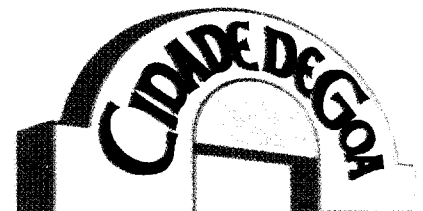


# **FOMENTO RESORTS AND HOTELS LTD.**

## **34<sup>th</sup> ANNUAL REPORT**

# **2004 – 2005**



*Have a great time!*

***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  
MR. SHARDUL THACKER  
MR. P.G. KAKODKAR  
Mrs. SHEELA GAUNEKAR

***SECRETARY***

MR.I.B. MUCHANDI

***FINANCIAL CONTROLLER***

MR. RAMESH MOORTHY

***AUDITORS***

H.K. APARANJI  
Chartered Accountants

***BANKERS***

THE UNITED WESTERN BANK LTD.

***REGISTERED OFFICE***

CIDADE DE GOA  
VAINGUINIM BEACH,  
GOA - 403 004

*Thirty Fourth Annual Report 2004-2005***NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HERE BY GIVEN THAT THE THIRTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF FOMENTO RESORTS AND HOTELS LTD. WILL BE HELD ON SATURDAY 29<sup>th</sup> OCTOBER, 2005, 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, 2005 and the Profit and Loss Account for the financial year ended 31st March, 2005 together with the Directors Report and the Auditors Report thereon.
2. To appoint a Director in place of Mr. Shardul Thacker, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. P. G. Kakodkar, 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 16<sup>th</sup> October, 05 to 29<sup>th</sup> October, 05 (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 : 14<sup>th</sup> September 2005

**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)**

<b>Name of Director</b>	<b>Mr. Shardul Thacker</b>	<b>Mr. P.G. Kakodkar</b>
Date of Birth	17.11.1947	10.03.1937
Date of Appointment	30.09.1999	19.03.2001
Expertise in specific functional areas	Corporate Law	Banking & Finance
Qualification	B.Com, L.L.B.	M.A.
List of outside Directorship held	<ol style="list-style-type: none"> <li>1. Fuji Bank Ltd.</li> <li>2. KWH Helioplastics (India) Ltd.,</li> <li>3. Nav Bharat Refg. &amp; Industries Ltd.</li> <li>4. Ruby Mills Ltd.</li> <li>5. RPG Enterprises Ltd.</li> <li>6. Victoria Capital Ventures Ltd.</li> <li>7. South East Asia Marine Eng. &amp; Const. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Goa Carbon Ltd.</li> <li>2. Uttam Steel Ltd.</li> <li>3. Financial Technologies (India) Ltd</li> <li>4. Mastek Ltd.</li> <li>5. Aptech Ltd.</li> <li>6. Sovika Infotech Ltd.</li> <li>7. Kale Consultants Ltd.</li> <li>8. Finolex Technologies Ltd.</li> <li>9. Sesa Goa Ltd.</li> <li>10. Centrum Finance Ltd.</li> </ol>
Chairman/Member of the committees of the Board of Directors of the Company.	Remuneration Committee	—
Chairman/Member of the Committees of The Board of Director of Other Companies in which he is a Director		
a) Audit Committee	Member - South East Asia Marine Eng. & Const. Ltd.	Chairman-Sesa Goa Ltd.
b) Shareholders Committee	Member - South East Asia Marine Eng. & Const. Ltd.	—
c) Remuneration Committee	—	—
d) Compensation Committee	—	—

*Thirty Fourth Annual Report 2004-2005***DIRECTORS REPORT**

To The Members,

Your Directors have pleasure in presenting the Thirty Fourth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2005.

**1. FINANCIAL RESULTS :**

	For the year ended 31/03/05 Rs. In Lacs	For the year ended 31/03/04 Rs. In Lacs
<b>Income</b>	3009	2373
Operating Expenses	2007	1921
Gross Operating Profit / Loss	1002	452
<b>Less :</b>		
Interest	25	65
Depreciation	197	187
Prior Period charges	8	5
Profit / (Loss) before tax	772	195
<b>Less : Provision for tax</b>		
Current	61	9
Deferred (net)	(30)	24
Profit / (Loss) after tax	741	162
Add Surplus / (Deficit) brought forward from the previous year.	(129)	(291)
Surplus (deficit) carried to Balance Sheet	612	(129)

During the financial year under review our Company's total revenue increased by about 27% to Rs. 3009 lakhs from Rs. 2373 lakhs in the previous year. This resulted in increase of profit before tax from Rs. 195 lakhs to Rs. 772 lakhs.

