Companies Act, 1956, in the manner required and give a true and fair view.
    - 1) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2001 and ;
    - 2) In the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.

For **H. K. APARANJI**  
**CHARTERED ACCOUNTANTS**

**MOHAN B. PYATI**  
**PARTNER**

Place : Margao, Goa.  
 Date : 01st August, 2001