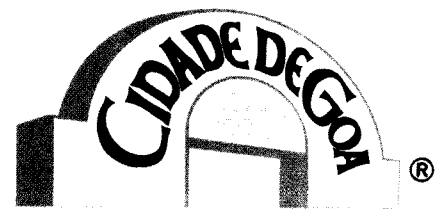
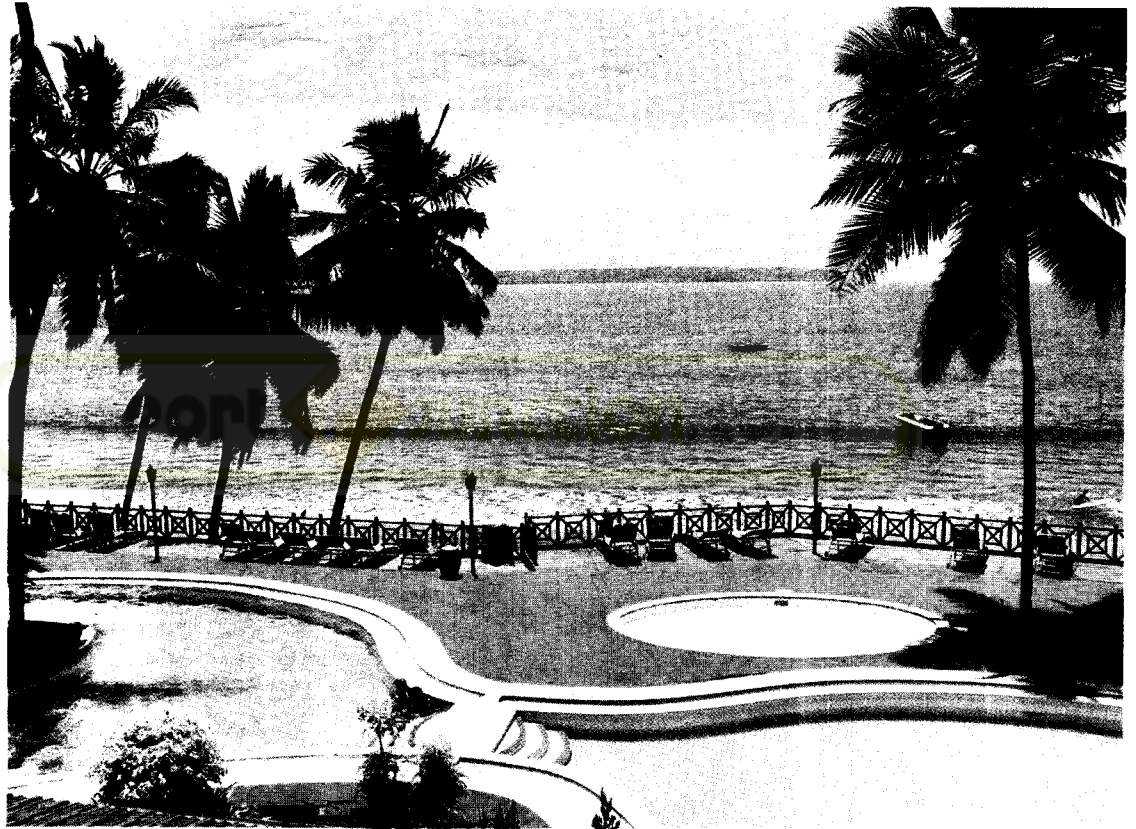


FOMENTO RESORTS AND HOTELS LTD.

37th Annual Report 2007 - 2008



Goa in a resort

Fomento Resorts and Hotels Limited

FOMENTO RESORTS AND HOTELS LTD.

