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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

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AUDITORS

H.K. APARANJI
Chartered Accountants

BANKERS

THE UNITED WESTERN BANK LTD.

REGISTERED OFFICE

CIDADE DE GOA
VAINGUINIM BEACH,
GOA - 403 004

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRTY Third ANNUAL GENERAL MEETING OF THE MEMBERS OF FOMENTO RESORTS & HOTELS LTD. WILL BE HELD ON SATURDAY 30TH OCTOBER, 2004, AT 04.00 P.M. AT THE GRANDE SALA, CIDADE DE GOA, VAINGUINIM BEACH, GOA 403004, TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Profit & Loss Account for the financial year ended 31st March, 2004 together with the Directors Report and the Auditors Report thereon.
2. To appoint a Director in place of Mr. Auduth Timblo, 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 Auditors and to fix their remuneration.

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. 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.

C. 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 may be made available at the time of meeting.

D. 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.

E. 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 16th October, 04 to 30th October, 04 (both days inclusive) for the purpose of Annual General Meeting.

By order of the Board of Directors

I.B. MUCHANDI
Company Secretary

Place : Vainguinim Beach, Goa.
Date : 10th September, 2004

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Fomento Resorts and Hotels Limited

Details of the Directors seeking appointment / reappointment in Annual General Meeting fixed (Pursuant to clause 49 (VI) (A) of the listing agreement)

Name of Director	Mr. Auduth Timblo	Mr. Ravinder Narain
Date of Birth	01.03.1949	15.05.1937
Date of Appointment	20.07.1976	07.09.1981
Expertise in specific functional areas	Mining, Export & Finance	Supreme Court Advocate
Qualification	B.E. L.L.B	B.S.c., L.L.B.
List of outside Directorship held	1. Sociedade de Fomento Ind. Pvt. Ltd. 2. Fomento Barges Pvt. Ltd. 3. Fomento Eng. & Const. Pvt. Ltd. 4. Fomar Pvt. Ltd. 5. Shelvona Riverside Rail Terminal Ltd. 6. Mormugao Maritima Ltd.	1. Talfica Pvt. Ltd 2. Amber Tours & Travels 3. Nestle India Ltd. 4. Shree Rajasthan Synthex Ltd.
Chairman/Member of the committees of the Board of Directors of the Company.	Member – Audit Committee	–
Chairman/Member of the Committees of Director of Other Companies in which he is a Director	NIL	NIL

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DIRECTORS REPORT

To The Members,

Your Directors have pleasure in presenting the Thirty Third Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2004.

1.FINANCIAL RESULTS :

	For the year ended 31/03/04 Rs. In Lacs	For the year ended 31/03/03 Rs. in Lacs
Income	2373	1983
Operating Expenses	1921	1573
Gross Operating Profit / Loss	452	410
Less Interest	65	118
Depreciation	187	180
Prior Period charges	5	25
Profit / (Loss) before tax	195	87
Less provision for tax	9	-
Deferred tax (net)	24	12
Profit / (Loss) after tax	162	75
Add Surplus (+) / Deficit (-) brought forward from the previous year.	(291)	(366)
Surplus (deficit) carried to Balance Sheet	(129)	(291)

Company's turnover during the year is Rs.2373 lakhs from that of Rs.1983 lakhs of earlier year. This resulted into increase in Profit before tax from Rs.87 lakhs to Rs.195 lakhs for the year. The annexed Management Discussion and Analysis forms a part of this report and covers, amongst others the performance of the company during the financial year as well as outlook in the short term.

2. 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.
3. HDFC Bank Ltd.
4. ICICI Bank Ltd.

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3. 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.

4. DIRECTORS

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

5. 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, 2004, 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 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 maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding 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, 2004 on a "Going Concern" basis.

6. CORPORATE GOVERNANCE

A report on Corporate Governance alongwith Auditors Report on its compliance is annexed forming part of the Annual Report.

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7. **AUDITORS**

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

8. **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.

9. **EMPLOYEES**

Your Directors are pleased to record their appreciation of the dedication and sense of commitment shown by majority employees in the organisation.

10. **ACKNOWLEDGEMENT**

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

For and on behalf of the Board of Directors

sd/-

Place : Vainguinim Beach, Goa. **ANJU TIMBLO**

Date : 10th September, 2004 MANAGING DIRECTOR

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REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Corporate Governance is concerned with creation of long-term value for shareholders whilst also balancing interests of other stakeholders, viz., Employees, Creditors, Government and the Society at large. Corporate Governance is crucial to the very existence of a company as it builds confidence and trust, which eventually leads to a more stable and sustained resource flows and long-term partnership with its investors and other stakeholders.