Considering additional competition as a result of new resorts in Goa, we are further compelled to keep our property in a contemporary state.

During the year 100 rooms have been undertaken for repairs and refurbishment together with some guest related areas. These are expected to be completed by mid October 2005. Estimated outlay is Rs. 800 lakhs. This is being financed from internal generation. No borrowing is involved.

Besides, we have certain contingent liabilities towards taxes as stated in notes to accounts.

It is thus prudent to retain the surplus to meet the exigencies.

***Fomento Resorts and Hotels Limited***

The long awaited turnaround achieved this year is being consolidated to ensure that much awaited consistent profits for the future.

**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. | 3. HDFC Bank Ltd.  |
| 2. State Bank of India.         | 4. ICICI Bank Ltd. |
| 5. IDBI Bank Ltd.               |                    |

**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. Shardul Thacker, and Mr. P. G. kakodkar, Directors retire by rotation at the ensuing Annual General Meeting. And Mr. Shardul Thacker, and Mr. P. G. kakodkar eligible, offer themselves for appointment. During the year Mrs. Sheela Gaunekar resigned from Directorship with effect from 10<sup>th</sup> August 2005. Management place on record her contribution for growth of the Company.

**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, 2005, the applicable Accounting Standards have been followed along with 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 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;

*Thirty Fourth Annual Report 2004-2005*

- d. That the directors have prepared the accounts for the financial year ended March 31, 2005 on a "Going Concern" basis.

**6. CORPORATE GOVERNANCE**

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

**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 devotion and sense of commitment shown by most of the employees in the organisation.

**10. 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 : 14<sup>th</sup> September, 2005

**Fomento Resorts and Hotels Limited****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 31<sup>st</sup> March 2005, Company's Board consists of Eight Directors comprising of Seven Non-Executive and a Managing Director. Board consist of five independent Directors.

**Board Meeting: AGM & Attendance Record**

<b>Date of Board Meeting</b>	<b>Place</b>	<b>No. of Directors Present</b>
30 <sup>th</sup> April, 2004	Dona Paula, Goa	6
31 <sup>st</sup> July, 2004	Dona Paula, Goa	4
10 <sup>th</sup> September, 2004	Dona Paula, Goa	4
29 <sup>th</sup> October, 2004	Dona Paula, Goa	5
31 <sup>st</sup> January, 2005	Dona Paula, Goa	4
22 <sup>nd</sup> March, 2005	Dona Paula, Goa	5

**Thirty Fourth Annual Report 2004-2005**

	Relationship with other Directors	Sitting Fees Paid (Rs.)	No. of Board Meeting		Attended Last AGM
			Held	Attended	
Mrs. Anju Timblo	Wife of Mr. Auduth Timblo Sister of Mr. Ravinder Narain.	—	6	6	Yes
Mr. Auduth Timblo	Husband of Mrs. Anju Timblo. Brother-in-law of Mr. Ravinder Narain	6000	6	3	No
Mr. V.P. Raikar		10000	6	5	Yes
Mr. K.K. Pai		8000	6	4	No
Mrs. Sheela Gaunekar		8000	6	4	No
Mr. Shardul Thacker		4000	6	2	No
Mr. P.G. Kakodkar		8000	6	4	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.

**Fomento Resorts and Hotels Limited****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
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.
2003- 2004	AGM	Regd. Office, Cidade de Goa, Vainguinim Beach, Goa	30.10.04	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 2004-05)	Newspapers (Local & National)	02/08/2004
2.	Half-yearly Unaudited Financial Statement (2nd Quarter 2004-05)	Newspapers (Local & National)	03/11/2004
3.	Quarterly Unaudited Financial Statement (3rd Quarter 2004-05)	Newspapers (Local & National)	02/02/2005
4.	Quarterly Unaudited Financial Statement (4th Quarter 2004-05)	Newspapers (Local & National)	30/04/2005
5.	Forwarded to the Stock Exchange of above Information	Unaudited Financial Statement First quarter: 04-05 Unaudited Financial Statement Second quarter: 04-05 Unaudited Financial Statement Third quarter: 04-05 Unaudited Financial Statement Fourth quarter: 04-05	31/07/04 29/10/04 31/01/05 29/04/05