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

MR. JAMSHED DELVADAVALA

MR. RAGHUNANDAN MALUSTE

MR. REYAZ RATAN MAMA

COMPANY SECRETARY

MR. I.B. MUCHANDI

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AUDITORS

H.K. APARANJI

Chartered Accountants

BANKERS

IDBI Bank

HDFC Bank

State Bank of India

ICICI Bank

REGISTERED OFFICE

CIDADE DE GOA

VAINGUINIM BEACH,

GOA - 403 004

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Members of FOMENTO RESORTS AND HOTELS LIMITED will be held on Monday 29th day of September 2008 at 4.00 p.m., at Grand Sala, Cidade de Goa, Vanguinim Beach, Goa-403004, to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the financial year ended 31st March, 2008 together with the Directors Report and the Auditors Report thereon.
2. To Declare dividend for the year ended 31.03.2008
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 a Director in place of Mr. K.K.Pai who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. V.P.Raikar who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

Special Business:

To consider and if thought fit, to pass with or without modifications, the following resolutions as an ordinary resolution.

7. RESOLVED that Mr. Raghunandan Maluste, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, and Articles of Association of the company, be and is hereby appointed as Director of the company and liable for retirement by rotation.
8. RESOLVED that Mr. Reyaz Ratan Mama, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, and Articles of Association of the company, be and is hereby appointed as Director of the company and liable for retirement by rotation.
9. RESOLVED that pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, Mrs. Anju Timblo, is appointed as the Managing Director of the Company for a period of five years with effect from 1st June 2008, on the following terms and conditions.

Salary of Rs.200000/- (Rupees Two lakhs only) per month in the graded scale of 200000-25000-300000.

Fomento Resorts and Hotels Limited**Perquisites - Part "A"**

- (i) Medical Reimbursement: Actual, without any limit.
- (ii) Leave Travel Concession: For the Managing Director and her family not exceeding Rs.200000/- per annum.
- (iii) Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (iv) Personal Accident Insurance – Premium of which not exceeding Rs. 50,000/- per annum.
- (v) Earned/Privilege Leave: Leave on full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of service as Managing Director subject to the condition that the leave accumulated but not availed of will not be allowed to be encashed.
- (vi) Such other benefits, amenities and privileges as may be available to other officers of the Company.

Part "B"

- (i) Contribution to Provident Fund. – 12%
- (ii) Superannuation Fund - 4%
- (iii) Gratuity not exceeding half a month's salary for each completed year of service subject to a ceiling of Rs.3,50,000/-.

Part "C"

Provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Managing Director.

She shall also be entitled to the reimbursement of all expenses actually and properly incurred by her for or in connection with the Company's business.

RESOLVED further that in the event of loss or inadequate profit in any of the financial years during the tenure of Mrs. Anju Timblo, as Managing Director of the company she shall be entitled to receive and be paid the substantive remuneration plus perquisites mentioned in part "A" & "B" above, as minimum remuneration subject to the approval of the Central Government if and as may be required.

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be

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deposited at the Registered Office of the Company not later than 48 hours before commencement of the Meeting.

2. 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.
3. Members are requested to bring their Attendance Slip attached to the Annual Report and handover the same at the entrance of the hall, duly signed.
4. 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 September,08 to 30th September,08(both days inclusive) for the purpose of Annual General Meeting.

By order of the Board of Directors

S d / -

I.B.Muchandi

Company Secretary

Place : Vainguinim Beach, Goa.

Date : 23rd August 2008



Fomento Resorts and Hotels Limited

**Details of the Directors seeking appointment / reappointment in
Annual General Meeting (Pursuant to Clause 49(IV) (G) of the Listing Agreement)**