The corporate governance framework will thus encourage efficient use of resources and ensures accountability for the stewardship of these resources. Its importance lies in the contribution it makes to the overall growth and direction of the business, management accountability and transparency and above all, equitable treatment to its stakeholders.

In sum, corporate governance reinforces the concept of *"Your Company"* and emphasises that the Chairman and Board of Directors are your fiduciaries and trustees, engaged in pushing the business forward and maximising value for you, the shareholders.

CORPORATE GOVERNANCE AT CIDADE DE GOA

The Company believes in adopting the best corporate governance practices and protecting rights and interests of stakeholders. We further believe that the shareholders have the right to know complete information from the Board of Directors and the management, their interests in the organisation as well as governance practices followed by them.

Towards this end, Company is making extensive disclosures on the Company and its Board of Directors as per recommendations of the SEBI Committee on Corporate Governance.

Board of Directors.

1. As at 31st March, 2004, Company's Board consists of Nine Directors comprising of Eight Non-Executive and Independent Directors and a Managing Director.

Board Meeting: AGM & Attendance Record

Date of Board Meeting	Place	No. of Directors Present
28th April, 2003	Dona Paula, Goa	6
29th July, 2003	Dona Paula, Goa	5
28th August, 2003	Dona Paula, Goa	5
31st October, 2003	Dona Paula, Goa	7
30th January, 2004	Dona Paula, Goa	7
29th March, 2004	Dona Paula, Goa	5

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	Relationship with other Directors	Sitting Fees Paid	No. of Board Meeting		Attended Last AGM
		(Rs.)	Held	Attended	
Mrs. Anju Timblo	Wife of Mr. Auduth Timblo Sister-in-law of Mr. Prashant Timblo Sister of Mr. Ravinder Narain.	—	6	6	Yes
Mr. Auduth Timblo	Husband of Mrs. Anju Timblo. Brother of Mr. Prashant Timblo Brother-in-law of Mr. Ravinder Narain	10000	6	5	No
Mr. V.P. Raikar		12000	6	6	Yes
Mr. K.K. Pai		8000	6	4	No
Mrs.Sheela Gaunekar		10000	6	5	No
Mr. Shardul Thacker		8000	6	4	No
Mr. P.G. Kakodkar		10000	6	5	Yes
Mr. Prashant Timblo	Brother of Mr. Auduth Timblo Brother-in-law of Mrs. Anju Timblo	-	6	-	No
Mr. Ravinder Narain	Brother of Mrs. Anju Timblo Brother-in-law of Mr. Auduth Timblo	-	6	-	No

A. Company constituted Remuneration Committee which consist of two independent Directors. The details of its composition are as follows:
Mr. Auduth Timblo, Chairman
Mr. Shardul Thacker, Member

The Company Secretary is Secretary of the Committee.
None of the Directors of the Company is a member of more than 10 Committees or Chairman of more than 5 committees across all companies in which he/she is a Director.

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OTHER DISCLOSURES RECOMMENDED BY THE SEBI COMMITTEE

1. Details of Annual General Meeting.
   1.1 Location and the time, where last three AGM's held

Year	Type	Location	Date	Time
2000-2001	AGM	Regd. Office, Cidade de Goa, Vainguinim Beach, Goa	29.09.01	4.00 p.m.
2001-2002	AGM	Regd. Office, Cidade de Goa, Vainguinim Beach, Goa	30.09.02	4.00 p.m.
2002- 2003	AGM	Regd. Office, Cidade de Goa, Vainguinim Beach, Goa	30.09.03	4.00 p.m.

The statement below sets our official release of financial information during the Financial Year.

Sl. No.	Nature of Communication	Media Used	Date
1.	Quarterly Unaudited Financial Statement (1st Quarter 2003-04)	Newspapers (Local & National)	31/7/2003
2.	Half-yearly Unaudited Financial Statement (2nd Quarter 2003-04)	Newspapers (Local & National)	01/11/2003
3.	Quarterly Unaudited Financial Statement (3rd Quarter 2003-04)	Newspapers (Local & National)	01/02/2004
4.	Forwarded to the Stock Exchange of above Information	Unaudited Financial Statement First quarter : 03-04 Unaudited Financial Statement Second quarter : 03-04 Unaudited Financial Statement Third quarter : 03-04	29/07/03 31/10/03 30/01/04

Remuneration to Managing Director:

Name	Remuneration Paid during 2003 - 2004			
	All elements of remuneration package i.e. salary, pension etc. paid during the year	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock options details, if any.
Mrs. Anju Timblo	Rs. 9.13 lakhs	NIL	Ref. Note (a)	Ref. Note. (b)

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