- | | | | |
|----|--|---|--|
| 1. | Name of the Director | : | Mr. P.G.Kakodkar |
| | Date of Birth | : | 10.03.1937 |
| | Date of Appointment | : | 19.03.2001 |
| | Qualification | : | M.A |
| | Expertise | : | Banking & Finance |
| | Directorship as on 31 st March, 2008 | : | Sesa Goa Ltd.,
Sesa Industries Ltd.,
Goa Carbon Ltd,
Financial Technologies (India) Ltd.,
Uttam Galva Steels Ltd.
Centrum Finance Limited,
Auditime Information Systems (India)pvt, Ltd.
SBI Funds Management Pvt. Ltd.
Anand Rathi Financial Service Ltd.
Multy Commodity Exchange of India Ltd.,
IBS Forex Ltd., |
| | Chairman / Member of the Audit Committee as on 31 st March,2008 | : | Sesa Goa Ltd., Chairman
Goa Carbon Ltd.,Member
Financial Technologies (India) Ltd., Member
Uttam Galva steels Ltd., Member |
| | Chairman / Member of the Shareholders /Investors Grievance Committee | : | Nil |
| | Chairman / Member of the Remuneration Committee | : | Nil |
| | Share Holding in the Company | : | Nil |
| 2. | Name of the Director | : | Mr. K.K.Pai |
| | Date of Birth | : | 26.06.1921 |
| | Date of Appointment | : | 07.09.1981 |
| | Qualification | : | B.Com. |
| | Expertise | : | Banking |
| | Directorship as on 31 st March, 2008 | : | ICDS Limited,
MPL Enterprises Ltd.,
CICB Chemicon (P) Ltd,
Sharath Impex.Company (P) Ltd.,
Canara land Investments Ltd., |

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Chairman / Member of the Audit Committee as on 31st March,2008 : Nil

Chairman / Member of the Shareholder's/ Investor's Grievance Committee : Nil

Chairman / Member of the Remuneration Committee : Nil

Share Holding in the Company : Nil

- 3. Name of the Director** : **Mr. V.P.Raikar**
Date of Birth : 20.05.1929
Date of Appointment : 30.05.1992
Qualification : Matriculate
Expertise : Business Executive
Directorship as on 31st March, 2008 : Maina Ore Transport Private Limited,
Hardesh Ores Pvt. Ltd.,
M.S.Talaulicar & Sons Pvt. Ltd.,

Chairman / Member of the Audit Committee as on 31st March,2008 : Nil

Chairman / Member of the Shareholder's/ Investor's Grievance Committee : Nil

Chairman / Member of the Remuneration Committee : Nil

Share Holding in the Company : Nil

- 4. Name of the Director** : **Mr. Raghunandan Maluste**
Date of Birth : 30.03.1950
Date of Appointment : 27.10.2007
Qualification : Chartered Accountant in England& Wales
Expertise : Business Executive
Directorship as on 31st March, 2008 : Bombay Gymkhana Limited

Chairman / Member of the Audit Committee as on 31st March,2008 : Nil

Chairman / Member of the Shareholder's/ Investor's Grievance Committee : Nil

Fomento Resorts and Hotels Limited

Chairman / Member of the
Remuneration Committee : Nil

Share Holding in the Company : Nil

5. Name of the Director : **Mr. Reyaz Mama**

Date of Birth : 17.11.1966

Date of Appointment : 28.07.2008

Qualification : B'sc (Econ.Hons.)in England

Expertise : Hotel Industries

Directorship as on 31st March, 2008 : Choice Hotels India Ltd.,
Capricorn Lifestyle Ventures Pvt. Ltd.,
Ratan Mama Consultants Pvt. Ltd.,
Chiplun Hotels Private Limited
Shawman Software Private Limited.

Chairman / Member of the Audit
Committee as on 31st March,2008 : Nil

Chairman / Member of the
Shareholder's/ Investor's
Grievance Committee : Nil

Chairman / Member of the
Remuneration Committee : Nil

Share Holding in the Company : Nil

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956 the following statement sets out the material facts relating to Special Business mentioned in the accompanying Notice.

Item No. 7

The Board of Directors of the Company in its meeting held on 27th October 2007, appointed Shri Raghunandan Maluste as an additional Director, pursuant to provision of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company.

Therefore in terms of Section 260 of the Companies Act, 1956, Mr. Raghunandan Maluste holds office of Director only upto the forthcoming Annual General Meeting of the Company.

Mr. Raghunandan Maluste was educated at the Cathedral & John Connon School, Indian Institute of Technology Bombay, Manchester Business School and is a Fellow of the Institute of Chartered Accountants in England & Wales. Raghunandan was elected as Fellow of the Global Advanced Technology Innovation Consortium (GATIC) which includes leading Asian, European and US universities such as ETH-Zurich, Japan Advanced Institute of Science & Technology (JAIST), Northwestern, Technion Israel, Cambridge and Tokyo.

He has been a management consultant, advertising executive, teacher and researcher in governance, industrial entrepreneur, investment banker, wealth manager and, always social activist.

Raghunandan is Honorary Treasurer of the Bombay Gymkhana, has chaired CRY- Child Rights & You, the Employment Skills task force of the Confederation of Indian Industry, Education for All Committee of the Rotary Club of Bombay; has also served the Bombay Natural History Society, Indian Merchant's Chamber, etc. He has co-founded human rights organizations such as Citizens for Justice & Peace.

Raghunandan has been published in *R&D Management* (Oxford), *World Affairs* (New Delhi), *Business India* (Mumbai), etc. and been interviewed for the press, TV and radio. Apart from speaking at academic, professional and industry seminars, Raghunandan has presented to Parliament's Standing Committee on Finance.

He is presently Senior Vice President, Kotak Mahindra Bank Limited.

Notice in writing under section 257(1) of the Companies Act, 1956, has been received from a member of the Company proposing the candidature of Mr. Raghunandan Maluste for the office of Director along with a deposit of Rs. 500/-.

The Members of the Company are hereby informed of the candidature of Mr. Raghunandan Maluste for the office of Director and this be treated as individual notice to the members of the Company in terms of Section 257(1A) of the Companies Act, 1956.

None of the Directors of the Company except Mr. Raghunandan Maluste is concerned or interested in the resolution.

Fomento Resorts and Hotels Limited

The Board, accordingly, recommends passing of the resolution set out in item no. 7.

Item No. 8

The Board of Directors of the Company in its meeting held on 28th July 2008, appointed Shri Reyaz Ratan Mama as an additional Director, pursuant to provision of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company.

Therefore in terms of Section 260 of the Companies Act, 1956, Mr. Reyaz Ratan Mama holds office of Director only upto the forthcoming Annual General Meeting of the Company.

Mr. Reyaz Ratan Mama is a BSC Hons. Graduate from the University of Buckingham, England. He has been awarded a certification in Advanced Operational Analysis from The School of Hotel Administration- Cornell University, USA and has completed the General Manager Program from The school of Hotel Administration- Cornell University, USA and Certified Hotel Administrator CHA from American Hotel & Lodging association. He has a more than twenty years experience in the Hospitality Industry primarily with Pannell Kerr Forster UK and India, Ratan S. Mama & Co. and Ratan Mama Consultants. He is a promoter Director of Choice Hotels India- Master franchisee of Choice Hotels International.

Notice in writing under section 257(1) of the Companies Act, 1956, has been received from a member of the Company proposing the candidature of Mr. Reyaz Ratan Mama for the office of Director along with a deposit of Rs. 500/-.

The Members of the Company are hereby informed of the candidature of Mr. Reyaz Ratan Mama for the office of Director and this be treated as individual notice to the members of the Company in terms of Section 257(1A) of the Companies Act, 1956.

None of the Directors of the Company except Mr. Reyaz Ratan Mama is concerned or interested in the resolution.

The Board, accordingly, recommends passing of the resolution set out in item no. 8.

Item No. 9

The term of Mrs. Anju Timblo, Managing Director has expired on 31st May 2008 and the Board in their meeting held on 30th April 2008 re-appointed her for further terms of five years with effective from 1st June 2008 with suitable revision in the terms of remuneration, as recommended by the remuneration committee and recommended for the approval of the shareholders. Under her stewardship the company has scaled great heights.

By order of the Board of Directors

Sd/
I.B.Muchandi
Company Secretary

Place : Vainguinim Beach, Goa.
Date : 23rd August 2008